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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 17, 2014**

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**SLM CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-13251**  
(Commission  
File Number)

**52-2013874**  
(I.R.S. Employer  
Identification No.)

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

**19713**  
(Zip Code)

**Registrant's telephone number, including area code: (302) 283-8000**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 7.01 REGULATION FD DISCLOSURE.**

SLM Corporation (the “Company”) frequently provides relevant information to its investors via posting to its corporate website. On April 17, 2014, the Company and its wholly-owned subsidiary, Navient Corporation (“Navient”), first released presentations titled “Sallie Mae Investor Presentation” and “Navient Investor Roadshow,” respectively, which provide information to investors about the post-separation businesses to be conducted by the Company and Navient. Copies of the presentations are available on the Company’s website at <https://www.salliemae.com/about/investors/webcasts/>. In addition, these documents are being furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

## (d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1*	Sallie Mae Investor Presentation
99.2*	Navient Investor Roadshow

\* Furnished herewith.

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**SIGNATURES**

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

**SLM CORPORATION**

Date: April 17, 2014

By: /s/ Laurent C. Lutz

Laurent C. Lutz  
Executive Vice President, General Counsel and  
Secretary

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**EXHIBIT INDEX**

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# SALLIE MAE

Investor Presentation

APRIL 2014



## Forward-Looking Statements

The following information is current as of April 17, 2014 (unless otherwise noted) and should be read in connection with the Annual Report on Form 10-K for the year ended December 31, 2013 filed by SLM Corporation ("Sallie Mae") with the SEC on February 19, 2014 (the "2013 Form 10-K"), the Registration Statement on Form 10, as amended (the "Form 10"), filed by Navient Corporation ("Navient") with the Securities and Exchange Commission (the "SEC") on April 10, 2014, and subsequent reports filed by Sallie Mae and Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2013 Form 10-K. This presentation contains forward-looking statements and information based on management's current expectations as of the date of this presentation. Statements that are not historical facts, including statements about the beliefs and expectations of Sallie Mae and statements that assume or are dependent upon future events, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others: the risks and uncertainties set forth in Item 1A "Risk Factors" and elsewhere in the 2013 Form 10-K, in Risk Factors in the Form 10, and the subsequent filings of Sallie Mae and Navient with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; changes in accounting standards and the impact of related changes in significant accounting estimates; any adverse outcomes in any significant litigation to which Sallie Mae is a party; credit risk associated with exposure to third parties, including counterparties to derivative transactions; and changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). Sallie Mae could also be affected by, among other things: changes in its funding costs and availability; reductions to its credit ratings or the credit ratings of the United States of America; failures of operating systems or infrastructure, including those of third-party vendors; damage to business reputation; failures to successfully implement cost-cutting and adverse effects of such initiatives on business; risks associated with restructuring initiatives, including the separation of Sallie Mae and Navient into two distinct publicly traded companies; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; increased competition from banks and other consumer lenders; the creditworthiness of customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of earning assets vs. funding arrangements; changes in general economic conditions; and changes in the demand for debt management services. The preparation of Sallie Mae's consolidated financial statements also require 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 release are qualified by these cautionary statements and are made only as of the date of this release. Sallie Mae does not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in expectations.

For additional information on the proposed separation of Sallie Mae and Navient, please see the 2013 Form 10-K and Form 10 of Sallie Mae and Navient, respectively.



## Separation Details

### Company

- ▶ Remaining Company: Sallie Mae (consumer banking business)
- ▶ Spin-Off Company: Navient (loan management and servicing company)

### Transaction

- ▶ Tax-free spin-off of Navient to Sallie Mae shareholders
- ▶ 1:1 distribution ratio

### Exchange Details

- ▶ Sallie Mae: NASDAQ / "SLM"
- ▶ Navient: NASDAQ / "NAVI"

### Financial Details

- ▶ Debt and preferred
  - All existing secured and unsecured debt will be the obligation of Navient
  - Preferred securities will remain at Sallie Mae
- ▶ Shareholder distributions
  - Sallie Mae does not intend to pay a dividend on common stock for the foreseeable future
  - Sallie Mae will continue to pay preferred stock dividends

