

“Sallie, That Feeling is Coming Around”

Chris Grillo

NASDAQ: \$SLM

Current Price: \$27.62 (1/25/2026)

2028 Price Target: \$60

(125% Upside / 30% IRR)

Base Case: ~2.9x Reward:Risk

A Rockstar CEO?

Kate Hudson



Natalie Portman



Jon Witter



SLM – Company Overview

Sallie Mae is the leading private provider of higher education loans. The Company manages ~\$28B in AUM and has a market cap of ~\$5.8B.

Overview

- **Founded** in 1972; **headquartered** in Newark, DE
- **Products:** The company offers several higher education loan products to both college and graduate students (more below)
- **Scale:** Partner with 2,100 institutions and deep on-campus partnerships with financial aid offices
- **2014 Split from Navient:** Public spin led to public listing of SLM

Key Trading Stats

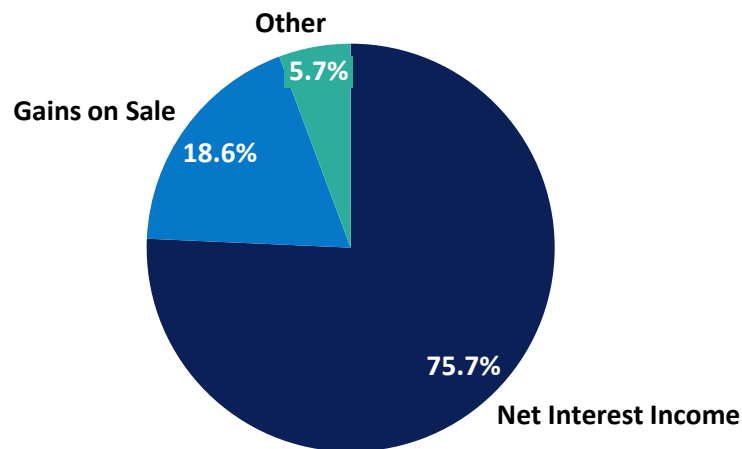
(USD in \$, except for per share data)

Share Price (as of 01/25)	\$27.62
FD Shares Outstanding	207.9
Market Capitalization	\$5,742
Less: Cash	(4,419)
Plus: Debt	6,049
Enterprise Value	\$7,373
52 Week Range	\$23.81-\$34.97
% of 52-Week High	79.0%
Avg Daily Value Traded (Last 3 months)	\$91.1
as a % of Market Cap	1.6%
Dividend Yield	1.88%
Short Interest	5.92%

Higher Ed Loan Products

Loan Products / Payment Plans	Interest-only	Interest-only while in school
	Fixed Payment	Fixed \$25 payments while in school, with principal and interest to be collected primarily upon graduation
	Full Deferral	Fully deferred until after graduation

FY25 Revenue - ~\$2.0B



SLM Transformation Under CEO Jon Witter

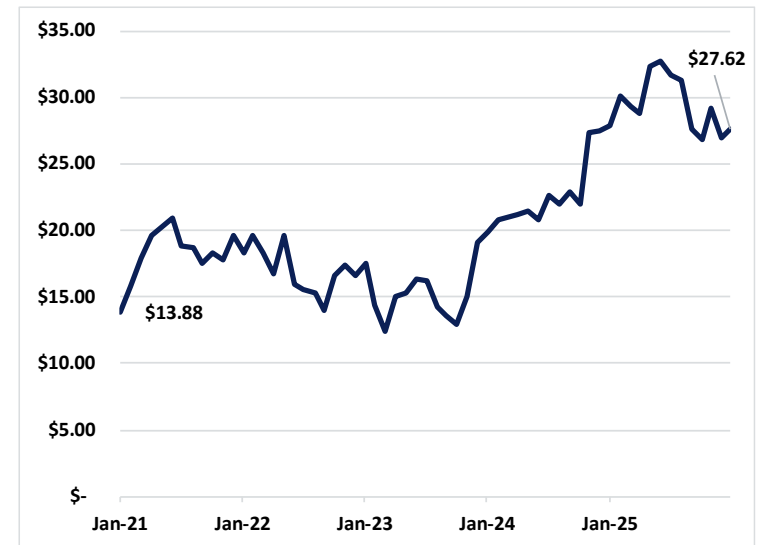
Witter re-invigorated SLM by simplifying operations, prudently capital allocation through buybacks, and strengthened its market position.

Executive Strategy

Evolved Investment Thesis (post CECL phase-in)

- ✓ Meaningful originations expansion
- ✓ Loan sales to support predictable and modest balance sheet growth
- ✓ Steadfast focus on expense management
- ✓ Strengthened risk management capabilities

SLM is up ~98% since 2021



Transformation to A Capital Light, Compounding Machine

Quasi Government Lender



COVID Transition



Capital Light Compounding Machine

Why are We Here: Passage of H.R. 1

Last year, Congress introduced significant reforms to existing student lending programs managed by the Department of Education.

Summary of Legislative Changes (SLM Investor Materials)

Key Provisions

Eliminates Grad PLUS Loans and Expands Unsubsidized Stafford Loans for Professional Graduate Students

- Unsubsidized Stafford loans to graduate students remain capped at \$20,500 annually; lowered to \$100,000 aggregate.
- Unsubsidized Stafford loans to professional graduate students raised to \$50,000 annually; \$200,000 aggregate.

Caps Parent PLUS Loans

- Introduces a \$20,000 annual cap; added \$65,000 aggregate (per student).

Leaves Undergraduate Loan Limits at Current Levels

All federal student loan program changes are to be effective for new borrowers beginning July 1, 2026, and will not apply to borrowers who begin borrowing prior to that date.

Grad Plus program
disburses ~\$14B in loan
originations to graduate
students every year

Sallie Mae – Long Investment Thesis

We think Sallie Mae is a financials compounder underappreciated by the Street.

Investment Thesis

1) H.R. 1 Upside

- Analysis & VAR Indicates TAM Upside is closer to \$6B, Rather than \$4.5B-\$5B

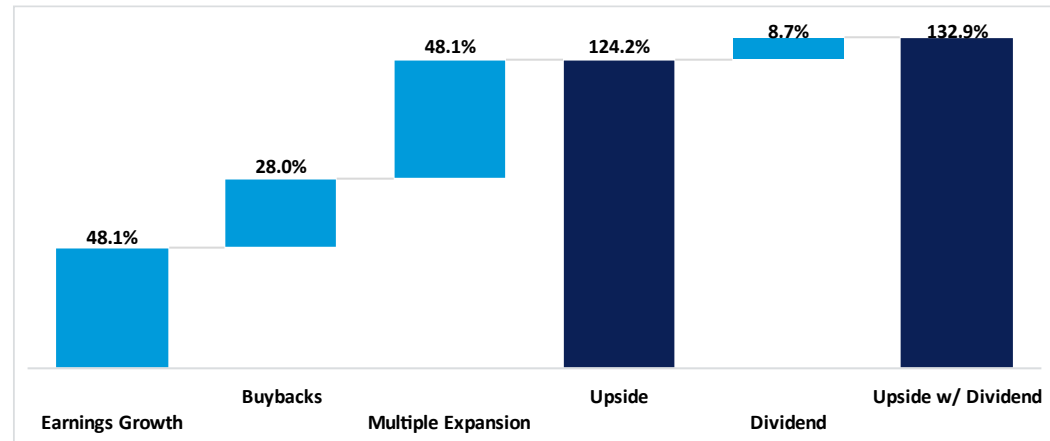
2) DQ Concerns are Overblown

- Investors are Missing the Forest for the Trees

3) KKR Catalyst

- New partnership will unlock continued growth requisite for multiple expansion

Return Bridge



SLM Thesis	Return thru 2028	Pro-Forma IRR %
Earnings Growth	48.1%	12.0%
Buybacks	28.0%	7.0%
Multiple Expansion	48.1%	12.0%
Upside	124.2%	30.9%
Dividend	8.7%	1.7%
Upside w/ Dividend	132.9%	32.5%

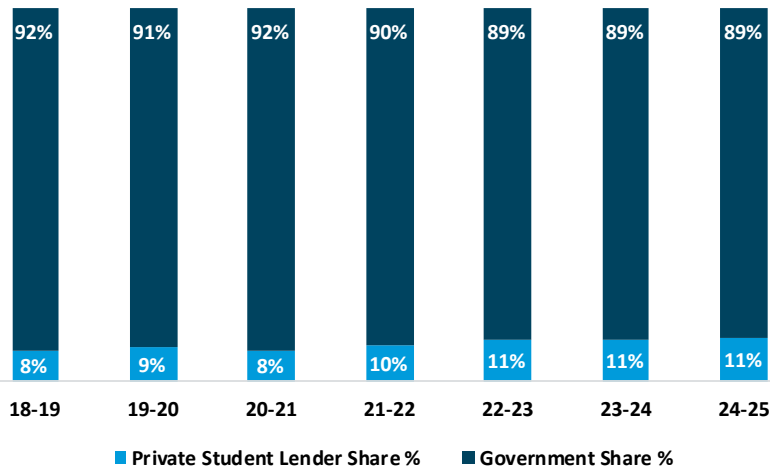
US Government Controls Most Student Lending

~\$100B in higher education student loans are originated every year within the US, mostly via several programs administered by the Federal government.

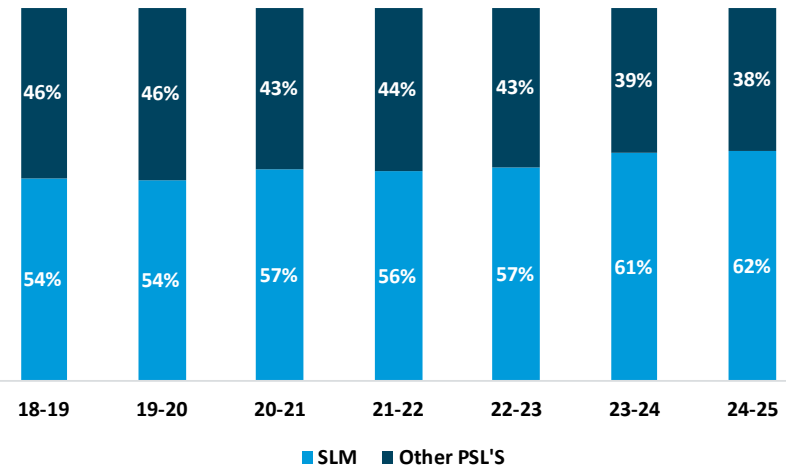
USG Has ~90 Share vs. Private Lenders

Among Private Lenders, SLM Has 60+% Share

Student Lending - USG vs Private Lenders



Student Lending - SLM vs Other Privates



“If you did a poll of 10 borrowers where they went to get there funding, Sallie Mae’s name would be right after the government’s.” – VAR, Former Sellside Analyst

SLM Keeps Growing Market Share vs. Other Private Lenders

Though private student lending on the whole has remained relatively flat, SLM continues to take share from peers.

