

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-Q**

**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-13251

**SLM Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization) **52-2013874**  
(I.R.S. Employer Identification No.)

**300 Continental Drive Newark, Delaware 19713**  
(Address of principal executive offices) (Zip Code)

**(302) 451-0200**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$.20 per share	SLM	The NASDAQ Global Select Market
Floating Rate Non-Cumulative Preferred Stock, Series B, par value \$.20 per share	SLMBP	The NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	(Do not check if a smaller reporting company)	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of March 31, 2025, there were 210,738,845 shares of common stock outstanding.

**SLM CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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**CONSOLIDATED BALANCE SHEETS (Unaudited)**

(Dollars in thousands, except share and per share amounts)	March 31, 2025	December 31, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 3,695,076	\$ 4,700,366
Investments:		
Trading investments at fair value (cost of \$40,270 and \$41,715, respectively)	53,732	53,262
Available-for-sale investments at fair value (cost of \$1,747,064 and \$2,042,473, respectively)	1,656,977	1,933,226
Other investments	97,960	112,377
Total investments	1,808,669	2,098,865
Loans held for investment (net of allowance for losses of \$1,443,715 and \$1,435,920, respectively)	21,091,204	20,902,158
Restricted cash	173,485	173,894
Other interest-earning assets	3,383	4,880
Accrued interest receivable	1,553,979	1,546,590
Premises and equipment, net	117,426	119,354
Goodwill and acquired intangible assets, net	62,510	63,532
Income taxes receivable, net	338,292	425,625
Other assets	55,160	36,846
<b>Total assets</b>	<b>\$ 28,899,184</b>	<b>\$ 30,072,110</b>
<b>Liabilities</b>		
Deposits	\$ 20,073,168	\$ 21,068,568
Long-term borrowings	6,147,473	6,440,345
Other liabilities	277,687	403,277
<b>Total liabilities</b>	<b>26,498,328</b>	<b>27,912,190</b>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
Preferred stock, par value \$0.20 per share, 20 million shares authorized: Series B: 2.5 million and 2.5 million shares issued, respectively, at stated value of \$100 per share	251,070	251,070
Common stock, par value \$0.20 per share, 1.125 billion shares authorized: 442.8 million and 440.6 million shares issued, respectively	88,566	88,121
Additional paid-in capital	1,209,017	1,193,753
Accumulated other comprehensive loss (net of tax benefit of (\$18,080) and (\$21,209), respectively)	(55,631)	(65,861)
Retained earnings	4,386,169	4,114,446
Total SLM Corporation stockholders' equity before treasury stock	5,879,191	5,581,529
Less: Common stock held in treasury at cost: 232.1 million and 230.2 million shares, respectively	(3,478,335)	(3,421,609)
<b>Total equity</b>	<b>2,400,856</b>	<b>2,159,920</b>
<b>Total liabilities and equity</b>	<b>\$ 28,899,184</b>	<b>\$ 30,072,110</b>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

(Dollars in thousands, except per share amounts)	Three Months Ended March 31,	
	2025	2024
<b>Interest income:</b>		
Loans	\$ 598,767	\$ 596,607
Investments	14,746	14,507
Cash and cash equivalents	42,577	52,444
Total interest income	656,090	663,558
<b>Interest expense:</b>		
Deposits	204,139	220,445
Interest expense on short-term borrowings	3,401	3,562
Interest expense on long-term borrowings	73,580	52,535
Total interest expense	281,120	276,542
Net interest income	374,970	387,016
Less: provisions for credit losses	23,286	12,041
Net interest income after provisions for credit losses	351,684	374,975
<b>Non-interest income:</b>		
Gains on sales of loans, net	187,735	143,039
Gains (losses) on securities, net	(10,378)	2,118
Other income	28,687	29,001
Total non-interest income	206,044	174,158
<b>Non-interest expenses:</b>		
Operating expenses:		
Compensation and benefits	90,830	96,476
FDIC assessment fees	12,403	13,312
Other operating expenses	50,355	50,645
Total operating expenses	153,588	160,433
Acquired intangible assets amortization expense	1,021	1,215
Total non-interest expenses	154,609	161,648
Income before income tax expense	403,119	387,485
Income tax expense	98,579	97,554
<b>Net income</b>	304,540	289,931
Preferred stock dividends	3,956	4,653
<b>Net income attributable to SLM Corporation common stock</b>	\$ 300,584	\$ 285,278
<b>Basic earnings per common share</b>	\$ 1.43	\$ 1.29
Average common shares outstanding	210,682	220,416
<b>Diluted earnings per common share</b>	\$ 1.40	\$ 1.27
Average common and common equivalent shares outstanding	214,986	223,845
Declared dividends per common share	\$ 0.13	\$ 0.11

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**

<b>(Dollars in thousands)</b>	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net income</b>	\$ 304,540	\$ 289,931
Other comprehensive income (loss):		
Unrealized gains on investments	19,160	286
Unrealized losses on cash flow hedges	(5,801)	(3,049)
Total unrealized gains (losses)	13,359	(2,763)
Income tax (expense) benefit	(3,129)	576
Other comprehensive income (loss), net of tax (expense) benefit	10,230	(2,187)
<b>Total comprehensive income</b>	<b>\$ 314,770</b>	<b>\$ 287,744</b>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)

(In thousands, except share and per share amounts)	Common Stock Shares				Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity
	Preferred Stock Shares	Issued	Treasury	Outstanding							
<b>Balance at December 31, 2023</b>	2,510,696	438,230,416	(217,886,532)	220,343,884	\$ 251,070	\$ 87,647	\$ 1,148,689	\$ (75,104)	\$ 3,624,859	\$ (3,156,364)	\$ 1,880,797
Net income	—	—	—	—	—	—	—	—	289,931	—	289,931
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(2,187)	—	—	(2,187)
<b>Total comprehensive income</b>	—	—	—	—	—	—	—	—	—	—	287,744
<b>Cash dividends declared:</b>											
Common stock (\$0.11 per share)	—	—	—	—	—	—	—	—	(24,278)	—	(24,278)
Preferred Stock, Series B (\$1.85 per share)	—	—	—	—	—	—	—	—	(4,653)	—	(4,653)
Issuance of common shares	—	1,925,920	—	1,925,920	—	385	1,359	—	(1,165)	—	579
Stock-based compensation expense	—	—	—	—	—	—	13,790	—	—	—	13,790
Common stock repurchased	—	—	(1,310,723)	(1,310,723)	—	—	—	—	—	(26,639)	(26,639)
Shares repurchased related to employee stock-based compensation plans	—	—	(683,247)	(683,247)	—	—	—	—	—	(13,601)	(13,601)
<b>Balance at March 31, 2024</b>	2,510,696	440,156,336	(219,880,502)	220,275,834	\$ 251,070	\$ 88,032	\$ 1,163,838	\$ (77,291)	\$ 3,884,694	\$ (3,196,604)	\$ 2,113,739

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)**

(In thousands, except share and per share amounts)	Common Stock Shares				Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Equity
	Preferred Stock Shares	Issued	Treasury	Outstanding							
<b>Balance at December 31, 2024</b>	2,510,696	440,604,795	(230,222,501)	210,382,294	\$ 251,070	\$ 88,121	\$ 1,193,753	\$ (65,861)	\$ 4,114,446	\$ (3,421,609)	\$ 2,159,920
<b>Net income</b>	—	—	—	—	—	—	—	—	304,540	—	304,540
<b>Other comprehensive income, net of tax</b>	—	—	—	—	—	—	—	10,230	—	—	10,230
<b>Total comprehensive income</b>	—	—	—	—	—	—	—	—	—	—	314,770
<b>Cash dividends declared:</b>											
<b>Common stock (\$0.13 per share)</b>	—	—	—	—	—	—	—	—	(27,466)	—	(27,466)
<b>Preferred Stock, Series B (\$1.58 per share)</b>	—	—	—	—	—	—	—	—	(3,956)	—	(3,956)
<b>Issuance of common shares</b>	—	2,224,810	—	2,224,810	—	445	1,992	—	(1,395)	—	1,042
<b>Stock-based compensation expense</b>	—	—	—	—	—	—	13,272	—	—	—	13,272
<b>Common stock repurchased</b>	—	—	(1,037,391)	(1,037,391)	—	—	—	—	—	(30,756)	(30,756)
<b>Shares repurchased related to employee stock-based compensation plans</b>	—	—	(830,868)	(830,868)	—	—	—	—	—	(25,970)	(25,970)
<b>Balance at March 31, 2025</b>	2,510,696	442,829,605	(232,090,760)	210,738,845	\$ 251,070	\$ 88,566	\$ 1,209,017	\$ (55,631)	\$ 4,386,169	\$ (3,478,335)	\$ 2,400,856

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
<b>Operating activities</b>		
<b>Net income</b>	\$ 304,540	\$ 289,931
Adjustments to reconcile net income to net cash used in operating activities:		
Provisions for credit losses	23,286	12,041
Income tax expense	98,579	97,554
Amortization of brokered deposit placement fee	2,213	2,803
Amortization of Secured Borrowing Facility upfront fee	584	713
Amortization of deferred loan origination costs and loan premium/(discounts), net	3,806	3,229
Net amortization of discount on investments	(327)	(601)
Depreciation of premises and equipment	3,953	4,705
Acquired intangible assets amortization expense	1,021	1,215
Stock-based compensation expense	13,272	13,790
Unrealized (gains) losses on derivatives and hedging activities, net	(6)	20
Gains on sales of loans, net	(187,735)	(143,039)
(Gains) losses on securities, net	10,378	(2,118)
Other adjustments to net income, net	4,093	2,939
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(296,543)	(287,000)
Increase in trading investments	(812)	—
Increase in non-marketable securities	—	(283)
Decrease in other interest-earning assets	1,497	1,657
Increase in other assets	(46,659)	(23,046)
Decrease in income taxes payable, net	(11,493)	(6,463)
Decrease in accrued interest payable	(26,984)	(15,738)
Decrease in other liabilities	(42,714)	(29,020)
Total adjustments	(450,591)	(366,642)
<b>Total net cash used in operating activities</b>	<b>(146,051)</b>	<b>(76,711)</b>
<b>Investing activities</b>		
Loans acquired and originated	(2,783,336)	(2,593,293)
Net proceeds from sales of loans held for investment and loans held for sale	2,208,600	2,149,774
Proceeds from FFELP Loan claim payments	—	10,819
Net decrease in loans held for investment and loans held for sale (other than loans acquired and originated, and loan sales)	774,483	751,120
Purchases of available-for-sale securities	(38,174)	(25,790)
Proceeds from sales and maturities of available-for-sale securities	335,355	279,700
<b>Total net cash provided by investing activities</b>	<b>496,928</b>	<b>572,330</b>
<b>Financing activities</b>		
Net (decrease) increase in certificates of deposit	(889,195)	31,555
Net decrease in other deposits	(109,679)	(787,295)
Issuance costs for collateralized borrowings	(20)	—
Borrowings collateralized by loans in securitization trusts - repaid	(288,840)	(253,176)
Issuance costs for unsecured debt offering	(1,609)	—
Unsecured debt issued	493,885	—
Unsecured debt repaid	(500,000)	—
Common stock dividends paid	(27,466)	(24,278)
Preferred stock dividends paid	(3,956)	(4,653)
Common stock repurchased	(29,696)	(25,457)
<b>Total net cash used in financing activities</b>	<b>(1,356,576)</b>	<b>(1,063,304)</b>
Net decrease in cash, cash equivalents and restricted cash	(1,005,699)	(567,685)
Cash, cash equivalents and restricted cash at beginning of period	4,874,260	4,299,507
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 3,868,561</b>	<b>\$ 3,731,822</b>
<b>Cash disbursements made for:</b>		

Interest	\$	300,605	\$	284,041
Income taxes paid	\$	11,366	\$	7,280
Income taxes refunded	\$	(19)	\$	(1,001)
<b>Reconciliation of the Consolidated Statements of Cash Flows to the Consolidated Balance Sheets:</b>				
Cash and cash equivalents	\$	3,695,076	\$	3,584,013
Restricted cash		173,485		147,809
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$</b>	<b>3,868,561</b>	<b>\$</b>	<b>3,731,822</b>
<b>Supplemental non-cash investment activities:</b>				
Accrued interest capitalized during the period	\$	116,022	\$	118,602
Trading investments received in consideration for loans sold	\$	—	\$	3,072
Available-for-sale investments received in consideration for loans sold	\$	—	\$	111,002

See accompanying notes to consolidated financial statements.

## 1. Significant Accounting Policies

### ***Basis of Presentation***

The accompanying unaudited, consolidated financial statements of SLM Corporation (“Sallie Mae,” “SLM,” the “Company,” “we,” or “us”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for complete consolidated financial statements. The consolidated financial statements include the accounts of SLM Corporation and its majority-owned and controlled subsidiaries after eliminating the effects of intercompany accounts and transactions. In the opinion of management, all adjustments considered necessary for a fair statement of the results for the interim periods have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results for the year ending December 31, 2025 or for any other period. These unaudited financial statements should be read in conjunction with the audited financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”).

### ***Consolidation***

The consolidated financial statements include the accounts of the Company and its majority-owned and controlled subsidiaries after eliminating the effects of intercompany accounts and transactions.

We consolidate any variable interest entity (“VIE”) where we have determined we are the primary beneficiary. The primary beneficiary is the entity which has both: (i) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance; and (ii) the obligation to absorb losses or receive benefits of the entity that could potentially be significant to the VIE.

### ***Allowance for Credit Losses***

We maintain an allowance for credit losses for the lifetime expected credit losses on loans in our portfolios, as well as for future loan commitments, at the reporting date (“CECL”).

In determining the lifetime expected credit losses on our Private Education Loan (as hereinafter defined) portfolio loan segments, we use a discounted cash flow method. This method requires us to project future principal and interest cash flows on our loans in those portfolios.

To estimate the future expected cash flows, we use statistical loan-level models that consider life of loan expectations for defaults, prepayments, recoveries, and any other qualitative adjustments deemed necessary, to determine the adequacy of the allowance at each balance sheet date. These cash flows are discounted at the loan’s effective interest rate to calculate the present value of those cash flows. Management adjusts the effective interest rate used to discount expected cash flows to incorporate expected prepayments. The difference between the present value of those cash flows and the amortized cost basis of the underlying loans is the allowance for credit losses. Entities that measure credit losses based on the present value of expected future cash flows are permitted to report the entire change in present value as credit loss expense, but may alternatively report the change in present value due to the passage of time as interest income. We have elected to report the entire change in present value as credit loss expense.

We estimate future default rates used in our current expected credit losses at a loan level using historical loss experience, current borrower characteristics, current conditions, and economic factors forecasted over a reasonable and supportable period. At the end of the reasonable and supportable forecast period, we immediately revert our forecasted economic factors to long-term historical averages. We estimate future prepayment speeds used in our current expected credit losses at a loan level using historical prepayment experience, current borrower characteristics, current conditions, and economic factors forecasted over a reasonable and supportable period.

The reasonable and supportable forecast period is meant to represent the period in which we believe we can estimate the impact of forecasted economic factors in our expected losses. We use a two-year reasonable and supportable forecast period, although this period is subject to change as our view evolves on our ability to reasonably forecast economic conditions to estimate future losses.

## 1. Significant Accounting Policies (Continued)

In estimating future default rates and prepayment speeds in our current expected credit losses, we use a combination of expected economic scenarios coupled with our historical experience and adjust for any qualitative factors (as described below). We also develop an adverse and favorable economic scenario. At each reporting date, we determine the appropriate weighting of these alternate scenarios based upon the current economic conditions and our view of the risks of alternate outcomes. This weighting of expectations is used in calculating our current expected credit losses recorded each period.

We obtain forecasts for our loss model inputs from Moody's Analytics. Moody's Analytics provides a range of forecasts for each of these inputs with various likelihoods of occurrence. We determine which forecasts we will include in our estimation of allowance for credit losses and the associated weightings for each of these inputs. We use the Baseline (50th percentile likelihood of occurring)/S1 (stronger near-term growth scenario - 10 percent likelihood of occurring)/S3 (unfavorable (or downside) scenario - 10 percent likelihood of occurring) scenarios. At December 31, 2024 and March 31, 2024, we weighted them 40 percent, 30 percent, and 30 percent, respectively. During the first quarter of 2025, we revised the Baseline scenario, S1 stronger near-term growth scenario, and S3 unfavorable scenario weightings to be 60 percent, 20 percent, and 20 percent, respectively. This change reflects our ongoing review of forecasting assumptions and model inputs and is consistent with our internal governance and risk management framework. The adjustment supports a more balanced view of potential scenario outcomes and remains in accordance with our CECL methodology. The revision resulted in an approximately \$17 million decrease to provision for credit losses for the three months ended March 31, 2025. Management continues to review both the scenarios and their respective weightings each quarter in determining the allowance for credit losses.

In estimating recoveries, we use both estimates of what we expect to receive from the sale of defaulted loans as well as historical borrower payment behavior to estimate the timing and amount of future recoveries on charged-off loans.

In addition to the above modeling approach, we also take certain other qualitative factors into consideration when calculating the allowance for credit losses, which could result in management overlays (increases or decreases to the allowance for credit losses). These management overlays can encompass a broad array of factors not captured by model inputs, including, but not limited to, changes in lending policies and procedures, including changes in underwriting standards, changes in servicing policies and collection administration practices, including changes we have implemented to our loan modification programs, state law changes that could impact servicing and collection practices, charge-offs, recoveries not already included in the analysis, the effect of other external factors such as legal and regulatory requirements on the level of estimated current expected credit losses, the performance of the model over time versus actual losses, and any other operational or regulatory changes that could affect our estimate of future losses.

The evaluation of the allowance for credit losses is inherently subjective, as it requires material estimates that may be susceptible to significant changes. If actual future performance in delinquency, charge-offs, and recoveries is significantly different than estimated, or management assumptions or practices were to change, this could materially affect the estimate of the allowance for credit losses, the timing of when losses are recognized, and the related provision for credit losses in our consolidated statements of income.

When calculating our allowance for credit losses and liability for unfunded commitments, we incorporate several inputs that are subject to change period to period. These include, but are not limited to, CECL model inputs and any overlays deemed necessary by management. The most impactful CECL model inputs include:

- Economic forecasts;
- Weighting of economic forecasts; and
- Recovery rates.

Of the model inputs outlined above, economic forecasts, weighting of economic forecasts, and recovery rates are subject to estimation uncertainty, and changes in these inputs could have a material impact to our allowance for credit losses and the related provision for credit losses.

In the second quarter of 2024, we implemented a loan-level future default rate model that includes current portfolio characteristics and forecasts of real gross domestic product and college graduate unemployment. In the second quarter of 2024, we also implemented a future prepayment speeds model to include forecasts of real gross domestic product, retail sales, the Secured Overnight Financing Rate ("SOFR"), and the U.S. 10-year treasury rate. These models reduce the reliance on certain qualitative overlays compared to the previous default rate and prepayment speeds models. Prior to these changes, our default rate and prepayment speeds models used forecasts of college graduate unemployment, retail sales, home price index, and median family income. Both the future default rate model and the future prepayment speeds model are used in determining the adequacy of the allowance for credit losses. The combined impact upon implementation of these model enhancements and the changes in the related qualitative overlays did not have a material impact on the overall level of our allowance for credit losses.

## 1. Significant Accounting Policies (Continued)

See Note 2, "Significant Accounting Policies — Allowance for Loan Losses" in our 2024 Form 10-K for additional information.

### ***Recently Issued Accounting Pronouncements***

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires entities to disclose specific categories in the effective tax rate reconciliation and provide additional information for reconciling items where the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income/loss by the applicable statutory income tax rate. Additionally, entities are required to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by jurisdiction. The standard is effective for fiscal years beginning after December 15, 2024. We do not expect the impact of this amendment to be material to our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses. The ASU is intended to provide more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation and amortization) included in certain expense captions presented on the consolidated statements of income. The guidance in this standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the ASU on our consolidated financial statements.

## 2. Investments

### Trading Investments

We periodically sell Private Education Loans through securitization transactions where we are required to retain a five percent vertical risk retention interest (i.e., five percent of each class issued in the securitizations). We classify those vertical risk retention interests related to the transactions as available-for-sale investments, except for the interest in the residual classes, which we classify as trading investments recorded at fair value with changes recorded through earnings. At March 31, 2025 and December 31, 2024, we had \$54 million and \$53 million, respectively, classified as trading investments.

### Available-for-Sale Investments

The amortized cost and fair value of securities available for sale are as follows:

As of March 31, 2025 (dollars in thousands)	Amortized Cost	Allowance for credit losses <sup>(1)</sup>	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<b>Available-for-sale:</b>					
Mortgage-backed securities	\$ 544,422	\$ —	\$ 621	\$ (64,620)	\$ 480,423
Utah Housing Corporation bonds	2,659	—	—	(409)	2,250
U.S. government-sponsored enterprises and Treasuries	648,413	—	—	(24,058)	624,355
Other securities	551,570	—	9,234	(10,855)	549,949
<b>Total</b>	<b>\$ 1,747,064</b>	<b>\$ —</b>	<b>\$ 9,855</b>	<b>\$ (99,942)</b>	<b>\$ 1,656,977</b>

As of December 31, 2024 (dollars in thousands)	Amortized Cost	Allowance for credit losses <sup>(1)</sup>	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<b>Available-for-sale:</b>					
Mortgage-backed securities	\$ 516,358	\$ —	\$ 205	\$ (73,235)	\$ 443,328
Utah Housing Corporation bonds	2,849	—	—	(490)	2,359
U.S. government-sponsored enterprises and Treasuries	948,009	—	—	(32,265)	915,744
Other securities	575,257	—	8,633	(12,095)	571,795
<b>Total</b>	<b>\$ 2,042,473</b>	<b>\$ —</b>	<b>\$ 8,838</b>	<b>\$ (118,085)</b>	<b>\$ 1,933,226</b>

<sup>(1)</sup> Represents the amount of impairment that has resulted from credit-related factors and that was recognized in the consolidated balance sheets (as a credit loss expense on available-for-sale securities). The amount excludes unrealized losses related to non-credit factors.

## 2. Investments (Continued)

The following table summarizes the amount of gross unrealized losses for our available-for-sale securities and the estimated fair value for securities having gross unrealized loss positions, categorized by length of time the securities have been in an unrealized loss position:

(Dollars in thousands)	Less than 12 months		12 months or more		Total	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
<b>As of March 31, 2025:</b>						
Mortgage-backed securities	\$ (846)	\$ 96,803	\$ (63,774)	\$ 308,278	\$ (64,620)	\$ 405,081
Utah Housing Corporation bonds	—	—	(409)	2,250	(409)	2,250
U.S. government-sponsored enterprises and Treasuries	—	—	(24,058)	624,355	(24,058)	624,355
Other securities	(61)	11,593	(10,794)	140,698	(10,855)	152,291
<b>Total</b>	<b>\$ (907)</b>	<b>\$ 108,396</b>	<b>\$ (99,035)</b>	<b>\$ 1,075,581</b>	<b>\$ (99,942)</b>	<b>\$ 1,183,977</b>
<b>As of December 31, 2024:</b>						
Mortgage-backed securities	\$ (2,723)	\$ 137,585	\$ (70,512)	\$ 290,257	\$ (73,235)	\$ 427,842
Utah Housing Corporation bonds	—	—	(490)	2,359	(490)	2,359
U.S. government-sponsored enterprises and Treasuries	—	—	(32,265)	915,744	(32,265)	915,744
Other securities	(74)	11,579	(12,021)	182,215	(12,095)	193,794
<b>Total</b>	<b>\$ (2,797)</b>	<b>\$ 149,164</b>	<b>\$ (115,288)</b>	<b>\$ 1,390,575</b>	<b>\$ (118,085)</b>	<b>\$ 1,539,739</b>

At March 31, 2025 and December 31, 2024, 217 of 280 and 236 of 278, respectively, of our available-for-sale securities were in an unrealized loss position.

### Impairment

For available-for-sale securities in an unrealized loss position, we first assess whether we intend to sell, or it is more likely than not that we will be required to sell, the security before recovery of its amortized cost basis. If either of these criteria are met, the security's amortized cost basis is written down to fair value through net income. For securities in an unrealized loss position that do not meet these criteria, we evaluate whether the decline in fair value has resulted from credit loss or other factors. In making this assessment, we consider the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, adverse conditions specifically related to the security, as well as any guarantees (e.g., guarantees by the U.S. Government) that may be applicable to the security. If this assessment indicates a credit loss exists, the credit-related portion of the loss is recorded as an allowance for losses on the security.

Our investment portfolio contains mortgage-backed securities issued by Ginnie Mae, Fannie Mae, and Freddie Mac, as well as Utah Housing Corporation bonds. We own these securities to meet our requirements under the Community Reinvestment Act ("CRA"). We also invest in other U.S. government-sponsored enterprise securities issued by the Federal Home Loan Banks, Freddie Mac, and the Federal Farm Credit Bank. Our mortgage-backed securities that were issued under Ginnie Mae programs carry a full faith and credit guarantee from the U.S. Government. The remaining mortgage-backed securities in a net loss position carry a principal and interest guarantee by Fannie Mae or Freddie Mac, respectively. Our Treasury and other U.S. government-sponsored enterprise bonds are rated Aaa by Moody's Investors Service or AA+ by Standard and Poor's. We have the intent and ability to hold these bonds for a period of time sufficient for the market price to recover to at least the adjusted amortized cost of the security. Based on this qualitative analysis, we have determined that no credit impairment exists.

We periodically sell Private Education Loans through securitization transactions where we are required to retain a five percent vertical risk retention interest. We classify the non-residual vertical risk retention interests as available-for-sale investments. We have the intent and ability to hold each of these bonds for a period of time sufficient for the market price to recover to at least the adjusted amortized cost of the security. We expect to receive all contractual cash flows related to these investments and do not consider a credit impairment to exist.

## 2. Investments (Continued)

As of March 31, 2025, the amortized cost and fair value of securities, by contractual maturities, are summarized below. Contractual maturities versus actual maturities may differ due to the effect of prepayments.

<b>As of March 31, 2025</b>		
<b>Year of Maturity</b>		
<b>(dollars in thousands)</b>	<b>Amortized Cost</b>	<b>Estimated Fair Value</b>
2026	\$ 549,295	\$ 526,987
2027	99,118	97,369
2038	65	66
2039	541	530
2042	2,071	1,784
2043	3,709	3,326
2044	4,044	3,683
2045	4,465	3,955
2046	6,894	6,047
2047	6,481	5,695
2048	1,682	1,501
2049	14,580	12,869
2050	99,980	79,163
2051	142,312	111,537
2052	56,137	49,462
2053	288,001	286,533
2054	136,475	131,665
2055	105,981	105,006
2056	187,742	191,280
2058	37,491	38,519
<b>Total</b>	<b>\$ 1,747,064</b>	<b>\$ 1,656,977</b>

Some of the mortgage-backed securities and a portion of the government securities have been pledged to the Federal Reserve Bank (the "FRB") as collateral against any advances and accrued interest under the Primary Credit lending program sponsored by the FRB. We had \$639 million and \$610 million par value of securities pledged to this borrowing facility at March 31, 2025 and December 31, 2024, respectively, as discussed further in Note 7, "Borrowings" in this Form 10-Q.

### **Other Investments**

#### **Investments in Non-Marketable Securities**

We hold investments in non-marketable securities and account for these investments at cost, less impairment, plus or minus observable price changes of identical or similar securities of the same issuer. Changes in market value are recorded through earnings. Because these are non-marketable securities, we use observable price changes of identical or similar securities of the same issuer, or when observable prices are not available, use market data of similar entities, in determining any changes in the value of the securities. In the third quarter of 2024, we funded a new investment in non-marketable securities of an issuer whose securities we had not previously purchased. In the first quarter of 2025, we recognized an impairment on certain of our other non-marketable equity securities, related to our former credit card platform, resulting in a loss of \$10 million, which is net of a valuation adjustment on a trading investment with the same issuer. As of March 31, 2025 and December 31, 2024, our total investment in non-marketable securities was \$12 million and \$24 million, respectively.

## 2. Investments (Continued)

### Low Income Housing Tax Credit Investments

We invest in affordable housing projects that qualify for the low-income housing tax credit (“LIHTC”), which is designed to promote private development of low-income housing. These investments generate a return mostly through realization of federal tax credits and tax benefits from net operating losses on the underlying properties. Total carrying value of the LIHTC investments was \$79 million at March 31, 2025 and \$82 million at December 31, 2024. We are periodically required to provide additional financial support during the investment period. Our liability for these unfunded commitments was \$28 million at March 31, 2025 and \$30 million at December 31, 2024.

Related to these investments, we recognized tax credits and other tax benefits through tax expense of \$1 million at March 31, 2025 and \$13 million at December 31, 2024. Tax credits and other tax benefits are recognized as part of our annual effective tax rate used to determine tax expense in a given quarter. Accordingly, the portion of a year’s expected tax benefits recognized in any given quarter may differ from 25 percent.

## 3. Loans Held for Investment

Loans held for investment consist solely of Private Education Loans as of March 31, 2025. We use “Private Education Loans” to mean education loans to students or their families that are not made, insured, or guaranteed by any state or federal government. Private Education Loans do not include loans insured or guaranteed under the previously existing Federal Family Education Loan Program (“FFELP”). During the third quarter of 2024, we transferred our then-remaining FFELP Loan portfolio to loans held for sale and subsequently sold the FFELP Loan portfolio to an unaffiliated third party during the fourth quarter of 2024.

Our Private Education Loans are made largely to bridge the gap between the cost of higher education and the amount funded through financial aid, government loans, and customers’ resources. Private Education Loans bear the full credit risk of the customer. We manage this risk through risk-performance underwriting strategies and qualified cosigners. Private Education Loans may be fixed-rate or may carry a variable interest rate indexed to SOFR. As of March 31, 2025 and December 31, 2024, 22 percent and 23 percent, respectively, of all our Private Education Loans were indexed to SOFR. We provide incentives for customers to include a cosigner on the loan, and the vast majority of Private Education Loans in our portfolio are cosigned. We also encourage customers to make payments while in school.