### Timing & Approvals

- ▶ When-Issued Trading: April 17, 2014
- ▶ Record Date: April 22, 2014
- ▶ Distribution Date: April 30, 2014 (post close)
- ▶ Regular Way Trading: May 1, 2014



## Strategic Separation Into Two Distinct Businesses



### Transaction Entity

Remaining Company

Spin-Off Company

### Strategic Focus

Consumer banking including leading private education loan franchise

Leading education loan management, servicing and asset recovery company

### Key Businesses

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ Largest Private Education Loan Originator</li> <li>▶ Private Education Loan Servicing</li> <li>▶ Other Consumer Assets</li> <li>▶ Deposits</li> <li>▶ Upromise Rewards</li> <li>▶ Insurance Services</li> <li>▶ Credit Card</li> </ul> | <ul style="list-style-type: none"> <li>▶ FFELP Loan Portfolio</li> <li>▶ Non-Bank Private Education Loan Portfolio</li> <li>▶ Largest Education Loan Servicer (FFELP, ED, private)</li> <li>▶ Contingency Collections</li> <li>▶ Guarantor Servicing</li> <li>▶ Student Assistance and Outreach Solutions</li> </ul> |
|---|--|

### Pro Forma Financial Statistics

As of 12/31/2013 (\$ billions)

<table border="0"> <tr><td>Assets</td><td style="text-align: right;">\$11.3</td></tr> <tr><td>FFELP Loans</td><td style="text-align: right;">\$1.4</td></tr> <tr><td>Private Loans</td><td style="text-align: right;">\$6.5</td></tr> <tr><td>Deposits</td><td style="text-align: right;">\$9.0</td></tr> <tr><td>Secured Debt</td><td style="text-align: right;">\$ –</td></tr> <tr><td>Unsecured Debt</td><td style="text-align: right;">\$ –</td></tr> <tr><td>Preferred Equity</td><td style="text-align: right;">\$0.6</td></tr> <tr><td>Tangible Common Equity</td><td style="text-align: right;">\$1.2</td></tr> </table>	Assets	\$11.3	FFELP Loans	\$1.4	Private Loans	\$6.5	Deposits	\$9.0	Secured Debt	\$ –	Unsecured Debt	\$ –	Preferred Equity	\$0.6	Tangible Common Equity	\$1.2	<table border="0"> <tr><td>Assets</td><td style="text-align: right;">\$148.4</td></tr> <tr><td>FFELP Loans</td><td style="text-align: right;">\$103.2</td></tr> <tr><td>Private Loans</td><td style="text-align: right;">\$31.0</td></tr> <tr><td>Deposits</td><td style="text-align: right;">\$ –</td></tr> <tr><td>Secured Debt</td><td style="text-align: right;">\$120.5</td></tr> <tr><td>Unsecured Debt</td><td style="text-align: right;">\$18.3</td></tr> <tr><td>Preferred Stock</td><td style="text-align: right;">\$ –</td></tr> <tr><td>Tangible Common Equity</td><td style="text-align: right;">\$3.5</td></tr> </table>	Assets	\$148.4	FFELP Loans	\$103.2	Private Loans	\$31.0	Deposits	\$ –	Secured Debt	\$120.5	Unsecured Debt	\$18.3	Preferred Stock	\$ –	Tangible Common Equity	\$3.5
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### Leadership

#### Ray Quinlan

Chairman and CEO

#### Joe DePaulo

Executive Vice President - Banking

#### Steve McGarry

Chief Financial Officer

#### Jack Remondi

Chief Executive Officer

#### Somsak Chivavibul

Chief Financial Officer





## Sallie Mae Investment Highlights

- 1 Experienced management team with deep industry knowledge**
  - ▶ Average of 30+ years of banking and financial services experience
- 2 Leading brand in the education lending market**
  - ▶ 40+ years serving the education lending market
  - ▶ 50% private education lending market share
- 3 Simple low cost delivery system**
  - ▶ Multi-channel delivery system (on-campus, direct)
  - ▶ 40% customer serialization rate and improving
- 4 Attractive customer base**
  - ▶ Higher employment rates for college graduates
  - ▶ 90% of portfolio has cosigners; 746 average FICO
- 5 Disciplined approach to credit**
  - ▶ Robust proprietary scorecard
  - ▶ Strong SmartOption performance; 0.6% '13 charge-offs
- 6 Strong capital position and funding capabilities**
  - ▶ 14%+ Total Capital Ratio; all capital ratios significantly in excess of well capitalized
  - ▶ Retail direct deposits; future securitizations
- 7 Targeting high growth and high return business**
  - ▶ Long-term earnings growth target of 20%+
  - ▶ Long-term ROE target of 15%+