Analysis – SLM Takes >70% of New Loan Volume

	Academic Year						
	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Total Originations							
SLM	\$5.5	\$5.8	\$5.1	\$5.6	\$6.3	\$6.5	\$7.1
Yoy Growth %		5.5%	(12.1%)	9.8%	12.5%	3.2%	9.2%
vs. Other PSL's	\$4.6	\$4.9	\$4.0	\$4.3	\$4.6	\$4.1	\$4.4
Yoy Growth %		6.5%	(18.4%)	7.5%	7.0%	(10.7%)	7.7%
Total Private Lending Est.	\$10.1	\$10.8	\$9.0	\$10.0	\$11.0	\$10.6	\$11.5
Yoy Growth %		6.5%	(16.5%)	11.3%	10.3%	(3.8%)	8.6%
Mkt Share - SLM vs Peers							
SLM	54.5%	53.9%	56.8%	56.0%	57.1%	61.3%	61.6%
Other PSL'S	45.5%	46.1%	43.2%	44.0%	42.9%	38.7%	38.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
New Loans							
SLM		\$0.3	(\$0.7)	\$0.5	\$0.7	\$0.2	\$0.6
Other Lenders		\$0.3	(\$0.9)	\$0.3	\$0.3	(\$0.5)	\$0.3
Total		\$0.6	(\$1.6)	\$0.8	\$1.0	(\$0.3)	\$0.9
SLM - % of Incremental Loan Share		50.0%	<i>n.m.</i>	62.5%	70.0%	>100%	65.6%
SLM Incr. Share % - Trail. 3 Yr Avg.				56.3%	60.8%	77.5%	78.5%

Major Competitors Have Left

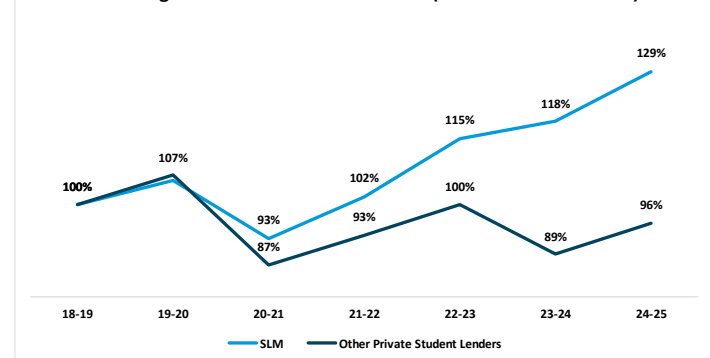
WELLS FARGO

Exited in 2021

DISCOVER

Exited in 2024

PSL Origination Growth - SLM vs Peers (Benchmarked to 100%)



Top Down TAM Expansion Analysis

Top Down Analysis Suggests \$1.0-\$1.5B of Origination Upside, vs. Company Guidance of \$4.75B

Loan Programs - History and Forecast

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Grad Plus	11,216	11,753	12,527	13,273	14,204	14,914	15,660	16,443	17,265	18,128	19,035
Y/Y Growth	4.4%	4.8%	6.6%	6.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Parent Plus	12,535	10,043	10,441	11,258	12,095	12,458	12,832	13,217	13,613	14,021	14,442
Y/Y Growth	(3.4%)	(19.9%)	4.0%	7.8%	7.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total	23,751	21,796	22,968	24,531	26,299	27,372	28,491	29,659	30,878	32,150	33,477
Y/y Growth		(8.2%)	5.4%	6.8%	7.2%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%

SLM Opportunity Forecast

Grad Plus

Total		\$15,660	\$16,443	\$17,265	\$18,128	\$19,035
Conversion Cap %		55.0%	55.0%	55.0%	55.0%	55.0%
Opportunity		\$8,613	\$9,044	\$9,496	\$9,971	\$10,469
Eligibility Handicap %		66.6%	66.6%	66.6%	66.6%	66.6%
Grad Plus Opportunity		\$5,736	\$6,023	\$6,324	\$6,640	\$6,972
SLM Incr. Share %		65.0%	65.0%	65.0%	65.0%	65.0%
Growth Phase-In		12.5%	50.0%	90.0%	100.0%	100.0%
Incremental Grad Plus Loans		\$466	\$1,957	\$3,700	\$4,316	\$4,532

Grad Plus
Primary Driver of Upside

+

Parent Plus

Total		\$12,832	\$13,217	\$13,613	\$14,021	\$14,442
Conversion Cap %		60.0%	60.0%	60.0%	60.0%	60.0%
Opportunity		\$7,699	\$7,930	\$8,168	\$8,413	\$8,665
Eligibility Handicap		25.0%	25.0%	25.0%	25.0%	25.0%
Parent Plus Oppty		\$1,925	\$1,982	\$2,042	\$2,103	\$2,166
SLM Incr. Share %		65.0%	65.0%	65.0%	65.0%	65.0%
Growth Phase-In		15.0%	40.0%	60.0%	100.0%	100.0%
Incremental Grad Plus Loans		\$188	\$515	\$796	\$1,367	\$1,408

Parent Plus
More Conservative

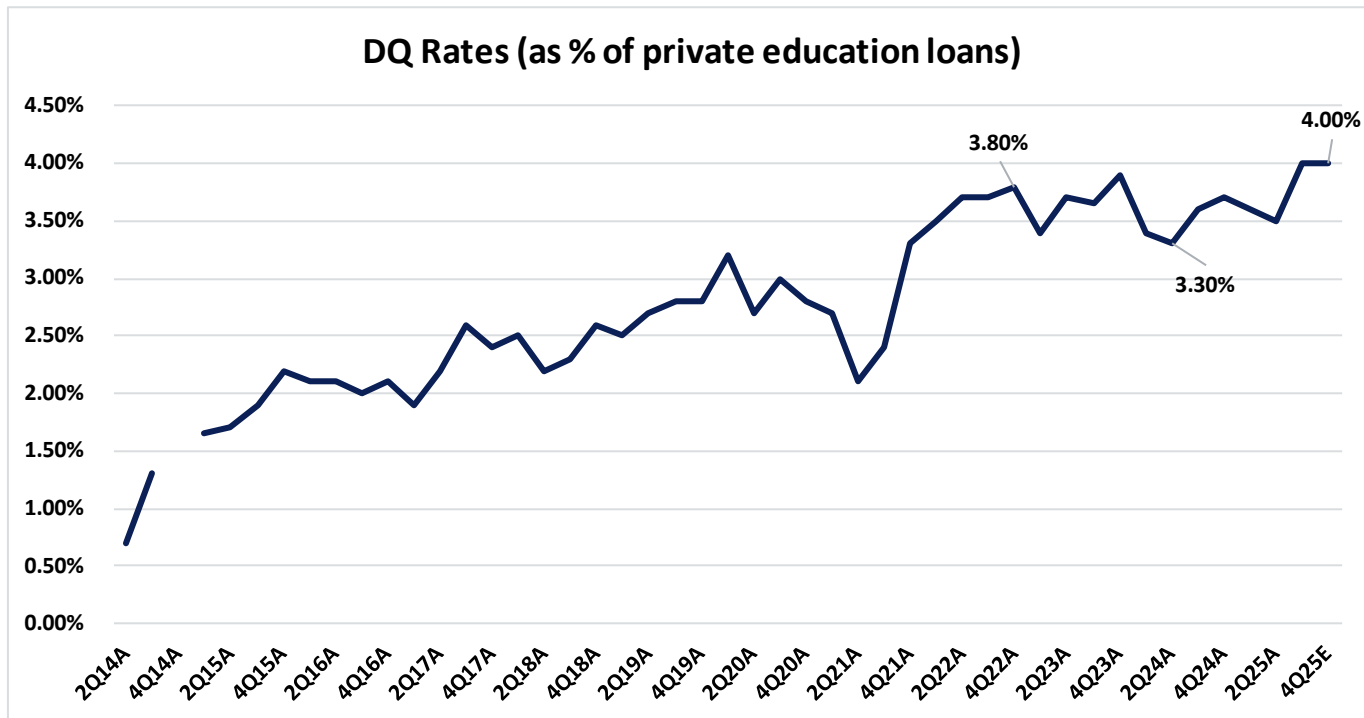
Incremental SLM Loans

		\$654	\$2,473	\$4,496	\$5,683	\$5,940
--	--	-------	---------	---------	---------	---------

Key Controversy: Rising Delinquency Rates

SLM has traded down ~20% from previous highs this summer due to elevated concerns about rising delinquencies.

Delinquency Rates Rising to Cyclical Highs at ~4.00%



The Company's View on Delinquencies

SLM has attributed to the rising delinquency rates to a combination of transitory issues along with one-time policy changes that indicate the controversy may be transitory.

SLM CFO Pete Graham in October 2025

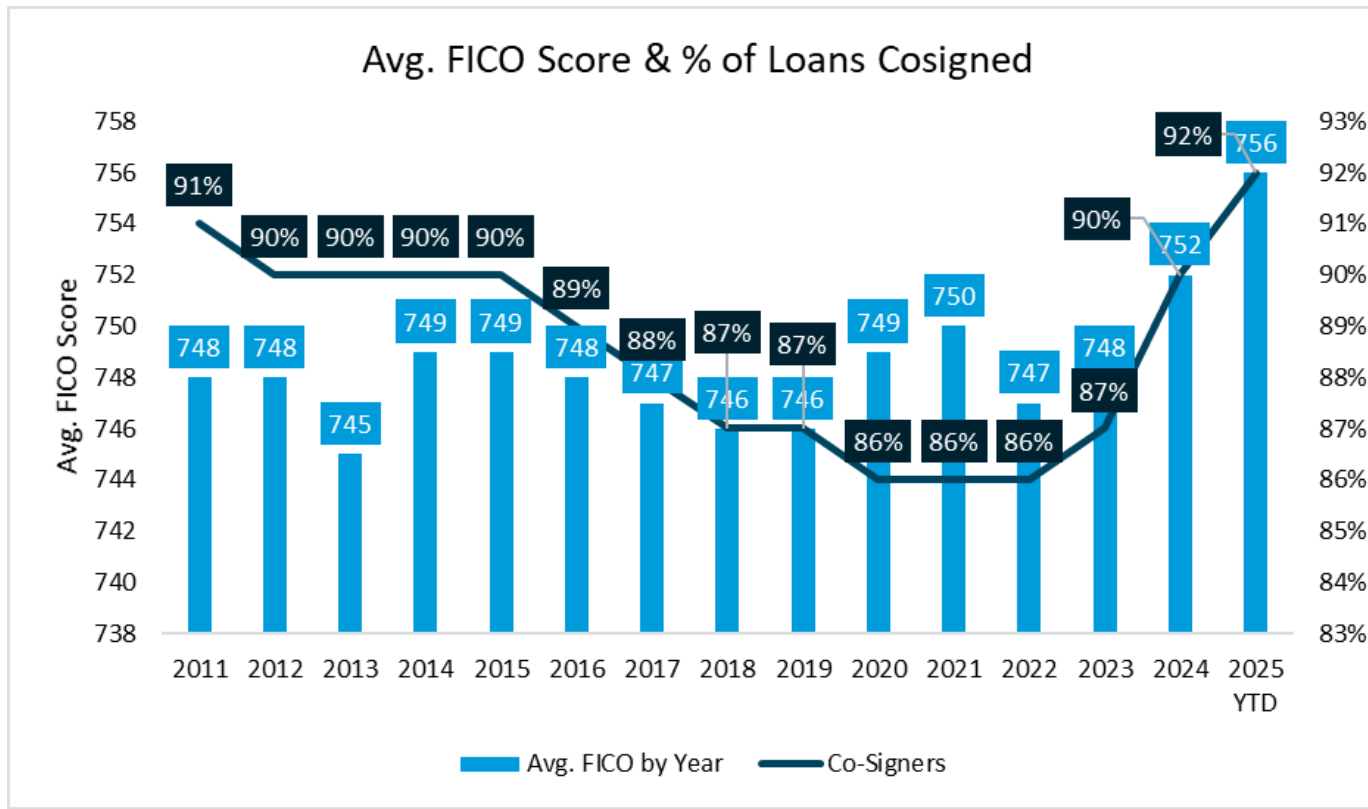
“Specifically, since October of last year, we've restricted loan modifications to those who are at least 60 days delinquent. This change was purposeful based on our observation that many early-stage delinquent borrowers tend to self-cure without intervention. We believe that ~25 basis points of delinquencies this quarter can be attributed to borrowers who would have qualified for a modification prior to entering our reported delinquency buckets under the prior eligibility criteria. Importantly, we've seen stability in our late-stage delinquencies and roll rates.”

- **Without the policy change, the increase in DQ rates would have been lower than FY24's seasonal increase.**
- **Delinquency rates remained flat in Q4 vs Q3, consistent with other personal lending categories, indicating near term stability.**

Borrower Quality – A Narrative Violation

SLM took major steps to improve its underwriting quality during the pandemic. And the quality of the loan book should structurally improve via continued loan sales.