FFELP Loans are insured as to their principal and accrued interest in the event of default, subject to a risk-sharing level based on the date of loan disbursement. These insurance obligations are supported by contractual rights against the United States. For loans disbursed on or after July 1, 2006, owners receive 97 percent reimbursement on all qualifying claims. For loans disbursed after October 1, 1993 and before July 1, 2006, owners receive 98 percent reimbursement on all qualifying claims. For loans disbursed prior to October 1, 1993, owners receive 100 percent reimbursement on all qualifying claims.

The following table summarizes our Private Education Loan sales to unaffiliated third parties for the periods presented.

<b>Three Months Ended March 31, (dollars in millions)</b>	<b>2025</b>		<b>2024</b>	
Loan principal	\$	1,840	\$	1,952
Capitalized interest		163		151
Total Private Education Loans sold	\$	2,003	\$	2,103
Gain on sale of loans, net	\$	188	\$	143

There were VIEs created in the execution of certain of these loan sales; however, based on our consolidation analysis, we are not the primary beneficiary of those VIEs. These transactions qualified for sale treatment and removed the balance of the loans from our balance sheet on the respective settlement dates. We remained the servicer of these loans pursuant to applicable servicing agreements executed in connection with the sales. For additional information, see Note 7, “Borrowings - Unconsolidated Funding Vehicles” in this Form 10-Q.

### 3. Loans Held for Investment (Continued)

Loans held for investment are summarized as follows:

(Dollars in thousands)	March 31, 2025	December 31, 2024
<b>Loans Held for Investment, net:</b>		
Fixed-rate	\$ 17,463,708	\$ 17,093,382
Variable-rate	4,968,417	5,141,626
Total Private Education Loans, gross	22,432,125	22,235,008
Deferred origination costs and unamortized premium/(discount)	102,794	103,070
Allowance for credit losses	(1,443,715)	(1,435,920)
<b>Loans held for investment, net</b>	<b>\$ 21,091,204</b>	<b>\$ 20,902,158</b>

The estimated weighted average life of education loans in our portfolio was approximately 5.6 years and 5.6 years at March 31, 2025 and December 31, 2024, respectively.

The average balance (net of unamortized premium/(discount)) and the respective weighted average interest rates of loans held for investment in our portfolio are summarized as follows:

Three Months Ended March 31, (dollars in thousands)	2025		2024	
	Average Balance	Weighted Average Interest Rate	Average Balance	Weighted Average Interest Rate
Private Education Loans	\$ 22,916,916	10.59 %	\$ 21,442,744	11.01 %
FFELP Loans <sup>(1)</sup>	—	—	527,012	7.24
<b>Total portfolio</b>	<b>\$ 22,916,916</b>		<b>\$ 21,969,756</b>	

<sup>(1)</sup> FFELP Loans were transferred to loans held for sale during the third quarter of 2024 and subsequently sold to a third-party in the fourth quarter of 2024.

See Note 5, "Loans Held for Investment — Certain Collection Tools — Private Education Loans" in our 2024 Form 10-K for additional information.

### 4. Allowance for Credit Losses and Unfunded Loan Commitments

Our provision for credit losses represents the periodic expense of maintaining an allowance sufficient to absorb lifetime expected credit losses in the held for investment loan portfolio. The evaluation of the allowance for credit losses is inherently subjective, as it requires material estimates that may be susceptible to significant changes. We believe the allowance for credit losses is appropriate to cover lifetime expected losses to be incurred in the loan portfolio.

When a new loan commitment is made, we record the CECL allowance as a liability for unfunded loan commitments by recording a provision for credit losses. The allowance is recorded in "Other Liabilities" on the consolidated balance sheet. When the loan is funded, we transfer that liability to the allowance for loan losses.

The majority of the total accrued interest receivable on our Private Education Loan portfolio represents accrued interest on deferred loans where no payments are due while the borrower is in school and on fixed-pay loans where the borrower makes a \$25 monthly payment that is smaller than the interest accrued on the loan in that month. The allowance for credit losses considers the collectability of both principal and accrued interest. The allowance for uncollectible interest estimates the additional uncollectible interest that is not captured in the allowance for credit losses. See "— Accrued Interest Receivable" in this Note 4 for further discussion.

See Note 2, "Significant Accounting Policies — Allowance for Credit Losses" in our 2024 Form 10-K for a more detailed discussion on our allowance for credit losses accounting policies.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

##### Allowance for Credit Losses Metrics

The following tables provide a summary of the activity in the allowance for loan losses and the allowance for unfunded loan commitments during the three months ended March 31, 2025 and 2024.

Three Months Ended March 31, 2025 (dollars in thousands)	Private Education Loans
<b>Allowance for loan losses, beginning balance</b>	\$ 1,435,920
Transfer from allowance for unfunded loan commitments	105,134
Provisions:	
Provision for current period	95,289
Loan sale reduction to provision	(116,459)
Total provisions <sup>(1)</sup>	(21,170)
Net charge-offs:	
Charge-offs	(86,903)
Recoveries	10,734
Net charge-offs	(76,169)
<b>Allowance for loan losses, ending balance</b>	\$ 1,443,715
<b>Allowance for unfunded loan commitments, beginning balance<sup>(2)</sup></b>	84,568
Provision <sup>(1)(3)</sup>	44,456
Transfer to allowance for loan losses	(105,134)
<b>Allowance for unfunded loan commitments, ending balance<sup>(2)</sup></b>	23,890
<b>Total allowance for credit losses, ending balance</b>	\$ 1,467,605
Net charge-offs as a percentage of average loans in repayment (annualized) <sup>(4)</sup>	1.88 %
Allowance for loan losses coverage of net charge-offs (annualized)	4.74
Total Allowance Percentage of Private Education Loan Exposure <sup>(5)</sup>	5.97 %
Ending total loans, gross	\$ 22,432,125
Average loans in repayment <sup>(4)</sup>	\$ 16,240,511
Ending loans in repayment <sup>(4)</sup>	\$ 15,903,797
Unfunded loan commitments	\$ 584,140
Total accrued interest receivable	\$ 1,558,465

<sup>(1)</sup> See “—Provisions for Credit Losses” below in this Note 4 for a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

<sup>(2)</sup> When a new loan commitment is made, we record an allowance to cover lifetime expected credit losses on the unfunded commitments, which is recorded in “Other Liabilities” on the consolidated balance sheet. See “—Unfunded Loan Commitments” in this Note 4 for further discussion.

<sup>(3)</sup> Includes incremental provision for new commitments and changes to provision for existing commitments.

<sup>(4)</sup> Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the “loans in forbearance” metric).

<sup>(5)</sup> The Total Allowance Percentage of Private Education Loan Exposure is the total allowance for credit losses as a percentage of ending total loans plus unfunded loan commitments and total accrued interest receivable on Private Education Loans.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

Three Months Ended March 31, 2024 (dollars in thousands)	FFELP Loans	Private Education Loans	Total
<b>Allowance for loan losses, beginning balance</b>	\$ 4,667	\$ 1,335,105	\$ 1,339,772
Transfer from allowance for unfunded loan commitments	—	131,614	131,614
Provisions:			
Provision for current period	83	94,476	94,559
Loan sale reduction to provision	—	(133,204)	(133,204)
Total provisions <sup>(1)</sup>	83	(38,728)	(38,645)
Net charge-offs:			
Charge-offs	(123)	(93,874)	(93,997)
Recoveries	—	11,314	11,314
Net charge-offs	(123)	(82,560)	(82,683)
<b>Allowance for loan losses, ending balance</b>	<b>\$ 4,627</b>	<b>\$ 1,345,431</b>	<b>\$ 1,350,058</b>
<b>Allowance for unfunded loan commitments, beginning balance<sup>(2)</sup></b>	<b>—</b>	<b>112,962</b>	<b>112,962</b>
Provision <sup>(1)(3)</sup>	—	50,686	50,686
Transfer to allowance for loan losses	—	(131,614)	(131,614)
<b>Allowance for unfunded loan commitments, ending balance<sup>(2)</sup></b>	<b>—</b>	<b>32,034</b>	<b>32,034</b>
<b>Total allowance for credit losses, ending balance</b>	<b>\$ 4,627</b>	<b>\$ 1,377,465</b>	<b>\$ 1,382,092</b>
Net charge-offs as a percentage of average loans in repayment (annualized) <sup>(4)</sup>	0.12 %	2.14 %	
Allowance for loan losses coverage of net charge-offs (annualized)	9.40	4.07	
Total Allowance Percentage of Private Education Loan Exposure <sup>(5)</sup>	0.90 %	5.99 %	
Ending total loans, gross	\$ 516,363	\$ 20,952,346	
Average loans in repayment <sup>(4)</sup>	\$ 399,680	\$ 15,407,495	
Ending loans in repayment <sup>(4)</sup>	\$ 393,820	\$ 14,961,692	
Unfunded loan commitments	\$ —	\$ 673,492	
Total accrued interest receivable	\$ —	\$ 1,357,987	

<sup>(1)</sup> See “—Provisions for Credit Losses” below in this Note 4 for a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

<sup>(2)</sup> When a new loan commitment is made, we record an allowance to cover lifetime expected credit losses on the unfunded commitments, which is recorded in “Other Liabilities” on the consolidated balance sheet. See “—Unfunded Loan Commitments” in this Note 4 for further discussion.

<sup>(3)</sup> Includes incremental provision for new commitments and changes to provision for existing commitments.

<sup>(4)</sup> Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the “loans in forbearance” metric).

<sup>(5)</sup> The Total Allowance Percentage of Private Education Loan Exposure is the total allowance for credit losses as a percentage of ending total loans plus unfunded loan commitments and total accrued interest receivable on Private Education Loans.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

##### Provisions for Credit Losses

Below is a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

<b>Consolidated Statements of Income</b>		
<b>Provisions for Credit Losses Reconciliation</b>		
<b>Three Months Ended March 31,</b>		
<b>(dollars in thousands)</b>		
	<b>2025</b>	<b>2024</b>
Private Education Loan provisions for credit losses:		
Provisions for loan losses	\$ (21,170)	\$ (38,728)
Provisions for unfunded loan commitments	44,456	50,686
Total Private Education Loan provisions for credit losses	23,286	11,958
Total FFELP Loans provisions for credit losses	—	83
<b>Provisions for credit losses reported in consolidated statements of income</b>	<b>\$ 23,286</b>	<b>\$ 12,041</b>

Provision for credit losses for the three months ended March 31, 2025 increased by \$11 million compared with the year-ago period. During the three months ended March 31, 2025, the provision for credit losses was primarily affected by new loan commitments, net of expired commitments, and changes in economic outlook, offset by \$116 million in negative provisions recorded as a result of the \$2.00 billion Private Education Loan sale during the first three months of 2025, and adjustments to the weightings of our economic forecast scenarios. In the year-ago period, the provision for credit losses was primarily affected by \$133 million in negative provisions recorded as a result of the \$2.10 billion Private Education Loan sale during the first three months of 2024, an improved economic outlook, and changes in management overlays and recovery rates, offset by new loan commitments, net of expired commitments, and increases to the provision as a result of decreases in our estimates of the historical long-term average prepayment speeds used after the two-year reasonable and supportable period.

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical information, which includes losses from modifications of receivables whose borrowers are experiencing financial difficulty. We use a discounted cash flow model to determine the allowance for credit losses. An assessment of whether a borrower is experiencing financial difficulty is made as of the date of a modification.

The effect of most modifications of loans made to borrowers who are experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance. The forecast of expected future cash flows is updated as the loan modifications occur.

As part of concluding on the adequacy of the allowance for credit losses, we review key allowance and loan metrics. The most significant of the metrics considered are the allowance coverage of net charge-offs ratio; the allowance as a percentage of ending total loans plus unfunded loan commitments and total accrued interest receivable (which we refer to as the "Total Allowance Percentage of Private Education Loan Exposure"); and delinquency and forbearance percentages.

Within the Private Education Loan portfolio, we deem loans greater than 90 days past due as nonperforming. With respect to periods prior to the sale of our remaining FFELP Loan portfolio in the fourth quarter of 2024, FFELP Loans were at least 97 percent guaranteed as to their principal and accrued interest by the federal government in the event of default and, therefore, we did not deem FFELP Loans as nonperforming from a credit risk perspective at any point in their life cycle prior to claim payment and continued to accrue interest on those loans through the date of claim.

For additional information, see Note 1, "Significant Accounting Policies — Allowance for Credit Losses" in this Form 10-Q and Note 6, "Allowance for Credit Losses and Unfunded Loan Commitments" in our 2024 Form 10-K.

##### Forbearance

Under our current forbearance practices, temporary forbearance of payments is generally granted in one-to-two month increments, for up to 12 months over the life of the loan, with 12 months of positive payment performance by a borrower required between grants (meaning the borrower must make payment in a cumulative amount equivalent to 12 monthly required payments under the loan). During the first six months following a borrower's grace period, the borrower may be eligible for extended grace forbearance in one six-month increment (which would also count towards the 12-month forbearance cap). Due to our current forbearance practices, including the limitations on forbearances offered to borrowers,

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

we do not believe the granting of forbearances will exceed the significance threshold under our accounting policy and, therefore, we do not consider the forbearances as loan modifications for the purposes of the tables below.

For additional information on our forbearance and modification programs, see Note 5, “Loans Held for Investment — Certain Collection Tools — Private Education Loans” in our 2024 Form 10-K. The tables below provide information about modifications to borrowers experiencing financial difficulty.

We offer certain administrative forbearances (e.g., death and disability, bankruptcy, military service, disaster forbearance, and in school assistance) that are required by law (such as by the Servicemembers Civil Relief Act), are considered separate from our active loss mitigation programs, or do not exceed the significance threshold and therefore are not considered to be loan modifications requiring disclosure. In addition, we may offer on a limited basis term extensions or rate reductions or a combination of both to borrowers to reduce consolidation activities. We do not consider them modifications of loans to borrowers experiencing financial difficulty and they therefore are not included in the tables below.

##### *Loan Modifications to Borrowers Experiencing Financial Difficulty*

The following tables show the amortized cost basis at the end of the respective reporting periods of the loans to borrowers experiencing financial difficulty that were modified during the period, disaggregated by class of financing receivable and type of modification. When we approve a Private Education Loan at the beginning of an academic year, we do not always disburse the full amount of the loan at the time of approval, but instead have a commitment to fund a portion of the loan at a later date (usually at the start of the second semester or subsequent trimesters). We consider borrowers to be in financial difficulty after they have exited school and have difficulty making their scheduled principal and interest payments.

Three Months Ended March 31, 2025 (dollars in thousands)	Loan Modifications Made to Borrowers Experiencing Financial Difficulty			
	Interest Rate Reduction		Combination - Interest Rate Reduction and Term Extension	
	Amortized Cost Basis	% of Total Class of Financing Receivable	Amortized Cost Basis	% of Total Class of Financing Receivable
Loan Type:				
Private Education Loans	\$ 6,768	0.03 %	\$ 138,507	0.57 %
Total	\$ 6,768	0.03 %	\$ 138,507	0.57 %

Three Months Ended March 31, 2024 (dollars in thousands)	Loan Modifications Made to Borrowers Experiencing Financial Difficulty			
	Interest Rate Reduction		Combination - Interest Rate Reduction and Term Extension	
	Amortized Cost Basis	% of Total Class of Financing Receivable	Amortized Cost Basis	% of Total Class of Financing Receivable
Loan Type:				
Private Education Loans	\$ 4,991	0.02 %	\$ 252,761	1.13 %
Total	\$ 4,991	0.02 %	\$ 252,761	1.13 %

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

The following tables summarize the financial effect of the modifications made to loans whose borrowers are experiencing financial difficulty:

Three Months Ended March 31,			
2025		2024	
Interest Rate Reduction	Combination - Interest Rate Reduction and Term Extension	Interest Rate Reduction	Combination - Interest Rate Reduction and Term Extension
<b>Financial Effect:</b>	<b>Financial Effect:</b>	<b>Financial Effect:</b>	<b>Financial Effect:</b>
Reduced average contractual rate from 13.11% to 4.36%	Added a weighted average 9.35 years to the life of loans	Reduced average contractual rate from 13.15% to 3.94%	Added a weighted average 8.59 years to the life of loans
	Reduced average contractual rate from 12.10% to 4.01%		Reduced average contractual rate from 12.57% to 3.71%

Private Education Loans are charged off at the end of the month in which they reach 120 days delinquent or otherwise when the loans are classified as a loss by us or our regulator. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount. See Note 2, "Significant Accounting Policies — Allowance for Credit Losses — Allowance for Private Education Loan Losses" and "Significant Accounting Policies — Allowance for Credit Losses — Allowance for FFELP Loan Losses" in our 2024 Form 10-K for a more detailed discussion.

As part of the additional modification programs that were launched in the fourth quarter of 2023, we also offered for a short period of time a permanent term extension with no interest rate reduction program. This program ended in the fourth quarter of 2023. The amortized cost of this program totaled \$6.6 million as of March 31, 2025, representing 0.03 percent of the total Private Education Loan portfolio. This program added a weighted average of 6.8 years to the life of loans participating in the program. As of March 31, 2025, both the defaulted amount and amortized cost basis of loans that participated in this program that defaulted during the three months ended March 31, 2025 and were modified for borrowers experiencing financial difficulty during the twelve months prior to default were immaterial. Additionally, the amortized cost of loans that participated in this program that were modified during the twelve months ended March 31, 2025 and subsequently charged-off during the three months ended March 31, 2025 was also immaterial.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

For the periods presented, the following table presents the defaulted amount and period-end amortized cost basis, by modification category, of loans that defaulted during the period and were modified for borrowers experiencing financial difficulty during the 12 months preceding default. Solely for the purpose of the below table, starting in the quarter ended December 31, 2024, we changed our definition of payment default to be two missed consecutive post-modification payment obligations. As such, as reflected for the three months ended March 31, 2025 below, defaulted amount represents the principal amount of modified loans at the time the borrower missed two consecutive post-modification payment obligations during the period. Previously, as reflected for the three months ended March 31, 2024 in the table below, defaulted amount represented the principal amount of modified loans at the time they became 60 days or more past due in the relevant period. Loans that were modified during the twelve months ended March 31, 2025 and subsequently charged-off during the three months ended March 31, 2025 are not included in the period-end amortized cost basis and had an amortized cost basis of \$18.5 million at the time of charge-off. The following table does not include loans that received a permanent term extension with no interest rate reduction during the fourth quarter of 2023, which are described earlier in this Note 4.

(Dollars in thousands)	Three Months Ended March 31,			
	2025		2024	
	Defaulted Amount	Period-end Amortized Cost Basis	Defaulted Amount	Period-end Amortized Cost Basis
<b>Loan Type:</b>				
Private Education Loans				
Interest Rate Reduction	\$ 1,922	\$ 1,803	\$ 1,005	\$ 1,018
Combination - Interest Rate Reduction and Term Extension	39,064	37,091	13,491	13,765
<b>Total</b>	<b>\$ 40,986</b>	<b>\$ 38,894</b>	<b>\$ 14,496</b>	<b>\$ 14,783</b>

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

We closely monitor performance of the loans to borrowers experiencing financial difficulty that are modified to understand the effectiveness of the modification efforts. The following table depicts the performance of loans that have been modified within the three months prior to March 31, 2025, the 12 months prior to March 31, 2025, and the 12 months prior to December 31, 2024, respectively. Loans that received a permanent term extension with no interest rate reduction during the fourth quarter of 2023 are not included in the below table, but are discussed above.

(Dollars in thousands)	Three Months Ended March 31, 2025		Twelve Months Ended March 31, 2025		Twelve Months Ended December 31, 2024	
	Balance	%	Balance	%	Balance	%
<b>Payment Status (Amortized Cost Basis)<sup>(1)</sup>:</b>						
Loan modifications in deferment <sup>(2)</sup>	\$ 1,612		\$ 33,618		\$ 33,645	
Loan modifications in repayment:						
Loans current <sup>(3)(4)</sup>	48,710	34 %	692,649	79 %	826,007	83 %
Loans delinquent 30-59 days <sup>(3)(4)</sup>	43,323	30 %	76,207	9 %	77,446	8 %
Loans delinquent 60-89 days <sup>(3)(4)</sup>	26,691	19 %	48,976	6 %	43,484	4 %
Loans 90 days or greater past due <sup>(3)(4)</sup>	24,939	17 %	49,463	6 %	54,473	5 %
Total loan modifications in repayment	143,663	100 %	867,295	100 %	1,001,410	100 %
Total Private Education Loan modifications	\$ 145,275		\$ 900,913		\$ 1,035,055	

(1) Loans that were modified during the twelve months ended March 31, 2025 and subsequently charged-off during the three months ended March 31, 2025 are excluded from the table and had an amortized cost basis of \$18.5 million. Loans that were both modified and subsequently charged-off during the twelve months ended March 31, 2025 are excluded from the table and had an amortized cost basis of \$50.0 million. Loans that were both modified and subsequently charged-off during the twelve months ended December 31, 2024 are excluded from the table and had an amortized cost basis of \$40.4 million. Additionally, loans that received a permanent term extension with no interest rate reduction during the fourth quarter of 2023 are excluded from the table.

(2) Deferment includes customers who have returned to school or are engaged in other permitted educational activities and are not yet required to make full principal and interest payments on the loans (e.g., residency periods for medical students or a grace period for bar exam preparation). Deferment also includes loans that have entered a forbearance after the loan modification was granted.

(3) Represents loans in repayment, which include loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the "loans in forbearance" metric).

(4) The period of delinquency is based on the number of days scheduled payments are contractually past due.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

##### Private Education Loans Held for Investment - Key Credit Quality Indicators

For Private Education Loans, the key credit quality indicators are FICO scores, the existence of a cosigner, the loan status, and loan seasoning. The FICO scores are assessed at original approval and periodically refreshed/updated through the loan's term. The following tables highlight the gross principal balance of our Private Education Loan portfolio (held for investment), by year of origination approval/first disbursement, stratified by key credit quality indicators.

As of March 31, 2025 (dollars in thousands)		Private Education Loans Held for Investment - Credit Quality Indicators							% of Balance
Year of Origination Approval	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>	2020 and Prior <sup>(1)</sup>	Total <sup>(1)</sup>		
Cosigners:									
With cosigner	\$ 859,190	\$ 5,895,269	\$ 3,629,844	\$ 2,386,878	\$ 1,604,095	\$ 5,421,272	\$ 19,796,548		88 %
Without cosigner	83,188	566,097	511,306	397,767	286,663	790,556	2,635,577		12
Total	\$ 942,378	\$ 6,461,366	\$ 4,141,150	\$ 2,784,645	\$ 1,890,758	\$ 6,211,828	\$ 22,432,125		100 %
FICO at Origination Approval <sup>(2)</sup> :									
Less than 670	\$ 51,495	\$ 379,320	\$ 310,698	\$ 231,818	\$ 144,364	\$ 537,354	\$ 1,655,049		7 %
670-699	124,044	783,165	590,368	394,851	260,696	1,029,177	3,182,301		14
700-749	294,174	1,955,019	1,278,201	872,195	603,290	2,093,039	7,095,918		32
Greater than or equal to 750	472,665	3,343,862	1,961,883	1,285,781	882,408	2,552,258	10,498,857		47
Total	\$ 942,378	\$ 6,461,366	\$ 4,141,150	\$ 2,784,645	\$ 1,890,758	\$ 6,211,828	\$ 22,432,125		100 %
FICO Refreshed <sup>(2)(3)</sup> :									
Less than 670	\$ 78,272	\$ 616,695	\$ 578,313	\$ 449,560	\$ 302,294	\$ 1,037,950	\$ 3,063,084		14 %
670-699	126,040	800,321	530,393	344,692	222,205	664,969	2,688,620		12
700-749	286,159	1,863,056	1,148,737	742,163	494,666	1,590,227	6,125,008		27
Greater than or equal to 750	451,907	3,181,294	1,883,707	1,248,230	871,593	2,918,682	10,555,413		47
Total	\$ 942,378	\$ 6,461,366	\$ 4,141,150	\$ 2,784,645	\$ 1,890,758	\$ 6,211,828	\$ 22,432,125		100 %
Seasoning <sup>(4)</sup> :									
1-12 payments	\$ 506,319	\$ 3,438,840	\$ 544,214	\$ 398,355	\$ 227,135	\$ 389,019	\$ 5,503,882		25 %
13-24 payments	—	295,985	2,093,179	263,144	169,556	406,222	3,228,086		14
25-36 payments	—	—	161,894	1,384,100	172,968	483,553	2,202,515		10
37-48 payments	—	—	—	103,094	947,463	547,483	1,598,040		7
More than 48 payments	—	—	—	—	53,621	3,782,254	3,835,875		17
Not yet in repayment	436,059	2,726,541	1,341,863	635,952	320,015	603,297	6,063,727		27
Total	\$ 942,378	\$ 6,461,366	\$ 4,141,150	\$ 2,784,645	\$ 1,890,758	\$ 6,211,828	\$ 22,432,125		100 %
2025 Current period <sup>(5)</sup> gross charge-offs									
	\$ (30)	\$ (2,204)	\$ (11,879)	\$ (14,517)	\$ (11,192)	\$ (47,081)	\$ (86,903)		
2025 Current period <sup>(5)</sup> recoveries									
	—	167	1,045	1,515	1,135	6,872	10,734		
2025 Current period <sup>(5)</sup> net charge-offs									
	\$ (30)	\$ (2,037)	\$ (10,834)	\$ (13,002)	\$ (10,057)	\$ (40,209)	\$ (76,169)		
Total accrued interest by origination approval vintage									
	\$ 14,681	\$ 304,006	\$ 427,589	\$ 300,194	\$ 186,056	\$ 325,939	\$ 1,558,465		

(1) Balance represents gross Private Education Loans held for investment.

(2) Represents the higher credit score of the cosigner or the borrower.

(3) Represents the FICO score updated as of the first-quarter 2025.

(4) Number of months in active repayment (whether interest only payment, fixed payment, or full principal and interest payment status) for which a scheduled payment was due.

(5) Current period refers to period from January 1, 2025 through March 31, 2025.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

As of December 31, 2024 (dollars in thousands)		Private Education Loans Held for Investment - Credit Quality Indicators							
Year of Origination Approval	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>	2020 <sup>(1)</sup>	2019 and Prior <sup>(1)</sup>	Total <sup>(1)</sup>	% of Balance	
<b>Cosigners:</b>									
With cosigner	\$ 4,519,952	\$ 4,707,685	\$ 2,741,871	\$ 1,759,261	\$ 1,151,751	\$ 4,642,019	\$ 19,522,539	88 %	
Without cosigner	504,640	613,825	443,376	310,175	222,245	618,208	2,712,469	12	
<b>Total</b>	<b>\$ 5,024,592</b>	<b>\$ 5,321,510</b>	<b>\$ 3,185,247</b>	<b>\$ 2,069,436</b>	<b>\$ 1,373,996</b>	<b>\$ 5,260,227</b>	<b>\$ 22,235,008</b>	<b>100 %</b>	
<b>FICO at Origination Approval<sup>(2)</sup>:</b>									
Less than 670	\$ 293,025	\$ 394,962	\$ 261,589	\$ 155,661	\$ 94,355	\$ 475,186	\$ 1,674,778	8 %	
670-699	615,617	753,548	449,214	285,181	197,205	898,535	3,199,300	14	
700-749	1,525,547	1,641,641	998,834	660,373	451,695	1,782,121	7,060,211	32	
Greater than or equal to 750	2,590,403	2,531,359	1,475,610	968,221	630,741	2,104,385	10,300,719	46	
<b>Total</b>	<b>\$ 5,024,592</b>	<b>\$ 5,321,510</b>	<b>\$ 3,185,247</b>	<b>\$ 2,069,436</b>	<b>\$ 1,373,996</b>	<b>\$ 5,260,227</b>	<b>\$ 22,235,008</b>	<b>100 %</b>	
<b>FICO Refreshed<sup>(2)(3)</sup>:</b>									
Less than 670	\$ 453,705	\$ 666,049	\$ 467,562	\$ 301,367	\$ 194,124	\$ 831,053	\$ 2,913,860	13 %	
670-699	633,749	710,546	409,808	248,325	138,730	578,639	2,719,797	12	
700-749	1,485,771	1,512,643	879,450	563,941	362,715	1,398,737	6,203,257	28	
Greater than or equal to 750	2,451,367	2,432,272	1,428,427	955,803	678,427	2,451,798	10,398,094	47	
<b>Total</b>	<b>\$ 5,024,592</b>	<b>\$ 5,321,510</b>	<b>\$ 3,185,247</b>	<b>\$ 2,069,436</b>	<b>\$ 1,373,996</b>	<b>\$ 5,260,227</b>	<b>\$ 22,235,008</b>	<b>100 %</b>	
<b>Seasoning<sup>(4)</sup>:</b>									
1-12 payments	\$ 2,860,113	\$ 774,471	\$ 499,812	\$ 280,154	\$ 159,762	\$ 324,506	\$ 4,898,818	22 %	
13-24 payments	—	2,729,334	372,496	191,989	122,938	340,556	3,757,313	17	
25-36 payments	—	—	1,564,157	254,068	110,952	429,127	2,358,304	11	
37-48 payments	—	—	—	987,977	170,051	451,494	1,609,522	7	
More than 48 payments	—	—	—	—	625,916	3,262,308	3,888,224	17	
Not yet in repayment	2,164,479	1,817,705	748,782	355,248	184,377	452,236	5,722,827	26	
<b>Total</b>	<b>\$ 5,024,592</b>	<b>\$ 5,321,510</b>	<b>\$ 3,185,247</b>	<b>\$ 2,069,436</b>	<b>\$ 1,373,996</b>	<b>\$ 5,260,227</b>	<b>\$ 22,235,008</b>	<b>100 %</b>	
<b>2024 Current period<sup>(5)</sup> gross charge-offs</b>									
	\$ (1,826)	\$ (29,094)	\$ (68,454)	\$ (53,697)	\$ (37,318)	\$ (186,451)	\$ (376,840)		
<b>2024 Current period<sup>(5)</sup> recoveries</b>									
	117	2,191	6,487	5,771	3,840	26,350	44,756		
<b>2024 Current period<sup>(5)</sup> net charge-offs</b>									
	\$ (1,709)	\$ (26,903)	\$ (61,967)	\$ (47,926)	\$ (33,478)	\$ (160,101)	\$ (332,084)		
<b>Total accrued interest by origination approval vintage</b>									
	\$ 195,291	\$ 484,531	\$ 325,962	\$ 197,504	\$ 106,565	\$ 239,562	\$ 1,549,415		

<sup>(1)</sup> Balance represents gross Private Education Loans held for investment.