## Management Presenters

- ▶ Experienced management team with extensive asset knowledge and industry expertise



**Raymond Quinlan**  
*Chairman &  
Chief Executive Officer*

- ▶ 30+ years of banking and financial services experience
- ▶ Joined Sallie Mae in 2014
- ▶ Previously Executive Vice President of Banking at CIT
- ▶ Previously Chairman & CEO of Citigroup Retail Financial Services



**Joseph DePaulo**  
*Executive Vice  
President - Banking*

- ▶ 30+ years of banking and financial services experience
- ▶ Joined Sallie Mae in 2009 as Executive Vice President & Chief Marketing Officer
- ▶ Previously Co-Founder & CEO of Credit One Financial Services
- ▶ Previously U.S. Card group executive at MBNA

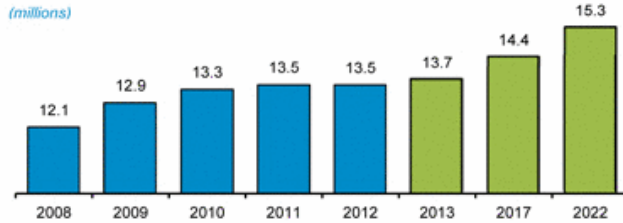


**Steven McGarry**  
*Chief Financial Officer*

- ▶ 30+ years of banking and financial services experience
- ▶ Joined Sallie Mae in 1997 as a member of the corporate finance team and later took leadership of equity and fixed income investor relations
- ▶ Previously held various positions in Toronto Dominion's treasury department

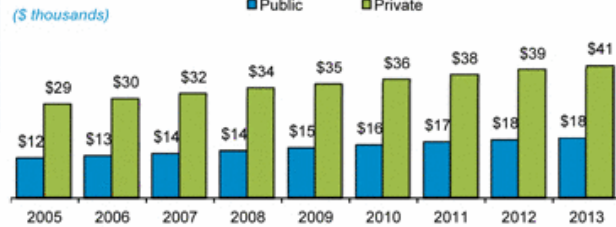
## Favorable Student Loan Market Trends

### Enrollment at Four-Year Degree Granting Institutions



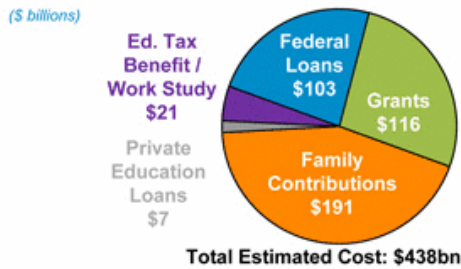
Source: U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics to 2022 (NCES 2014-051, February 2014), tables 23 and 25; 2012 actual data from Enrollment in Postsecondary Institutions, Fall 2012, Financial Statistics, Fiscal Year 2012; Graduation Rates, Selected Cohorts, 2004-09, and Employees in Postsecondary Institutions, Fall 2012.

### Annual Cost of Education



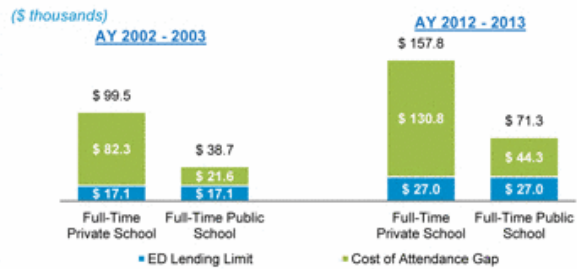
Source: Trends in College Pricing © 2013 The College Board, [www.collegeboard.org](http://www.collegeboard.org).  
Note: Academic years, average published tuition, fees, room and board charges at four-year institutions, enrollment-weighted

### Estimated Total Cost of Education – 2012 / 2013 AY



Sources derived from: Department of Education, College Board, McKinsey & Company, MeasureOne, National Student Clearinghouse, Company Analysis