Over 90% of the Loans are Cosigned, And the Average Borrower Has A 750+ Credit Rating

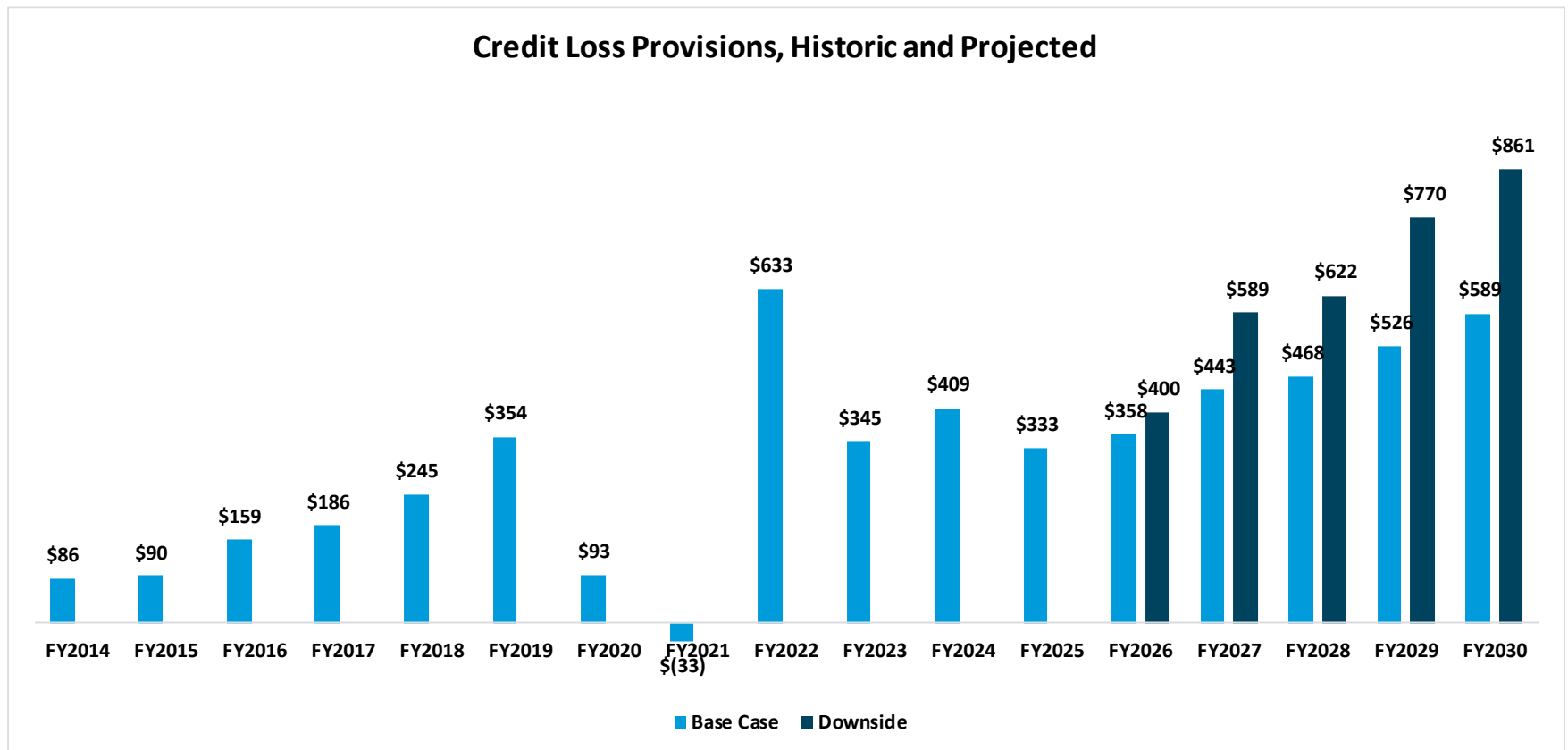


“Actually, I’m surprised the credit quality. Is that sort of like an average FICO?” – Former SLM VP

Margin of Safety in Downside Case

Consensus forecasts delinquency rates stable at ~3.75%, reflected in our base case. Downside sensitivity estimates loss provisions if DQ rates remain elevated at ~5%.

Loss Provision Expenses in Downside Case are ~33-40% Higher than Base Case

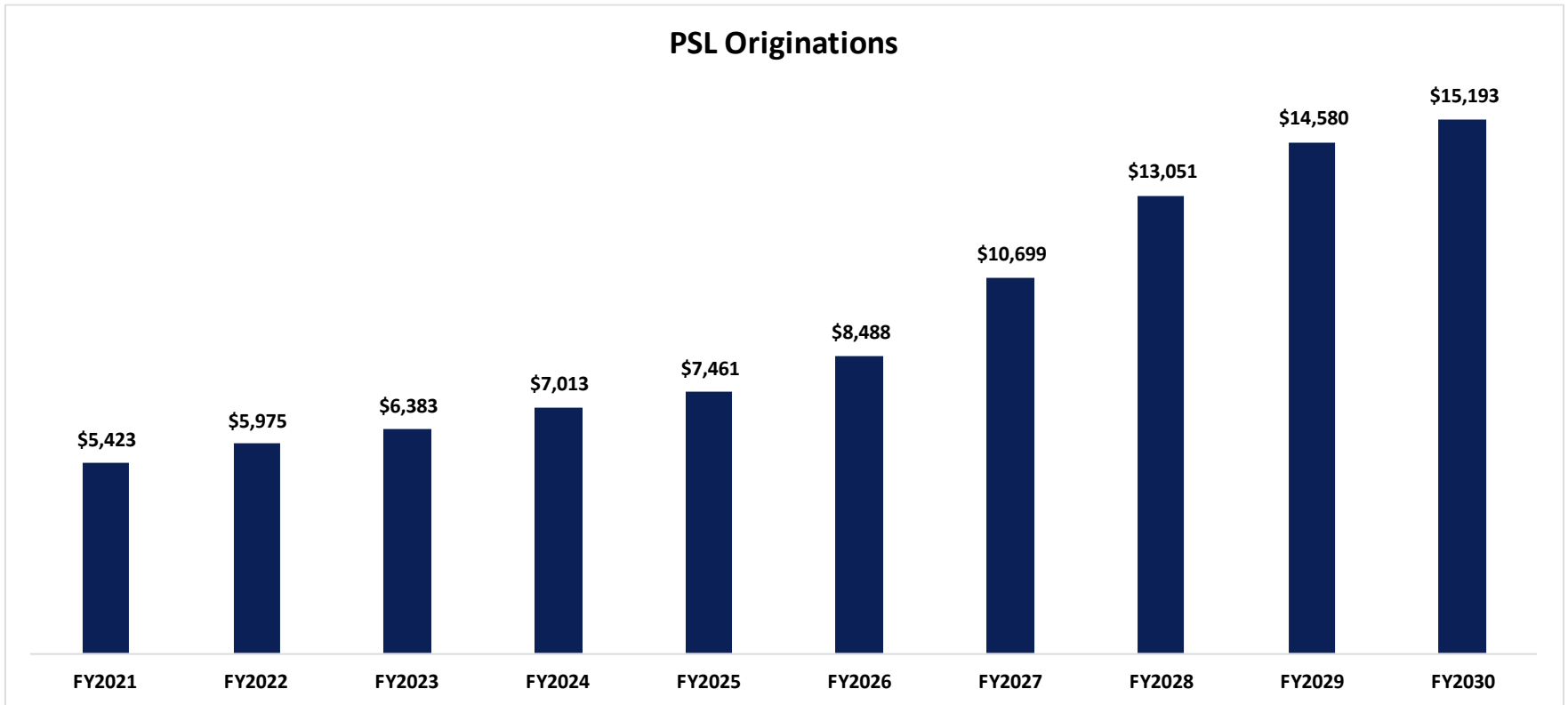


KKR Partnership Catalyst

Forward flows arrangement with KKR will allow the company to pursue loan origination growth.

Loan Originations Were Previously Capped due to Balance Sheet Constraints

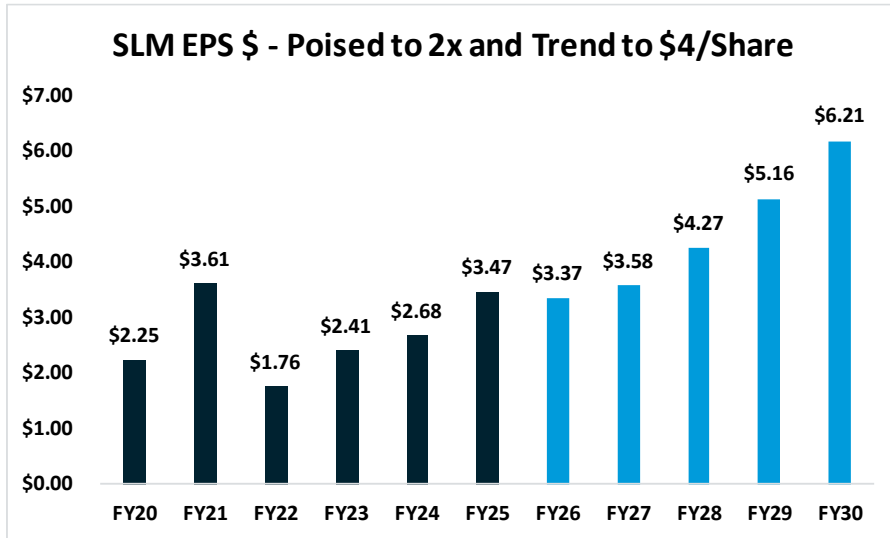
PSL Originations



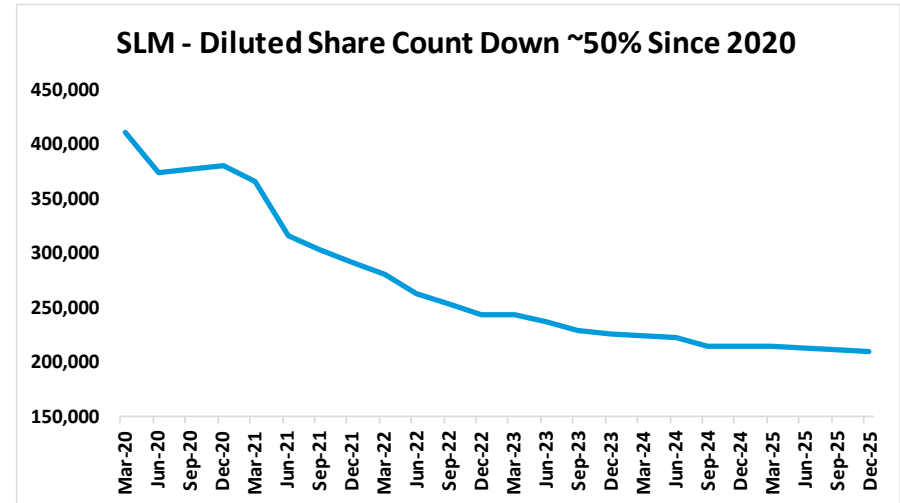
Compounding Resumed

We think the stock is bound for a re-rating given clear path for earnings growth and continued buybacks.

EPS Growth



Consistent Capital Returns



Core ROE's will likely come down from recent levels in the mid to high 30's range due to new economics from KKR partnership. However, we project that ROE'S will remain in the low to mid 20% range.