<sup>(2)</sup> Represents the higher credit score of the cosigner or the borrower.

<sup>(3)</sup> Represents the FICO score updated as of the fourth-quarter 2024.

<sup>(4)</sup> Number of months in active repayment (whether interest only payment, fixed payment, or full principal and interest payment status) for which a scheduled payment was due.

<sup>(5)</sup> Current period refers to January 1, 2024 through December 31, 2024.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

##### Delinquencies - Private Education Loans Held for Investment

The following tables provide information regarding the loan status of our Private Education Loans held for investment, by year of origination approval/first disbursement. Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the following tables, do not include loans in the “loans in forbearance” metric).

As of March 31, 2025 (dollars in thousands)	Private Education Loans Held for Investment - Delinquencies by Origination Approval Vintage						
	2025	2024	2023	2022	2021	2020 and Prior	Total
Loans in-school/grace/deferment <sup>(1)</sup>	\$ 436,059	\$ 2,726,541	\$ 1,341,863	\$ 635,952	\$ 320,015	\$ 603,297	\$ 6,063,727
Loans in forbearance <sup>(2)</sup>	1,040	37,981	139,850	96,559	62,922	126,249	464,601
Loans in repayment:							
Loans current	504,171	3,673,471	2,578,666	1,965,257	1,439,732	5,172,375	15,333,672
Loans delinquent 30-59 days <sup>(3)</sup>	1,108	13,654	35,819	39,736	31,663	154,299	276,279
Loans delinquent 60-89 days <sup>(3)</sup>	—	5,932	23,863	24,895	19,818	78,104	152,612
Loans 90 days or greater past due <sup>(3)</sup>	—	3,787	21,089	22,246	16,608	77,504	141,234
Total Private Education Loans in repayment	505,279	3,696,844	2,659,437	2,052,134	1,507,821	5,482,282	15,903,797
Total Private Education Loans, gross	942,378	6,461,366	4,141,150	2,784,645	1,890,758	6,211,828	22,432,125
Private Education Loans deferred origination costs and unamortized premium/(discount)	13,142	42,843	20,119	9,329	5,521	11,840	102,794
Total Private Education Loans	955,520	6,504,209	4,161,269	2,793,974	1,896,279	6,223,668	22,534,919
Private Education Loans allowance for losses	(36,944)	(332,859)	(283,874)	(217,640)	(141,990)	(430,408)	(1,443,715)
<b>Private Education Loans, net</b>	<b>\$ 918,576</b>	<b>\$ 6,171,350</b>	<b>\$ 3,877,395</b>	<b>\$ 2,576,334</b>	<b>\$ 1,754,289</b>	<b>\$ 5,793,260</b>	<b>\$ 21,091,204</b>
Percentage of Private Education Loans in repayment	53.6 %	57.2 %	64.2 %	73.7 %	79.7 %	88.3 %	70.9 %
Delinquent Private Education Loans in repayment as a percentage of Private Education Loans in repayment	0.2 %	0.6 %	3.0 %	4.2 %	4.5 %	5.7 %	3.6 %
Loans in forbearance as a percentage of loans in repayment and forbearance	0.2 %	1.0 %	5.0 %	4.5 %	4.0 %	2.3 %	2.8 %

<sup>(1)</sup> Deferment includes customers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans (e.g., residency periods for medical students or a grace period for bar exam preparation).

<sup>(2)</sup> Loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors (other than delinquent loans in disaster forbearance), consistent with established loan program servicing policies and procedures.

<sup>(3)</sup> The period of delinquency is based on the number of days scheduled payments are contractually past due.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

As of December 31, 2024 (dollars in thousands)	Private Education Loans Held for Investment - Delinquencies by Origination Vintage						Total
	2024	2023	2022	2021	2020	2019 and Prior	
Loans in-school/grace/deferment <sup>(1)</sup>	\$ 2,164,479	\$ 1,817,705	\$ 748,782	\$ 355,248	\$ 184,377	\$ 452,236	\$ 5,722,827
Loans in forbearance <sup>(2)</sup>	19,984	124,728	87,961	52,686	31,575	88,496	405,430
Loans in repayment:							
Loans current	2,820,940	3,312,916	2,259,455	1,590,812	1,107,189	4,422,021	15,513,333
Loans delinquent 30-59 days <sup>(3)</sup>	13,533	36,441	45,543	35,245	27,302	152,684	310,748
Loans delinquent 60-89 days <sup>(3)</sup>	3,973	15,239	23,359	18,365	10,921	68,878	140,735
Loans 90 days or greater past due <sup>(3)</sup>	1,683	14,481	20,147	17,080	12,632	75,912	141,935
Total Private Education Loans in repayment	2,840,129	3,379,077	2,348,504	1,661,502	1,158,044	4,719,495	16,106,751
Total Private Education Loans, gross	5,024,592	5,321,510	3,185,247	2,069,436	1,373,996	5,260,227	22,235,008
Private Education Loans deferred origination costs and unamortized premium/(discount)	47,659	25,599	10,788	6,142	4,057	8,825	103,070
Total Private Education Loans	5,072,251	5,347,109	3,196,035	2,075,578	1,378,053	5,269,052	22,338,078
Private Education Loans allowance for losses	(258,235)	(326,207)	(234,532)	(150,324)	(90,600)	(376,022)	(1,435,920)
<b>Private Education Loans, net</b>	<b>\$ 4,814,016</b>	<b>\$ 5,020,902</b>	<b>\$ 2,961,503</b>	<b>\$ 1,925,254</b>	<b>\$ 1,287,453</b>	<b>\$ 4,893,030</b>	<b>\$ 20,902,158</b>
Percentage of Private Education Loans in repayment	56.5 %	63.5 %	73.7 %	80.3 %	84.3 %	89.7 %	72.4 %
Delinquent Private Education Loans in repayment as a percentage of Private Education Loans in repayment	0.7 %	2.0 %	3.8 %	4.3 %	4.4 %	6.3 %	3.7 %
Loans in forbearance as a percentage of loans in repayment and forbearance	0.7 %	3.6 %	3.6 %	3.1 %	2.7 %	1.8 %	2.5 %

<sup>(1)</sup> Deferment includes customers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans (e.g., residency periods for medical students or a grace period for bar exam preparation).

<sup>(2)</sup> Loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors (other than delinquent loans in disaster forbearance), consistent with established loan program servicing policies and procedures.

<sup>(3)</sup> The period of delinquency is based on the number of days scheduled payments are contractually past due.

#### 4. Allowance for Credit Losses and Unfunded Loan Commitments (Continued)

##### Accrued Interest Receivable

The following table provides information regarding accrued interest receivable on our Private Education Loans. The table also discloses the amount of accrued interest on loans 90 days or greater past due as compared to our allowance for uncollectible interest. The majority of the total accrued interest receivable represents accrued interest on deferred loans where no payments are due while the borrower is in school and fixed-pay loans where the borrower makes a \$25 monthly payment that is smaller than the interest accruing on the loan in that month. The accrued interest on these loans will be capitalized to the balance of the loans when the borrower exits the grace period after separation from school. The allowance for credit losses considers the collectibility of both principal and accrued interest. The allowance for uncollectible interest estimates the additional uncollectible interest that is not captured in the allowance for credit losses.

(Dollars in thousands)	Private Education Loans Accrued Interest Receivable		
	Total Interest Receivable	90 Days or Greater Past Due	Allowance for Uncollectible Interest <sup>(1)</sup>
March 31, 2025	\$ 1,558,465	\$ 6,539	\$ 14,192
December 31, 2024	\$ 1,549,415	\$ 6,420	\$ 12,366

<sup>(1)</sup> At March 31, 2025 and December 31, 2024, \$156 million and \$164 million, respectively, of accrued interest receivable was not expected to be capitalized and \$1.4 billion and \$1.4 billion of accrued interest receivable was expected to be capitalized.

##### Unfunded Loan Commitments

When we approve a Private Education Loan at the beginning of an academic year, that approval may cover the borrowing for the entire academic year. As such, we do not always disburse the full amount of the loan at the time of such approval, but instead have a commitment to fund a portion of the loan at a later date (usually at the start of the second semester or subsequent trimesters). We estimate expected credit losses over the contractual period in which we are exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by us. See Note 2, "Significant Accounting Policies - Allowance for Credit Losses — Off-Balance Sheet Exposure for Contractual Loan Commitments" in our 2024 Form 10-K for additional information.

At March 31, 2025, we had \$584 million of outstanding contractual loan commitments that we expect to fund during the remainder of the 2024/2025 academic year. The table below summarizes the activity in the allowance recorded to cover lifetime expected credit losses on the unfunded commitments, which is recorded in "Other Liabilities" on the consolidated balance sheets, as well as the activity in the unfunded commitments balance.

Three Months Ended March 31, (dollars in thousands)	2025		2024	
	Allowance	Unfunded Commitments	Allowance	Unfunded Commitments
<b>Beginning Balance</b>	\$ 84,568	\$ 2,311,660	\$ 112,962	\$ 2,221,077
Provision/New commitments - net <sup>(1)</sup>	44,456	1,043,958	50,686	1,034,458
Transfer - funded loans <sup>(2)</sup>	(105,134)	(2,771,478)	(131,614)	(2,582,043)
<b>Ending Balance</b>	\$ 23,890	\$ 584,140	\$ 32,034	\$ 673,492

<sup>(1)</sup> Net of expirations of commitments unused. Also includes incremental provision for new commitments and changes to provision for existing commitments.

<sup>(2)</sup> When a loan commitment is funded, its related liability for credit losses (which originally was recorded as a provision for unfunded commitments) is transferred to the allowance for credit losses.

The unfunded commitments disclosed above represent the total amount of outstanding unfunded commitments at each period end. However, historically not all of these commitments are funded prior to the expiration of the commitments. We estimate the amount of commitments expected to be funded in calculating the reserve for unfunded commitments. The amount we expect to fund and use in our calculation of the reserve for unfunded commitments will change period to period based upon the loan characteristics of the underlying commitments.

## 5. Goodwill and Acquired Intangible Assets

### Goodwill

We recorded as goodwill the excess of the purchase price over the estimated fair values of identifiable assets and liabilities acquired as part of the acquisition of the assets primarily used or held for use of Epic Research Education Services, LLC, which did business as Nitro College ("Nitro"), in the first quarter of 2022, and the acquisition of the key assets of Scholly Inc. ("Scholly") in the third quarter of 2023. Goodwill is not amortized but is tested periodically for impairment. We test goodwill for impairment annually in the fourth quarter of the year, or more frequently if we believe that indicators of impairment exist. At both March 31, 2025 and December 31, 2024, we had \$56 million in total goodwill. See Note 2, "Significant Accounting Policies — Business Combinations" in our 2024 Form 10-K for additional details on our acquisitions of Nitro and Scholly.

### Acquired Intangible Assets

Our intangible assets include acquired trade name and trademarks, customer relationships, and developed technology. We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

Acquired intangible assets include the following:

(Dollars in thousands)	Weighted Average Useful Life (in years) <sup>(1)</sup>	March 31, 2025			December 31, 2024		
		Cost Basis	Accumulated Amortization	Net	Cost Basis	Accumulated Amortization	Net
Trade name and trademarks	4.0	\$ 6,040	\$ (2,517)	\$ 3,523	\$ 6,040	\$ (2,139)	\$ 3,901
Customer relationships	4.6	8,920	(6,946)	1,974	8,920	(6,465)	2,455
Developed technology	3.5	2,590	(1,814)	776	2,590	(1,661)	929
Sallie.com domain	4.0	150	(15)	135	150	(6)	144
<b>Total acquired intangible assets</b>		<b>\$ 17,700</b>	<b>\$ (11,292)</b>	<b>\$ 6,408</b>	<b>\$ 17,700</b>	<b>\$ (10,271)</b>	<b>\$ 7,429</b>

<sup>(1)</sup> The weighted average useful life of acquired intangible assets related to the Nitro acquisition is 4.6 years and the weighted average useful life of the acquired intangible assets related to the Scholly acquisition is 4.0 years.

We recorded amortization of acquired intangible assets totaling approximately \$1 million in both the three months ended March 31, 2025 and March 31, 2024. We will continue to amortize our intangible assets with definite useful lives over their remaining estimated useful lives. We estimate amortization expense associated with these intangible assets will be approximately \$4 million, \$3 million, and \$1 million in 2025, 2026, and 2027 respectively.

## 6. Deposits

The following table summarizes total deposits at March 31, 2025 and December 31, 2024.

(Dollars in thousands)	March 31, 2025	December 31, 2024
Deposits - interest-bearing	\$ 20,070,552	\$ 21,066,752
Deposits - non-interest-bearing	2,616	1,816
<b>Total deposits</b>	<b>\$ 20,073,168</b>	<b>\$ 21,068,568</b>

Our total deposits of \$20.1 billion were comprised of \$8.7 billion in brokered deposits and \$11.4 billion in retail and other deposits at March 31, 2025, compared to total deposits of \$21.1 billion, which were comprised of \$9.5 billion in brokered deposits and \$11.6 billion in retail and other deposits, at December 31, 2024.

Interest-bearing deposits as of March 31, 2025 and December 31, 2024 consisted of retail and brokered non-maturity savings deposits, retail and brokered non-maturity money market deposits ("MMDAs"), and retail and brokered certificates of deposit ("CDs"). Interest-bearing deposits also include deposits from Educational 529 and Health Savings plans that diversify our funding sources and that we consider to be core. These and other large omnibus accounts, aggregating the deposits of many individual depositors, represented \$6.8 billion and \$7.0 billion of our deposit total as of March 31, 2025 and December 31, 2024, respectively. The omnibus accounts are structured in such a way that entitles the individual depositor pass-through deposit insurance (subject to Federal Deposit Insurance Corporation ("FDIC") rules and limitations), and the majority of these deposits have contractual minimum balances and maturity terms.

Some of our deposit products are serviced by third-party providers. Placement fees associated with the brokered CDs are amortized into interest expense using the effective interest rate method. We recognized placement fee expense of \$2 million and \$3 million in the three months ended March 31, 2025 and 2024, respectively. There were no fees paid to third-party brokers related to brokered CDs for either the three months ended March 31, 2025 or March 31, 2024.

Interest bearing deposits at March 31, 2025 and December 31, 2024 are summarized as follows:

(Dollars in thousands)	March 31, 2025		December 31, 2024	
	Amount	Qtr.-End Weighted Average Stated Rate <sup>(1)</sup>	Amount	Year-End Weighted Average Stated Rate <sup>(1)</sup>
Money market	\$ 9,414,764	4.11 %	\$ 9,582,290	4.27 %
Savings	1,002,260	3.83	944,034	4.02
Certificates of deposit	9,653,528	4.06	10,540,428	4.20
<b>Deposits - interest bearing</b>	<b>\$ 20,070,552</b>		<b>\$ 21,066,752</b>	

<sup>(1)</sup> Includes the effect of interest rate swaps in effective hedge relationships.

## 6. Deposits (Continued)

Certificates of deposit remaining maturities are summarized as follows:

<b>(Dollars in thousands)</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
One year or less	\$ 5,663,300	\$ 6,569,872
After one year to two years	2,205,759	2,074,849
After two years to three years	903,006	986,262
After three years to four years	165,656	189,421
After four years to five years	715,777	720,005
After five years	30	19
<b>Total</b>	<b>\$ 9,653,528</b>	<b>\$ 10,540,428</b>

As of March 31, 2025 and December 31, 2024, there were \$551 million and \$567 million, respectively, of deposits exceeding FDIC insurance limits. Accrued interest on deposits was \$60 million and \$92 million at March 31, 2025 and December 31, 2024, respectively.

## 7. Borrowings

Outstanding borrowings consist of unsecured debt and secured borrowings issued through our term asset-backed securities (“ABS”) program and our Private Education Loan multi-lender secured borrowing facility (the “Secured Borrowing Facility”). For additional information regarding our borrowings, see Note 10, “Borrowings” in our 2024 Form 10-K. The following table summarizes our borrowings at March 31, 2025 and December 31, 2024.

(Dollars in thousands)	March 31, 2025			December 31, 2024		
	Short-Term	Long-Term	Total	Short-Term	Long-Term	Total
<b>Unsecured borrowings:</b>						
Unsecured debt (fixed-rate)	\$ —	\$ 989,528	\$ 989,528	\$ —	\$ 995,420	\$ 995,420
<b>Total unsecured borrowings</b>	—	989,528	989,528	—	995,420	995,420
<b>Secured borrowings:</b>						
Private Education Loan term securitizations:						
Fixed-rate	—	4,389,633	4,389,633	—	4,617,743	4,617,743
Variable-rate	—	768,312	768,312	—	827,182	827,182
Total Private Education Loan term securitizations	—	5,157,945	5,157,945	—	5,444,925	5,444,925
Secured Borrowing Facility	—	—	—	—	—	—
<b>Total secured borrowings</b>	—	5,157,945	5,157,945	—	5,444,925	5,444,925
<b>Total</b>	<b>\$ —</b>	<b>\$ 6,147,473</b>	<b>\$ 6,147,473</b>	<b>\$ —</b>	<b>\$ 6,440,345</b>	<b>\$ 6,440,345</b>

### Short-term Borrowings

#### Secured Financings

On June 14, 2024, we amended our \$2 billion maximum Secured Borrowing Facility to extend the maturity. We hold 100 percent of the residual interest in the Secured Borrowing Facility trust. The amendment extended the revolving period, during which we may borrow, repay, and reborrow funds, until June 13, 2025. The scheduled amortization period, during which amounts outstanding under the Secured Borrowing Facility must be repaid, ends on June 13, 2026 (or earlier, if certain material adverse events occur). The one-year revolving period plus the one-year amortization period results in a contractual maturity that is two years from the date of inception or renewal; however, we classify advances under our Secured Borrowing Facility as short-term borrowings because it is our intention to repay those advances within one year. At both March 31, 2025, and December 31, 2024, there were no outstanding short-term borrowings under the Secured Borrowing Facility.

### Long-term Borrowings

#### Unsecured Financing Transactions

On January 31, 2025, we issued \$500 million of 6.50 percent unsecured Senior Notes due January 31, 2030. At March 31, 2025, the outstanding balance was \$493 million.

On February 18, 2025, we redeemed \$500 million of the 4.20 percent unsecured Senior Notes due October 29, 2025. The Senior Notes were redeemed at 100 percent of their principal amount, plus the accrued and unpaid interest thereon through the redemption date. As a result of the redemption, we recognized a \$1 million loss on the transaction.

## 7. Borrowings (Continued)

### Secured Financing Transactions

The following table summarizes our term ABS fundings issued in the year ended December 31, 2024, in which we retained 100 percent of the residual class certificates and which are collateralized by pools of Private Education Loans. The transfer of these loans did not qualify for sale treatment and thus remain encumbered on our consolidated balance sheet. There were no secured financings issued in the three months ended March 31, 2025.

SMB Private Education Loan Trust	Date Closed	Loans Transferred to the Trust <sup>(1)</sup>	Notes Issued	Gross Proceeds	Weighted Average Cost of Funds <sup>(2)</sup>	Weighted Average Life of Notes (in years)
(Dollars in thousands)						
2024-C ABS Transaction	May 15, 2024	\$ 733,644	\$ 668,000	\$ 667,888	SOFR plus 1.19%	5.36
2024-E ABS Transaction	August 14, 2024	944,645	868,000	867,743	SOFR plus 1.42%	5.17
2024-F ABS Transaction	November 6, 2024	732,445	680,000	679,981	SOFR plus 1.08%	5.09
<b>Total 2024</b>		<u>\$ 2,410,734</u>	<u>\$ 2,216,000</u>	<u>\$ 2,215,612</u>		
<b>Loans encumbered at March 31, 2025, related to 2024 term ABS:</b>		<u>\$ 2,271,829</u>				

(1) Represents principal and capitalized interest.

(2) Represents SOFR equivalent cost of funds for floating and fixed-rate bonds, excluding issuance costs.

### Consolidated Funding Vehicles

We consolidate our financing entities that are VIEs as a result of our being the entities' primary beneficiary. As a result, these financing VIEs are accounted for as secured borrowings.

As of March 31, 2025 (dollars in thousands)	Debt Outstanding			Carrying Amount of Net Assets Securing Debt Outstanding			
	Short-Term	Long-Term	Total	Loans	Restricted Cash	Other Assets, Net <sup>(1)</sup>	Total
Secured borrowings:							
Private Education Loan term securitizations	\$ —	\$ 5,157,945	\$ 5,157,945	\$ 6,492,587	\$ 173,483	\$ 413,202	\$ 7,079,272
Secured Borrowing Facility	—	—	—	—	—	(486)	(486)
<b>Total</b>	<u>\$ —</u>	<u>\$ 5,157,945</u>	<u>\$ 5,157,945</u>	<u>\$ 6,492,587</u>	<u>\$ 173,483</u>	<u>\$ 412,716</u>	<u>\$ 7,078,786</u>

As of December 31, 2024	Debt Outstanding			Carrying Amount of Net Assets Securing Debt Outstanding			
	Short-Term	Long-Term	Total	Loans	Restricted Cash	Other Assets, Net <sup>(1)</sup>	Total
Secured borrowings:							
Private Education Loan term securitizations	\$ —	\$ 5,444,925	\$ 5,444,925	\$ 6,786,390	\$ 173,892	\$ 418,705	\$ 7,378,987
Secured Borrowing Facility	—	—	—	—	—	98	98
<b>Total</b>	<u>\$ —</u>	<u>\$ 5,444,925</u>	<u>\$ 5,444,925</u>	<u>\$ 6,786,390</u>	<u>\$ 173,892</u>	<u>\$ 418,803</u>	<u>\$ 7,379,085</u>

(1) Other assets, net primarily represents accrued interest receivable and payable.

## 7. Borrowings (Continued)

### Unconsolidated Funding Vehicles

#### Private Education Loan Securitizations

Unconsolidated VIEs include variable interests that we hold in certain securitization trusts created by the sale of our Private Education Loans to unaffiliated third parties. We remained the servicer of these loans pursuant to applicable servicing agreements executed in connection with the sales, and we are also the administrator of these trusts. Additionally, we own five percent of the securities issued by the trusts to meet risk retention requirements. We were not required to consolidate these entities because the fees we receive as the servicer/administrator are commensurate with our responsibility, so the fees are not considered a variable interest. Additionally, the five percent vertical interest we maintain does not absorb more than an insignificant amount of the VIE's expected losses, nor do we receive more than an insignificant amount of the VIE's expected residual returns. We classified those vertical risk retention interests related to the securitization transactions listed below as available-for-sale investments, except for the interest in the residual class, which we classified as trading investments recorded at fair value with changes recorded through earnings. No Private Education Loan ABS transactions closed in the three months ended March 31, 2025.

The table below provides a summary of our exposure related to our unconsolidated VIEs.

(Dollars in thousands)	March 31, 2025			December 31, 2024		
	Debt Interests <sup>(1)</sup>	Equity Interests <sup>(2)</sup>	Total Exposure	Debt Interests <sup>(1)</sup>	Equity Interests <sup>(2)</sup>	Total Exposure
Private Education Loan term securitizations	\$ 549,949	\$ 51,296	\$ 601,245	\$ 571,795	\$ 53,262	\$ 625,057

(1) Vertical risk retention interest classified as available-for-sale investment.

(2) Vertical risk retention interest classified as trading investment.

### Other Borrowing Sources

We maintain discretionary uncommitted Federal Funds lines of credit with various correspondent banks, which totaled \$125 million at March 31, 2025. The interest rate we are charged on these lines of credit is priced at Fed Funds plus a spread at the time of borrowing, and is payable daily. We did not utilize these lines of credit in the three months ended March 31, 2025, nor in the year ended December 31, 2024.

We established an account at the FRB to meet eligibility requirements for access to the Primary Credit borrowing facility at the FRB's Discount Window (the "Window"). The Primary Credit borrowing facility is a lending program available to depository institutions that are in generally sound financial condition. All borrowings at the Window must be fully collateralized. We can pledge asset-backed and mortgage-backed securities, as well as Private Education Loans, to the FRB as collateral for borrowings at the Window. Generally, collateral value is assigned based on the estimated fair value of the pledged assets. At March 31, 2025 and December 31, 2024, the value of our pledged collateral at the FRB totaled \$2.5 billion and \$2.2 billion, respectively. The interest rate charged to us is the discount rate set by the FRB. We did not utilize this facility in the three months ended March 31, 2025, nor in the year ended December 31, 2024.

## 8. Derivative Financial Instruments

### *Risk Management Strategy*

We maintain an overall interest rate risk management strategy that incorporates the use of derivative instruments to reduce the economic effect of interest rate changes. Our goal is to manage interest rate sensitivity by modifying the repricing frequency and underlying index characteristics of certain balance sheet assets or liabilities so any adverse impacts related to movements in interest rates are managed within low to moderate limits. As a result of interest rate fluctuations, hedged balance sheet positions will appreciate or depreciate in market value or create variability in cash flows. Income or loss on the derivative instruments linked to the hedged item will generally offset the effect of this unrealized appreciation or depreciation or volatility in cash flows for the period the item is being hedged. We view this strategy as a prudent management of interest rate risk. Please refer to Note 11, "Derivative Financial Instruments" in our 2024 Form 10-K for a full discussion of our risk management strategy.

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") requires all standardized derivatives, including most interest rate swaps, to be submitted for clearing to central counterparties to reduce counterparty risk. Two of the central counterparties we use are the Chicago Mercantile Exchange ("CME") and the London Clearing House ("LCH"). All variation margin payments on derivatives cleared through the CME and LCH are accounted for as legal settlement. As of March 31, 2025, \$570 million notional of our derivative contracts were cleared on the CME and \$53 million were cleared on the LCH. The derivative contracts cleared through the CME and LCH represent 91.6 percent and 8.4 percent, respectively, of our total notional derivative contracts of \$623 million at March 31, 2025.

For derivatives cleared through the CME and LCH, the net gain (loss) position includes the variation margin amounts as settlement of the derivative and not collateral against the fair value of the derivative. The amount of variation margin included as settlement as of March 31, 2025 was \$(16) million and \$(1) million for the CME and LCH, respectively. Changes in fair value for derivatives not designated as hedging instruments are presented as realized gains (losses).

Our exposure to the counterparty is limited to the value of the derivative contracts in a gain position less any collateral held and plus any collateral posted. When there is a net negative exposure, we consider our exposure to the counterparty to be zero. At March 31, 2025 and December 31, 2024, we had a net positive exposure (derivative gain/loss positions to us, less collateral held by us and plus collateral posted with counterparties) related to derivatives of \$3 million and \$5 million, respectively.

## 8. Derivative Financial Instruments (Continued)

### Summary of Derivative Financial Statement Impact

The following tables summarize the fair values and notional amounts of all derivative instruments at March 31, 2025 and December 31, 2024, and their impact on earnings and other comprehensive income for the three months ended March 31, 2025 and March 31, 2024. Please refer to Note 11, "Derivative Financial Instruments" in our 2024 Form 10-K for a full discussion of fair value hedges and cash flow hedges.

#### Impact of Derivatives on the Consolidated Balance Sheets

(Dollars in thousands)	Cash Flow Hedges		Fair Value Hedges		Total	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
<b>Fair Values<sup>(1)</sup></b>	<b>Hedged Risk Exposure</b>					
<b>Derivative Assets:<sup>(2)</sup></b>						
Interest rate swaps	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Derivative Liabilities:<sup>(2)</sup></b>						
Interest rate swaps	(21)	(19)	(2)	(21)	(23)	(40)
<b>Total net derivatives</b>	<b>\$ (21)</b>	<b>\$ (19)</b>	<b>\$ (2)</b>	<b>\$ (21)</b>	<b>\$ (23)</b>	<b>\$ (40)</b>

<sup>(1)</sup> Fair values reported include variation margin as legal settlement of the derivative contract. Assets and liabilities are presented without consideration of master netting agreements. Derivatives are carried on the balance sheet based on net position by counterparty under master netting agreements and classified in other assets or other liabilities depending on whether in a net positive or negative position.

<sup>(2)</sup> The following table reconciles gross positions with the impact of master netting agreements to the balance sheet classification:

(Dollars in thousands)	Other Assets		Other Liabilities	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Gross position <sup>(1)</sup>	\$ —	\$ —	\$ (23)	\$ (40)
Impact of master netting agreement	—	—	—	—
Derivative values with impact of master netting agreements (as carried on balance sheet)	—	—	(23)	(40)
Cash collateral pledged <sup>(2)</sup>	3,382	4,879	—	—
<b>Net position</b>	<b>\$ 3,382</b>	<b>\$ 4,879</b>	<b>\$ (23)</b>	<b>\$ (40)</b>

<sup>(1)</sup> Gross position amounts include accrued interest and variation margin as legal settlement of the derivative contract.

<sup>(2)</sup> Cash collateral pledged excludes amounts that represent legal settlement of the derivative contracts.