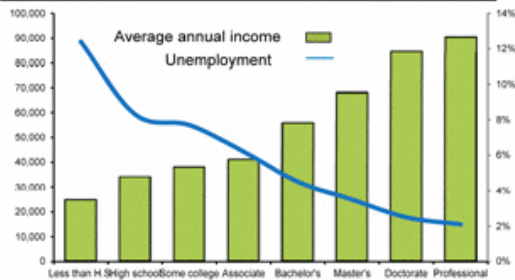
### Cost of College (Based on a Four-Year Term)



Source: Trends in College Pricing © 2013 The College Board, [www.collegeboard.org](http://www.collegeboard.org), U.S. Department of Education 2013

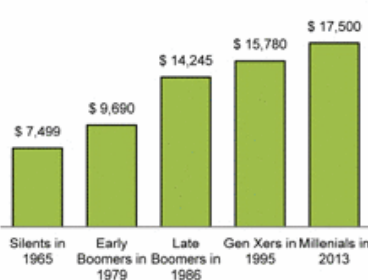
## Higher Education Value Proposition

**Relationship Between Higher Education, Income and Employment**



Source: U.S. Bureau of Labor Statistics, Current Population Survey, 2012 Annual Social and Economic Supplement. Represents median earnings for a full time, year-round worker over age 25. Unemployment data as of Annual Average 2012. Represents unemployment for civilian non-institutional population over age 25.

**Widening Earnings Gap of Young Adults by Educational Attainment**



The difference in median annual earnings of college and high school graduates when members of each generation were ages 25 to 32  
Source: PEW Research Center

**Most Graduates Say College Has Paid Off**



% who say that considering what they and their family paid for their undergraduate education  
Source: PEW Research Center

- ▶ 18 to 24 year olds with a college degree have a 50% lower unemployment rate than those without a degree
- ▶ ~60% of students graduate with student loans
- ▶ 70% of student loan borrowers have debt balances less than \$25,000 and 4% have balances above \$100,000 (average borrowings of \$26,500)



## The Sallie Mae Brand



- ▶ #1 saving, planning and paying for education company with 40-years of leadership in the education lending market
- ▶ Top ranked brand: 6 out of 10 consumers of education finance recognize the Sallie Mae brand
- ▶ Industry leading market share in private education lending; 50% market share for 2012 / 2013 AY
- ▶ Over 2,400 actively managed university relationships across the U.S.
- ▶ Complementary consumer product offerings
- ▶ Over one million long-term engaged customers across the Sallie Mae brands






## Full Suite of Private Education Products

	Description	Franchise
<b>Private Education Lending</b>	<ul style="list-style-type: none"> <li>▶ Market, price, underwrite and disburse private education loans</li> <li>▶ Focused on high quality credits at top tier institutions</li> <li>▶ Smart Option is primary product (interest-only, fixed pay, deferred)</li> <li>▶ Provide servicing and collections for existing portfolio and newly originated private education loans</li> </ul>	700,000+ loans ~500,000 active private education loan accounts
<b>Direct Banking</b>	<ul style="list-style-type: none"> <li>▶ Full suite of savings accounts and CD products online</li> <li>▶ Nearly 50% of retail deposit customers have another SLM product</li> </ul>	144,000 retail accounts
<b>Upromise Rewards</b>	<ul style="list-style-type: none"> <li>▶ Free membership service allowing members to earn money for college through participating merchants</li> <li>▶ Upromise MasterCard allows members to earn while using the card</li> </ul>	800 merchants 300,000+ active members
<b>Sallie Mae Insurance Services</b>	<ul style="list-style-type: none"> <li>▶ Partners with established insurance brokerages to offer insurance programs tailored to students</li> <li>▶ Products include tuition, renters, life and health insurance plans</li> </ul>	Complements core private education lending business