Valuation - Operating Model

~16% EPS Beat through 2027 Due to Topline Upside

	Actual FYE December 31,				Projected Fiscal Years Ending December 31,				
	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Net Interest Income	\$1,489	\$1,562	\$1,481	\$1,502	\$1,552	\$1,607	\$1,748	\$1,957	\$2,193
<i>y / y growth</i>		4.9%	(5.2%)	1.4%	3.3%	3.6%	8.8%	12.0%	12.0%
Consensus					\$1,530	\$1,592	n/a	n/a	n/a
NIM Margin	5.31%	5.50%	5.19%	5.13%	5.22%	5.32%	5.34%	5.32%	5.33%
Consensus					5.20%	5.30%	n/a	n/a	n/a
Revenue	\$1,823	\$1,809	\$1,849	\$1,984	\$1,986	\$2,122	\$2,314	\$2,573	\$2,855
<i>y / y growth</i>		(0.8%)	2.2%	7.3%	0.1%	6.8%	9.1%	11.2%	11.0%
Consensus					\$1,931	\$2,079	n/a	n/a	n/a
Credit Provision	\$633	\$345	\$409	\$333	\$358	\$443	\$468	\$526	\$589
<i>y / y growth</i>		(45.5%)	18.3%	(18.6%)	7.7%	23.7%	5.6%	12.5%	11.9%
Consensus					\$398	\$492	n/a	n/a	n/a
Net Income	\$460	\$564	\$590	\$666	\$677	\$686	\$782	\$904	\$1,039
<i>y / y growth</i>		22.5%	4.7%	12.9%	1.6%	1.4%	14.0%	15.6%	14.9%
Consensus					\$563	\$575	n/a	n/a	n/a
EPS - CFG	\$1.76	\$2.41	\$2.68	\$3.17	\$3.37	\$3.58	\$4.27	\$5.16	\$6.21
<i>y / y growth</i>		36.9%	11.4%	18.1%	6.4%	6.1%	19.3%	21.0%	20.3%
Consensus EPS					\$2.93	\$3.08	n/a	n/a	n/a
Variance to Consensus					15.1%	16.1%			
P / E - CFG - Base Case	15.7x	11.5x	10.3x	8.7x	8.2x	7.7x	6.5x	5.4x	4.5x
P / E Consensus					9.4x	9.0x	n/a	n/a	n/a
Core ROE	26.7%	38.9%	31.7%	30.3%	24.8%	23.2%	21.7%	22.8%	24.1%

Valuation – Multiples Approach

P/E Multiples

P/E Based Valuation

	Bear	Base	Bull
2029E EPS - CFG - Base Case	\$3.20	\$5.16	\$5.66
Normalized Forward Multiple	5.0x	12.0x	13.5x
2028E Value/Share	\$15.98	\$61.92	\$76.36
Upside to Current Price	(42.1%)	124.2%	176.5%
IRR	(16.7%)	30.9%	40.3%
Upside/Downside Ratio		2.9x	4.2x

P/B Multiples

Price to Book Based Valuation

	Bear	Base	Bull
2029E Book Value - CFG	\$3,849	\$4,497	\$4,672
Normalized Forward Multiple	1.33x	3.00x	3.50x
TEV	\$5,119	\$13,490	\$16,351
Less: Debt	(6,049)	(6,049)	(6,049)
Plus: Cash	4,419	4,419	4,419
Equity Value	\$3,489	\$11,860	\$14,720
Shares	208	208	208
2028E Value/Share	\$16.78	\$57.04	\$70.80
Upside to Current Price	(39.2%)	106.5%	156.3%
IRR	(15.3%)	27.3%	36.9%
Upside/Downside Ratio		2.7x	4.0x

Fair P/E Multiple would be ~14x (Bull Case)

P/E Multiple

ROE	22.5%
G	2.5%
COE	8.9%

Appropriate Multiple 13.9x

Fair P/B Multiple would be ~3x (Base Case)

P/B Multiple

%

ROE	22.5%
G	2.5%
COE	8.9%

Appropriate Multiple 3.1x

How Much Do We Make?

Share Price Targets
for SLM over the
next 36 months

\$77

Bull Case

40% IRR



\$62

Base Case

31% IRR

\$15

Bear Case

(19)% IRR



Appendix

VAR Summary

We spoke with several industry experts and SLM partners in preparing this pitch.

Primary Diligence Calls

- SLM - Former SVP of Finance
- Dean of Financial Aid, Columbia Master's Program
- College Planning Advisor and Former SLM Sell Side Analyst
- Former Ombudmsan, FSFA Office, US Department of Education

Former Employee Interviews (via ThirdBridge)

- Former Head of Risk Management Operations, SLM
- Former Head of Quantitative Finance & Strategic Analytics, SLM

Business Plan Support – Base Case P&L Drivers

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Loan Roll-Forward										
Beginning	22,625	21,563	21,087	20,668	20,908	22,654	22,257	23,350	26,046	29,507
Plus New Originations	5,423	5,975	6,383	7,013	7,461	8,488	10,699	13,051	14,580	15,193
Less Loan Sales	(4,165)	(3,245)	(3,073)	(3,693)	(3,500)	(6,000)	(7,000)	(7,500)	(8,000)	(8,500)
Less Paydown	(2,320)	(3,206)	(3,729)	(3,080)	(2,215)	(2,885)	(2,606)	(2,855)	(3,119)	(3,568)
Ending	21,563	21,087	20,668	20,908	22,654	22,257	23,350	26,046	29,507	32,632
Income Statement Drivers										
Private education loans - avg. balance, mm	\$ 20,968.1	\$ 20,576.7	\$ 21,039.7	\$ 21,121.5	\$ 22,654.9	\$ 22,455.3	\$ 22,803.1	\$ 24,697.6	\$ 27,776.5	\$ 31,069.7
<i>Yoy Growth</i>	(6.5%)	(1.9%)	2.2%	0.4%	7.3%	(0.9%)	1.5%	8.3%	12.5%	11.9%
FFELP loans - avg. balance, mm	718.2	662.2	574.2	413.3	-	-	-	-	-	-
Credit Card loans - avg. balance, mm	15.0	28.5	11.1	-	-	-	-	-	-	-
Other loans - avg. balance, mm	-	-	-	-	-	-	-	-	-	-
Total Loans	\$ 21,701.2	\$ 21,267.5	\$ 21,625.0	\$ 21,534.9	\$ 22,655.0	\$ 22,455.3	\$ 22,803.1	\$ 24,697.6	\$ 27,776.6	\$ 31,069.9
Taxable securities- avg. balance, mm	2,142.0	2,509.2	2,543.6	2,316.8	\$ 1,836.41	\$ 2,357.81	\$ 2,394.32	\$ 2,593.24	\$ 2,916.53	\$ 3,262.32
Cash and other short-term investments - avg. balance, mm	5,139.7	4,284.4	4,215.2	4,700.1	4,761.0	4,940.2	5,016.7	5,433.5	6,110.8	6,835.3
Earning Assets	\$ 28,982.9	\$ 28,061.1	\$ 28,383.8	\$ 28,551.8	\$ 29,252.4	\$ 29,753.3	\$ 30,214.1	\$ 32,724.3	\$ 36,804.0	\$ 41,167.5
Private education loans yield, %	8.3%	9.1%	10.9%	10.8%	10.6%	10.4%	10.4%	10.3%	10.2%	10.2%
FFELP loans yield, %	3.4%	4.6%	7.2%	7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit Card loans yield, %	4.7%	5.1%	14.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other loans yield, %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxable securities yield, %	0.7%	1.4%	2.0%	2.7%	3.2%	2.8%	2.5%	2.3%	2.1%	2.1%
Cash and other short-term investments yield, %	0.1%	1.9%	5.1%	5.2%	4.3%	3.8%	3.5%	3.2%	3.2%	3.2%
Brokered deposits - avg. balance, mm	\$ 11,015.2	\$ 9,871.8	\$ 9,803.8	\$ 10,009.2	\$ 8,546.6	\$ 9,825.1	\$ 9,771.3	\$ 10,234.6	\$ 11,844.6	\$ 13,145.9
Retail and other deposits - avg. balance, mm	10,540.2	11,109.7	11,605.2	11,142.8	11,830.7	11,979.7	12,034.1	13,035.3	14,710.6	16,418.7
Other interest-bearing liabilities - avg. balance, mm	5,390.1	5,517.5	5,366.4	5,616.4	6,362.7	6,009.3	6,193.3	6,751.5	7,525.9	8,449.0
Total Interest Bearing Liabilities	\$ 26,945.4	\$ 26,499.0	\$ 26,775.4	\$ 26,768.5	\$ 26,740.1	\$ 27,814.0	\$ 27,998.7	\$ 30,021.4	\$ 34,081.0	\$ 38,013.7

Business Plan Support – Base Case P&L

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Income Statement										
Interest Income										
Loans	\$ 1,756.9	\$ 1,914.6	\$ 2,327.7	\$ 2,314.4	\$ 2,392.4	\$ 2,335.4	\$ 2,360.1	\$ 2,543.8	\$ 2,833.2	\$ 3,169.1
Investments	13.9	35.3	50.8	61.4	58.8	66.0	59.9	58.3	61.2	68.5
Cash and cash equivalents	6.0	81.7	213.8	243.2	176.0	185.3	175.6	173.9	195.5	218.7
Interest Income Subtotal	\$ 1,776.8	\$ 2,031.6	\$ 2,592.3	\$ 2,619.0	\$ 2,627.2	\$ 2,586.6	\$ 2,595.6	\$ 2,776.1	\$ 3,090.0	\$ 3,456.4
Deposits	225.4	368.9	808.1	881.5	808.8	771.2	729.9	760.9	842.8	938.2
Interest expense on short-term borrowings	18.9	12.0	13.5	13.8	11.4	17.4	16.4	17.2	18.8	21.0
Interest expense on long-term borrowings	137.8	161.9	208.5	243.0	305.2	246.4	242.2	249.8	270.9	304.2
Other interest expense	-	-	-	-	-	-	-	-	-	-
Interest Expense	\$ 382.1	\$ 542.8	\$ 1,030.1	\$ 1,138.3	\$ 1,125.4	\$ 1,034.9	\$ 988.4	\$ 1,027.9	\$ 1,132.5	\$ 1,263.4
Net Interest Income	\$ 1,394.8	\$ 1,488.8	\$ 1,562.2	\$ 1,480.8	\$ 1,501.7	\$ 1,551.7	\$ 1,607.1	\$ 1,748.1	\$ 1,957.5	\$ 2,193.0
Net Interest Margin	4.81%	5.31%	5.50%	5.19%	5.13%	5.22%	5.32%	5.34%	5.32%	5.33%
Gains on sales of loans, net	548.3	327.8	160.3	254.9	368.9	300.0	367.5	412.5	440.0	467.5
Gains (losses) on sales of securities, net	-	(60.3)	2.7	0.5	(9.8)	-	-	-	-	-
Gains (losses) on derivatives and hedging activities, net	0.1	(0.0)	-	-	-	-	-	-	-	-
Other income	84.0	67.2	84.1	112.9	123.5	134.2	147.1	153.5	175.8	195.0
Noninterest Income	\$ 632.4	\$ 334.6	\$ 247.1	\$ 368.3	\$ 482.6	\$ 434.2	\$ 514.6	\$ 566.0	\$ 615.8	\$ 662.5
Interest Income	1,394.8	1,488.8	1,562.2	1,480.8	1,501.7	1,551.7	1,607.1	1,748.1	1,957.5	2,193.0
Noninterest Income	632.4	334.6	247.1	368.3	482.6	434.2	514.6	566.0	615.8	662.5
Total Revenue	\$ 2,027.2	\$ 1,823.4	\$ 1,809.3	\$ 1,849.1	\$ 1,984.3	\$ 1,985.9	\$ 2,121.7	\$ 2,314.1	\$ 2,573.2	\$ 2,855.4
Provisions for Credit Losses	(33.0)	633.5	345.5	408.5	332.7	358.2	443.1	468.0	526.3	588.7
Payroll and Compensation	258.3	270.4	326.6	349.4	345.8	363.1	381.3	400.3	420.3	441.4
Other Opex	260.3	281.1	292.7	287.2	309.8	340.7	357.8	375.7	394.5	414.2
One-Time Charges	1.3	7.8	66.4	5.3	3.6	5.0	5.0	5.0	5.0	5.0
SG&A Subtotal	\$ 519.9	\$ 559.2	\$ 685.6	\$ 641.9	\$ 659.1	\$ 708.9	\$ 744.0	\$ 781.0	\$ 819.8	\$ 860.5
Expense Ratio	26%	31%	38%	35%	33%	36%	35%	34%	32%	30%
EBT	\$ 1,540.3	\$ 630.7	\$ 778.3	\$ 798.6	\$ 992.5	\$ 918.8	\$ 934.6	\$ 1,065.1	\$ 1,227.1	\$ 1,406.1
Taxes	379.8	161.7	196.9	190.3	247.7	227.0	230.9	263.2	303.2	347.5
Net Income	\$ 1,160.5	\$ 469.0	\$ 581.4	\$ 608.3	\$ 744.8	\$ 691.8	\$ 703.6	\$ 801.9	\$ 923.9	\$ 1,058.7
Preferred Dividends	4.7	9.0	17.7	18.3	15.7	15.0	17.5	20.0	20.0	20.0
Net Income Attributable to SLM Common Equity	\$ 1,155.8	\$ 460.0	\$ 563.7	\$ 590.0	\$ 729.0	\$ 676.8	\$ 686.1	\$ 781.9	\$ 903.9	\$ 1,038.7
# of Shares	319.9	261.5	234.1	219.9	210.1	200.8	191.8	183.3	175.2	167.4
Earnings Per Share	\$ 3.61	\$ 1.76	\$ 2.41	\$ 2.68	\$ 3.47	\$ 3.37	\$ 3.58	\$ 4.27	\$ 5.16	\$ 6.21

Valuation – DCF Summary

5 year DCF indicates that SLM trades at a significant discount to intrinsic value.