#### Notional Values

(Dollars in thousands)	Cash Flow		Fair Value		Total	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Interest rate swaps	\$ 616,191	\$ 639,097	\$ 6,520	\$ 281,520	\$ 622,711	\$ 920,617
<b>Net total notional</b>	<b>\$ 616,191</b>	<b>\$ 639,097</b>	<b>\$ 6,520</b>	<b>\$ 281,520</b>	<b>\$ 622,711</b>	<b>\$ 920,617</b>

## 8. Derivative Financial Instruments (Continued)

As of March 31, 2025 and December 31, 2024, the following amounts were recorded on the consolidated balance sheet related to cumulative basis adjustments for fair value hedges:

(Dollars in thousands)	Carrying Amount of the Hedged Assets/(Liabilities)		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities)	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Deposits	\$ (6,169)	\$ (279,908)	\$ 159	\$ 1,420

### *Impact of Derivatives on the Consolidated Statements of Income*

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
<b>Fair Value Hedges</b>		
Interest rate swaps:		
Interest recognized on derivatives	\$ (1,411)	\$ (5,538)
Hedged items recorded in interest expense	(1,261)	(3,205)
Derivatives recorded in interest expense	1,273	3,229
<b>Total</b>	<b>\$ (1,399)</b>	<b>\$ (5,514)</b>
<b>Cash Flow Hedges</b>		
Interest rate swaps:		
Amount of gain (loss) reclassified from accumulated other comprehensive income into interest expense	\$ 5,919	\$ 12,461
<b>Total</b>	<b>\$ 5,919</b>	<b>\$ 12,461</b>
<b>Total</b>	<b>\$ 4,520</b>	<b>\$ 6,947</b>

## 8. Derivative Financial Instruments (Continued)

### *Impact of Derivatives on the Statements of Changes in Stockholders' Equity*

<i>(Dollars in thousands)</i>	<i>Three Months Ended</i>	
	<i>March 31,</i>	
	<i>2025</i>	<i>2024</i>
Amount of gain (loss) recognized in other comprehensive income (loss)	\$ 118	\$ 9,412
Less: amount of gain (loss) reclassified in interest expense	5,919	12,461
<b>Total change in other comprehensive income (loss) for unrealized gains (losses) on derivatives, before income tax (expense) benefit</b>	<b>\$ (5,801)</b>	<b>\$ (3,049)</b>

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on our variable-rate deposits. During the next twelve months, we estimate \$16 million will be reclassified as a decrease to interest expense.

### ***Cash Collateral***

As of March 31, 2025, cash collateral held and pledged excludes amounts that represent legal settlement of the derivative contracts held with the CME and LCH. There was no cash collateral held by us related to derivative exposure between us and our derivatives counterparties at March 31, 2025 and December 31, 2024, respectively. Collateral held is recorded in "Other Liabilities" on the consolidated balance sheets. Cash collateral pledged by us related to derivative exposure between us and our derivatives counterparties was \$3 million and \$5 million at March 31, 2025 and December 31, 2024, respectively. Collateral pledged is recorded in "Other interest-earning assets" on the consolidated balance sheets.

## 9. Stockholders' Equity

The following table summarizes our common share repurchases and issuances.

(Shares and per share amounts in actuals)	Three Months Ended March 31,	
	2025	2024
Common stock repurchased under repurchase programs <sup>(1)</sup>	1,037,391	1,310,723
Average purchase price per share <sup>(2)</sup>	\$ 29.65	\$ 20.32
Shares repurchased related to employee stock-based compensation plans <sup>(3)</sup>	830,868	683,247
Average purchase price per share	\$ 31.26	\$ 19.91
Common shares issued <sup>(4)</sup>	2,224,810	1,925,920

<sup>(1)</sup> Common shares purchased under our share repurchase programs. There was \$372 million of capacity remaining under the 2024 Share Repurchase Program at March 31, 2025.

<sup>(2)</sup> Average purchase price per share includes purchase commission costs and excise taxes.

<sup>(3)</sup> Comprised of shares withheld from stock option exercises and the vesting of restricted stock, restricted stock units, performance stock units, and dividend equivalent units for employees' tax withholding obligations and shares tendered by employees to satisfy option exercise costs.

<sup>(4)</sup> Common shares issued under our various compensation and benefit plans.

The closing price of our common stock on the NASDAQ Global Select Market on March 31, 2025 was \$29.37.

### Common Stock Dividend

In March 2025 and March 2024, we paid a common stock dividend of \$0.13 and \$0.11 per common share, respectively.

### Share Repurchases

In January 2022, we announced a share repurchase program of up to \$1.25 billion of common stock that expired in January 2024. In January 2024, we announced a new share repurchase program of up to \$650 million of common stock (the "2024 Share Repurchase Program"). The program expires in February 2026. We had \$372 million of capacity remaining under the 2024 Share Repurchase Program at March 31, 2025.

Under the 2024 Share Repurchase Program, repurchases could occur from time to time and through a variety of methods, including open market repurchases, repurchases effected through Rule 10b5-1 trading plans, negotiated block purchases, accelerated share repurchase programs, tender offers, or other similar transactions. The timing and volume of any repurchases are subject to market conditions, and there can be no guarantee that the Company will repurchase up to the limit of the 2024 Share Repurchase Program.

#### Share Repurchases under Rule 10b5-1 trading plans

During the three months ended March 31, 2025 and 2024, we repurchased 1.0 million and 1.3 million shares, respectively, of our common stock at a total cost of \$31 million and \$27 million, respectively, under Rule 10b5-1 trading plans authorized under our share repurchase programs.

## 10. Earnings per Common Share

Basic earnings per common share ("EPS") are calculated using the weighted average number of shares of common stock outstanding during each period. A reconciliation of the numerators and denominators of the basic and diluted EPS calculations follows.

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2025	2024
<b>Numerator:</b>		
Net income	\$ 304,540	\$ 289,931
Preferred stock dividends	3,956	4,653
Net income attributable to SLM Corporation common stock	<u>\$ 300,584</u>	<u>\$ 285,278</u>
<b>Denominator:</b>		
Weighted average shares used to compute basic EPS	210,682	220,416
Effect of dilutive securities:		
Dilutive effect of stock options, restricted stock, restricted stock units, performance stock units, and Employee Stock Purchase Plan ("ESPP") <sup>(1)</sup>	4,304	3,429
Weighted average shares used to compute diluted EPS	<u>214,986</u>	<u>223,845</u>
<b>Basic earnings per common share</b>	<u>\$ 1.43</u>	<u>\$ 1.29</u>
<b>Diluted earnings per common share</b>	<u>\$ 1.40</u>	<u>\$ 1.27</u>

<sup>(1)</sup> Includes the potential dilutive effect of additional common shares that are issuable upon exercise of outstanding stock options, restricted stock, restricted stock units, performance stock units, and the outstanding commitment to issue shares under the ESPP, determined by the treasury stock method.

<sup>(2)</sup> For the three months ended March 31, 2025 and 2024, securities covering approximately 1 million shares and 2 million shares, respectively, were outstanding but not included in the computation of diluted earnings per share because they were anti-dilutive.

## 11. Fair Value Measurements

We use estimates of fair value in applying various accounting standards for our consolidated financial statements.

We categorize our fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. For additional information regarding our policies for determining fair value and the hierarchical framework, see Note 2, "Significant Accounting Policies - Fair Value Measurement" in our 2024 Form 10-K.

During the three months ended March 31, 2025, there were no significant transfers of financial instruments between levels or changes in our methodology or assumptions used to value our financial instruments.

The following table summarizes the valuation of our financial instruments that are marked-to-fair value on a recurring basis.

(Dollars in thousands)	Fair Value Measurements on a Recurring Basis							
	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets:</b>								
Trading investments	\$ —	\$ 2,436	\$ 51,296	\$ 53,732	\$ —	\$ —	\$ 53,262	\$ 53,262
Available-for-sale investments	—	1,654,505	2,472	1,656,977	—	1,930,537	2,689	1,933,226
Held for sale loans	—	—	—	—	—	—	—	—
Derivative instruments	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,656,941</b>	<b>\$ 53,768</b>	<b>\$ 1,710,709</b>	<b>\$ —</b>	<b>\$ 1,930,537</b>	<b>\$ 55,951</b>	<b>\$ 1,986,488</b>
<b>Liabilities:</b>								
Derivative instruments	\$ —	\$ (23)	\$ —	\$ (23)	\$ —	\$ (40)	\$ —	\$ (40)
<b>Total</b>	<b>\$ —</b>	<b>\$ (23)</b>	<b>\$ —</b>	<b>\$ (23)</b>	<b>\$ —</b>	<b>\$ (40)</b>	<b>\$ —</b>	<b>\$ (40)</b>

## 11. Fair Value Measurements (Continued)

The following table summarizes the change in balance sheet carrying value associated with level 3 financial instruments carried at fair value on a recurring basis.

(Dollars in thousands)	Three Months Ended March 31,					
	2025			2024		
	Investments			Investments		
	Available For Sale - Debt Securities	Trading - Residual Interests	Total	Available For Sale - Debt Securities	Trading - Residual Interests	Total
<b>Balance, beginning of period</b>	\$ 2,689	\$ 53,262	\$ 55,951	\$ —	\$ 54,481	\$ 54,481
Total gains/(losses):						
Included in earnings (or changes in net assets) <sup>(1)</sup>	6	(521)	(515)	—	2,119	2,119
Included in other comprehensive income	3	—	3	—	—	—
Settlements	(226)	(1,445)	(1,671)	—	1,566	1,566
Transfers into level 3	—	—	—	—	—	—
Transfers out of level 3	—	—	—	—	—	—
<b>Balance, end of period</b>	\$ 2,472	\$ 51,296	\$ 53,768	\$ —	\$ 58,166	\$ 58,166
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	\$ 3	\$ —	\$ 3	\$ —	\$ —	\$ —
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at the end of the reporting period <sup>(2)</sup>	\$ —	\$ (521)	\$ (521)	\$ —	\$ 2,119	\$ 2,119

<sup>(1)</sup> Included in earnings (or changes in net assets) is comprised of the amounts recorded in the specified line item in the consolidated statements of income:

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
Interest Income - Investments	\$ 6	\$ —
Gains (losses) on securities, net	(521)	2,119
<b>Total</b>	\$ (515)	\$ 2,119

<sup>(2)</sup> Recorded in "gains (losses) on securities, net" in the consolidated statements of income.

The following table presents the significant unobservable inputs used in the recurring valuations of the level 3 financial instruments detailed above.

As of March 31, 2025 (dollars in thousands)	Fair Value	Valuation Technique	Unobservable Input	Range (Average)
Debt Securities	\$ 2,472	Discounted cash flow	Constant Prepayment Rate	6.9%-11.0% (8.3%)
			Probability of default	4.0%-17.0% (11.5%)
Residual Interests	51,296	Discounted cash flow	Constant Prepayment Rate	6.9%-11.0% (8.3%)
			Probability of default	4.0%-17.0% (11.5%)
<b>Total</b>	<b>\$ 53,768</b>			

## 11. Fair Value Measurements (Continued)

The significant inputs detailed in the above table would be expected to have the following impacts to the valuations:

- A decrease in CPR would result in a longer weighted average life of the trust, resulting in a decrease to the valuation due to the delay in residual cash flows with the increased term. The opposite is true for an increase in the CPR.
- A decrease in the probability of defaults means increased principal receipts, resulting in an increase to the valuation due to the increase in residual cash flow.
- Conversely, an increase in the probability of defaults means decreased principal receipts, resulting in a decrease to the valuation due to the decrease in residual cash flow.

The following table summarizes the fair values of our financial assets and liabilities, including derivative financial instruments.

(Dollars in thousands)	March 31, 2025			December 31, 2024		
	Fair Value	Carrying Value	Difference	Fair Value	Carrying Value	Difference
<b>Earning assets:</b>						
Loans held for investment, net:						
Private Education Loans	\$ 24,368,095	\$ 21,091,204	\$ 3,276,891	\$ 24,110,381	\$ 20,902,158	\$ 3,208,223
Cash and cash equivalents	3,695,076	3,695,076	—	4,700,366	4,700,366	—
Trading investments	53,732	53,732	—	53,262	53,262	—
Available-for-sale investments	1,656,977	1,656,977	—	1,933,226	1,933,226	—
Accrued interest receivable	1,675,035	1,553,979	121,056	1,663,474	1,546,590	116,884
Derivative instruments	—	—	—	—	—	—
Total earning assets	\$ 31,448,915	\$ 28,050,968	\$ 3,397,947	\$ 32,460,709	\$ 29,135,602	\$ 3,325,107
<b>Interest-bearing liabilities:</b>						
Money-market and savings accounts	\$ 10,396,823	\$ 10,417,024	\$ 20,201	\$ 10,503,731	\$ 10,526,324	\$ 22,593
Certificates of deposit	9,682,121	9,653,528	(28,593)	10,593,666	10,540,428	(53,238)
Long-term borrowings	6,078,223	6,147,473	69,250	6,323,384	6,440,345	116,961
Accrued interest payable	81,504	81,504	—	108,488	108,488	—
Derivative instruments	23	23	—	40	40	—
Total interest-bearing liabilities	\$ 26,238,694	\$ 26,299,552	\$ 60,858	\$ 27,529,309	\$ 27,615,625	\$ 86,316
<b>Excess of net asset fair value over carrying value</b>			<u>\$ 3,458,805</u>	<u>\$ 3,411,423</u>		

Please refer to Note 15, "Fair Value Measurements" in our 2024 Form 10-K for a full discussion of the methods and assumptions used to estimate the fair value of each class of financial instruments.

## 12. Regulatory Capital

Sallie Mae Bank (the “Bank”) is subject to various regulatory capital requirements administered by the FDIC and the Utah Department of Financial Institutions. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material adverse effect on our business, results of operations, and financial position. Under the FDIC’s regulations implementing the Basel III capital framework (“U.S. Basel III”) and the regulatory framework for prompt corrective action, the Bank must meet specific capital standards that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank’s capital amounts and its classification under the prompt corrective action framework are also subject to qualitative judgments by the regulators about components of capital, risk weightings, and other factors.

The Bank is subject to the following minimum capital ratios under U.S. Basel III: a Common Equity Tier 1 risk-based capital ratio of 4.5 percent, a Tier 1 risk-based capital ratio of 6.0 percent, a Total risk-based capital ratio of 8.0 percent, and a Tier 1 leverage ratio of 4.0 percent. In addition, the Bank is subject to a Common Equity Tier 1 capital conservation buffer of greater than 2.5 percent. Failure to maintain the buffer will result in restrictions on the Bank’s ability to make capital distributions, including the payment of dividends, and to pay discretionary bonuses to executive officers. Including the buffer, the Bank is required to maintain the following capital ratios under U.S. Basel III in order to avoid such restrictions: a Common Equity Tier 1 risk-based capital ratio of greater than 7.0 percent, a Tier 1 risk-based capital ratio of greater than 8.5 percent, and a Total risk-based capital ratio of greater than 10.5 percent.

To qualify as “well capitalized” under the prompt corrective action framework for insured depository institutions, the Bank must maintain a Common Equity Tier 1 risk-based capital ratio of at least 6.5 percent, a Tier 1 risk-based capital ratio of at least 8.0 percent, a Total risk-based capital ratio of at least 10.0 percent, and a Tier 1 leverage ratio of at least 5.0 percent.

In July 2023, the federal banking agencies proposed a rule to implement significant changes to the U.S. Basel III regulatory capital requirements. The proposed changes to the regulatory capital requirements generally would amend or introduce approaches and methodologies that would apply to banking organizations with total consolidated assets of \$100 billion or more or to banking organizations with significant trading activity. The proposed rule therefore would not affect the Bank’s capital requirements or the calculation of its capital ratios.

Under regulations issued by the FDIC and other federal banking agencies, banking organizations that adopted CECL during the 2020 calendar year, including the Bank, could elect to delay for two years, and then phase in over the following three years, the effects on regulatory capital of CECL relative to the incurred loss methodology. The Bank elected to use this option. Therefore, the regulatory capital impact of the Bank’s transition adjustments recorded on January 1, 2020 from the adoption of CECL, and 25 percent of the ongoing impact of CECL on the Bank’s allowance for credit losses, retained earnings, and average total consolidated assets, each as reported for regulatory capital purposes (collectively, the “adjusted transition amounts”), were deferred for the two-year period ending January 1, 2022. On each of January 1, 2022, 2023, 2024, and 2025, 25 percent of the adjusted transition amounts were phased in for regulatory capital purposes. As of January 1, 2025, all adjusted transition amounts have been phased in for regulatory capital purposes. The Bank’s January 1, 2020 CECL transition amounts increased our allowance for credit losses by \$1.1 billion, increased the liability representing our off-balance sheet exposure for unfunded commitments by \$116 million, and increased our deferred tax asset by \$306 million, resulting in a cumulative effect adjustment that reduced retained earnings by \$953 million. This transition adjustment was inclusive of qualitative adjustments incorporated into our CECL allowance as necessary, to address any limitations in the models used.

See Note 16, “Regulatory Capital” in our 2024 Form 10-K for additional information regarding the adjusted transition amounts.

The Bank’s required and actual regulatory capital amounts and ratios, including applicable capital conservation buffers, under U.S. Basel III are shown in the following table. The following capital amounts and ratios are based upon the Bank’s average assets and risk-weighted assets, as indicated. The Bank has elected to exclude accumulated other comprehensive income related to both available-for-sale investments and swap valuations from Common Equity Tier 1 Capital. At March 31, 2025 and December 31, 2024, the unrealized loss on available-for-sale investments included in other comprehensive income totaled \$68 million and \$83 million, net of tax of \$22 million and \$27 million, respectively. The capital ratios would remain above the well capitalized thresholds, including applicable capital conservation buffers, if the unrealized loss became fully recognized into capital.

## 12. Regulatory Capital (Continued)

(Dollars in thousands)	Actual		U.S. Basel III Minimum Requirements Plus Buffer <sup>(1)(2)</sup>	
	Amount	Ratio	Amount	Ratio
<b>As of March 31, 2025<sup>(3)</sup>:</b>				
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,992,368	11.6 %	\$ 1,808,123	≥ 7.0 %
Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,992,368	11.6 %	\$ 2,195,578	≥ 8.5 %
Total Capital (to Risk-Weighted Assets)	\$ 3,329,485	12.9 %	\$ 2,712,184	≥ 10.5 %
Tier 1 Capital (to Average Assets)	\$ 2,992,368	10.1 %	\$ 1,185,745	≥ 4.0 %
<b>As of December 31, 2024<sup>(3)</sup>:</b>				
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,957,067	11.3 %	\$ 1,827,318	≥ 7.0 %
Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,957,067	11.3 %	\$ 2,218,886	≥ 8.5 %
Total Capital (to Risk-Weighted Assets)	\$ 3,294,663	12.6 %	\$ 2,740,976	≥ 10.5 %
Tier 1 Capital (to Average Assets)	\$ 2,957,067	9.7 %	\$ 1,213,505	≥ 4.0 %

<sup>(1)</sup> Reflects the U.S. Basel III minimum required ratio plus the applicable capital conservation buffer.

<sup>(2)</sup> The Bank's regulatory capital ratios also exceeded all applicable standards for the Bank to qualify as "well capitalized" under the prompt corrective action framework.

<sup>(3)</sup> For both March 31, 2025 and December 31, 2024, the actual amounts and the actual ratios include the fully phased in adjusted transition amounts discussed above.

### Bank Dividends

The Bank is chartered under the laws of the State of Utah and its deposits are insured by the FDIC. The Bank's ability to pay dividends is subject to the laws of Utah and the regulations of the FDIC. Generally, under Utah's industrial bank laws and regulations as well as FDIC regulations, the Bank may pay dividends from its net profits without regulatory approval if, following the payment of the dividend, the Bank's capital and surplus would not be impaired. The Company relies on dividends from the Bank, as necessary, to enable the Company to pay any declared dividends and other payments and consummate share repurchases, as necessary. The Bank declared \$100 million and \$160 million in dividends to the Company for the three months ended March 31, 2025 and 2024, respectively, with the proceeds primarily used to fund share repurchase programs and stock dividends. In the future, we expect that the Bank will pay dividends to the Company as may be necessary to enable the Company to pay any declared dividends on its Series B Preferred Stock and common stock and to consummate any common share repurchases by the Company under its share repurchase programs.

### **13. Commitments, Contingencies and Guarantees**

#### *Commitments*

When we approve a Private Education Loan at the beginning of an academic year, that approval may cover the borrowing for the entire academic year. As such, we do not always disburse the full amount of the loan at the time of such approval, but instead have a commitment to fund a portion of the loan at a later date (usually at the start of the second semester or subsequent trimesters). We estimate expected credit losses over the contractual period that we are exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by us. At March 31, 2025, we had \$584 million of outstanding contractual loan commitments that we expect to fund during the remainder of the 2024/2025 academic year. At March 31, 2025, we had a \$24 million reserve recorded in "Other Liabilities" to cover lifetime expected credit losses on the unfunded commitments. See Note 2, "Significant Accounting Policies - Allowance for Credit Losses — Off-Balance Sheet Exposure for Contractual Loan Commitments" in our 2024 Form 10-K and Note 4, "Allowance for Credit Losses and Unfunded Loan Commitments" in this Form 10-Q for additional information.

#### *Contingencies*

In the ordinary course of business, we and our subsidiaries are routinely defendants in or parties to pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. These actions and proceedings may be based on alleged violations of consumer protection, securities, employment, and other laws. In certain of these actions and proceedings, claims for substantial monetary damage may be asserted against us and our subsidiaries.

It is common for the Company, our subsidiaries, and affiliates to receive information and document requests and investigative demands from state attorneys general, legislative committees, and administrative agencies. These requests may be for informational or regulatory purposes and may relate to our business practices, the industries in which we operate, or other companies with whom we conduct business. Our practice has been and continues to be to cooperate with these bodies and be responsive to any such requests.

We are required to establish reserves for litigation and regulatory matters where those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves.

## 14. Segment Reporting

The Company is managed as a single line of business with a single reportable segment originating and servicing high-quality Private Education Loans and providing other education-related services to customers. Our consolidated financial results are regularly reviewed by the Company's Chief Executive Officer (the "CEO") to allocate resources and evaluate financial performance.

The CEO evaluates the performance of the Company and decides how to allocate resources based on net income and total consolidated assets. The CEO uses net income to assess financial performance and to decide whether to re-invest profits into the Company or to return capital to stockholders in the form of dividends or the repurchase of common stock. Net income is also used to compare budget versus actual results, and the budget versus actual analysis is part of the segment financial performance review.

The following table illustrates the significant expense categories and amounts regularly provided to the CEO.

	Three Months Ended March 31,	
(Dollars in thousands)	2025	2024
<b>Non-interest expenses:</b>		
Compensation and benefits	\$ 90,830	\$ 96,476
Professional fees	20,314	24,193
Technology expenses	18,341	14,299
FDIC assessment fees	12,403	13,312
Other operating expenses	11,700	12,153
Total operating expenses	153,588	160,433
Acquired intangible assets impairment and amortization expense	1,021	1,215
<b>Total non-interest expenses</b>	<b>\$ 154,609</b>	<b>\$ 161,648</b>

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Through this discussion and analysis, we intend to provide the reader with some narrative context for how our management views our consolidated financial statements, additional context within which to assess our operating results, and information on the quality and variability of our earnings, liquidity, and cash flows.

The following information should be read in connection with SLM Corporation's Annual Report on Form 10-K for the year ended December 31, 2024 (filed with the Securities and Exchange Commission (the "SEC") on February 20, 2025) (the "2024 Form 10-K"), and subsequent reports filed with the SEC. Definitions for capitalized terms used in this report not defined herein can be found in the 2024 Form 10-K.

References in this Form 10-Q to "we," "us," "our," "Sallie Mae," "SLM," and the "Company" refer to SLM Corporation and its subsidiaries, except as otherwise indicated or unless the context otherwise requires.

This report contains "forward-looking statements" and information based on management's current expectations as of the date of this report. Statements that are not historical facts, including statements about the Company's beliefs, opinions, or expectations and statements that assume or are dependent upon future events, are forward-looking statements. These include, but are not limited to: strategies; goals and assumptions of the Company; the Company's expectation and ability to execute loan sales and share repurchases; the Company's expectation and ability to pay a quarterly cash dividend on our common stock in the future, subject to the approval of our Board of Directors; the Company's 2025 guidance; the Company's three-year horizon outlook; the impact of acquisitions the Company has made or may make in the future; the Company's projections regarding originations, net charge-offs, non-interest expenses, earnings, balance sheet position, and other metrics; any estimates related to accounting standard changes; and any estimates related to the impact of credit administration practices changes, including the results of simulations or other behavioral observations.

Forward-looking statements are subject to risks, uncertainties, assumptions, and other factors, many of which are difficult to predict and generally beyond the control of the Company, which may cause actual results to be materially different from those reflected in such forward-looking statements. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. The Company cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These factors include, among others, the risks and uncertainties set forth in Item 1A. "Risk Factors" and elsewhere in the Company's most recently filed Annual Report on Form 10-K and subsequent filings with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; failure to comply with consumer protection, banking, and other laws or regulations; changes in laws, regulations, and supervisory expectations, especially in light of the goals of the new Trump administration; our ability to timely develop new products and services and the acceptance of those products and services by potential and existing customers; changes in accounting standards and the impact of related changes in significant accounting estimates, including any regarding the measurement of our allowance for credit losses and the related provision expense; any adverse outcomes in any significant litigation to which the Company is a party; credit risk associated with the Company's exposure to third parties, including counterparties to the Company's derivative transactions; the effectiveness of our risk management framework and quantitative models; and changes in the terms of education loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings; cybersecurity incidents, cyberattacks, and other failures or breaches of our operating systems or infrastructure, including those of third-party vendors; the societal, business, and legislative/regulatory impact of pandemics, other public health crises, and/or natural disasters; damage to our reputation; risks associated with restructuring initiatives, including failures to successfully implement cost-cutting programs and the adverse effects of such initiatives on our business; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students, and their families, including changes as a result of new limits on, or reductions in, funding that certain educational institutions receive from the Federal government; changes in law and regulations with respect to the student lending business and financial institutions generally; changes in banking rules and regulations, including increased capital requirements; increased competition from banks and other consumer lenders; the creditworthiness of our customers, or any change related thereto; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; rates of prepayments on the loans owned by us; changes in general economic conditions, including as a result of the impact of tariffs or trade wars or other current initiatives of the Federal government, that may impact the demand for student loans and the risk of default of outstanding loans; our ability to successfully effectuate any acquisitions; and other strategic initiatives. The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions, including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect.

All forward-looking statements contained in this Form 10-Q are expressly qualified in their entirety by the factors, risks, and uncertainties set forth in the foregoing cautionary statements, and are made only as of the date of this report. We do not undertake any obligation to update or revise any forward-looking statements to conform to actual results or changes in our expectations, nor to reflect events or circumstances that occur after the date on which such statements were made. In light of these risks, uncertainties, and assumptions, you should not put undue reliance on any forward-looking statements discussed.

## Selected Financial Information and Ratios

(In thousands, except per share data and percentages)	Three Months Ended March 31,	
	2025	2024
Net income attributable to SLM Corporation common stock	\$ 300,584	\$ 285,278
Diluted earnings per common share	\$ 1.40	\$ 1.27
Weighted average shares used to compute diluted earnings per common share	214,986	223,845
Return on Assets <sup>(1)</sup>	4.2 %	4.1 %
<b>Other Operating Statistics (Held for Investment)</b>		
Ending Private Education Loans, net	\$ 21,091,204	\$ 19,687,783
Ending FFELP Loans, net <sup>(2)</sup>	—	513,006
Ending total education loans, net	\$ 21,091,204	\$ 20,200,789
Average education loans	\$ 22,916,916	\$ 21,969,756

(1) We calculate and report our Return on Assets as the ratio of (a) GAAP net income (loss) numerator (annualized) to (b) the GAAP total average assets denominator.

(2) FFELP Loans were transferred to loans held for sale during the third quarter of 2024 and subsequently sold in the fourth quarter of 2024.

## Overview

The following discussion and analysis presents a review of our business and operations as of and for the three months ended March 31, 2025.

## Strategic Imperatives

To focus our business and increase stockholder value, we continue to advance our strategic imperatives. Our primary focus remains on maximizing the profitability and growth of our core private student loan business, while harnessing and optimizing the power of our brand and attractive client base. In addition, we continue to seek to better inform the external narrative about student lending and Sallie Mae, and strive to maintain a rigorous and predictable capital allocation and return program to create stockholder value. We are focused on driving a mission-led culture that continues to make Sallie Mae a great place to work, while we continue to strengthen our risk and compliance functions, enhance and build upon our risk management framework, and assess and monitor enterprise-wide risk.

## Key Financial Measures

Our operating results are primarily driven by net interest income from our Private Education Loan portfolio, gains and losses on loan sales, provision expense for credit losses, and operating expenses. The growth of our business and the strength of our financial condition are primarily driven by our ability to achieve our annual Private Education Loan origination goals while sustaining credit quality and maintaining cost-efficient funding sources to support our originations. A brief summary of our key financial measures (net interest income and net interest margin; loan sales and secured financings; allowance for credit losses; charge-offs and delinquencies; operating expenses; Private Education Loan originations; and funding sources) can be found in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 Form 10-K.

## Results of Operations

We present the results of operations below on a consolidated basis in accordance with GAAP.