5 Year Base Case DCF Indicates Fair Value of ~\$50/Share

A Terminal Multiple (Price to Earnings)
Discount Rate

10.0x
8.5%

Years	1	2	3	4	5
	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>	<u>2030E</u>
B Net Income	\$677	\$686	\$782	\$904	\$1,039
C CET1 Equity Contribution - Target	40%	40%	40%	40%	40%
D = B * (1-C) Net Income Distributable to Shareholders	\$406	\$412	\$469	\$542	\$623
E = A * B Terminal Value (Price/Earnings Coupon)					10,387
F = D + E Unlevered FCF + Terminal Value	\$1,083	\$1,098	\$1,251	\$1,447	\$12,049
Discount Factor	0.92x	0.85x	0.78x	0.72x	0.67x
Discounted Value	\$998	\$933	\$980	\$1,044	\$8,013

Memo: CET1 Equity Contribution

\$ 271 \$ 274 \$ 313 \$ 362 \$ 415

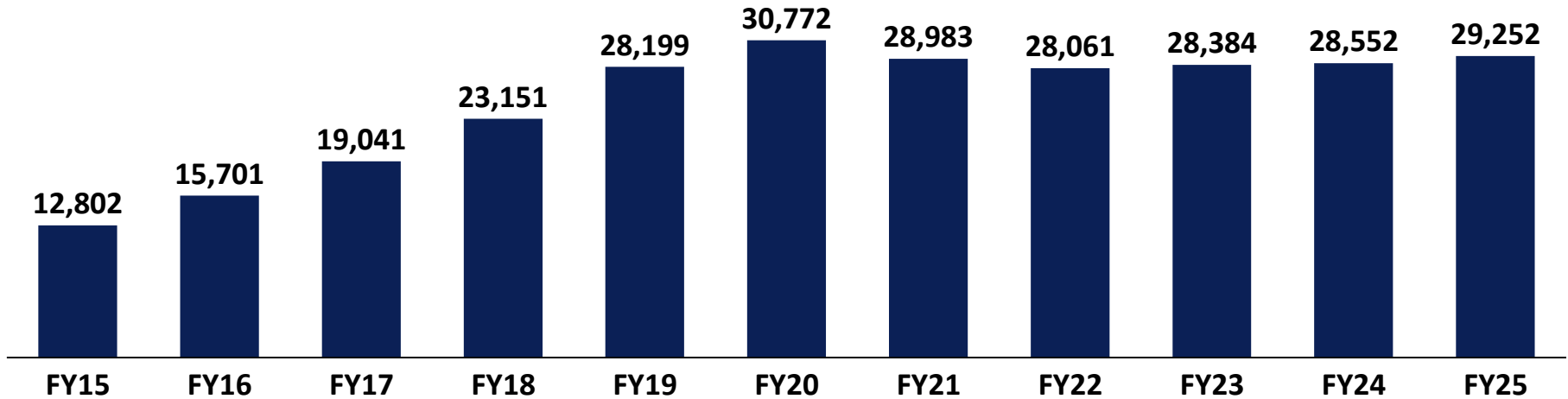
TEV	\$11,968
Less: Debt	(6,049)
Plus: Cash	4,419
Total Equity Value	\$10,337
Shares	207.9
Value/Share	\$49.72
Current Price	\$27.62
Discount/(Premium) to Intrinsic Value	80%

VALUE/SHARE SENSITIVITY

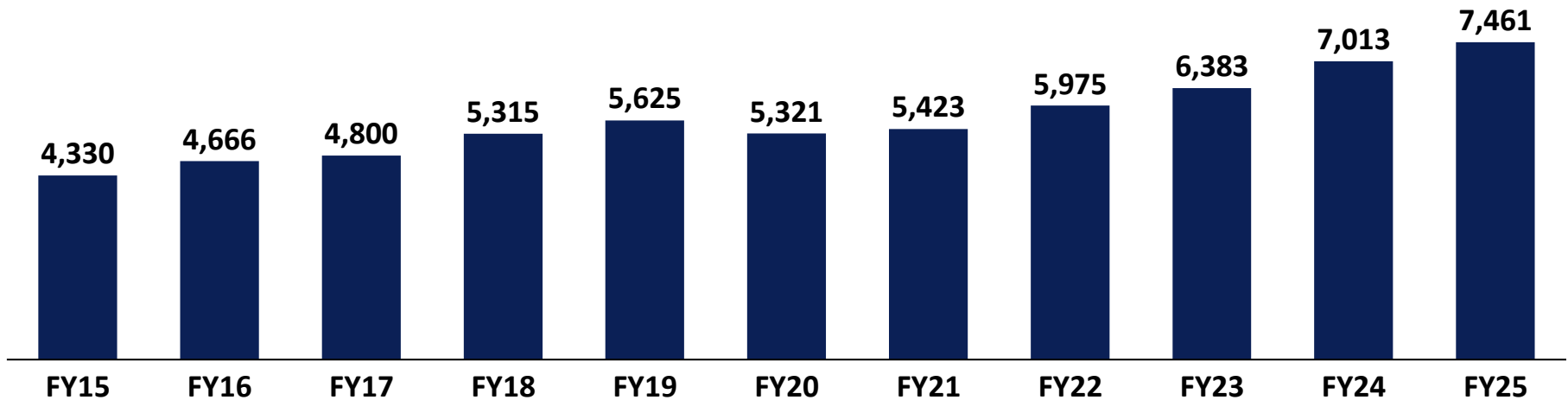
		Terminal Multiple		
		8.0x	10.0x	12.0x
Discount Rate	7.0%	\$46.06	\$53.18	\$60.31
	8.5%	\$43.08	\$49.72	\$56.37
	10.0%	\$40.31	\$46.52	\$52.72

Historic AUM and Loan Origination Trends

Average Assets Under Management, \$ in MM



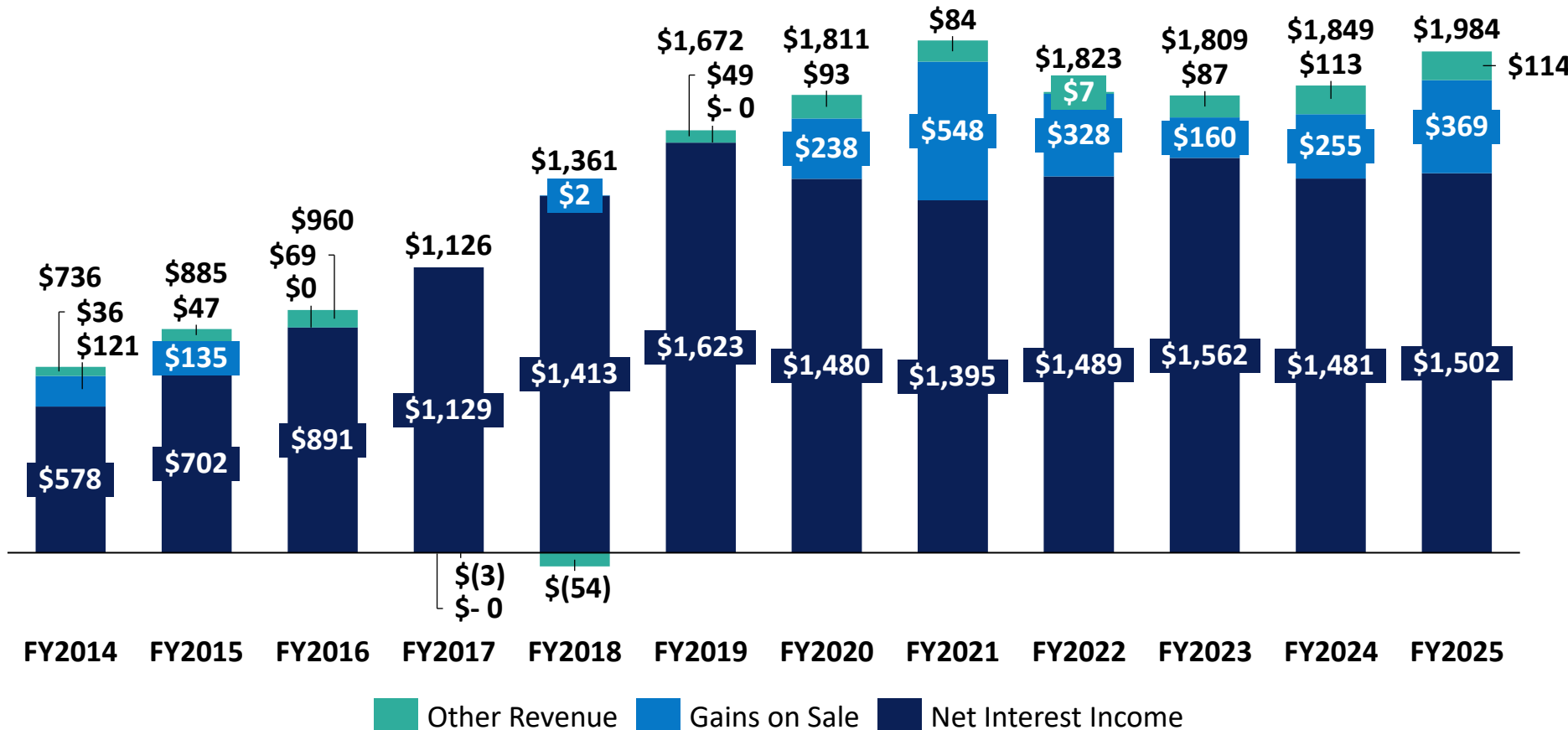
Loan Originations



Historical Revenue Detail – By Revenue Stream

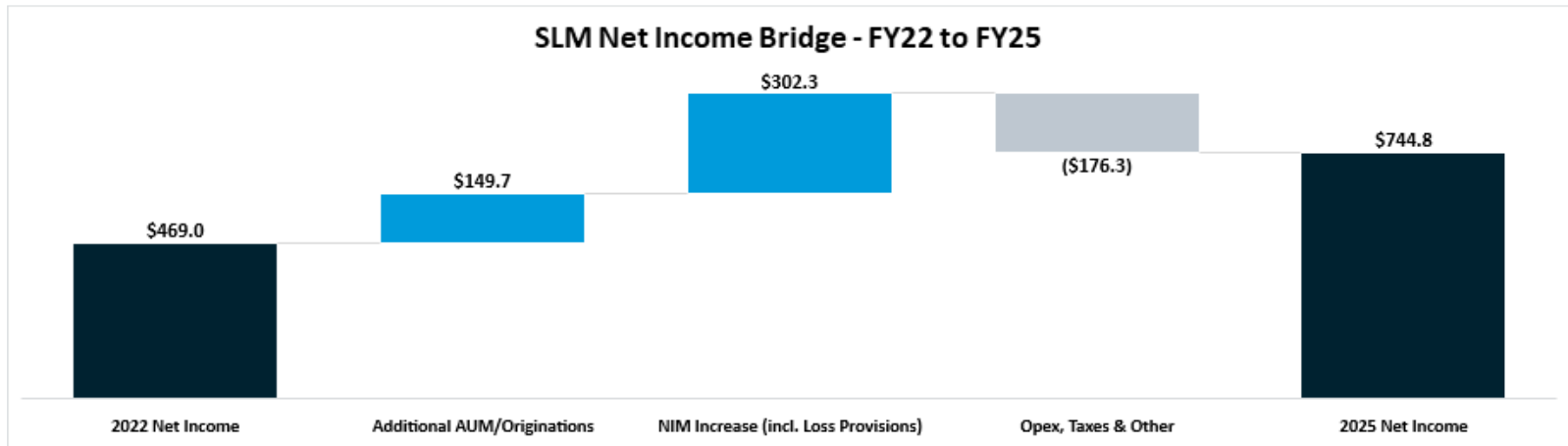
~75% of revenue comes from net interest income, though SLM also generates around \$300mm/year from the gains on loans sold.

SLM Generated ~\$2.0B of Revenue in 2025, Split 75/25 between NIM and Gains on Loans Sold

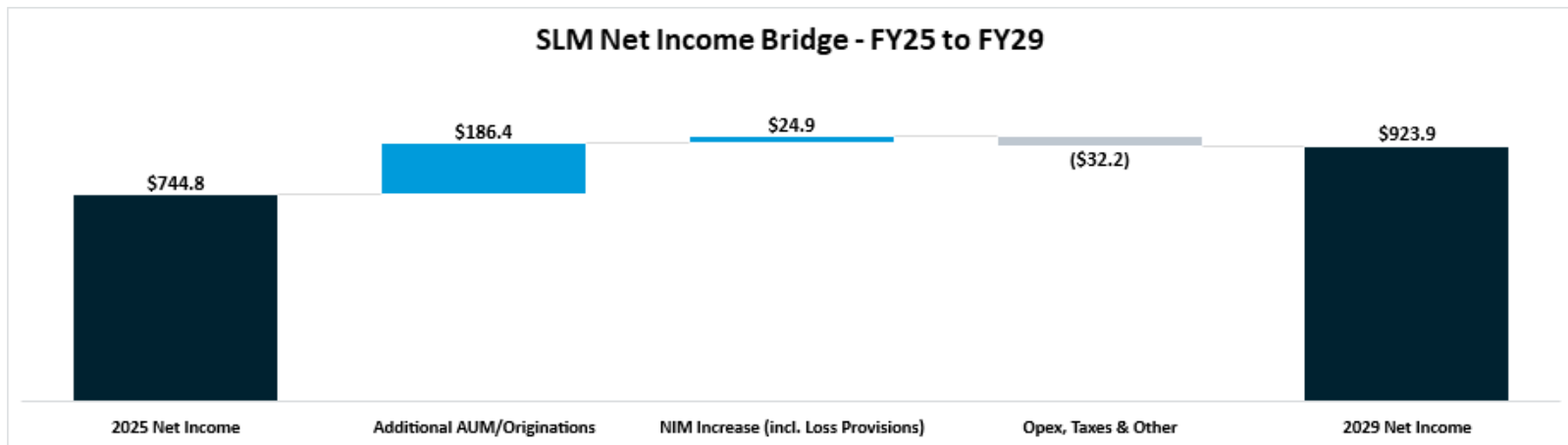


Net Income Bridging – Historic and Forecast

Historic Net Income Bridging

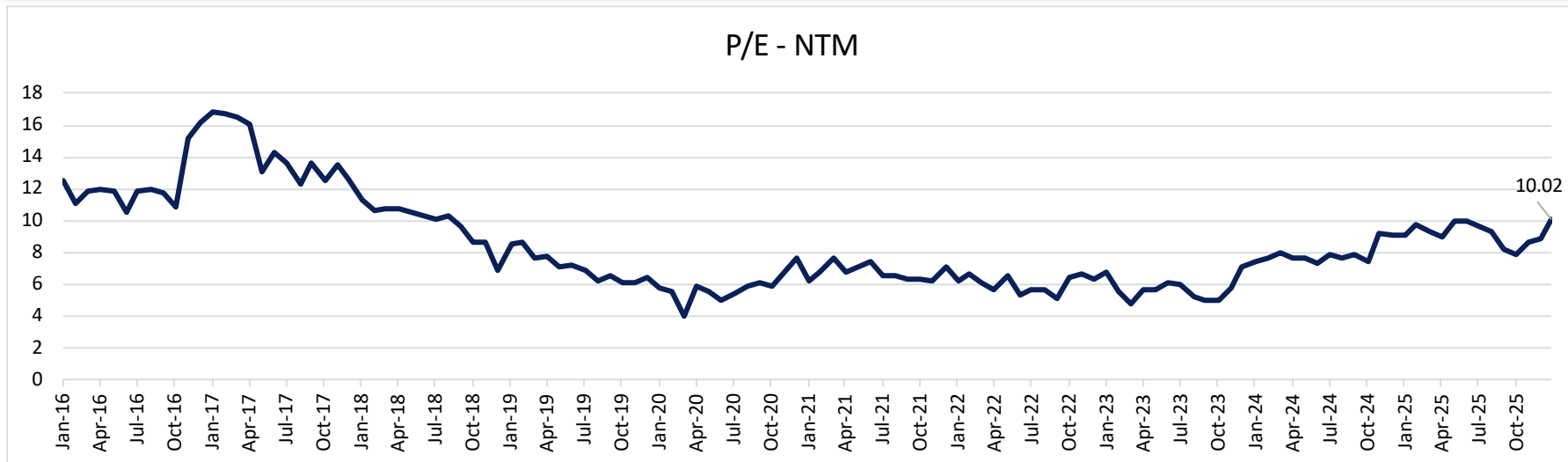


Projected Net Income Bridging

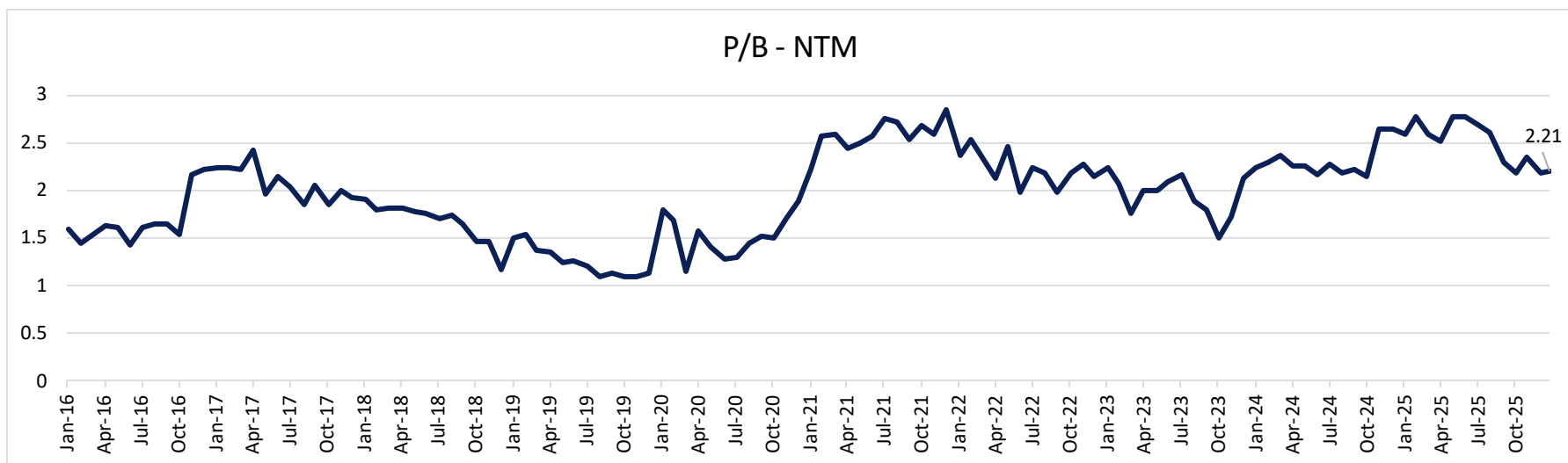


SLM Trading History

Average P/E since 2016 is 8.5x, though SLM currently trades at ~10x earnings



Average P/B since 2016 is 1.98x, though SLM currently trades at ~2.21x



SLM Comps Table – Per Bloomberg

SLM trades in line with closest industry peers shown below, but we think current multiple is cheap due to its market leading position.

Analysis of SLM US Multiples - Premium to Comps										3M	6M	1Y	2Y	5Y
Current vs 5Y Average Historical Premium						5Y Historical Premium Range			Implied @ Hist Avg					
Metric	Current	Hist Avg	Diff	# SD	3M Trend	Low	Range	High	Multiple	Price (USD)				
<div style="display: flex; justify-content: space-between; align-items: center;"> Current Price ● Current ◆ Hist Avg 27.04 </div>														
1) BF P/E	-6%	-15%	9%	0.8		-41%		11%	8.4x	24.54				
2) FY1 P/E	-16%	-23%	7%	0.6		-49%		5%	8.5x	27.93				
3) FY2 P/E	4%	-11%	16%	1.3		-37%		14%	7.7x	22.28				
4) LF P/BV	37%	63%	-26%	-1.3		9%		103%	3.1x	32.22				
View All Comps Below														
Summary of Current Multiples														
Name	2Y Corr	Mkt Cap (USD)	BF P/E	FY1 P/E	FY2 P/E	LF P/BV								
11) SLM Corp		5.49B	9.3x	9.3x	9.0x	2.6x								
Current Premium to Comps Mean			-6%	-16%	4%	37%								
Mean (Including SLM US)		3.21B	9.9x	11.0x	8.6x	1.9x								
12) Navient Corp	0.67	1.21B	10.3x	10.4x	8.8x	0.5x								
13) OneMain Holdings Inc	0.67	7.87B	8.2x	8.3x	6.8x	2.3x								
14) Enova International Inc	0.62	3.97B	11.0x	11.1x	9.0x	3.1x								
15) LendingClub Corp	0.49	2.30B	11.7x	11.9x	8.7x	1.6x								
16) Nelnet Inc	0.46	4.89B	15.4x	15.4x	14.5x	1.3x								
17) World Acceptance Corp	0.46	718.23M	10.5x	16.8x	9.6x	2.0x								
18) Upstart Holdings Inc	0.35	4.52B	19.5x	19.6x	16.1x	6.1x								
19) NerdWallet Inc	0.34	940.18M	13.7x	13.8x	11.4x	2.4x								
20) Dave Inc	0.31	2.52B	14.3x	14.4x	11.9x	113.4x								
21) OppFi Inc	0.27	861.79M	5.7x	5.7x	6.6x	17.4x								

SLM – Top Holders

Value oriented firms including Impactive, Brave Warrior, and Boston Partners own ~13% of SLM.