### GAAP Consolidated Statements of Income (Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended March 31,		Increase (Decrease)	
	2025	2024	\$	%
<b>Interest income:</b>				
Loans	\$ 599	\$ 597	\$ 2	— %
Investments	15	15	—	—
Cash and cash equivalents	43	52	(9)	(17)
Total interest income	656	664	(7)	(1)
Total interest expense	281	277	4	1
Net interest income	375	387	(12)	(3)
Less: provisions for credit losses	23	12	11	92
Net interest income after provisions for credit losses	352	375	(23)	(6)
<b>Non-interest income:</b>				
Gains on sales of loans, net	188	143	45	31
Gains (losses) on securities, net	(10)	2	(12)	(600)
Other income	29	29	—	—
Total non-interest income	206	174	33	19
<b>Non-interest expenses:</b>				
Total operating expenses	154	161	(7)	(4)
Acquired intangible assets amortization expense	1	1	—	—
Total non-interest expenses	155	162	(7)	(4)
Income before income tax expense	403	387	16	4
Income tax expense	99	97	2	2
<b>Net income</b>	305	290	15	5
Preferred stock dividends	4	5	(1)	(20)
Net income attributable to SLM Corporation common stock	\$ 301	\$ 285	\$ 16	6 %
<b>Basic earnings per common share</b>	\$ 1.43	\$ 1.29	\$ 0.14	11 %
<b>Diluted earnings per common share</b>	\$ 1.40	\$ 1.27	\$ 0.13	10 %
<b>Declared dividends per common share</b>	\$ 0.13	\$ 0.11	\$ 0.02	18 %

Note: Due to rounding, amounts in this table may not sum to totals.

## GAAP Consolidated Earnings Summary

### Three Months Ended March 31, 2025 Compared with Three Months Ended March 31, 2024

For the three months ended March 31, 2025, net income attributable to common stock was \$301 million, or \$1.40 diluted earnings per common share, compared with net income attributable to common stock of \$285 million, or \$1.27 diluted earnings per common share, for the three months ended March 31, 2024.

The primary drivers of changes in net income for the current quarter compared with net income in the year-ago quarter are as follows:

- Net interest income decreased by \$12 million in the current quarter compared with the year-ago quarter primarily due to a 22-basis point decrease in our net interest margin and a \$527 million decrease in FFELP Loans as a result of the sale of that loan portfolio in the fourth quarter of 2024, offset by a \$1.5 billion increase in our average Private Education Loans compared with the year-ago period. Our net interest margin decreased in the current quarter from the year-ago quarter primarily because the yields on our interest-earning assets decreased but our cost of funds increased. The yields on our interest-earning assets decreased due to the decline in the 30-day average SOFR compared to the year-ago quarter. Historically, the yields on interest-earning assets repriced more quickly than our cost of funds. As such, the impacts of the declining interest rate environment on our interest-bearing liabilities were delayed, resulting in a higher cost of funds in the current quarter than the year-ago quarter.
- Provision for credit losses in the current quarter was \$23 million, compared with \$12 million in the year-ago quarter. During the first quarter of 2025, the increase in the provision for credit losses was primarily affected by new loan commitments, net of expired commitments, and changes in the economic outlook, offset by \$116 million in negative provisions resulting from the \$2.00 billion Private Education Loan sale during the quarter and adjustments to the weightings of our economic forecast scenarios. In the year-ago quarter, the provision for credit losses was primarily affected by \$133 million negative provisions resulting from the \$2.10 billion Private Education Loan sale during the quarter, an improved economic outlook, and changes in management overlays and recovery rates, offset by new loan commitments, net of expired commitments, and increases to the provision as a result of decreases in our estimates of the historical long-term average prepayment speeds used after the two-year reasonable and supportable period.
- Gains on sales of loans, net, were \$188 million in the first quarter of 2025, as a result of the \$2.00 billion Private Education Loan sale that occurred in the quarter. There were \$143 million in gains on sales, net, in the year-ago quarter, as a result of the \$2.10 billion in Private Education Loan sale that occurred in the first quarter of 2024.
- Gains (losses) on securities, net, were \$10 million of losses in the current quarter compared with \$2 million in gains in the year-ago quarter. The change compared to the year-ago quarter was primarily due to an impairment recorded in the first quarter of 2025 on certain of our non-marketable equity securities, and the change in mark-to-fair value of our trading investments.
- Other income was \$29 million in both the first quarter of 2025 and the year-ago quarter. Third-party servicing fees in the first quarter of 2025 increased \$3 million compared to the year-ago quarter. The increase in third-party servicing fees was due to an additional \$3.6 billion of loans that we sold during the past year that we continue to service on behalf of the owners of the loans. The increase in third-party servicing fees was offset by a \$3 million decrease in early withdrawal penalty fee income compared to the year-ago period, which was related to a health savings account provider who redeemed its deposits early and paid an early withdrawal penalty in the first quarter of 2024.
- First-quarter 2025 total operating expenses were \$154 million, down from \$161 million in the year-ago quarter. The decrease in total operating expenses was primarily driven by lower personnel costs and lower initiative spending.
- During the first quarter of 2025, we recorded \$1 million in amortization of acquired intangible assets, consistent with \$1 million in the year-ago quarter.
- First-quarter 2025 income tax expense was \$99 million, compared with \$97 million income tax expense in the year-ago quarter. Our effective income tax rate decreased to 24.5 percent in the first quarter of 2025 from 25.2 percent in the year-ago quarter. The decrease in the effective rate for the first quarter of 2025 was primarily due to an increase in the tax benefit related to employee stock compensation.

## Financial Condition

### Average Balance Sheets

The following table reflects the rates earned on interest-earning assets and paid on interest-bearing liabilities and reflects our net interest margin on a consolidated basis.

(Dollars in thousands)	Three Months Ended March 31,			
	2025		2024	
	Balance	Rate	Balance	Rate
<b>Average Assets</b>				
Private Education Loans	\$ 22,916,916	10.59 %	\$ 21,442,744	11.01 %
FFELP Loans	—	—	527,012	7.24
Taxable securities	1,967,738	3.04	2,471,613	2.36
Cash and other short-term investments	3,966,338	4.37	3,931,978	5.39
Total interest-earning assets	28,850,992	9.22 %	28,373,347	9.41 %
Non-interest-earning assets	463,749		346,574	
<b>Total assets</b>	<b>\$ 29,314,741</b>		<b>\$ 28,719,921</b>	
<b>Average Liabilities and Equity</b>				
Brokered deposits	\$ 9,174,527	4.01 %	\$ 10,223,690	3.71 %
Retail and other deposits	11,380,124	4.23	11,233,871	4.77
Other interest-bearing liabilities <sup>(1)</sup>	6,405,872	4.53	5,134,805	3.85
Total interest-bearing liabilities	26,960,523	4.23 %	26,592,366	4.18 %
Non-interest-bearing liabilities	75,856		127,243	
Equity	2,278,362		2,000,312	
<b>Total liabilities and equity</b>	<b>\$ 29,314,741</b>		<b>\$ 28,719,921</b>	
<b>Net interest margin</b>		<b>5.27 %</b>		<b>5.49 %</b>

<sup>(1)</sup> Includes the average balance of our unsecured borrowings, as well as secured borrowings and amortization expense of transaction costs related to our term asset-backed securitizations and our Secured Borrowing Facility.

## Rate/Volume Analysis

The following rate/volume analysis shows the relative contribution of changes in interest rates and asset volumes to changes in interest income, interest expense, and net interest income.

(Dollars in thousands)	Increase (Decrease)	Change Due To <sup>(1)</sup>	
		Rate	Volume
<b>Three Months Ended March 31, 2025 vs. 2024</b>			
Interest income	\$ (7,468)	\$ (12,911)	\$ 5,443
Interest expense	4,578	3,040	1,538
Net interest income	\$ (12,046)	\$ (15,153)	\$ 3,107

<sup>(1)</sup> Changes in income and expense due to both rate and volume have been allocated in proportion to the relationship of the absolute dollar amounts of the change in each. The changes in income and expense are calculated independently for each line in the table. The totals for the rate and volume columns are not the sum of the individual lines.

## Summary of Our Loans Held for Investment Portfolio

### Ending Loans Held for Investment Balances, net

Total Loans Held for Investment (Private Education Loans)		
(Dollars in thousands)	March 31, 2025	December 31, 2024
<b>Total loan portfolio:</b>		
In-school <sup>(1)</sup>	\$ 4,700,797	\$ 4,397,127
Grace, repayment and other <sup>(2)</sup>	17,731,328	17,837,881
Total, gross	22,432,125	22,235,008
Deferred origination costs and unamortized premium/(discount)	102,794	103,070
Allowance for credit losses	(1,443,715)	(1,435,920)
<b>Total loans held for investment portfolio, net</b>	<b>\$ 21,091,204</b>	<b>\$ 20,902,158</b>

<sup>(1)</sup> Loans for customers still attending school and who are not yet required to make payments on the loans.

<sup>(2)</sup> Includes loans in deferment or forbearance. Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the "loans in forbearance" metric).

Average Loans Held for Investment Balances (net of unamortized premium/(discount))

(Dollars in thousands)	Three Months Ended March 31,			
	2025		2024	
Private Education Loans	\$ 22,916,916	100 %	\$ 21,442,744	98 %
FFELP Loans <sup>(1)</sup>	—	—	527,012	2
<b>Total portfolio</b>	<b>\$ 22,916,916</b>	<b>100 %</b>	<b>\$ 21,969,756</b>	<b>100 %</b>

<sup>(1)</sup> FFELP Loans were transferred to loans held for sale during the third quarter of 2024 and subsequently sold in the fourth quarter of 2024.

Loans Held for Investment, Net — Activity

Three Months Ended March 31, 2025 (dollars in thousands)	Total Loans Held for Investment, net (Private Education Loans)
<b>Beginning balance</b>	\$ 20,902,158
Acquisitions and originations:	
Fixed-rate	2,471,686
Variable-rate	311,650
Total acquisitions and originations	2,783,336
Capitalized interest and deferred origination cost premium amortization	112,216
Sales	(1,847,734)
Loan consolidations to third parties	(227,266)
Allowance	(7,795)
Repayments and other	(623,711)
<b>Ending balance</b>	<b>\$ 21,091,204</b>

Three Months Ended March 31, 2024 (dollars in thousands)	Private Education Loans	FFELP Loans	Total Loans Held for Investment, net
<b>Beginning balance</b>	\$ 19,772,293	\$ 534,064	\$ 20,306,357
Acquisitions and originations:			
Fixed-rate	2,475,569	—	2,475,569
Variable-rate	117,724	—	117,724
Total acquisitions and originations	2,593,293	—	2,593,293
Capitalized interest and deferred origination cost premium amortization	109,801	5,573	115,374
Sales	(1,958,995)	—	(1,958,995)
Loan consolidations to third parties	(200,039)	(13,880)	(213,919)
Allowance	(10,326)	40	(10,286)
Repayments and other	(618,244)	(12,791)	(631,035)
<b>Ending balance</b>	<b>\$ 19,687,783</b>	<b>\$ 513,006</b>	<b>\$ 20,200,789</b>

“Loan consolidations to third parties” and “Repayments and other” are both significantly affected by the volume of loans in our held for investment portfolio in full principal and interest repayment status. The amount of loans in full principal and interest repayment status in our Private Education Loans held for investment portfolio at March 31, 2025

increased by 4.5 percent compared with March 31, 2024, and now totals 39 percent of our Private Education Loans held for investment portfolio at March 31, 2025. The balance of loans held for investment in full principal and interest repayment status was affected in 2024 and in the first three months of 2025 by loan sales.

“Loan consolidations to third parties” for the three months ended March 31, 2025 total 2.8 percent of our Private Education Loans held for investment portfolio in full principal and interest repayment status at March 31, 2025, or 1.1 percent of our total Private Education Loans held for investment portfolio at March 31, 2025, compared with the year-ago period of 2.6 percent of our Private Education Loans held for investment portfolio in full principal and interest repayment status, or 1.0 percent of our total Private Education Loans held for investment portfolio, respectively. The increase in consolidations compared to the year-ago period is primarily attributable to lower interest rates in 2025. Historical experience has shown that loan consolidation activity is heightened in the period when the loan initially enters full principal and interest repayment status and then subsides over time.

The “Repayments and other” category includes all scheduled repayments, as well as voluntary prepayments, made on loans in repayment (including loans in full principal and interest repayment status) and also includes charge-offs. Consequently, this category can be significantly affected by the volume of loans in repayment.

#### *Private Education Loan Originations*

The following table summarizes our Private Education Loan originations. Originations represent loans that were funded or acquired during the period presented.

(Dollars in thousands)	Three Months Ended March 31,			
	2025	%	2024	%
Smart Option - interest only <sup>(1)</sup>	\$ 537,895	19 %	\$ 480,250	19 %
Smart Option - fixed pay <sup>(1)</sup>	919,012	33	861,677	33
Smart Option - deferred <sup>(1)</sup>	1,123,347	41	1,079,912	42
Graduate Loan <sup>(2)</sup>	191,224	7	160,231	6
<b>Total Private Education Loan originations</b>	<b>\$ 2,771,478</b>	<b>100 %</b>	<b>\$ 2,582,070</b>	<b>100 %</b>
Percentage of loans with a cosigner	93.5 %		90.7 %	
Average FICO at approval <sup>(3)</sup>	753		748	

<sup>(1)</sup> Interest only, fixed pay, and deferred describe the payment option while in school or in grace period. See Item 1. “Business - Our Business - Private Education Loans” in the 2024 Form 10-K for a further discussion.

<sup>(2)</sup> For the three months ended March 31, 2025, the Graduate Loan originations include \$8.7 million of Smart Option Loans where the student was in a graduate status. For the three months ended March 31, 2024, the Graduate Loan originations include \$11.7 million of Smart Option Loans where the student was in a graduate status.

<sup>(3)</sup> Represents the higher credit score of the cosigner or the borrower.

## Allowance for Credit Losses

### Allowance for Loan Losses Activity

Three Months Ended March 31, (dollars in thousands)	2025		2024	
	Total Portfolio (Private Education Loans)	Private Education Loans	FFELP Loans	Total Portfolio
<b>Beginning balance</b>	\$ 1,435,920	\$ 1,335,105	\$ 4,667	\$ 1,339,772
Transfer from unfunded commitment liability <sup>(1)</sup>	105,134	131,614	—	131,614
Less:				
Charge-offs	(86,903)	(93,874)	(123)	(93,997)
Plus:				
Recoveries	10,734	11,314	—	11,314
Provisions for credit losses:				
Provision, current period	95,289	94,476	83	94,559
Loan sale reduction to provision	(116,459)	(133,204)	—	(133,204)
Total provisions for credit losses <sup>(2)</sup>	(21,170)	(38,728)	83	(38,645)
<b>Ending balance</b>	<b>\$ 1,443,715</b>	<b>\$ 1,345,431</b>	<b>\$ 4,627</b>	<b>\$ 1,350,058</b>

<sup>(1)</sup> See Note 4, "Allowance for Credit Losses and Unfunded Loan Commitments," in this Form 10-Q for a summary of the activity in the allowance for and balance of unfunded loan commitments, respectively.

<sup>(2)</sup> See "—Financial Condition — Allowance for Credit Losses — Provision for Credit Losses" in this Item 2 for a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

### Provision for Credit Losses

Below is a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

Consolidated Statements of Income Provisions for Credit Losses Reconciliation		
Three Months Ended March 31, (dollars in thousands)	2025	2024
Private Education Loan provisions for credit losses:		
Provisions for loan losses	\$ (21,170)	\$ (38,728)
Provisions for unfunded loan commitments	44,456	50,686
Total Private Education Loan provisions for credit losses	23,286	11,958
Total FFELP Loans provisions for credit losses	—	83
<b>Provisions for credit losses reported in consolidated statements of income</b>	<b>23,286</b>	<b>12,041</b>

*Private Education Loan Allowance for Credit Losses*

In establishing the allowance for Private Education Loan losses as of March 31, 2025, we considered several factors with respect to our Private Education Loan held for investment portfolio, in particular, credit quality and delinquency, forbearance, and charge-off trends.

Private Education Loans held for investment in full principal and interest repayment status were 39 percent of our total Private Education Loans held for investment portfolio at March 31, 2025, compared with 40 percent at March 31, 2024.

For a more detailed discussion of our policy for determining the collectability of Private Education Loans and maintaining our allowance for Private Education Loans, see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates — Allowance for Credit Losses" and Note 5, "Loans Held for Investment — Certain Collection Tools - Private Education Loans" in the 2024 Form 10-K.

The table below presents our Private Education Loans held for investment portfolio delinquency trends. Loans in repayment include loans making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the following table, do not include loans in the “loans in forbearance” metric).

Private Education Loans Held for Investment March 31, (dollars in thousands)	2025		2024	
	Balance	%	Balance	%
Loans in-school/grace/deferment <sup>(1)</sup>	\$ 6,063,727		\$ 5,602,697	
Loans in forbearance <sup>(2)</sup>	464,601		387,957	
Loans in repayment and percentage of each status:				
Loans current	15,333,672	96.4 %	14,451,606	96.6 %
Loans delinquent 30-59 days <sup>(3)</sup>	276,279	1.7	240,035	1.6
Loans delinquent 60-89 days <sup>(3)</sup>	152,612	1.0	133,921	0.9
Loans 90 days or greater past due <sup>(3)</sup>	141,234	0.9	136,130	0.9
Total Private Education Loans in repayment	15,903,797	100.0 %	14,961,692	100.0 %
Total Private Education Loans, gross	22,432,125		20,952,346	
Private Education Loans deferred origination costs and unamortized premium/(discount)	102,794		80,868	
Total Private Education Loans	22,534,919		21,033,214	
Private Education Loans allowance for losses	(1,443,715)		(1,345,431)	
Private Education Loans, net	\$ 21,091,204		\$ 19,687,783	
Percentage of loans in repayment		70.9 %		71.4 %
Delinquencies as a percentage of loans in repayment		3.6 %		3.4 %
Percentage of loans in forbearance:				
Percentage of loans in an extended grace period <sup>(4)</sup>		1.9 %		1.5 %
Percentage of loans in hardship and other forbearances <sup>(5)</sup>		0.9 %		1.0 %

<sup>(1)</sup> Deferment includes customers who have returned to school or are engaged in other permitted educational activities and are not yet required to make payments on the loans (e.g., residency periods for medical students or a grace period for bar exam preparation).

<sup>(2)</sup> Loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors (other than delinquent loans in disaster forbearance), consistent with established loan program servicing policies and procedures.

<sup>(3)</sup> The period of delinquency is based on the number of days scheduled payments are contractually past due.

<sup>(4)</sup> We calculate the percentage of loans in an extended grace period as the ratio of (a) Private Education Loans in forbearance in an extended grace period numerator to (b) Private Education Loans in repayment and forbearance denominator. An extended grace period aligns with The Office of the Comptroller of the Currency definition of an additional, consecutive, one-time period during which no payment is required for up to six months after the initial grace period. We typically grant this extended grace period to customers who may be having difficulty finding employment before the full principal and interest repayment period starts or once it has begun. Loans in forbearance in an extended grace period were approximately \$314 million and \$243 million at March 31, 2025 and 2024, respectively. See “— Use of Forbearance and Rate Modifications as a Private Education Loan Collection Tool” below for additional details.

<sup>(5)</sup> We calculate the percentage of loans in hardship and other forbearances as the ratio of (a) Private Education Loans in hardship and other forbearances (excluding loans in an extended grace period and delinquent loans in disaster forbearance) numerator to (b) Private Education Loans in repayment and forbearance denominator. If the customer is in financial hardship, we work with the customer and/or cosigner and identify any available alternative arrangements designed to reduce monthly payment obligations, which may include a short-term hardship forbearance. Loans in hardship and other forbearances (excluding loans in an extended grace period and delinquent loans in disaster forbearance) were approximately \$151 million and \$145 million at March 31, 2025 and 2024, respectively. See “— Use of Forbearance and Rate Modifications as a Private Education Loan Collection Tool” below for additional details.

Delinquencies as a percentage of Private Education Loans (held for investment) in repayment increased to 3.6 percent at March 31, 2025 from 3.4 percent at March 31, 2024. The increase in the delinquency metric is primarily attributable to refinements to the loan modification programs that were made in the later half of 2024. See additional discussion related to collections activity in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition — Allowance for Credit Losses — Use of Forbearance and Rate Modifications as a Private Education Loan Collection Tool” in the 2024 Form 10-K.

The percentage of loans in an extended grace forbearance increased to 1.9 percent at March 31, 2025 from 1.5 percent at March 31, 2024. The increase was primarily due to borrowers being eligible to receive up to six months of extended grace forbearance in one increment instead of multiple instances of two-month increments, coupled with our continued efforts to better match our available program offerings to the financial needs of our borrowers. The percentage

of loans in hardship and other forbearances remained relatively consistent at 0.9 percent and 1.0 percent at March 31, 2025 and March 31, 2024, respectively.

#### Changes in Allowance for Private Education Loan Losses

The following table summarizes changes in the allowance for Private Education Loan (held for investment) losses and the allowance for unfunded loan commitments.

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
<b>Allowance for loan losses, beginning balance</b>	\$ 1,435,920	\$ 1,335,105
Transfer from allowance for unfunded loan commitments <sup>(1)</sup>	105,134	131,614
Provisions:		
Provision for current period	95,289	94,476
Loan sale reduction to provision	(116,459)	(133,204)
Total provisions <sup>(2)</sup>	(21,170)	(38,728)
Net charge-offs:		
Charge-offs	(86,903)	(93,874)
Recoveries	10,734	11,314
Net charge-offs	(76,169)	(82,560)
<b>Allowance for loan losses, ending balance</b>	\$ 1,443,715	\$ 1,345,431
<b>Allowance for unfunded loan commitments, beginning balance<sup>(1)</sup></b>	84,568	112,962
Provision <sup>(2)(3)</sup>	44,456	50,686
Transfer to allowance for loan losses	(105,134)	(131,614)
<b>Allowance for unfunded loan commitments, ending balance<sup>(1)</sup></b>	23,890	32,034
<b>Total allowance for credit losses, ending balance</b>	\$ 1,467,605	\$ 1,377,465
Total Allowance Percentage of Private Education Loan Exposure <sup>(5)</sup>	5.97 %	5.99 %
Allowance for loan losses coverage of net charge-offs (annualized)	4.74	4.07
Net charge-offs as a percentage of average loans in repayment (annualized) <sup>(4)</sup>	1.88 %	2.14 %
Delinquencies as a percentage of ending loans in repayment <sup>(4)</sup>	3.58 %	3.41 %
Loans in forbearance as a percentage of ending loans in repayment and forbearance <sup>(4)</sup>	2.84 %	2.53 %
Ending total loans, gross	\$ 22,432,125	\$ 20,952,346
Average loans in repayment <sup>(4)</sup>	\$ 16,240,511	\$ 15,407,495
Ending loans in repayment <sup>(4)</sup>	\$ 15,903,797	\$ 14,961,692
Unfunded loan commitments	\$ 584,140	\$ 673,492
Total accrued interest receivable	\$ 1,558,465	\$ 1,357,987

<sup>(1)</sup> When a new loan commitment is made, we record an allowance to cover lifetime expected credit losses on the unfunded commitments, which is recorded in "Other Liabilities" on the consolidated balance sheet. See Note 4, "Allowance for Credit Losses and Unfunded Loan Commitments" in this Form 10-Q for a summary of the activity in the allowance for and balance of unfunded loan commitments.

<sup>(2)</sup> See "—Financial Condition — Allowance for Credit Losses — Provision for Credit Losses" in this Item 2 for a reconciliation of the provisions for credit losses reported in the consolidated statements of income.

<sup>(3)</sup> Includes incremental provision for new commitments and changes to provision for existing commitments.

<sup>(4)</sup> Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the "loans in forbearance" metric).

<sup>(5)</sup> The Total Allowance Percentage of Private Education Loan Exposure is the total allowance for credit losses as a percentage of ending total loans plus unfunded loan commitments and total accrued interest receivable on Private Education Loans.

As part of concluding on the adequacy of the allowance for credit losses, we review key allowance and loan metrics. The most significant of these metrics considered are the allowance coverage of net charge-offs ratio; the Total Allowance Percentage of Private Education Loan Exposure; and delinquency and forbearance percentages.

#### *Use of Forbearance and Rate Modifications as a Private Education Loan Collection Tool*

In recent years, we have made significant changes to our credit administration practices, enhancing our loss mitigation programs through both our forbearance and loan modification offerings. We adjust the terms of loans for certain borrowers when we believe such changes will help our borrowers manage their student loan obligations and achieve better student outcomes, and increase the collectability of the loans. These changes generally take the form of a temporary forbearance of payments, a temporary or permanent interest rate reduction, a temporary or permanent interest rate reduction with a permanent extension of the loan term, and/or a short-term extended repayment or interest-only alternative.

We continually monitor our credit administration practices and modify them from time to time based upon performance, industry conventions, and/or regulatory feedback.

See Note 4, "Allowance for Credit Losses and Unfunded Commitments — Loan Modifications to Borrowers Experiencing Financial Difficulty" in this Form 10-Q for additional information regarding loan modifications to borrowers experiencing financial difficulty. As discussed therein, our forbearance programs are not considered loan modifications to borrowers experiencing financial difficulty because they are either short-term in nature, and therefore do not provide a significant concession to the borrower, or they are provided for reasons other than financial difficulty being experienced by the borrower.

#### *Forbearance*

Forbearance allows a borrower to not make scheduled payments for a specified period of time. Our forbearance policies and practices vary depending upon whether a borrower is current or delinquent at the time forbearance is requested, generally with stricter requirements for delinquent borrowers. Using forbearance extends the original term of the loan by the term of forbearance taken. Forbearance does not grant any reduction in the total principal or interest repayment obligation. While a loan is in forbearance status, interest continues to accrue and is capitalized (added to principal) at the end of the forbearance. Interest will not capitalize at the end of certain types of forbearance, such as disaster forbearance, however.

During the first six months following a borrower's grace period, the borrower may be eligible for extended grace forbearance, which provides temporary payment relief to give the borrower additional time to be in a position to make regular principal and interest payments. We do not consider borrowers who are eligible for extended grace to be experiencing financial difficulty.

Hardship forbearance may be granted in order to provide temporary payment relief to borrowers who are either current in their payments but demonstrate a need for relief, or who are delinquent in their payments but demonstrate an ability and willingness to repay their obligation. In these circumstances, a borrower's loan is placed into a forbearance status in limited monthly increments and is reflected in the forbearance status at month-end during this time. At the end of the forbearance period, for borrowers who were current when they entered forbearance, or those who were delinquent but met specific payment requirements curing their delinquency, the borrower will enter repayment status as current. In all instances, the borrowers are expected to begin making scheduled monthly payments at the end of their forbearance periods. This strategy is aimed at assisting borrowers while mitigating the risks of delinquency and default as well as encouraging resolution of delinquent loans.

Disaster forbearance is used to assist borrowers affected by material events, typically federally-declared disasters, including hurricanes, wildfires, floods, and pandemics. We typically grant disaster forbearance to affected borrowers in one-month increments, up to three months at a time, but the disaster forbearance granted generally does not apply toward the 12-month forbearance limit described below. Disaster forbearance is granted based on areas impacted by federally declared disasters, not because the borrower is experiencing financial difficulty. Loans in disaster forbearance are not assessed late or other fees. Due to the nature and limited timeframe of disaster forbearance, delinquent loans granted disaster forbearance are maintained in their pre-grant delinquency status, and as such, are not reflected in our loans in forbearance metrics.

We offer certain other administrative forbearances (e.g., death and disability, bankruptcy, military service, and in school assistance) that are required by law (such as by the Servicemembers Civil Relief Act), are considered separate

from our active loss mitigation programs, or do not exceed the significance threshold. We do not consider borrowers eligible for these other administrative forbearances to be experiencing financial difficulty.

Currently, we generally grant forbearance in increments of one to two months at a time, for up to 12 months over the life of the loan, although extended grace forbearance is typically granted in one six-month increment and disaster forbearance and certain other limited instances do not apply toward the 12-month limit. We also currently require 12 months of positive payment performance by a borrower (meaning the borrower must make payment in a cumulative amount equivalent to 12 monthly required payments under the loan) between successive grants of forbearance and between forbearance grants and certain other repayment alternatives. This required period of positive payment performance does not apply, however, to extended grace forbearances and is not required for a borrower to receive a contractual interest rate reduction. In addition, we currently limit the participation of delinquent borrowers in certain short-term extended or interest-only repayment alternatives to once in 12 months and twice in five years. We also now count the number of months a borrower receives a short-term extended repayment alternative toward the 12-month forbearance limit described above.

#### *Modification Programs other than Forbearances*

For borrowers experiencing more severe hardship, following evaluation of their ability and willingness to repay, we currently use modification programs tailored to the financial condition of the individual borrower. Pursuant to our modification programs, we may reduce the contractual interest rate on a loan to a rate between 2 percent and 8 percent for a temporary period of two to four years, and/or in some instances may permanently extend the final maturity of a loan. For borrowers experiencing the most severe financial conditions, we may permanently reduce the contractual interest rate on a loan to 2 percent for the remaining life of the loan and also permanently extend the final maturity of the loan. Following modification, borrowers who are delinquent but meet specific payment requirements curing their delinquency will be brought current. We currently limit the granting of a permanent extension of the final maturity date of a loan to once over the life of the loan, and the number of interest rate reductions to twice over the life of the loan.

Modifications under these programs are generally considered loan modifications to borrowers experiencing financial difficulty. See Note 4, "Allowance for Credit Losses and Unfunded Commitments — Loan Modifications to Borrowers Experiencing Financial Difficulty" in this Form 10-Q for disclosures related to these modification programs. However, in some situations, we may offer on a limited basis term extensions or rate reductions or a combination of both to borrowers to reduce consolidation activities. We do not consider these to be modifications of loans to borrowers experiencing financial difficulty.

#### *Delinquency Trends by Active Repayment Status*

The tables below show the composition and status of the Private Education Loan portfolio held for investment aged by number of months in active repayment status (months for which a scheduled monthly payment was due). Active repayment status includes loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period. Our experience shows that the percentage of loans in forbearance status generally decreases the longer the loans have been in active repayment status. At March 31, 2025, Private Education Loans (held for investment) in forbearance that have been in active repayment status for fewer than 25 months as a percentage of all loans in repayment and forbearance were 2.2 percent. At March 31, 2025, approximately 76 percent of our Private Education Loans (held for investment) in forbearance status have been in active repayment status for fewer than 25 months.

As of March 31, 2025 (dollars in millions)	Private Education Loans Held for Investment Aged by Number of Months in Active Repayment Status					Not Yet in Repayment	Total
	0 to 12	13 to 24	25 to 36	37 to 48	More than 48		
Loans in-school/grace/deferment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,064	\$ 6,064
Loans in forbearance	289	66	44	28	38	—	465
Loans in repayment - current	5,044	3,069	2,075	1,509	3,637	—	15,334
Loans in repayment - delinquent 30-59 days	78	45	41	32	80	—	276
Loans in repayment - delinquent 60-89 days	50	24	22	15	41	—	152
Loans in repayment - 90 days or greater past due	43	24	21	14	39	—	141
Total	\$ 5,504	\$ 3,228	\$ 2,203	\$ 1,598	\$ 3,835	\$ 6,064	22,432
Deferred origination costs and unamortized premium/(discount)							103
Allowance for credit losses							(1,444)
<b>Total Private Education Loans, net</b>							<b>\$ 21,091</b>
Loans in forbearance as a percentage of total Private Education Loans in repayment and forbearance	1.77 %	0.40 %	0.27 %	0.17 %	0.23 %	— %	2.84 %

As of March 31, 2024 (dollars in millions)	Private Education Loans Held for Investment Aged by Number of Months in Active Repayment Status					Not Yet in Repayment	Total
	0 to 12	13 to 24	25 to 36	37 to 48	More than 48		
Loans in-school/grace/deferment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,603	\$ 5,603
Loans in forbearance	235	62	36	22	33	—	388
Loans in repayment - current	4,585	3,044	2,031	1,331	3,460	—	14,451
Loans in repayment - delinquent 30-59 days	67	42	38	26	67	—	240
Loans in repayment - delinquent 60-89 days	39	23	20	14	38	—	134
Loans in repayment - 90 days or greater past due	40	24	20	15	37	—	136
Total	\$ 4,966	\$ 3,195	\$ 2,145	\$ 1,408	\$ 3,635	\$ 5,603	20,952
Deferred origination costs and unamortized premium/(discount)							81
Allowance for credit losses							(1,345)
<b>Total Private Education Loans, net</b>							<b>\$ 19,688</b>
Loans in forbearance as a percentage of total Private Education Loans in repayment and forbearance	1.53 %	0.40 %	0.24 %	0.14 %	0.22 %	— %	2.53 %

### Private Education Loans Held for Investment Types

The following table provides information regarding the loans in repayment balance and total loan balance by Private Education Loan held for investment product type at March 31, 2025 and December 31, 2024.

<b>As of March 31, 2025 (dollars in thousands)</b>	<b>Smart Option</b>	<b>Graduate Loan</b>	<b>Other<sup>(1)</sup></b>	<b>Total</b>
\$ in repayment <sup>(2)</sup>	\$ 14,019,478	\$ 1,526,172	\$ 358,147	\$ 15,903,797
\$ in total	\$ 19,814,860	\$ 2,177,255	\$ 440,010	\$ 22,432,125

<b>As of December 31, 2024 (dollars in thousands)</b>	<b>Smart Option</b>	<b>Graduate Loan</b>	<b>Other<sup>(1)</sup></b>	<b>Total</b>
\$ in repayment <sup>(2)</sup>	\$ 14,273,952	\$ 1,466,915	\$ 365,884	\$ 16,106,751
\$ in total	\$ 19,710,266	\$ 2,067,468	\$ 457,274	\$ 22,235,008

(1) Other includes our Parent Loan and Career training loan products. In December 2021, we discontinued offering our Parent Loan product. Applications for those loans received before the offering termination date continued to be processed, and final disbursements under those loans occurred in February 2023. In May 2022, we discontinued offering our Career Training loan product. Applications for those loans received before the offering termination date continued to be processed, and final disbursements under those loans occurred in September 2023.

(2) Loans in repayment include loans on which borrowers are making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, do not include loans in the "loans in forbearance" metric).

### Accrued Interest Receivable

The following table provides information regarding accrued interest receivable on our Private Education Loans. The table also discloses the amount of accrued interest on loans 90 days or greater past due as compared to our allowance for uncollectible interest. The majority of the total accrued interest receivable represents accrued interest on deferred loans where no payments are due while the borrower is in school and fixed-pay loans where the borrower makes a \$25 monthly payment that is smaller than the interest accruing on the loan in that month. The accrued interest on these loans will be capitalized to the balance of the loans when the borrower exits the grace period after separation from school. The allowance for credit losses considers both the collectibility of principal and accrued interest. The allowance for uncollectible interest estimates the additional uncollectible interest that is not captured in the allowance for credit losses.

(Dollars in thousands)	Private Education Loans Accrued Interest Receivable		
	Total Interest Receivable	90 Days or Greater Past Due	Allowance for Uncollectible Interest <sup>(1)(2)</sup>
March 31, 2025	\$ 1,558,465	\$ 6,539	\$ 14,192
December 31, 2024	\$ 1,549,415	\$ 6,420	\$ 12,366
March 31, 2024	\$ 1,357,987	\$ 7,216	\$ 8,247

<sup>(1)</sup> The allowance for uncollectible interest at March 31, 2025 and 2024 represents the expected losses related to the portion of accrued interest receivable on those loans that are in repayment (at March 31, 2025 and 2024, relates to \$156 million and \$141 million, respectively, of accrued interest receivable) that is/was not expected to be capitalized. The accrued interest receivable that is/was expected to be capitalized (\$1.4 billion and \$1.2 billion, at March 31, 2025 and 2024, respectively) is/was reserved in the allowance for credit losses.

<sup>(2)</sup> The allowance for uncollectible interest at December 31, 2024 represents the expected losses related to the portion of accrued interest receivable on those loans in repayment (\$164 million of accrued interest receivable) that was not expected to be capitalized. The accrued interest receivable that was expected to be capitalized (\$1.4 billion) was reserved in the allowance for credit losses.

## Liquidity and Capital Resources

### Funding and Liquidity Risk Management

Our primary liquidity needs include our ongoing ability to fund our businesses throughout market cycles, including during periods of financial stress, our ongoing ability to fund originations of Private Education Loans, and our ability to meet any outflows of our Bank deposits. To achieve these objectives, we analyze and monitor our liquidity needs, and maintain excess liquidity and access to diverse funding sources, such as deposits at the Bank, issuance of secured debt primarily through asset-backed securitizations, other financing facilities, and loan sales.

At March 31, 2025 and December 31, 2024, our sources of liquidity included liquid investments with unrealized losses of \$88.5 million and \$105.8 million, respectively. It is our policy to manage operations so liquidity needs are fully satisfied through normal operations to avoid unplanned loan or liquid investment sales under all but the most dire emergency conditions. Our liquidity management is governed by policies approved by our Board of Directors. Oversight of these policies is performed in the Asset and Liability Committee, a management-level committee. These policies take into account the volatility of cash flow forecasts, expected asset and liability maturities, anticipated loan demand, and a variety of other factors to establish minimum liquidity guidelines.

Key risks associated with our liquidity relate to our ability to access the capital markets and the markets for bank deposits at reasonable rates. This ability may be affected by our performance, competitive pressures, the macroeconomic environment, and the impact they have on the availability of funding sources in the marketplace. We target maintaining sufficient on-balance sheet and contingent sources of liquidity to enable us to meet all contractual and contingent obligations under various stress scenarios, including severe macroeconomic stresses as well as specific stresses that test the resiliency of our balance sheet. We hold a significant liquidity buffer of cash and securities, which we expect to maintain through 2025. Due to the seasonal nature of our business, our liquidity levels will likely vary from quarter to quarter.

### Sources of Liquidity and Available Capacity

#### Ending Balances

(Dollars in thousands)	March 31, 2025	December 31, 2024
<b>Sources of primary liquidity:</b>		
Unrestricted cash and liquid investments:		
Holding Company and other non-bank subsidiaries	\$ 10,763	\$ 3,745
Sallie Mae Bank <sup>(1)</sup>	3,684,313	4,696,621
Available-for-sale investments	1,107,028	1,361,431
<b>Total unrestricted cash and liquid investments</b>	<b>\$ 4,802,104</b>	<b>\$ 6,061,797</b>

(1) This amount will be used primarily to originate Private Education Loans at the Bank.

#### Average Balances

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
<b>Sources of primary liquidity:</b>		
Unrestricted cash and liquid investments:		
Holding Company and other non-bank subsidiaries	\$ 5,479	\$ 3,330
Sallie Mae Bank <sup>(1)</sup>	3,764,708	3,746,434
Available-for-sale investments	1,301,677	1,885,863
<b>Total unrestricted cash and liquid investments</b>	<b>\$ 5,071,864</b>	<b>\$ 5,635,627</b>

(1) This amount will be used primarily to originate Private Education Loans at the Bank.

## Deposits

The following table summarizes total deposits at March 31, 2025 and December 31, 2024.

<b>(Dollars in thousands)</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Deposits - interest-bearing	\$ 20,070,552	\$ 21,066,752
Deposits - non-interest-bearing	2,616	1,816
<b>Total deposits</b>	<b>\$ 20,073,168</b>	<b>\$ 21,068,568</b>

Our total deposits of \$20.1 billion were comprised of \$8.7 billion in brokered deposits and \$11.4 billion in retail and other deposits at March 31, 2025, compared with total deposits of \$21.1 billion, which were comprised of \$9.5 billion in brokered deposits and \$11.6 billion in retail and other deposits, at December 31, 2024.

Interest-bearing deposits as of March 31, 2025 and December 31, 2024 consisted of retail and brokered non-maturity savings deposits, retail and brokered non-maturity MMDAs, and retail and brokered CDs. Interest-bearing deposits also include deposits from Educational 529 and Health Savings plans that diversify our funding sources and that we consider to be core. These and other large omnibus accounts, aggregating the deposits of many individual depositors, represented \$6.8 billion and \$7.0 billion of our deposit total as of March 31, 2025 and December 31, 2024, respectively. The omnibus accounts are structured in such a way that entitles the individual depositor pass-through deposit insurance (subject to FDIC rules and limitations), and the majority of these deposits have contractual minimum balances and maturity terms.

Some of our deposit products are serviced by third-party providers. Placement fees associated with the brokered CDs are amortized into interest expense using the effective interest rate method. We recognized placement fee expense of \$2 million and \$3 million in the three months ended March 31, 2025 and 2024, respectively. There were no fees paid to third-party brokers related to brokered CDs for either the three months ended March 31, 2025 or March 31, 2024.

Interest bearing deposits at March 31, 2025 and December 31, 2024 are summarized as follows:

<b>(Dollars in thousands)</b>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Amount</b>	<b>Qtr.-End Weighted Average Stated Rate<sup>(1)</sup></b>	<b>Amount</b>	<b>Year-End Weighted Average Stated Rate<sup>(1)</sup></b>
Money market	\$ 9,414,764	4.11 %	\$ 9,582,290	4.27 %
Savings	1,002,260	3.83	944,034	4.02
Certificates of deposit	9,653,528	4.06	10,540,428	4.20
<b>Deposits - interest bearing</b>	<b>\$ 20,070,552</b>		<b>\$ 21,066,752</b>	

<sup>(1)</sup> Includes the effect of interest rate swaps in effective hedge relationships.

As of March 31, 2025 and December 31, 2024, there were \$551 million and \$567 million, respectively, of deposits exceeding FDIC insurance limits. Accrued interest on deposits was \$60 million and \$92 million at March 31, 2025 and December 31, 2024, respectively.

## Counterparty Exposure

Counterparty exposure related to financial instruments arises from the risk that a lending, investment, or derivative counterparty will not be able to meet its obligations to us.

Excess cash is generally invested with the FRB on an overnight basis or in the FRB's Term Deposit Facility, minimizing counterparty exposure on cash balances.

Our investment portfolio is primarily comprised of a small portfolio of mortgage-backed securities issued by government agencies and government-sponsored enterprises that are purchased to meet CRA targets. Additionally, our investing activity is governed by Board-approved limits on the amount that is allowed to be invested with any one issuer based on the credit rating of the issuer, further minimizing our counterparty exposure. Counterparty credit risk is considered when valuing investments and considering impairment.

Related to derivative transactions, protection against counterparty risk is generally provided by International Swaps and Derivatives Association, Inc. Credit Support Annexes (“CSAs”), or clearinghouses for over-the-counter derivatives. CSAs require a counterparty to post collateral if a potential default would expose the other party to a loss. All derivative contracts entered into by the Bank are covered under CSAs or clearinghouse agreements and require collateral to be exchanged based on the net fair value of derivatives with each counterparty. Our exposure to the counterparty is limited to the value of the derivative contracts in a gain position, less any collateral held by us and plus collateral posted with the counterparty.

Title VII of the Dodd-Frank Act requires all standardized derivatives, including most interest rate swaps, to be submitted for clearing to central counterparties to reduce counterparty risk. Two of the central counterparties we use are the CME and the LCH. All variation margin payments on derivatives cleared through the CME and LCH are accounted for as legal settlement. As of March 31, 2025, \$570 million notional of our derivative contracts were cleared on the CME and \$53 million were cleared on the LCH. The derivative contracts cleared through the CME and LCH represent 91.6 percent and 8.4 percent, respectively, of our total notional derivative contracts of \$623 million at March 31, 2025.

For derivatives cleared through the CME and LCH, the net gain (loss) position includes the variation margin amounts as settlement of the derivative and not collateral against the fair value of the derivative. The amount of variation margin included as settlement as of March 31, 2025 was \$(16) million and \$(1) million for the CME and LCH, respectively. Changes in fair value for derivatives not designated as hedging instruments are presented as realized gains (losses).

Our exposure to the counterparty is limited to the value of the derivative contracts in a gain position less any collateral held and plus any collateral posted. When there is a net negative exposure, we consider our exposure to the counterparty to be zero. At March 31, 2025 and December 31, 2024, we had a net positive exposure (derivative gain/loss positions to us, less collateral held by us and plus collateral posted with counterparties) related to derivatives of \$3 million and \$5 million, respectively.

We have liquidity exposure related to collateral movements between us and our derivative counterparties. Movements in the value of the derivatives, which are primarily affected by changes in interest rates, may require us to return cash collateral held or may require us to access primary liquidity to post collateral to counterparties.

The table below highlights exposure related to our derivative counterparties as of March 31, 2025.

As of March 31, 2025 (dollars in thousands)	SLM Corporation and Sallie Mae Bank Contracts	
Total exposure, net of collateral	\$	3,359
Exposure to counterparties with credit ratings, net of collateral	\$	3,359
Percent of exposure to counterparties with credit ratings below S&P AA- or Moody's Aa3		— %
Percent of exposure to counterparties with credit ratings below S&P A- or Moody's A3		— %

## Regulatory Capital

The Bank is subject to various regulatory capital requirements administered by federal and state banking authorities. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material adverse effect on our business, results of operations, and financial condition. Under U.S. Basel III and the regulatory framework for prompt corrective action, the Bank must meet specific capital standards that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and its classification under the prompt corrective action framework are also subject to qualitative judgments by the regulators about components of capital, risk weightings, and other factors.

## Capital Management

The Bank intends to maintain at all times regulatory capital levels that meet both the minimum levels required under U.S. Basel III (including applicable buffers) and the levels necessary to be considered “well capitalized” under the FDIC’s prompt corrective action framework, in order to support asset growth and operating needs, address unexpected credit

risks, and protect the interests of depositors and the Deposit Insurance Fund administered by the FDIC. The Bank's Capital Policy requires management to monitor these capital standards and the Bank's compliance with them. The Board of Directors and management periodically evaluate the quality of assets, the stability of earnings, and the adequacy of the allowance for credit losses for the Bank. The Company is a source of strength for the Bank and will provide additional capital if necessary.

We believe that current and projected capital levels are appropriate for 2025. As of March 31, 2025, the Bank's risk-based and leverage capital ratios exceed the required minimum ratios and the applicable buffers under the fully phased-in U.S. Basel III standards as well as the "well capitalized" standards under the prompt corrective action framework.

Under U.S. Basel III, the Bank is required to maintain the following minimum regulatory capital ratios: a Common Equity Tier 1 risk-based capital ratio of 4.5 percent, a Tier 1 risk-based capital ratio of 6.0 percent, a Total risk-based capital ratio of 8.0 percent, and a Tier 1 leverage ratio of 4.0 percent. In addition, the Bank is subject to a Common Equity Tier 1 capital conservation buffer of greater than 2.5 percent. Failure to maintain the buffer will result in restrictions on the Bank's ability to make capital distributions, including the payment of dividends, and to pay discretionary bonuses to executive officers. Including the buffer, the Bank is required to maintain the following capital ratios under U.S. Basel III in order to avoid such restrictions: a Common Equity Tier 1 risk-based capital ratio of greater than 7.0 percent, a Tier 1 risk-based capital ratio of greater than 8.5 percent, and a Total risk-based capital ratio of greater than 10.5 percent.

To qualify as "well capitalized" under the prompt corrective action framework for insured depository institutions, the Bank must maintain a Common Equity Tier 1 risk-based capital ratio of at least 6.5 percent, a Tier 1 risk-based capital ratio of at least 8.0 percent, a Total risk-based capital ratio of at least 10.0 percent, and a Tier 1 leverage ratio of at least 5.0 percent.

In July 2023, the federal banking agencies proposed a rule to implement significant changes to the U.S. Basel III regulatory capital requirements. The proposed changes to the regulatory capital requirements generally would amend or introduce approaches and methodologies that would apply to banking organizations with total consolidated assets of \$100 billion or more or to banking organizations with significant trading activity. The proposed rule therefore would not affect the Bank's capital requirements or the calculation of its capital ratios.

Under regulations issued by the FDIC and other federal banking agencies, banking organizations that adopted CECL during the 2020 calendar year, including the Bank, could elect to delay for two years, and then phase in over the following three years, the effects on regulatory capital of CECL relative to the incurred loss methodology. The Bank elected to use this option. Therefore, the regulatory capital impact of the Bank's transition adjustments recorded on January 1, 2020 from the adoption of CECL, and 25 percent of the ongoing impact of CECL on the Bank's allowance for credit losses, retained earnings, and average total consolidated assets, each as reported for regulatory capital purposes (collectively, the "adjusted transition amounts"), were deferred for the two-year period ending January 1, 2022. On each of January 1, 2022, 2023, 2024, and 2025, 25 percent of the adjusted transition amounts were phased in for regulatory capital purposes. As of January 1, 2025, all adjusted transition amounts have been phased in for regulatory capital purposes. The Bank's January 1, 2020 CECL transition amounts increased our allowance for credit losses by \$1.1 billion, increased the liability representing our off-balance sheet exposure for unfunded commitments by \$116 million, and increased our deferred tax asset by \$306 million, resulting in a cumulative effect adjustment that reduced retained earnings by \$953 million. This transition adjustment was inclusive of qualitative adjustments incorporated into our CECL allowance as necessary, to address any limitations in the models used.

The Bank's required and actual regulatory capital amounts and ratios, including applicable capital conservation buffers, under U.S. Basel III are shown in the following table. The following capital amounts and ratios are based upon the Bank's average assets and risk-weighted assets, as indicated. The Bank has elected to exclude accumulated other comprehensive income related to both available-for-sale investments and swap valuations from Common Equity Tier 1 Capital. At March 31, 2025 and December 31, 2024, the unrealized loss on available-for-sale investments included in other comprehensive income totaled \$68 million and \$83 million, net of tax of \$22 million and \$27 million, respectively. The capital ratios would remain above the well capitalized thresholds, including applicable capital conservation buffers, if the unrealized loss became fully recognized into capital.

(Dollars in thousands)	Actual		U.S. Basel III Minimum Requirements Plus Buffer <sup>(1)(2)</sup>	
	Amount	Ratio	Amount	Ratio
<b>As of March 31, 2025<sup>(3)</sup>:</b>				
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,992,368	11.6 %	\$ 1,808,123	≥ 7.0 %
Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,992,368	11.6 %	\$ 2,195,578	≥ 8.5 %
Total Capital (to Risk-Weighted Assets)	\$ 3,329,485	12.9 %	\$ 2,712,184	≥ 10.5 %
Tier 1 Capital (to Average Assets)	\$ 2,992,368	10.1 %	\$ 1,185,745	≥ 4.0 %
<b>As of December 31, 2024<sup>(3)</sup>:</b>				
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,957,067	11.3 %	\$ 1,827,318	≥ 7.0 %
Tier 1 Capital (to Risk-Weighted Assets)	\$ 2,957,067	11.3 %	\$ 2,218,886	≥ 8.5 %
Total Capital (to Risk-Weighted Assets)	\$ 3,294,663	12.6 %	\$ 2,740,976	≥ 10.5 %
Tier 1 Capital (to Average Assets)	\$ 2,957,067	9.7 %	\$ 1,213,505	≥ 4.0 %

<sup>(1)</sup> Reflects the U.S. Basel III minimum required ratio plus the applicable capital conservation buffer.

<sup>(2)</sup> The Bank's regulatory capital ratios also exceeded all applicable standards for the Bank to qualify as "well capitalized" under the prompt corrective action framework.

<sup>(3)</sup> For both March 31, 2025 and December 31, 2024, the actual amounts and the actual ratios include the fully phased in adjusted transition amounts discussed above.

### Dividends

The Bank is chartered under the laws of the State of Utah and its deposits are insured by the FDIC. The Bank's ability to pay dividends is subject to the laws of Utah and the regulations of the FDIC. Generally, under Utah's industrial bank laws and regulations as well as FDIC regulations, the Bank may pay dividends from its net profits without regulatory approval if, following the payment of the dividend, the Bank's capital and surplus would not be impaired. The Company relies on dividends from the Bank, as necessary, to enable the Company to pay any declared dividends and other payments and consummate share repurchases, as described herein. The Bank declared \$100 million and \$160 million in dividends to the Company for the three months ended March 31, 2025 and 2024, respectively, with the proceeds primarily used to fund share repurchase programs and stock dividends. We expect that the Bank will pay dividends to the Company as may be necessary to enable the Company to pay any declared dividends on its Series B Preferred Stock and common stock and to consummate any common share repurchases by the Company under the share repurchase programs.

## Borrowings

Outstanding borrowings consist of unsecured debt and secured borrowings issued through our term ABS program and our Secured Borrowing Facility. The issuing entities for those secured borrowings are VIEs and are consolidated for accounting purposes. The following table summarizes our borrowings at March 31, 2025 and December 31, 2024, respectively. For additional information, see Note 7, "Borrowings" in this Form 10-Q.

(Dollars in thousands)	March 31, 2025			December 31, 2024		
	Short-Term	Long-Term	Total	Short-Term	Long-Term	Total
<b>Unsecured borrowings:</b>						
Unsecured debt (fixed-rate)	\$ —	\$ 989,528	\$ 989,528	\$ —	\$ 995,420	\$ 995,420
<b>Total unsecured borrowings</b>	<b>—</b>	<b>989,528</b>	<b>989,528</b>	<b>—</b>	<b>995,420</b>	<b>995,420</b>
<b>Secured borrowings:</b>						
Private Education Loan term securitizations:						
Fixed-rate	—	4,389,633	4,389,633	—	4,617,743	4,617,743
Variable-rate	—	768,312	768,312	—	827,182	827,182
Total Private Education Loan term securitizations	—	5,157,945	5,157,945	—	5,444,925	5,444,925
Secured Borrowing Facility	—	—	—	—	—	—
<b>Total secured borrowings</b>	<b>—</b>	<b>5,157,945</b>	<b>5,157,945</b>	<b>—</b>	<b>5,444,925</b>	<b>5,444,925</b>
<b>Total</b>	<b>\$ —</b>	<b>\$ 6,147,473</b>	<b>\$ 6,147,473</b>	<b>\$ —</b>	<b>\$ 6,440,345</b>	<b>\$ 6,440,345</b>

### Short-term Borrowings

On June 14, 2024, we amended our \$2 billion maximum financing Secured Borrowing Facility to extend the maturity. We hold 100 percent of the residual interest in the Secured Borrowing Facility trust. The amendment extended the revolving period, during which we may borrow, repay, and reborrow funds, until June 13, 2025. The scheduled amortization period, during which amounts outstanding under the Secured Borrowing Facility must be repaid, ends on June 13, 2026 (or earlier, if certain material adverse events occur). The one-year revolving period plus the one-year amortization period results in a contractual maturity that is two years from the date of inception or renewal; however, we classify advances under our Secured Borrowing Facility as short-term borrowings because it is our intention to repay those advances within one year. At both March 31, 2025, and December 31, 2024, there were no outstanding short-term borrowings under the Secured Borrowing Facility.

### Other Borrowing Sources

We maintain discretionary uncommitted Federal Funds lines of credit with various correspondent banks, which totaled \$125 million at March 31, 2025. The interest rate we are charged on these lines of credit is priced at Fed Funds plus a spread at the time of borrowing, and is payable daily. We did not utilize these lines of credit in the three months ended March 31, 2025, nor in the year ended December 31, 2024.

We established an account at the FRB to meet eligibility requirements for access to the Primary Credit borrowing facility at the FRB's Window. The Primary Credit borrowing facility is a lending program available to depository institutions that are in generally sound financial condition. All borrowings at the Window must be fully collateralized. We can pledge asset-backed and mortgage-backed securities, as well as Private Education Loans, to the FRB as collateral for borrowings at the Window. Generally, collateral value is assigned based on the estimated fair value of the pledged assets. At March 31, 2025 and December 31, 2024, the value of our pledged collateral at the FRB totaled \$2.5 billion and \$2.2 billion, respectively. The interest rate charged to us is the discount rate set by the FRB. We did not utilize this facility in the three months ended March 31, 2025, nor in the year ended December 31, 2024.

### Contractual Loan Commitments

When we approve a Private Education Loan at the beginning of an academic year, that approval may cover the borrowing for the entire academic year. As such, we do not always disburse the full amount of the loan at the time of such approval, but instead have a commitment to fund a portion of the loan at a later date (usually at the start of the second

semester or subsequent trimesters). We estimate expected credit losses over the contractual period in which we are exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by us. At March 31, 2025, we had \$584 million of outstanding contractual loan commitments that we expect to fund during the remainder of the 2024/2025 academic year. At March 31, 2025, we had a \$24 million reserve recorded in "Other Liabilities" to cover lifetime expected credit losses on the unfunded commitments. See Note 2, "Significant Accounting Policies — Allowance for Credit Losses — Off-Balance Sheet Exposure for Contractual Loan Commitments" in our 2024 Form 10-K and Note 4, "Allowance for Credit Losses and Unfunded Loan Commitments" in this Form 10-Q for additional information.

### **Critical Accounting Policies and Estimates**

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses our consolidated financial statements, which have been prepared in accordance with GAAP. In preparing our consolidated financial statements, we have identified certain accounting estimates and assumptions that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties.

The critical accounting estimates we have identified relate to the allowance for credit losses. These estimates reflect our best judgment about current and, for some estimates, including management overlays, future economic and market conditions. These estimates are based on information available as of the date of these financial statements. If conditions change from those expected, it is reasonably possible that these judgments and estimates could change, which may result in a change in the allowance for credit losses or material changes to our consolidated financial statements. A discussion of our critical accounting policies can be found in our 2024 Form 10-K.

#### ***Allowance for Credit Losses***

We maintain an allowance for credit losses for the lifetime expected credit losses on loans in our portfolios, as well as for future loan commitments, at the reporting date.

In determining the lifetime expected credit losses on our Private Education Loan portfolio loan segments, we use a discounted cash flow method. This method requires us to project future principal and interest cash flows on our loans in those portfolios.

To estimate the future expected cash flows, we use statistical loan-level models that consider life of loan expectations for defaults, prepayments, recoveries, and any other qualitative adjustments deemed necessary, to determine the adequacy of the allowance at each balance sheet date. These cash flows are discounted at the loan's effective interest rate to calculate the present value of those cash flows. Management adjusts the effective interest rate used to discount expected cash flows to incorporate expected prepayments. The difference between the present value of those cash flows and the amortized cost basis of the underlying loans is the allowance for credit losses. Entities that measure credit losses based on the present value of expected future cash flows are permitted to report the entire change in present value as credit loss expense, but may alternatively report the change in present value due to the passage of time as interest income. We have elected to report the entire change in present value as credit loss expense.

We estimate future default rates used in our current expected credit losses at a loan level using historical loss experience, current borrower characteristics, current conditions, and economic factors forecasted over a reasonable and supportable period. At the end of the reasonable and supportable forecast period, we immediately revert our forecasted economic factors to long-term historical averages. We estimate future prepayment speeds used in our current expected credit losses at a loan level using historical prepayment experience, current borrower characteristics, current conditions, and economic factors forecasted over a reasonable and supportable period.

The reasonable and supportable forecast period is meant to represent the period in which we believe we can estimate the impact of forecasted economic factors in our expected losses. We use a two-year reasonable and supportable forecast period, although this period is subject to change as our view evolves on our ability to reasonably forecast economic conditions to estimate future losses.

In estimating future default rates and prepayment speeds in our current expected credit losses, we use a combination of expected economic scenarios coupled with our historical experience and adjust for any qualitative factors (as described below). We also develop an adverse and favorable economic scenario. At each reporting date, we determine the appropriate weighting of these alternate scenarios based upon the current economic conditions and our view of the risks of alternate outcomes. This weighting of expectations is used in calculating our current expected credit losses recorded each period.

We obtain forecasts for these inputs from Moody's Analytics. Moody's Analytics provides a range of forecasts for each of these inputs with various likelihoods of occurrence. We determine which forecasts we will include in our estimation of allowance for credit losses and the associated weightings for each of these inputs. We use the Baseline (50th percentile likelihood of occurring)/S1 (stronger near-term growth scenario - 10 percent likelihood of occurring)/S3 (unfavorable (or downside) scenario - 10 percent likelihood of occurring) scenarios. At December 31, 2024 and March 31, 2024, we weighted them 40 percent, 30 percent, and 30 percent, respectively. During the first quarter of 2025, we revised the Baseline scenario, S1 stronger near-term growth scenario, and S3 unfavorable scenario weightings to be 60 percent, 20 percent, and 20 percent, respectively. This change reflects our ongoing review of forecasting assumptions and model inputs and is consistent with our internal governance and risk management framework. The adjustment supports a more balanced view of potential scenario outcomes and remains in accordance with our CECL methodology. The revision resulted in an approximately \$17 million decrease to provision for credit losses for the three months ended March 31, 2025. Management continues to review both the scenarios and their respective weightings each quarter in determining the allowance for credit losses.