Top Shareholders as of 01/24

Search									
Institutions (Count: 567) / Insiders (Count: 24)	%OS ↓	Position (000)	Pos Chg (000) [Rece...	Mkt Val (MM)	% Port	Activism	Report Date	Source	
Total	112.24	227,893	5,107	6,085	-	-	-	-	-
The Vanguard Group, Inc.	11.26	22,859	-1,928	610	0.01	Very Low	09/30/2025	13F Form	
BlackRock Fund Advisors	8.41	17,084	-239	456	0.01	Medium	09/30/2025	13F Form	
Fidelity Management & Research Co. LLC	7.45	15,120	95	404	0.01	Very Low	09/30/2025	13F Form	
Barrow, Hanley, Mewhinney & Strauss LLC	7.12	14,460	356	386	1.04	Low	09/30/2025	13F Form	
Brave Warrior Advisors LLC	5.74	11,659	1,119	311	6.89	Low	09/30/2025	13F Form	
Capital Research & Management Co. (Global Investors)	5.00	10,161	1,850	271	0.04	Very Low	09/30/2025	13F Form	
Boston Partners Global Investors, Inc.	4.19	8,517	-2,559	227	0.20	Very Low	09/30/2025	13F Form	
Impactive Capital LP	3.56	7,225	-805	193	9.70	Very High	09/30/2025	13F Form	
Massachusetts Financial Services Co.	3.28	6,652	669	178	0.04	Very Low	12/31/2025	13F Form	
SSgA Funds Management, Inc.	3.26	6,613	-261	177	0.01	Very Low	09/30/2025	13F Form	
American Century Investment Management, Inc.	2.59	5,268	-82	141	0.05	Very Low	09/30/2025	13F Form	
Dimensional Fund Advisors LP	2.47	5,016	229	134	0.02	Very Low	09/30/2025	13F Form	
Geode Capital Management LLC	1.95	3,968	134	106	0.01	Very Low	09/30/2025	13F Form	
Royal London Asset Management Ltd.	1.90	3,863	271	103	0.07	Medium	09/30/2025	13F Form	
FIAM LLC	1.83	3,712	200	99	0.04	Very Low	09/30/2025	13F Form	
Hotchkis & Wiley Capital Management LLC	1.78	3,609	1,287	96	0.26	Medium	09/30/2025	13F Form	
T. Rowe Price Associates, Inc. (IM)	1.35	2,745	2,062	73	0.01	Medium	09/30/2025	13F Form	
Norges Bank Investment Management	1.32	2,686	199	72	0.00	Medium	06/30/2025	13F Form	
Northern Trust Investments, Inc.(Investment Management)	1.10	2,243	-56	60	0.01	Very Low	09/30/2025	13F Form	
Pacific Investment Management Co. LLC	1.05	2,124	0	57	0.01	Low	09/30/2025	13F Form	
Millennium Management LLC	0.93	1,884	1,056	50	0.04	Medium	09/30/2025	13F Form	
First Trust Advisors LP	0.92	1,860	-1,638	50	0.03	High	09/30/2025	13F Form	
M. D. Sass LLC	0.85	1,730	581	46	3.42	Very Low	09/30/2025	13F Form	
Charles Schwab Investment Management, Inc.	0.84	1,711	82	46	0.00	Very Low	09/30/2025	13F Form	
Parametric Portfolio Associates LLC	0.76	1,551	-122	41	0.01	Very Low	09/30/2025	13F Form	
Invesco Capital Management LLC	0.76	1,549	213	41	0.01	Very Low	09/30/2025	13F Form	
Managed Account Advisors LLC	0.71	1,443	582	39	0.01	Very Low	09/30/2025	13F Form	
Polaris Capital Management LLC	0.70	1,411	-49	38	0.71	Very Low	09/30/2025	13F Form	
Mellon Investments Corp.	0.68	1,372	-50	37	0.01	Very Low	09/30/2025	13F Form	
ABN AMRO Bank NV (Private Banking)	0.67	1,359	-36	36	0.36	Very Low	09/30/2025	13F Form	
Pertento Partners LLP	0.66	1,338	73	36	3.97	Very Low	09/30/2025	13F Form	
Voya Investment Management Co. LLC	0.66	1,332	-162	36	0.02	Very Low	09/30/2025	13F Form	
UBS Securities LLC	0.60	1,227	575	33	0.01	Very Low	09/30/2025	13F Form	
Vanguard Fiduciary Trust Co.	0.59	1,199	1,168	32	0.01	Very Low	09/30/2025	13F Form	
Jane Street Capital LLC	0.59	1,195	633	32	0.03	Very Low	09/30/2025	13F Form	
WITTER JONATHAN W	0.57	1,159	-414	31	100.00	-	05/02/2025	Form 4 Chgs Ben Ownership	
WEDGE Capital Management LLP	0.56	1,129	-146	30	0.52	Very Low	12/31/2025	13F Form	
Russell Investment Management LLC	0.54	1,088	89	29	0.02	Very Low	09/30/2025	13F Form	

Management Bio's

Current CEO Witter has largely restructured executive team, drawing on industry experience and former tenure at Capital One.

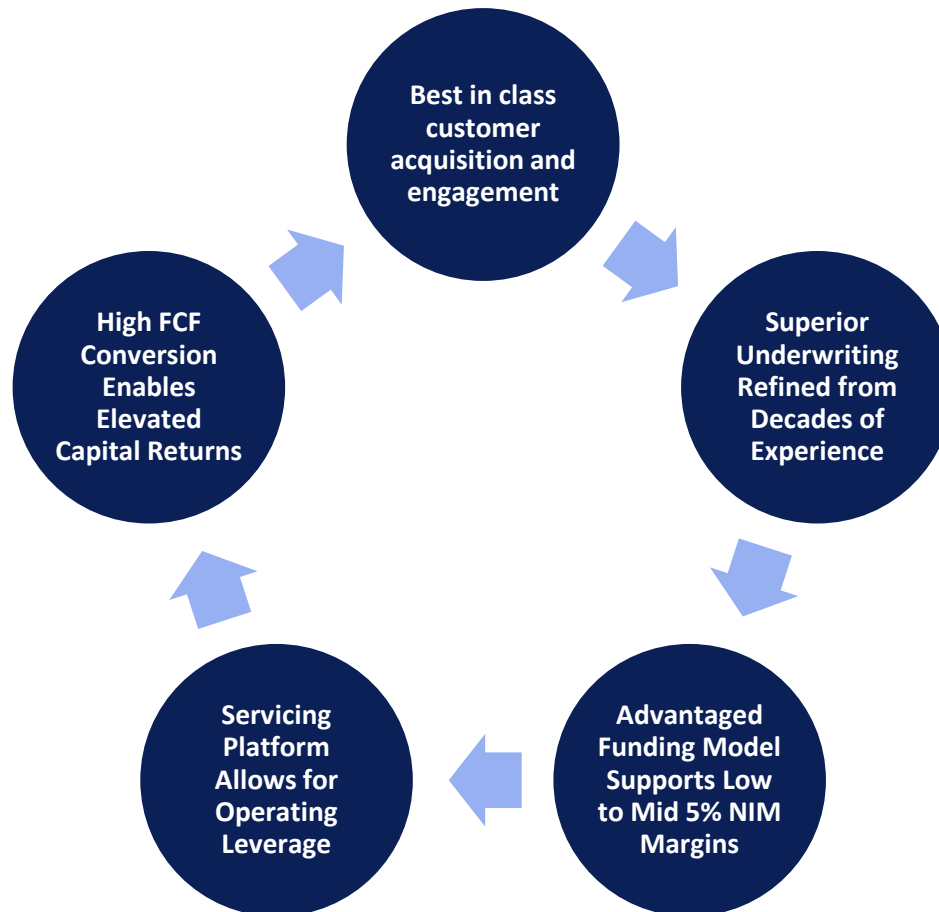
Name	Position	Tenure (Years)	Background
Jon Witter	Chief Executive Officer	5	<ul style="list-style-type: none">Previously Chief Customer Officer at Hilton and President of Retail Banking at Capital One.
Pete Graham	Chief Financial Officer	2	<ul style="list-style-type: none">Previously CFO of PRA Group and a finance executive at GE Capital.
Kerri Palmer	Chief Operating Officer	5	<ul style="list-style-type: none">Hired as Chief Risk and Compliance Officer in 2021, promoted to current role in 2023. Previously SVP of Risk Management at Capital One.
Nicholas Jafarieh	Chief Legal & Communications Officer	17	<ul style="list-style-type: none">Joined Sallie Mae in 2008, has been in current role since 2018.
Munish Pawa	Chief Risk Officer	5	<ul style="list-style-type: none">Hired as Chief Credit Risk Officer in 2021, held similar roles at Bank of America and other institutions.

Chief Commercial Officer is currently open upon the departure of Donna Viera in 2025.

DURABLE COMPETITIVE ADVANTAGE

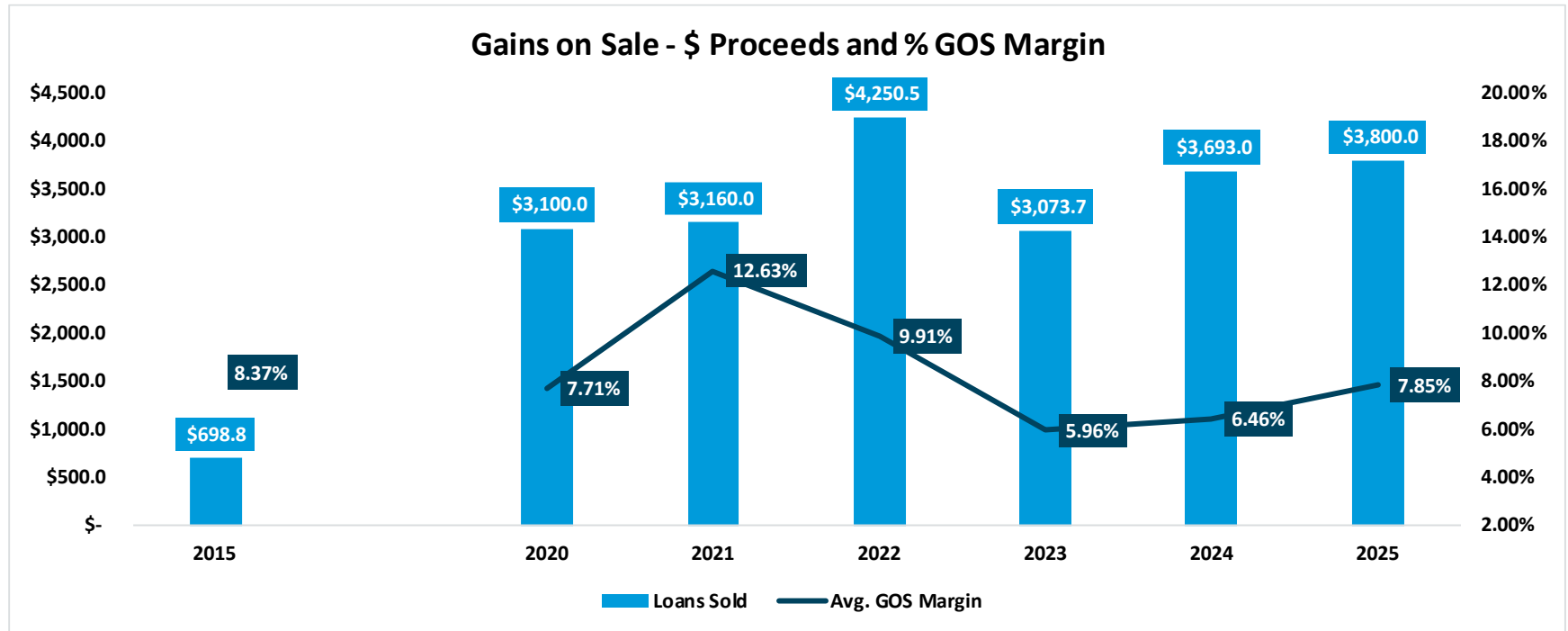
Sallie Mae is structurally advantaged due to its scale and underwriting model.

Competitive Advantages Empower Profitable Operations and High Capital Returns



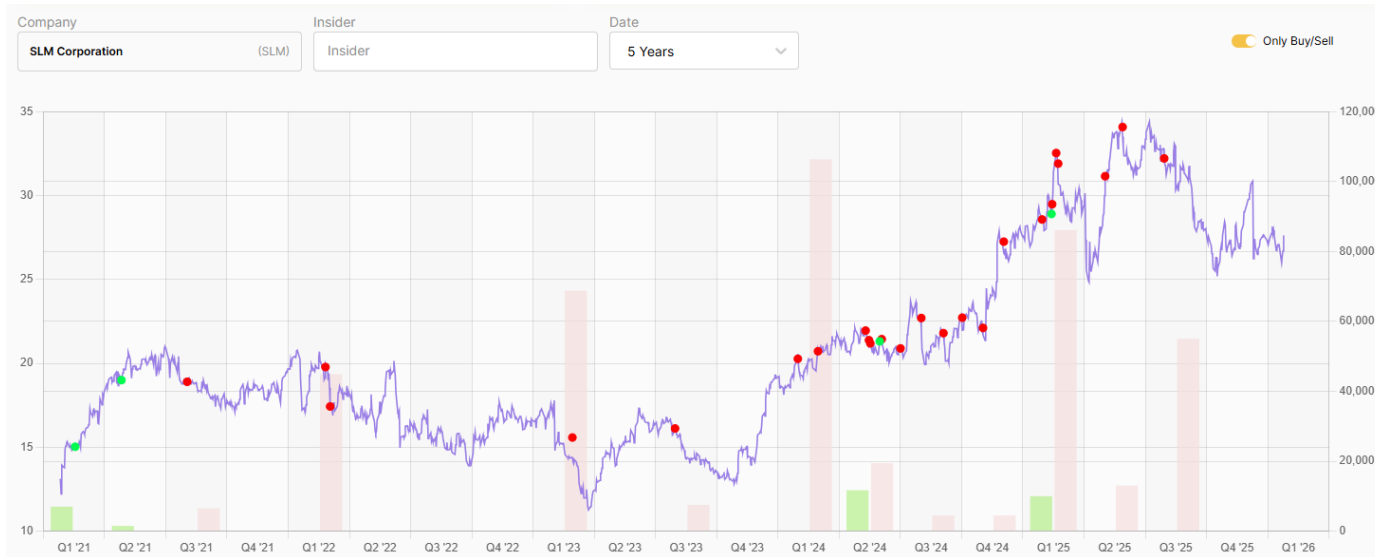
Gains on Sale – Historical Loan Sales and Margins

On average, SLM has sold ~\$3.5B in Loans/year at an margin of ~8.4%



Insider Holding Activity

Management and insiders owns ~1.2% of the current shares outstanding, though insider activity was elevated in 2025.



Elevated insider activity driven by CEO sold ~\$8.0mm in shares

0.0

-0.9

-1.2

-1.4

-15.7

FY21

FY22

FY23

FY24

Management Compensation

CEO Jon Witter has a significant portion of his net worth invested in SLM, ~\$31MM. Incentives mostly guided by P&L targets

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Jonathan W. Witter Chief Executive Officer	2024	1,100,000		7,602,499		3,052,500		49,849	11,804,848
	2023	1,100,000	—	5,789,457	—	2,475,000	—	35,028	9,399,485
	2022	1,076,923	—	5,373,654	—	1,320,000	—	38,559	7,809,136
Peter M. Graham⁽⁵⁾ Executive Vice President, Chief Financial Officer and Treasurer	2024	580,000		1,352,664		1,392,000		7,277	3,331,941
	2023	156,154	460,000	849,991	—	290,000	—	0	1,756,145
Kerri A. Palmer Executive Vice President and Chief Operational Officer and President of Sallie Mae Bank	2024	566,500		1,043,973		1,572,038		48,443	3,230,954
	2023	566,500	—	2,265,984	—	1,147,162	—	35,916	4,015,562
	2022	563,962	—	752,314	—	920,563	—	29,450	2,266,289
Donna F. Vieira Executive Vice President and Chief Commercial Officer	2024	535,545		1,005,777		1,238,448		42,250	2,822,020
	2023	506,844	—	999,411	—	956,330	—	33,482	2,496,067
	2022	487,058	—	913,505	—	672,719	—	25,000	2,098,282
Nicolas Jafarieh⁽⁶⁾ Executive Vice President and Chief Legal, Government Affairs, and Communications Officer	2024	504,000		988,698		1,008,000		38,644	2,539,342
	2023	480,000	—	1,007,983	—	709,800	—	1,477	2,199,260

Annual Incentives

- Adjusted Income per Share – 40%
- Loan Originations – 25%
- Adjusted Non-interest Expenses – 20%
- Net Charge-Offs – 15%

Long-Term Incentive Plan is entirely dictated by Relative TSR, promoting shareholder alignment with management.

Partnership with KKR

On November 12th, Sallie Mae announced a partnership with KKR to expand originations capacity and generate fee income.



Partnership Details

- **Initial Term** – 3 year period
- **Initial Volumes** – KKR to buy at least \$2B of originations annually. KKR to manage portfolio while Sallie Mae continues to service the loans which will generate fee income.
- **Economics** – SLM will not only retain servicing for the transferred loans but will also earn recurring fees for providing servicing, program management, and industry expertise.
- **Take Rate**: 100-200bps of annual fee rate on partnerships; 80bps from servicing

Student Loan Debt Trends – Per EducationData.org

~\$1.8T in Student Debt

As a % of GDP

Historic Total* National Student Loan Debt

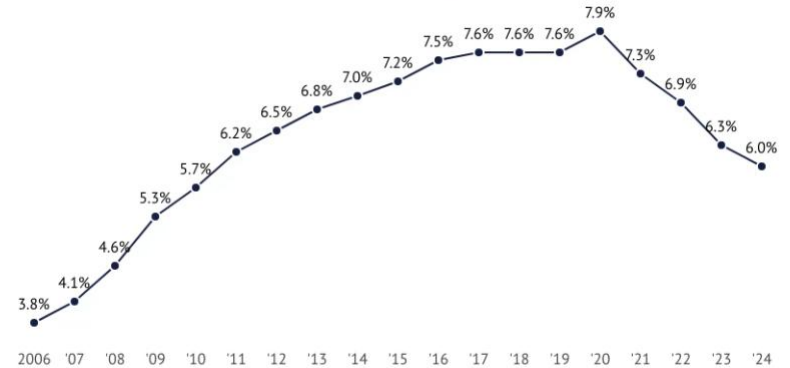
(in trillions)



Education Data Initiative source: U.S. Federal Reserve

*Totals as of each year's fourth fiscal quarter.

Total Student Loan Debt as a Percentage of Gross Domestic Product

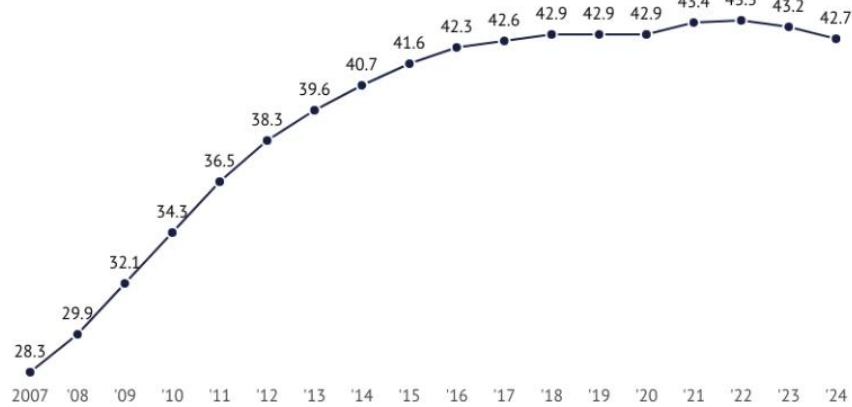


Education Data Initiative sources: U.S. Federal Reserve & U.S. Department of Commerce Bureau of Economic Analysis

Student Loan Debt Trends – Per EducationData.org

Total Student Borrowers

Federal Student Borrowers
(in millions)



Education Data Initiative sources: U.S. Department of Education

Average Loan Balance Per Borrower

Average Federal Loan Balance per Borrower
(in thousands)



Education Data Initiative sources: U.S. Department of Education

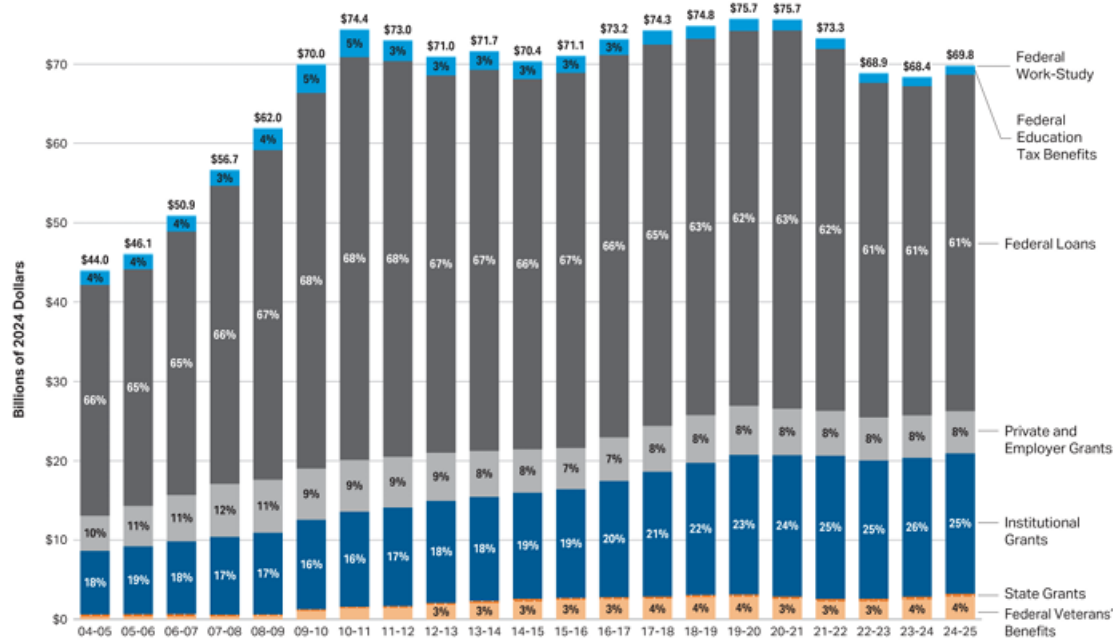
Higher Education Lending Programs – Per College Board

Partnership Details

	Academic Year									10-Year % Change	30-Year % Change	
	94-95	04-05	14-15	19-20	20-21	21-22	22-23	23-24	Preliminary 24-25			
Federal Aid												
Grants												
Pell Grants	\$11,683	\$21,837	\$40,582	\$34,868	\$32,078	\$29,949	\$29,171	\$32,392	\$38,642	-5%	231%	
FSEOG	\$1,233	\$1,279	\$971	\$1,030	\$1,048	\$1,009	\$972	\$933	\$906	-7%	-26%	
LEAP	\$153	\$109	—	—	—	—	—	—	—	—	—	
Veterans' Benefits	\$2,167	\$4,065	\$16,371	\$14,072	\$12,763	\$11,173	\$11,319	\$12,365	\$14,193	-13%	555%	
Total Federal Grants	\$15,236	\$27,290	\$57,924	\$49,970	\$45,889	\$42,131	\$41,461	\$45,690	\$53,741	-7%	253%	
Loans												
Perkins Loans	\$2,055	\$2,743	\$1,538	—	—	—	—	—	—	—	—	
Subsidized	\$28,850	\$39,565	\$32,678	\$23,119	\$20,068	\$18,184	\$16,540	\$16,118	\$15,342	-53%	-47%	
Unsubsidized	\$13,186	\$36,276	\$69,868	\$58,427	\$56,143	\$51,291	\$46,928	\$45,107	\$45,363	-35%	244%	
Parent PLUS	\$3,354	\$12,227	\$14,200	\$15,157	\$12,172	\$12,087	\$12,067	\$12,450	\$12,456	-12%	271%	
Grad PLUS	—	—	\$11,065	\$13,762	\$14,245	\$14,502	\$14,228	\$14,521	\$15,530	40%	—	
Total Federal Loans	\$47,445	\$90,811	\$129,349	\$110,465	\$102,629	\$96,065	\$89,763	\$88,196	\$88,691	-31%	87%	
Federal Work-Study	\$1,303	\$1,650	\$1,300	\$1,362	\$1,359	\$1,323	\$1,301	\$1,250	\$1,214	-7%	-7%	
Education Tax Benefits	—	\$11,510	\$23,880	\$15,670	\$14,440	\$13,650	\$12,510	\$11,890	\$11,440	-52%	—	
Total Federal Aid	\$63,984	\$131,262	\$212,454	\$177,468	\$164,316	\$153,168	\$145,036	\$147,026	\$155,086	-27%	142%	
State Grants	\$6,053	\$11,100	\$13,924	\$15,898	\$15,640	\$15,053	\$15,401	\$16,571	\$16,646	20%	175%	
Institutional Grants	\$20,468	\$35,922	\$68,609	\$84,540	\$85,535	\$86,886	\$83,859	\$84,204	\$85,113	24%	316%	
Private and Employer Grants	\$5,990	\$14,150	\$20,020	\$21,150	\$20,020	\$19,280	\$18,530	\$18,330	\$18,210	-9%	204%	
Total Federal, State, Institutional, and Other Aid	\$96,496	\$192,434	\$315,007	\$299,056	\$285,511	\$274,387	\$262,826	\$266,131	\$275,056	-13%	185%	
Nonfederal Loans	—	\$23,300	\$13,400	\$16,900	\$13,900	\$14,900	\$14,800	\$13,200	\$13,900	4%	—	
Total Student Aid and Nonfederal Loans	\$96,496	\$215,734	\$328,407	\$315,956	\$299,411	\$289,287	\$277,626	\$279,331	\$288,956	-12%	199%	

Graduate Student Aid Summary – Per College Board

Total Graduate Student Aid in 2024 Dollars by Source and Type (in Billions), 2004-05 to 2024-25



College Board, Trends in College Pricing and Student Aid 2025, Figure SA-4.

Thank you!