In estimating recoveries, we use both estimates of what we expect to receive from the sale of defaulted loans as well as historical borrower payment behavior to estimate the timing and amount of future recoveries on charged-off loans.

In addition to the above modeling approach, we also take certain other qualitative factors into consideration when calculating the allowance for credit losses, which could result in management overlays (increases or decreases to the allowance for credit losses). These management overlays can encompass a broad array of factors not captured by model inputs, including, but not limited to, changes in lending policies and procedures, including changes in underwriting standards, changes in servicing policies and collection administration practices, including changes we have implemented to our loan modification program, state law changes that could impact servicing and collection practices, charge-offs, recoveries not already included in the analysis, the effect of other external factors such as legal and regulatory requirements on the level of estimated current expected credit losses, the performance of the model over time versus actual losses, and any other operational or regulatory changes that could affect our estimate of future losses.

The evaluation of the allowance for credit losses is inherently subjective, as it requires material estimates that may be susceptible to significant changes. If actual future performance in delinquency, charge-offs, and recoveries is significantly different than estimated, or management assumptions or practices were to change, this could materially affect the estimate of the allowance for credit losses, the timing of when losses are recognized, and the related provision for credit losses in our consolidated statements of income.

When calculating our allowance for credit losses and liability for unfunded commitments, we incorporate several inputs that are subject to change period to period. These include, but are not limited to, CECL model inputs and any overlays deemed necessary by management. The most impactful CECL model inputs include:

- Economic forecasts;
- Weighting of economic forecasts; and
- Recovery rates.

Of the model inputs outlined above, economic forecasts, weighting of economic forecasts, and recovery rates are subject to estimation uncertainty, and changes in these inputs could have a material impact to our allowance for credit losses and the related provision for credit losses.

In the second quarter of 2024, we implemented a loan-level future default rate model that includes current portfolio characteristics and forecasts of real gross domestic product and college graduate unemployment. In the second quarter of 2024, we also implemented a future prepayment speeds model to include forecasts of real gross domestic product, retail sales, SOFR, and the U.S. 10-year treasury rate. These models reduce the reliance on certain qualitative overlays compared to the previous default rate and prepayment speeds models. Prior to these changes, our default rate and prepayment speeds models used forecasts of college graduate unemployment, retail sales, home price index, and median family income. Both the future default rate model and the future prepayment speeds model are used in determining the adequacy of the allowance for credit losses. The combined impact upon implementation of these model enhancements and the changes in the related qualitative overlays did not have a material impact on the overall level of our allowance for credit losses.

To demonstrate the sensitivity of the allowance for credit losses for our Private Education Loan portfolio to a more pessimistic forecast of expected economic outcomes, we considered what our allowance for credit losses would be if we applied a 100 percent probability weighting to the S3 unfavorable (or downside/90th percentile) scenario (with a concurrent 0 percent weighting for both the Baseline and S1 stronger near-term growth scenarios) under the range of scenarios noted above. Excluding consideration of qualitative adjustments, this sensitivity analysis would result in a

hypothetical increase in our allowance for credit losses as of March 31, 2025 of \$192 million or 13.0 percent. In addition, we also considered a 100 percent probability weighting to the S4 unfavorable (or downside/96th percentile) scenario (with a concurrent 0 percent weighting for both the Baseline and S1 stronger near-term growth scenarios) under the range of scenarios noted above. Excluding consideration of qualitative adjustments, this sensitivity analysis would result in a hypothetical increase in our allowance for credit losses as of March 31, 2025 of \$285 million or 19.2 percent. These scenarios do not reflect our current expectations as of March 31, 2025, nor do they capture other qualitative adjustments or all the potential unknown variables that could arise in the forecast periods, but they provide an approximation of possible outcomes under hypothetical pessimistic conditions. The estimated impacts were calculated for the two-year reasonable and supportable periods, but were not calculated for the remaining periods since long-term assumptions used to calculate the allowance for the remaining periods are based on longer term averages and only change when we determine there is a fundamental change that will affect the long-term rate.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

#### Interest Rate Sensitivity Analysis

Our interest rate risk management program seeks to manage and control interest rate risk, thereby reducing our exposure to fluctuations in interest rates, and achieving consistent and acceptable levels of profit in any rate environment and sustainable growth in net interest income over the long term. We evaluate and monitor interest rate risk through two primary methods:

- Earnings at Risk (“EAR”), which measures the impact of hypothetical changes in interest rates on net interest income; and
- Economic Value of Equity (“EVE”), which measures the sensitivity or change in the economic value of equity to changes in interest rates.

A number of potential interest rate scenarios are simulated using our asset liability management system. The Bank is the primary source of interest rate risk within the Company. At present, a significant portion of the Bank’s earning assets and a large balance of deposits were indexed to 30-day average SOFR. Therefore, 30-day average SOFR is considered a core rate in our interest rate risk analysis. The 30-day average SOFR and other rates are shocked in parallel for shock scenarios unless otherwise indicated. Rates are adjusted up or down via a set of scenarios that includes both rate shocks and ramps. Rate shocks represent an immediate and sustained change in key rates, with the resulting changes in other indices correlated accordingly. Interest rate ramps represent a linear increase in those key rates over the course of 12 months, with the resulting changes in other indices correlated accordingly.

The following table summarizes the potential effect on earnings over the next 24 months and the potential effect on market values of balance sheet assets and liabilities at March 31, 2025 and 2024, based upon a sensitivity analysis performed by management assuming hypothetical increases in market interest rates of 100 and 300 basis points and a decrease of 100 and 300 basis points while credit and funding spreads remain constant. EAR analysis assumes a static balance sheet, with maturities of each product replaced with assumed issuance of new products of the same type. The EVE sensitivity is applied only to financial assets and liabilities, including hedging instruments, that existed at the balance sheet date, and does not reflect any impact of loan sales, new assets, liabilities, commitments, or hedging instruments that may arise in the future.

The EAR results for March 31, 2025 indicate a market risk profile of low sensitivity to rate changes, based on static balance sheet assumptions over the next two years. The higher mix of fixed-rate versus variable-rate loan disbursements continues, which results in our liabilities repricing more quickly than our assets over time. Planned loan sales, which are not included in the static EVE modeling, significantly reduce our EVE exposure. Management is evaluating this trend to determine if, and when, further actions are necessary to manage EVE sensitivity.

As of March 31,	2025				2024			
	+300 Basis Points	+100 Basis Points	-100 Basis Points	-300 Basis Points	+300 Basis Points	+100 Basis Points	-100 Basis Points	-300 Basis Points
EAR - Shock	-9.7%	-3.1%	+2.5%	+7.7%	-4.6%	-1.5%	+1.1%	+3.4%
EAR - Ramp	-6.3%	-2.0%	+1.8%	+5.3%	-3.3%	-1.1%	+0.9%	+2.5%
EVE	-23.7%	-7.8%	+7.2%	+21.8%	-25.0%	-8.6%	+8.4%	+25.7%

In the preceding tables, the interest rate sensitivity analysis reflects the balance sheet mix of fully variable SOFR and Prime-based loans, and fully variable funding, including brokered CDs that have been converted to SOFR through derivative transactions. The analysis assumes that retail MMDAs and retail savings balances, while relatively sensitive to interest rate changes, will not correlate 100 percent to the full interest rate shocks or ramps.

Although we believe that these measurements provide an estimate of our interest rate sensitivity, they do not account for potential changes in credit quality, balance sheet mix, and size of our balance sheet. They also do not account for other business developments that could affect net income, or for management actions that could affect net income or could be taken to change our risk profile. Accordingly, we can give no assurance that actual results would not differ

materially from the estimated outcomes of our simulations. Further, such simulations do not represent our current view of expected future interest rate movements.

### Asset and Liability Funding Gap

The table below presents our assets and liabilities (funding) arranged by underlying indices as of March 31, 2025. In the following GAAP presentation, the funding gap only includes derivatives that qualify as effective hedges (those derivatives which are reflected in net interest income, as opposed to those reflected in the “gains (losses) on derivatives and hedging activities, net” line on the consolidated statements of income). The difference between the asset and the funding is the funding gap for the specified index. This represents at a high level our exposure to interest rate risk in the form of basis risk and repricing risk, which is the risk that the different indices may reset at different frequencies or may not move in the same direction or at the same magnitude. (Note that all fixed-rate assets and liabilities are aggregated into one line item, which does not capture the differences in time due to maturity.)

As of March 31, 2025 (dollars in millions) Index	Frequency of Variable Resets	Assets	Funding <sup>(1)</sup>	Funding Gap
Fed Funds Effective Rate	daily/weekly/monthly	\$ —	\$ 413.6	\$ (413.6)
SOFR Rate	daily/weekly/monthly	5,141.9	4,722.0	419.9
3-month SOFR	quarterly	—	251.1	(251.1)
3-month Treasury bill	weekly	—	—	—
Prime	monthly	0.3	—	0.3
Non-Discrete reset <sup>(2)</sup>	daily/weekly	3,919.9	3,687.1	232.8
Fixed-Rate <sup>(3)</sup>		19,837.1	19,825.4	11.7
Total		\$ 28,899.2	\$ 28,899.2	\$ —

<sup>(1)</sup> Funding (by index) includes the impact of all derivatives that qualify as effective hedges.

<sup>(2)</sup> Assets include restricted and unrestricted cash equivalents and other overnight type instruments. Funding includes liquid retail deposits and the obligation to return cash collateral held related to derivatives exposures.

<sup>(3)</sup> Assets include receivables and other assets (including premiums and reserves). Funding includes unswapped time deposits, liquid MMDAs swapped to fixed-rates, and stockholders' equity.

The “Funding Gap” in the above table shows primarily mismatches in the Fed Funds Effective Rate, SOFR rate, 3-month SOFR, Non-Discrete Reset, and Fixed-Rate categories. Changes in the Fed Funds Effective Rate, the Non-Discrete Reset, and the daily, weekly, and monthly SOFR, and 3-month SOFR categories are generally quite highly correlated, and should offset each other effectively. The funding in the fixed-rate bucket includes \$2.1 billion of equity and \$0.3 billion of non-interest bearing liabilities. We consider the overall repricing risk to be low.

We use interest rate swaps and other derivatives to achieve our risk management objectives. Our asset liability management strategy is to match assets with debt (in combination with derivatives) that have the same underlying index and reset frequency or have interest rate characteristics that we believe are highly correlated. The use of funding with index types and reset frequencies that are different from our assets exposes us to interest rate risk in the form of basis and repricing risk. This could result in our cost of funds not moving in the same direction or with the same magnitude as the yield on our assets. While we believe this risk is low, as all of these indices are short-term with rate movements that are highly correlated over a long period of time, market disruptions (which have occurred in recent years) can lead to a temporary divergence between indices, resulting in a negative impact to our earnings.

## Weighted Average Life

The following table reflects the weighted average lives of our earning assets and liabilities at March 31, 2025.

<b>As of March 31, 2025 (averages in years)</b>	<b>Weighted Average Life</b>
<b>Earning assets</b>	
Private Education Loans	5.62
Cash and investments	1.52
Total earning assets	<u>4.79</u>
<b>Deposits</b>	
Short-term deposits	0.57
Long-term deposits	2.37
Total deposits	<u>0.85</u>
<b>Borrowings</b>	
Long-term borrowings	3.83
Total borrowings	<u>3.83</u>

## **Item 4. Controls and Procedures**

### ***Disclosure Controls and Procedures***

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2025. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2025, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

### ***Changes in Internal Control over Financial Reporting***

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The information required by this item is set forth in the “Commitments, Contingencies and Guarantees” discussion in Note 13 of this Form 10-Q, which discussion is incorporated herein by reference in response to this Item.

### Item 1A. Risk Factors

Our business activities involve a variety of risks. Readers should carefully consider the risk factors disclosed in Part I, Item 1A. “Risk Factors” of our 2024 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Share Repurchases

The following table provides information relating to our purchase of shares of our common stock in the three months ended March 31, 2025.

(Dollars in thousands, except per share data)	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(2)(3)</sup>	Approximate Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs <sup>(2)</sup>
<b>Period:</b>				
January 1 - January 31, 2025	7,645	\$ 28.35	—	\$ 402,000
February 1 - February 28, 2025	1,123,800	\$ 31.14	337,782	\$ 392,000
March 1 - March 31, 2025	736,814	\$ 29.19	699,609	\$ 372,000
<b>Total first-quarter 2025</b>	<b>1,868,259</b>	<b>\$ 30.36</b>	<b>1,037,391</b>	

<sup>(1)</sup> The total number of shares purchased includes: (i) shares purchased under the stock repurchase programs discussed herein, and (ii) 830,868 shares of our common stock tendered to us to satisfy the exercise price in connection with cashless exercises of stock options, and tax withholding obligations in connection with exercises of stock options and vesting of restricted stock, restricted stock units, performance stock units, and dividend equivalent units.

<sup>(2)</sup> As of March 31, 2025, we had \$372 million in capacity remaining under the 2024 Share Repurchase Program. The 2024 Share Repurchase Program was announced on January 24, 2024, with an effective date of January 26, 2024, and expires on February 6, 2026. See Note 9, “Stockholders’ Equity” to our consolidated financial statements in this Form 10-Q for further discussion.

<sup>(3)</sup> In the first quarter of 2025, we repurchased 1.0 million shares under 10b5-1 trading plans. See Note 9, “Stockholders’ Equity” to our consolidated financial statements in this Form 10-Q for further discussion.

The closing price of our common stock on the NASDAQ Global Select Market on March 31, 2025 was \$29.37.

### Item 3. Defaults Upon Senior Securities

Nothing to report.

### Item 4. Mine Safety Disclosures

Not applicable.

## Item 5. Other Information

### **Insider Trading Arrangements**

In the first quarter of 2025, no director or officer (as defined in Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” for the purchase or sale of securities of the Company, each within the meaning of Item 408 of Regulation S-K.

## Item 6. Exhibits

The following exhibits are furnished or filed, as applicable:

- 4.1 [Fourth Supplemental Indenture dated as of January 31, 2025, between SLM Corporation and Deutsche Bank National Trust Company, as trustee \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 31, 2025\).](#)
  - 4.2 [Form of Senior Note due 2030 \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on January 31, 2025\).](#)
  - 10.1 [Form of SLM Corporation 2021 Omnibus Incentive Plan, 2025 Restricted Stock Unit Term Sheet.](#)
  - 10.2 [Form of SLM Corporation 2021 Omnibus Incentive Plan, 2025 Performance Stock Unit Term Sheet.](#)
  - 31.1 [Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
  - 31.2 [Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
  - 32.1 [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
  - 32.2 [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SLM CORPORATION  
(Registrant)

By: \_\_\_\_\_ /s/ PETER M. GRAHAM

Peter M. Graham  
Executive Vice President, Chief Financial Officer and  
Treasurer  
*(Principal Financial and Accounting Officer)*

Date: April 24, 2025

SLM Corporation 2021 Omnibus Incentive Plan  
2025 Restricted Stock Unit Term Sheet

This Restricted Stock Unit Term Sheet (this “Agreement”) further describes the terms of the RSUs granted to Grantee on March 3, 2025 (the “Grant Date”) pursuant to the Restricted Stock Unit Grant Notice. The Restricted Stock Unit Grant Notice and the SLM Corporation 2021 Omnibus Incentive Plan (the “Plan”) are incorporated herein in their entirety.

1. Vesting Schedule. Unless vested earlier as set forth below, the Award will vest, and will be converted into shares of common stock, in one-third increments on each of the first, second, and third anniversary of the Grant Date.
2. Employment Termination; Death; Disability. Except as provided below, if the Grantee voluntarily ceases to be an employee of SLM Corporation (the “Corporation”) (or one of its subsidiaries) for any reason (except as explicitly set forth below) or experiences a Termination of Employment For Cause (as defined below), he or she shall forfeit, for no consideration, any portion of the Award that has not vested as of the date of such termination of employment.

If not previously vested, the Award will continue to vest, and will be converted into shares of common stock, on the original vesting terms and vesting dates set forth above in the event that (i) the Grantee’s employment is terminated by the Corporation for any reason other than due to a Termination of Employment For Cause; (ii) the Grantee voluntarily ceases to be an employee of the Corporation (or one of its subsidiaries) and meets the Corporation’s retirement eligibility requirements under the Corporation’s then-current retirement eligibility policy, which shall be determined by the Corporation in its sole discretion; or (iii) the Grantee (x) is an “Eligible Officer” eligible to participate in the SLM Corporation Amended and Restated Executive Severance Plan for Senior Officers (the “**Executive Severance Plan**”) and (y) terminates his or her employment under such circumstances that give rise to a Termination of Employment For Good Reason.

If not previously vested, the Award will vest, and will be converted into shares of common stock, upon death or Disability (provided that such Disability qualifies as a “disability” within the meaning of Treasury Regulation Section 1.409A-3(i)(4)).

The unvested portion of the Award shall be forfeited, upon a Termination of Employment For Cause, for no consideration.

Notwithstanding anything stated herein, in the Plan or in the SLM Corporation Change in Control Severance Plan for Senior Officers, the Award shall not be subject to the terms set forth in the SLM Corporation Change in Control Severance Plan for Senior Officers.

“**Termination of Employment For Cause**” means a termination of a Grantee’s employment by the Corporation or any of its subsidiaries because (i) there has been a willful and continuing failure of the Grantee to perform substantially his or her duties and

responsibilities (other than as a result of Grantee's death or Disability) and, if such willful and continuing failure may be cured by the Grantee, that such failure has not been cured within ten (10) business days after written notice of such was given to the Grantee, or (ii) the Grantee has committed an act of Misconduct.

**"Misconduct"** means (a) commission of an act of embezzlement, fraud, dishonesty, misappropriation, nonpayment of any obligation owed to the Corporation or any of its subsidiaries, breach of fiduciary duty or deliberate disregard of the Corporation's rules, including, but not limited to, the SLM Corporation Code of Business Conduct; (b) intentional wrongdoing, gross negligence or willful misconduct in the performance of the Grantee's duties or otherwise in respect of the Corporation or any of its subsidiaries; (c) commission of, conviction of, plea of guilty to or plea of *nolo contendere* to (i) a felony crime or (ii) any other criminal offense involving moral turpitude, fraud or dishonesty; (d) an unauthorized disclosure of any confidential information or trade secrets; or (e) engaging in any conduct that would constitute unfair competition against the Corporation or any of its subsidiaries, or a violation of any restrictive covenant to which the Grantee is subject (including, but not limited to, those restrictive covenants set forth in this Agreement or the Grantee's New Hire Attestations).

**"Termination of Employment For Good Reason"** means a termination of a Grantee's employment by the Grantee due to: (a) a material reduction in the position or responsibilities of the Grantee not including a change in title only; (b) a material reduction in the Grantee's Base Salary (as defined in the Executive Severance Plan) or a material reduction in the Grantee's compensation arrangements or benefits (*provided* that variability in the value of stock-based compensation or in the compensation provided under the SLM Corporation 2021 Omnibus Incentive Plan or a successor plan will not be deemed to cause a material reduction in compensation); or (c) a relocation of the Grantee's primary work location to a distance of greater than seventy-five (75) miles from his or her primary work location as of the date of this Agreement, unless such relocation results in the Grantee's primary work location being closer to his or her then-primary residence or does not substantially increase the average commuting time of such Grantee; *provided* that a "Termination of Employment For Good Reason" shall not include any requirement by the Corporation or any of its subsidiaries that the Grantee work at his or her assigned office location following the suspension, modification or termination of any applicable remote or hybrid work arrangement granted to the Grantee by the Corporation or any of its subsidiaries. If a Grantee continues his or her employment with the Corporation or any of its subsidiaries for more than ninety (90) days after the occurrence of an event described above that constitutes a Termination of Employment For Good Reason, then the Grantee shall be deemed to have given his or her consent to such event and the Grantee shall not be eligible for continued vesting under this Agreement as a result of that event and shall be deemed to have waived all rights in regard to such event.

3. Change in Control. Notwithstanding anything to the contrary in this Agreement:

- a. In the event of a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue outstanding Awards upon the Change in Control, then any portion of the Award that is not vested shall become 100 percent vested; *provided, however*, the conversion of the accelerated portion of the RSUs into shares of common stock (i.e., the settlement of the Award) will nevertheless be made at the same time or times as if such RSUs had vested in accordance with the vesting schedule set forth in Section 1 or, if earlier, upon the termination of Grantee's employment for reasons other than due to a Termination of Employment For Cause.
  - b. If the Grantee's employment terminates within twenty-four (24) months following a Change in Control for any reason other than (i) due to a Termination of Employment For Cause or (ii) by Grantee's voluntary termination of employment that is not a Termination of Employment for Good Reason, as defined in the SLM Corporation Change in Control Severance Plan for Senior Officers (if applicable to the Grantee), any portion of the Award not previously vested shall immediately become vested, and shall be converted into shares of common stock, upon such employment termination.
4. Taxes; Dividends. The Grantee of the Award shall make such arrangements as may reasonably be required by the Corporation, including transferring a sufficient number of shares of the Corporation's common stock, to satisfy the income and employment tax withholding requirements that accrue upon the Award becoming vested or, if applicable, settled in shares of the Corporation's common stock (by approving this Agreement, the Compensation Committee (the "Committee") hereby approves the transfer of such shares to the Corporation for purposes of SEC Rule 16b-3). Dividends declared on an unvested Award will not be paid in cash currently except in the case of fractional shares as set forth below. Instead, an account established on behalf of the Grantee will be credited with an amount equal to such dividends, which amount shall be reinvested in additional shares of the Corporation's common stock ("Dividend Equivalent"). The value of the Dividend Equivalents will be calculated in the same manner as dividends paid to holders of common stock. Such Dividend Equivalents will be subject to the same vesting schedule to which the Award is subject. Upon vesting of any portion of the Award, the amount of Dividend Equivalents allocable to such Award (and any fractional share amount) will also vest and will be converted into shares of the Corporation's common stock (provided that any fractional share amount shall be paid in cash).
5. Section 409A. For purposes of Section 409A of the Internal Revenue Code, the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"), each payment and benefit payable under this Agreement is hereby designated as a separate payment. The parties intend that all RSUs provided under this Agreement and shares issuable hereunder comply with or be exempt from the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Notwithstanding anything in the Plan or this Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the RSUs

is to be accelerated in connection with the Grantee's termination of service, such accelerated RSUs will not be settled by virtue of such acceleration until and unless the Grantee has a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), as determined by the Corporation, in its sole discretion. Further, and notwithstanding anything in the Plan or this Agreement to the contrary, if (x) any of the RSUs to be provided in connection with the Grantee's separation from service do not qualify for any reason to be exempt from Section 409A, (y) the Grantee is, at the time of such separation from service, a "specified employee" (as defined in Treasury Regulation Section 1.409A-1(i)) and (z) the settlement of such RSUs would result in the imposition of additional tax under Section 409A if such settlement occurs on or within the six (6) month period following the Grantee's separation from service, then, to the extent necessary to avoid the imposition of such additional taxation, the settlement of any such RSUs during such six (6) month period will accrue and will not be settled until the date six (6) months and one (1) day following the date of the Grantee's separation from service and on such date (or, if earlier, the date of the Grantee's death), such RSUs will be settled.

6. Clawback Provision. If the SLM Corporation Board of Directors (the "Board"), or an appropriate committee thereof, determines that (a) any material misstatement of financial results or a performance metric criteria has occurred as a result of the Grantee's conduct; (b) the Grantee has committed a material violation of corporate policy or has committed fraud or Misconduct; or (c) the Grantee has violated any of the restrictive covenants set forth in Sections 7 through 9, then the Board or such committee may, in its sole discretion, require reimbursement of any compensation resulting from the vesting of RSUs and the cancellation of any outstanding RSUs from the Grantee (whether or not such individual is currently employed by the Corporation) during the three (3) year period following the date on which the conduct resulting in the material misstatement occurred, or the date such violation, fraud or Misconduct occurred, as determined by the Board or the applicable committee. The Board or such committee shall consider all factors, with particular scrutiny when one of the Senior Vice Presidents or above are involved, in determining whether and to what extent such involvement described herein occurred and the amount of such reimbursement. Notwithstanding anything to the contrary herein, this provision shall be subject to adjustment and amendment to conform with any current or subsequently adopted policy or amendment relating to the clawback of compensation as may be adopted by the Board or an appropriate committee thereof.
7. Confidentiality. The Grantee recognizes that his or her work as an employee of the Corporation brought or may have brought him or her into close contact with confidential information of the Corporation not publicly known. This may include, but is not limited to, know-how, technical data, methods, processes, formulations, techniques, developments, inventions, research projects, new products, plans for future developments, responses to "Requests for Proposals," "Letters of Understanding," bid information for government contracts, negotiations for new business ventures or strategic alliances, litigation and potential litigation matters, computer code and/or design of proprietary loan systems, personnel records and salary information, information about

costs, profits, markets, sales, and lists of customers, potential customers and/or employees. This list is merely illustrative and confidential information is not limited to the illustrations.

The Grantee expressly acknowledges and agrees that the Corporation's confidential information is proprietary and confidential and that, if any of the confidential information was imparted or became known by any persons, including the Grantee, engaging in a business in any way competitive with the Corporation, such disclosure would result in hardship, loss, irreparable injury and damage to the Corporation, the measurement of which would be difficult, if not impossible, to determine. The Grantee further expressly agrees that the Corporation has a legitimate interest in protecting the confidential information and its business goodwill, and that it is necessary for the Corporation to protect its business from such hardship, loss, irreparable injury and damage. The Grantee further acknowledges that the preservation and protection of the confidential information is an essential part of his or her duties of employment and that, as a result of the Grantee's employment with the Corporation, he or she has a duty of fidelity, loyalty, and trust to the Corporation in handling the confidential information.

The Grantee agrees to keep secret all such confidential information and trade secrets of the Corporation and agrees not to, directly or indirectly, other than as necessary in the Corporation's business and in the scope of his or her employment, disclose or use any such confidential information at any time (including any time following the date the Grantee experiences a termination of employment for any reason (the "**Termination Date**")) except as (1) required or permitted by statute, regulation or court order; or (2) pursuant to written consent given by the Corporation's General Counsel. In addition, the Grantee recognizes that he or she may have been exposed, by reason of his or her employment, to certain information, which is confidential or proprietary to third parties. The Grantee agrees that he or she will not disclose or use at any time, without the prior written consent of such third party and the Corporation, any such confidential or proprietary information. The Grantee agrees that all written and computer-stored materials (including correspondence, memoranda, manuals, notes, and notebooks) which were in his or her possession from time to time (whether or not written or prepared by me) embodying confidential information should be and remain the Corporation's sole property and he or she will use all reasonable precautions to assure that all such written and computer-stored materials are properly protected and kept from unauthorized persons. The Grantee further agrees to deliver same, including all copies, promptly to the Corporation upon termination of his or her employment, or at any time it may request. In the event that the Grantee is unsure whether certain material or information is confidential, he or she agrees to consult the Corporation's Legal Department for resolution and agrees to be bound by the Legal Department's decision.

Notwithstanding the foregoing, nothing in this Agreement or otherwise limits the Grantee's ability to communicate directly with, and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to, the Securities and Exchange Commission (the "**SEC**"), or any other federal, state or local governmental agency or commission or self-regulatory organization (each such agency,

commission or organization, a “**Government Agency**”) regarding possible legal violations, without disclosure to the Corporation. The Corporation may not retaliate against the Grantee for any of these activities, and nothing in this Agreement requires the

Grantee to waive any monetary award or other relief that the Grantee might become entitled to from the SEC or any other Government Agency.

Pursuant to the Defend Trade Secrets Act of 2016, the Corporation and the Grantee acknowledge and agree that the Grantee shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if the Grantee files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Grantee may disclose the trade secret to his or her attorney and may use the trade secret information in the court proceeding, if the Grantee (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

8. Non-solicitation. The Grantee agrees that, during the two (2) year period following the Termination Date, the Grantee shall not solicit or encourage any employee, consultant or other individual independent contractor with whom he or she communicated within the last year of his or her employment to leave the employ or engagement of the Corporation, or hire any such employees. Further, during this two (2) year period following the Termination Date, the Grantee shall not, directly or indirectly, contact or accept business that the Corporation could otherwise perform from any of the Corporation’s customers or prospective customers with whom the Grantee communicated within the last two (2) years of his or her employment.
9. The Grantee expressly agrees that the markets served by the Corporation extend nationally and are not dependent on the geographic location of the personnel or the businesses by which they are employed and that the restrictions set forth in Sections 7 through 9 have been designed to be reasonable and are no greater than are required for the protection of the Corporation and do not prevent the Grantee from earning a livelihood by working in positions that do not compete with the Corporation. In the event that a court shall determine that any provision of the Agreement is unenforceable, the parties shall request that the court construe this Agreement in such a fashion as to render it enforceable and to revise time and geographic limits to those minimum limits that the court believes are reasonable to protect the interests of the Corporation. The Grantee further acknowledges that his or her employment at the Corporation is employment at-will and this Agreement does not alter this at-will relationship. The Grantee acknowledges and agrees that these covenants have unique, substantial and immeasurable value to the Corporation, that the Grantee has sufficient skills to provide a livelihood for him or her while these covenants remains in force, and that these covenants will not interfere with his or her ability to work consistent with his or her experience, training, and

education. To enable the Corporation to monitor compliance with the obligations imposed by this Agreement, the Grantee further agrees to inform in writing a senior officer in Human Resources with a title of "Vice President" or above of the identity of the Grantee's subsequent employer(s) and his or her prospective job title and responsibilities prior to beginning employment. The Grantee agrees that this notice requirement shall remain in effect for twelve (12) months following the Termination Date.

10. The restrictive covenants set forth in Sections 7 through 9 do not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, *provided* that such compliance does not exceed that required by the law, regulation, or order.
11. The illegality, unenforceability, or ineffectiveness of any provision of Sections 7 through 10 shall not affect the legality, enforceability, or effectiveness of any other provision of this Agreement. Notwithstanding the confidentiality provisions identified in Section 7 of this Agreement, the Grantee may disclose the restrictive covenants in this Agreement to prospective employers and agrees that the Corporation may provide a copy of this Agreement to his or her prospective or future employers.
12. **Securities Law Compliance.** The Corporation may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any transfer or sale by the Grantee of any shares of the Corporation's common stock, including without limitation (a) restrictions under an insider trading policy and (b) restrictions that may be necessary in the absence of an effective registration statement under the Securities Act of 1933, as amended, covering the shares of the Corporation's common stock. The sale of the shares must also comply with other applicable laws and regulations governing the sale of such shares.
13. **Data Privacy.** As an essential term of the Award, the Grantee consents to the collection, use and transfer, in electronic or other form, of personal data as described herein for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. By accepting the Award, the Grantee acknowledges that the Corporation holds certain personal information about the Grantee, including, but not limited to, name, home address and telephone number, date of birth, social security number or other identification number, salary, tax rates and amounts, nationality, job title, any shares of stock held in the Corporation, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding, for the purpose of implementing, administering and managing the Plan ("Data"). The Grantee acknowledges that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in jurisdictions that may have different data privacy laws and protections, and the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan, including any requisite transfer of such Data as may be required to a broker or

other third party with whom the Grantee or the Corporation may elect to deposit any shares of the Corporation's common stock. The Grantee acknowledges that Data may be held to implement, administer and manage the Grantee's participation in the Plan as determined by the Corporation, and that the Grantee may request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, *provided, however*, that refusing or withdrawing the Grantee's consent may adversely affect the Grantee's ability to participate in the Plan.

14. Electronic Delivery. The Corporation may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Corporation or another third party designated by the Corporation, and such consent shall remain in effect throughout the Grantee's term of service with the Corporation (or its subsidiaries) and thereafter until withdrawn in writing by the Grantee.
15. Board Interpretation. The Grantee hereby agrees to accept as binding, conclusive, and final all decisions and interpretations of the Board and, where applicable, the Committee concerning any questions arising under this Agreement or the Plan.
16. No Right to Continued Employment. Nothing in the Plan, in this Agreement or any other instrument executed pursuant thereto or hereto shall confer upon the Grantee any right to continued employment with the Corporation or any of its subsidiaries or affiliates.
17. Amendments for Accounting Charges. The Committee reserves the right to unilaterally amend this Agreement to reflect any changes in applicable law or financial accounting standards.
18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.
19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or, if mailed or emailed, when received by, the other party at the following addresses:

If to the Corporation to:

Human Resources Department  
ATTN: Total Rewards  
300 Continental Drive  
Newark, DE 19713  
[HR\\_Inbox@salliemae.com](mailto:HR_Inbox@salliemae.com)

If to the Grantee, to (i) the last address maintained in the Corporation's Human Resources files for the Grantee or (ii) the Grantee's mail delivery code or place of work at the Corporation (or its subsidiaries).

20. Plan Controls; Entire Agreement; Capitalized Terms. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan control, except as expressly stated otherwise herein. This Agreement, the Plan and the Restricted Stock Unit Grant Notice together set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior oral and written and all contemporaneous or subsequent oral discussions, agreements and understandings of any kind or nature with the exception of (i) equity awards previously granted and delivered to the Grantee, (ii) any compensation adjustment policy that is adopted by the Corporation or is otherwise required by applicable law or listing standards applicable to the Corporation and (iii) any written restrictive covenants, employment or severance arrangements setting forth restrictive covenants applicable to the Grantee. Capitalized terms not defined herein shall have the meanings as described in the Plan or in the Restricted Stock Unit Grant Notice.
21. Miscellaneous. In the event that any provision of this Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of this Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision. The headings in this Agreement are solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect. The Grantee shall cooperate and take such actions as may be reasonably requested by the Corporation in order to carry out the provisions and purposes of the Agreement. The Grantee is responsible for complying with all laws applicable to the Grantee, including federal and state securities reporting laws.
22. Electronic Acceptance. By accepting this Award, the Grantee hereby (i) acknowledges receipt of, and represents that the Grantee understands this Agreement, the Restricted Stock Unit Grant Notice and the Plan, including the restrictive covenants set forth in Sections 7 through 9, (ii) acknowledges and confirms the Grantee's consent to receive electronically the Award, the Plan, the Restricted Stock Unit Grant Notice and any other Plan documents or other related communications that the Corporation wishes or is required to deliver, (iii) acknowledges that a copy of the Plan and the related Plan documents were made available to the Grantee and (iv) agrees that the electronic acceptance of the Agreement constitutes a legally binding acceptance of the Agreement, and that the electronic acceptance of the Agreement shall have the same force and effect as if the Agreement was physically signed.

SLM Corporation 2021 Omnibus Incentive Plan  
2025 Performance Stock Unit Term Sheet

Pursuant to the terms and conditions of the SLM Corporation 2021 Omnibus Incentive Plan (the “Plan”), the Compensation Committee (the “Committee”) of the SLM Corporation Board of Directors hereby grants to \_\_\_\_\_ (the “Grantee”) on March 3, 2025 (the “Grant Date”) a target award (the “Award”) of \_\_\_\_\_ shares of Performance Stock Units (“PSUs”), which represent the right to acquire shares of common stock of SLM Corporation (the “Corporation”), subject to the following terms and conditions (this “Agreement”):

1. Vesting Schedule. Unless vested earlier as set forth below, the Award will vest, and will be converted into shares of the Corporation’s common stock, based on the following vesting terms:
  - A specified number of the total PSUs granted to each executive shall vest in amounts based on the Corporation’s total shareholder return (“TSR”) as measured during the performance period from January 1, 2025 through December 31, 2027 (the “Performance Period”), as shown on the attached chart in Appendix A. Each vested PSU shall be subject to the Transfer Restrictions (as defined below) set forth herein. Following the lapse of the Transfer Restrictions, each vested PSU will be settled in shares of the Corporation’s common stock.
  - “TSR” shall be determined with respect to the Corporation and the members of its Peer Group (as that term is defined below) by dividing (i) the difference (whether positive or negative) between (x) such company’s twenty (20) day trading average, using the closing prices, for the twenty (20) trading days immediately preceding December 31, 2027 (the “Measurement End Date”) and (y) such company’s twenty (20) day trading average, using the closing prices, concluding on the twentieth (20<sup>th</sup>) trading day immediately following January 1, 2025 (the “Measurement Start Date”) by (ii) such company’s twenty (20) day trading average, using the closing prices, concluding on the Measurement Start Date. Both twenty (20) day averages will assume dividend reinvestment on the ex-dividend dates, as applicable. If the Measurement Start Date or the Measurement End Date are not trading dates, the twenty (20) day trading average concluding on the immediately preceding trading date shall be the applicable average for purposes of determining the Corporation’s or any Peer Group member’s TSR. Also for this purpose, each trading average will include only trading days, which will be determined on a separate basis for the Corporation and each Peer Group member, based on trading on the primary exchange on which such company’s shares are traded. Any non-cash distributions shall be ascribed such dollar value as may be determined.
  - The “Peer Group” of the Corporation is set forth in Appendix A.
  - The performance goals shall equitably and proportionally be adjusted to preserve the intended incentives of PSUs and exclude or mitigate the impact of, as the case

may be, the effects of a stock split, reverse stock split, spin off, extraordinary stock dividend, or other equity restructuring events.

- The calculation of TSR shall be independently validated by the Chief Risk Officer of the Corporation and certified by the Committee.
  - PSUs shall vest on the later of (i) the three (3) year anniversary of the Grant Date and (ii) the date by which the Committee has certified the level of attainment of TSR (such later date, the “Vesting Date”). The Vesting Date shall be no later than March 31, 2028. Following the Vesting Date, the PSUs shall be fully vested but subject to Transfer Restrictions and forfeiture conditions set forth herein, with such Transfer Restrictions and forfeiture conditions to lapse on the one (1) year anniversary of the Vesting Date (such date, the “Restriction Lapse Date,” and such period between the Vesting Date and the Restriction Lapse Date, the “Holding Period”). Upon such lapsing of the Transfer Restrictions and no later than March 31, 2029, the PSUs shall be settled in shares of the Corporation’s common stock.
  - During the Holding Period, none of the PSUs under the Award may be sold, transferred or otherwise assigned during the Holding Period, except as set forth in Section 12 of the Plan (the “Transfer Restrictions”). If, during the Holding Period, the Corporation terminates the Grantee’s employment due to a Termination of Employment For Cause, the Grantee shall forfeit the Award in its entirety as of the date of such termination of employment. If the Corporation terminates the Grantee’s employment for any reason other than due to a Termination of Employment For Cause, or the Grantee terminates his or her employment for any reason during the Holding Period, the Award will remain subject to the Transfer Restrictions through the Restriction Lapse Date.
  - The Committee has discretion to increase or decrease the shares issuable pursuant to the Award; *provided* that in no event shall the number of shares granted under the Award exceed 200% of the target award.
2. Employment Termination; Death; Disability. Except as provided below, if, prior to the Vesting Date, the Grantee voluntarily ceases to be an employee of the Corporation (or one of its subsidiaries) for any reason (except as explicitly set forth below) or experiences a Termination of Employment For Cause (as defined below), he or she shall forfeit, for no consideration, any portion of the Award that has not vested, in either case, as of the date of such termination of employment (for the avoidance of doubt, even if the Performance Period is complete).

If not previously vested, the Award will continue to vest, and will be settled in shares of the Corporation’s common stock, subject to the original performance goal, Performance Period and Holding Period set forth above on the original vesting terms set forth above and on the Restriction Lapse Date in the event that (i) the Grantee’s employment is terminated by the Corporation for any reason other than due to a Termination of Employment For Cause, as determined by the Corporation in its sole discretion; (ii) the Grantee voluntarily ceases to be an employee of the Corporation (or one of its subsidiaries) and meets the Corporation’s retirement eligibility requirements under the

Corporation's then-current retirement eligibility policy, which shall be determined by the Corporation in its sole discretion; or (iii) the Grantee (x) is an "Eligible Officer" eligible to participate in the SLM Corporation Amended and Restated Executive Severance Plan for Senior Officers (the "**Executive Severance Plan**") and (y) terminates his or her employment under such circumstances that give rise to a Termination of Employment For Good Reason.

If not previously vested, the Award will vest, and will be settled in shares of the Corporation's common stock (i.e., the Award will no longer be subject to the Transfer Restrictions), at the target level set forth above, upon death or Disability (provided that such Disability qualifies as a "disability" within the meaning of Treasury Regulation Section 1.409A-3(i)(4)).

The Award shall be forfeited, upon a Termination of Employment For Cause, as determined by the Corporation in its sole discretion, for no consideration. Notwithstanding anything stated herein, in the Plan or in the SLM Corporation Change in Control Severance Plan for Senior Officers, the Award shall not be subject to the terms set forth in the SLM Corporation Change in Control Severance Plan for Senior Officers.

**"Termination of Employment For Cause"** means a termination of a Grantee's employment by the Corporation or any of its subsidiaries because (i) there has been a willful and continuing failure of the Grantee to perform substantially his or her duties and responsibilities (other than as a result of Grantee's death or Disability) and, if such willful and continuing failure may be cured by the Grantee, that such failure has not been cured within ten (10) business days after written notice of such was given to the Grantee, or (ii) the Grantee has committed an act of Misconduct.

**"Misconduct"** means (a) commission of an act of embezzlement, fraud, dishonesty, misappropriation, nonpayment of any obligation owed to the Corporation or any of its subsidiaries, breach of fiduciary duty or deliberate disregard of the Corporation's rules, including, but not limited to, the SLM Corporation Code of Business Conduct; (b) intentional wrongdoing, gross negligence or willful misconduct in the performance of the Grantee's duties or otherwise in respect of the Corporation or any of its subsidiaries; (c) commission of, conviction of, plea of guilty to or plea of *nolo contendere* to (i) a felony crime or (ii) any other criminal offense involving moral turpitude, fraud or dishonesty; (d) an unauthorized disclosure of any confidential information or trade secrets; or (e) engaging in any conduct that would constitute unfair competition against the Corporation or any of its subsidiaries, or a violation of any restrictive covenant to which the Grantee is subject (including, but not limited to, those restrictive covenants set forth in this Agreement or the Grantee's New Hire Attestations).

**"Termination of Employment For Good Reason"** means a termination of a Grantee's employment by the Grantee due to: (a) a material reduction in the position or responsibilities of the Grantee not including a change in title only; (b) a material reduction in the Grantee's Base Salary (as defined in the Executive Severance Plan) or a material reduction in the Grantee's compensation arrangements or benefits (*provided that*

variability in the value of stock-based compensation or in the compensation provided under the SLM Corporation 2021 Omnibus Incentive Plan or a successor plan will not be deemed to cause a material reduction in compensation); or (c) a relocation of the Grantee's primary work location to a distance of greater than seventy-five (75) miles from his or her primary work location as of the date of this Agreement, unless such relocation results in the Grantee's primary work location being closer to his or her then-primary residence or does not substantially increase the average commuting time of such Grantee; *provided* that a "Termination of Employment For Good Reason" shall not include any requirement by the Corporation or any of its subsidiaries that the Grantee work at his or her assigned office location following the suspension, modification or termination of any applicable remote or hybrid work arrangement granted to the Grantee by the Corporation or any of its subsidiaries. If a Grantee continues his or her employment with the Corporation or any of its subsidiaries for more than ninety (90) days after the occurrence of an event described above that constitutes a Termination of Employment For Good Reason, then the Grantee shall be deemed to have given his or her consent to such event and the Grantee shall not be eligible for continued vesting under this Agreement as a result of that event and shall be deemed to have waived all rights in regard to such event.

3. Change in Control. Notwithstanding anything to the contrary in this Agreement:

- a. In the event of a Change in Control in which the acquiring or surviving company in the transaction does not assume or continue outstanding Awards upon the Change in Control, then any portion of the Award that is not vested shall vest at the greater of (i) 100% target level set forth in the vesting schedule herein or (ii) the actual level based on the relative TSR as measured on the date of such Change in Control, and the Holding Period set forth herein shall not apply; *provided, however*, the settlement of the accelerated portion of the PSUs into shares of common stock (i.e., the settlement of the Award) will nevertheless be made at the same time or times as if such PSUs had vested (without regard to any Holding Period) in accordance with the vesting schedule set forth in Section 1 or, if earlier, upon the termination of the Grantee's employment for reasons other than due to a Termination of Employment For Cause.
- b. If the Grantee's employment terminates within twenty-four (24) months following a Change in Control for any reason other than (i) due to a Termination of Employment For Cause or (ii) by the Grantee's voluntary termination of employment that is not a Termination of Employment For Good Reason, as defined in the SLM Corporation Change in Control Severance Plan for Senior Officers (if applicable to the Grantee), any portion of the Award not previously vested shall immediately become common stock, upon such employment termination (without regard to any Holding Period).

4. Taxes; Dividends. The Grantee of the Award shall make such arrangements as may reasonably be required by the Corporation, including transferring a sufficient number of shares of the Corporation's common stock, to satisfy the income and employment tax

withholding requirements that accrue upon the Award becoming vested or, if applicable, settled in shares of the Corporation's common stock (by approving this Agreement, the Committee hereby approves the transfer of such shares to the Corporation for purposes of SEC Rule 16b-3). For the avoidance of doubt, the Corporation may withhold such shares as may be required to pay any applicable payroll taxes, including, without limitation, taxes owed under the Federal Insurance Contributions Act (FICA) or the Federal Unemployment Tax Act (FUTA), that may become due on the Vesting Date. Dividends declared on an unvested Award will not be paid in cash currently except in the case of fractional shares as set forth below. Instead, an account established on behalf of the Grantee will be credited with an amount equal to such dividends, which amount shall be reinvested in additional shares of the Corporation's common stock ("Dividend Equivalent"). The value of the Dividend Equivalents will be calculated in the same manner as dividends paid to holders of common stock. Such Dividend Equivalents will be subject to the same vesting schedule and Transfer Restrictions to which the Award is subject and shall be subject to adjustment based on the same performance measures applicable to the underlying PSUs and shall be payable at the same time that the underlying PSUs are payable. Upon vesting of any portion of the Award, the amount of Dividend Equivalents allocable to such Award (and any fractional share amount) will also vest. Upon the lapse of any of the Transfer Restrictions on any portion of the Award, the amount of Dividend Equivalents allocable to such Award (and any fractional share) will be converted into shares of the Corporation's common stock (*provided* that any fractional share amount shall be paid in cash).

5. Section 409A. For purposes of Section 409A of the Internal Revenue Code, the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"), each payment and benefit payable under this Agreement is hereby designated as a separate payment. The parties intend that all PSUs provided under this Agreement and shares issuable hereunder comply with or be exempt from the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Notwithstanding anything in the Plan or this Agreement to the contrary, if the vesting of the balance or some lesser portion of the balance, of the PSUs is to be accelerated in connection with the Grantee's termination of service, such accelerated PSUs will not be settled by virtue of such acceleration until and unless the Grantee has a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), as determined by the Corporation, in its sole discretion. Further, and notwithstanding anything in the Plan or this Agreement to the contrary, if (x) any of the PSUs to be provided in connection with the Grantee's separation from service do not qualify for any reason to be exempt from Section 409A, (y) the Grantee is, at the time of such separation from service, a "specified employee" (as defined in Treasury Regulation Section 1.409A-1(i)) and (z) the settlement of such PSUs would result in the imposition of additional tax under Section 409A if such settlement occurs on or within the six (6) month period following the Grantee's separation from service, then, to the extent necessary to avoid the imposition of such additional taxation, the settlement of any such PSU during such six (6) month period will accrue and will not be settled until the date six

(6) months and one (1) day following the date of the Grantee's separation from service and on such date (or, if earlier, the date of the Grantee's death), such PSUs will be settled.

6. Clawback Provision. If the Board, or an appropriate committee thereof, determines that (a) any material misstatement of financial results or a performance metric criteria has occurred as a result of the Grantee's conduct; (b) the Grantee has committed a material violation of corporate policy or has committed fraud or Misconduct; or (c) the Grantee has violated any of the restrictive covenants set forth in Sections 7 through 9, then the Board or such committee may, in its sole discretion, require reimbursement of any compensation resulting from the vesting of PSUs and the cancellation of any outstanding PSUs from the Grantee (whether or not such individual is currently employed by the Corporation) during the three (3) year period following the date on which the conduct resulting in the material misstatement occurred, or the date such violation, fraud or Misconduct occurred, as determined by the Board or the applicable committee. The Board or such committee shall consider all factors, with particular scrutiny when one of the Senior Vice Presidents or above are involved, in determining whether and to what extent such involvement described herein occurred and the amount of such reimbursement. Notwithstanding anything to the contrary herein, this provision shall be subject to adjustment and amendment to conform with any current or subsequently adopted policy or amendment relating to the clawback of compensation as may be adopted by the Board or an appropriate committee thereof.
7. Confidentiality. The Grantee recognizes that his or her work as an employee of the Corporation brought or may have brought him or her into close contact with confidential information of the Corporation not publicly known. This may include, but is not limited to, know-how, technical data, methods, processes, formulations, techniques, developments, inventions, research projects, new products, plans for future developments, responses to "Requests for Proposals," "Letters of Understanding," bid information for government contracts, negotiations for new business ventures or strategic alliances, litigation and potential litigation matters, computer code and/or design of proprietary loan systems, personnel records and salary information, information about costs, profits, markets, sales, and lists of customers, potential customers and/or employees. This list is merely illustrative and confidential information is not limited to the illustrations.

The Grantee expressly acknowledges and agrees that the Corporation's confidential information is proprietary and confidential and that, if any of the confidential information was imparted or became known by any persons, including the Grantee, engaging in a business in any way competitive with the Corporation, such disclosure would result in hardship, loss, irreparable injury and damage to the Corporation, the measurement of which would be difficult, if not impossible, to determine. The Grantee further expressly agrees that the Corporation has a legitimate interest in protecting the confidential information and its business goodwill, and that it is necessary for the Corporation to protect its business from such hardship, loss, irreparable injury and damage. The Grantee further acknowledges that the preservation and protection of the confidential information is an essential part of his or her duties of employment and that, as a result of the

Grantee's employment with the Corporation, he or she has a duty of fidelity, loyalty, and trust to the Corporation in handling the confidential information.

The Grantee agrees to keep secret all such confidential information and trade secrets of the Corporation and agrees not to, directly or indirectly, other than as necessary in the Corporation's business and in the scope of his or her employment, disclose or use any such confidential information at any time (including any time following the date the Grantee experiences a termination of employment for any reason (the "**Termination Date**")) except as (1) required or permitted by statute, regulation or court order; or (2) pursuant to written consent given by the Corporation's General Counsel. In addition, the Grantee recognizes that he or she may have been exposed, by reason of his or her employment, to certain information, which is confidential or proprietary to third parties. The Grantee agrees that he or she will not disclose or use at any time, without the prior written consent of such third party and the Corporation, any such confidential or proprietary information. The Grantee agrees that all written and computer-stored materials (including correspondence, memoranda, manuals, notes, and notebooks) which were in his or her possession from time to time (whether or not written or prepared by me) embodying confidential information should be and remain the Corporation's sole property and he or she will use all reasonable precautions to assure that all such written and computer-stored materials are properly protected and kept from unauthorized persons. The Grantee further agrees to deliver same, including all copies, promptly to the Corporation upon termination of his or her employment, or at any time it may request. In the event that the Grantee is unsure whether certain material or information is confidential, he or she agrees to consult the Corporation's Legal Department for resolution, and agrees to be bound by the Legal Department's decision.

Notwithstanding the foregoing, nothing in this Agreement or otherwise limits the Grantee's ability to communicate directly with, and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to, the Securities and Exchange Commission (the "**SEC**"), or any other federal, state or local governmental agency or commission or self-regulatory organization (each such agency, commission or organization, a "**Government Agency**") regarding possible legal violations, without disclosure to the Corporation. The Corporation may not retaliate against the Grantee for any of these activities, and nothing in this Agreement requires the Grantee to waive any monetary award or other relief that the Grantee might become entitled to from the SEC or any other Government Agency.

Pursuant to the Defend Trade Secrets Act of 2016, the Corporation and the Grantee acknowledge and agree that the Grantee shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if the Grantee files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Grantee may disclose the trade secret to his or

her attorney and may use the trade secret information in the court proceeding, if the Grantee (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

8. Non-solicitation. The Grantee agrees that, during the two (2) year period following the Termination Date, the Grantee shall not solicit or encourage any employee, consultant or other individual independent contractor with whom he or she communicated within the last year of his or her employment to leave the employ or engagement of the Corporation, or hire any such employees. Further, during this two (2) year period following the Termination Date, the Grantee shall not, directly or indirectly, contact or accept business that the Corporation could otherwise perform from any of the Corporation's customers or prospective customers with whom the Grantee communicated within the last two (2) years of his or her employment.
9. The Grantee expressly agrees that the markets served by the Corporation extend nationally and are not dependent on the geographic location of the personnel or the businesses by which they are employed and that the restrictions set forth in Sections 7 through 9 have been designed to be reasonable and are no greater than are required for the protection of the Corporation and do not prevent the Grantee from earning a livelihood by working in positions that do not compete with the Corporation. In the event that a court shall determine that any provision of the Agreement is unenforceable, the parties shall request that the court construe this Agreement in such a fashion as to render it enforceable and to revise time and geographic limits to those minimum limits that the court believes are reasonable to protect the interests of the Corporation. The Grantee further acknowledges that his or her employment at the Corporation is employment at-will and this Agreement does not alter this at-will relationship. The Grantee acknowledges and agrees that these covenants have unique, substantial and immeasurable value to the Corporation, that the Grantee has sufficient skills to provide a livelihood for him or her while these covenants remains in force, and that these covenants will not interfere with his or her ability to work consistent with his or her experience, training, and education. To enable the Corporation to monitor compliance with the obligations imposed by this Agreement, the Grantee further agrees to inform in writing a senior officer in Human Resources with a title of "Vice President" or above of the identity of the Grantee's subsequent employer(s) and his or her prospective job title and responsibilities prior to beginning employment. The Grantee agrees that this notice requirement shall remain in effect for twelve (12) months following the Termination Date.
10. The restrictive covenants set forth in Sections 7 through 9 do not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, *provided* that such compliance does not exceed that required by the law, regulation, or order.
11. The illegality, unenforceability, or ineffectiveness of any provision of Sections 7 through 10 shall not affect the legality, enforceability, or effectiveness of any other provision of

this Agreement. Notwithstanding the confidentiality provisions identified in Section 7 of this Agreement, the Grantee may disclose the restrictive covenants in this Agreement to prospective employers, and agrees that the Corporation may provide a copy of this Agreement to his or her prospective or future employers.

12. Securities Law Compliance. The Corporation may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any transfer or sale by the Grantee of any shares of the Corporation's common stock, including without limitation (a) restrictions under an insider trading policy and (b) restrictions that may be necessary in the absence of an effective registration statement under the Securities Act of 1933, as amended, covering the shares of the Corporation's common stock. The sale of the shares must also comply with other applicable laws and regulations governing the sale of such shares.
13. Data Privacy. As an essential term of the Award, the Grantee consents to the collection, use and transfer, in electronic or other form, of personal data as described herein for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. By accepting the Award, the Grantee acknowledges that the Corporation holds certain personal information about the Grantee, including, but not limited to, name, home address and telephone number, date of birth, social security number or other identification number, salary, tax rates and amounts, nationality, job title, any shares of stock held in the Corporation, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding, for the purpose of implementing, administering and managing the Plan ("Data"). The Grantee acknowledges that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in jurisdictions that may have different data privacy laws and protections, and the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Grantee or the Corporation may elect to deposit any shares of the Corporation's common stock. The Grantee acknowledges that Data may be held to implement, administer and manage the Grantee's participation in the Plan as determined by the Corporation, and that the Grantee may request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, *provided, however*, that refusing or withdrawing the Grantee's consent may adversely affect the Grantee's ability to participate in the Plan.
14. Electronic Delivery. The Corporation may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Corporation or another third party designated by the Corporation, and

such consent shall remain in effect throughout the Grantee's term of service with the Corporation (or its subsidiaries) and thereafter until withdrawn in writing by the Grantee.

15. Board Interpretation. The Grantee hereby agrees to accept as binding, conclusive, and final all decisions and interpretations of the Board and, where applicable, the Committee concerning any questions arising under this Agreement or the Plan.
16. No Right to Continued Employment. Nothing in the Plan, in this Agreement or any other instrument executed pursuant thereto or hereto shall confer upon the Grantee any right to continued employment with the Corporation or any of its subsidiaries or affiliates.
17. Amendments for Accounting Charges. The Committee reserves the right to unilaterally amend this Agreement to reflect any changes in applicable law or financial accounting standards.
18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.
19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or, if mailed or emailed, when received by, the other party at the following addresses:

If to the Corporation to:

Human Resources Department  
ATTN: Total Rewards  
300 Continental Drive  
Newark, DE 19713  
[HR\\_Inbox@salliemae.com](mailto:HR_Inbox@salliemae.com)

If to the Grantee, to (i) the last address maintained in the Corporation's Human Resources files for the Grantee or (ii) the Grantee's mail delivery code or place of work at the Corporation (or its subsidiaries).

20. Plan Controls; Entire Agreement; Capitalized Terms. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan control, except as expressly stated otherwise herein. This Agreement and the Plan together set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior oral and written and all contemporaneous or subsequent oral discussions, agreements and understandings of any kind or nature with the exception of (i) equity awards previously granted and delivered to the Grantee, (ii) any compensation adjustment policy that is adopted by the Corporation or is otherwise required by applicable law or listing standards applicable to the Corporation and (iii) any written restrictive covenants, employment or severance arrangements setting forth restrictive covenants applicable to the Grantee. Capitalized terms not defined herein shall have the meanings as described in the Plan.

21. Miscellaneous. In the event that any provision of this Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of this Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision. The headings in this Agreement are solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect. The Grantee shall cooperate and take such actions as may be reasonably requested by the Corporation in order to carry out the provisions and purposes of the Agreement. The Grantee is responsible for complying with all laws applicable to the Grantee, including federal and state securities reporting laws.
22. Electronic Acceptance. By accepting this Award, the Grantee hereby (i) acknowledges receipt of, and represents that the Grantee understands this Agreement, the Performance Stock Unit Grant Notice and the Plan, including the restrictive covenants set forth in Sections 7 through 9, (ii) acknowledges and confirms the Grantee's consent to receive electronically the Award, the Plan, the Performance Stock Unit Grant Notice and any other Plan documents or other related communications that the Corporation wishes or is required to deliver, (iii) acknowledges that a copy of the Plan and the related Plan documents were made available to the Grantee and (iv) agrees that the electronic acceptance of the Agreement constitutes a legally binding acceptance of the Agreement, and that the electronic acceptance of the Agreement shall have the same force and effect as if the Agreement was physically signed.

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jonathan W. Witter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SLM Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JONATHAN W. WITTER

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Jonathan W. Witter  
Chief Executive Officer  
(Principal Executive Officer)  
April 24, 2025

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Peter M. Graham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SLM Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PETER M. GRAHAM

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Peter M. Graham

Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial and Accounting Officer)

April 24, 2025

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SLM Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan W. Witter, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JONATHAN W. WITTER

Jonathan W. Witter  
Chief Executive Officer  
(Principal Executive Officer)  
April 24, 2025

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SLM Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter M. Graham, Executive Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PETER M. GRAHAM

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Peter M. Graham  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial and Accounting Officer)  
April 24, 2025