## Multifaceted Distribution Platform

		Commentary	2013 Originations
Student	On-Campus	<ul style="list-style-type: none"> <li>▶ Nationally recognized brand drives on-campus originations</li> <li>▶ Actively manage over 2,400 college relationships</li> <li>▶ Represented on vast majority of college directed preferred lender lists</li> <li>▶ Largest national sales force in the industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ ~\$1.9bn</li> <li>▶ 50% of originations</li> </ul>
	Direct to Consumer	<ul style="list-style-type: none"> <li>▶ Significant experience and success marketing to prospects through multiple channels including: paid search, affiliates, display, direct mail and email</li> <li>▶ Leverage low cost customer channels to contribute to significant serialization in following years</li> </ul>	<ul style="list-style-type: none"> <li>▶ ~\$1.8bn</li> <li>▶ 47% of originations</li> </ul>
	Partnership	<ul style="list-style-type: none"> <li>▶ Marketing and distribution through partnerships with banks, credit unions, resellers and membership organizations</li> <li>▶ Focused on growing through increased penetration and additional partner relationships</li> </ul>	<ul style="list-style-type: none"> <li>▶ ~\$0.1bn</li> <li>▶ 3% of originations</li> </ul>



## Attractive Customer Base

- ✓ **Top tier institutions**
  - ▶ 82% of customers from non-profit 4 year institutions
  - ▶ 11% of customers from for profit 4 year institutions
- ✓ **Strong credit history**
  - ▶ 78% of customers have FICOs >700
  - ▶ Average FICO of 746 at origination
- ✓ **Co-signer involvement**
  - ▶ 90% of borrowers have co-signers
- ✓ **Attractive demographics**
  - ▶ Average unemployment rate of 4.4% for individuals with some college vs. 10.4% for individuals with no college
  - ▶ Average income of \$63,000 for individuals with some college vs. \$29,000 for individuals with no college
- ✓ **High serialization rates**
  - ▶ 40.8% of private education loan borrowers are repeat customers, obtaining loans in the following academic year
- ✓ **Cross sell opportunities**
  - ▶ 5.1% conversion rate of Upromise members to student loan customers
  - ▶ 6.7% of Sallie Mae depositors have private education loans





## Scale and Serialization Lead to Low Cost Delivery

### Scale

- ▶ Strong market share allows Sallie Mae to leverage fixed acquisition costs over significant new account volume
- ▶ Market leading brand recognition drives volume with a disciplined approach to marketing investment
- ▶ Cost to acquire new loans typically covered by year 1 expected cash flows
- ▶ Cost to acquire loans has dropped nearly 30% in the last two years and is expected to continue to decline with volume growth

### Serialization

- ▶ 40% of borrowers in 2013 had a Sallie Mae loan in the prior year
- ▶ 90% of serial customers renew loans through no cost or low cost channels with limited incremental marketing costs
- ▶ Serialization rates have improved by more than 20% over the last 2 years
- ▶ Test and learn approach to direct to consumer marketing has allowed for year over year improvement

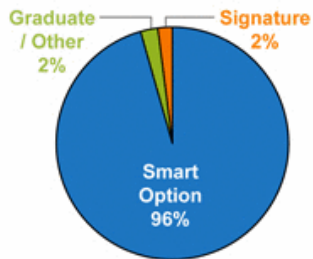


## Unique Smart Option Product Leads Private Education Lending Market

- ▶ Smart Option student loan product first introduced in 2009
- ▶ Offers three repayment options designed to help borrowers balance their goals and budget while in school
  - Interest Only: requires interest only payment during in-school period
  - Fixed Repayment: requires \$25 monthly payments during in-school period
  - Deferred Repayment: allows the customer to defer payments while in-school
- ▶ Variable and Fixed Interest Rate Options
- ▶ Repayment term is driven by cumulative amount borrowed and grade level
- ▶ Regular communication with customers and cosigners during in-school period
- ▶ Full collection activities are employed at both the customer and cosigner level
- ▶ All loans are certified by the school's financial aid office to ensure that proceeds are used for education expenses

## High Quality Private Education Portfolio

Portfolio by Product



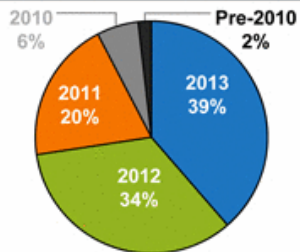
4Q 2013 Private Education Loans: \$6.9bn

Smart Option Payment Type



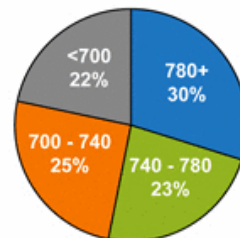
4Q 2013 Smart Option Loans: \$6.6bn

Portfolio by Vintage



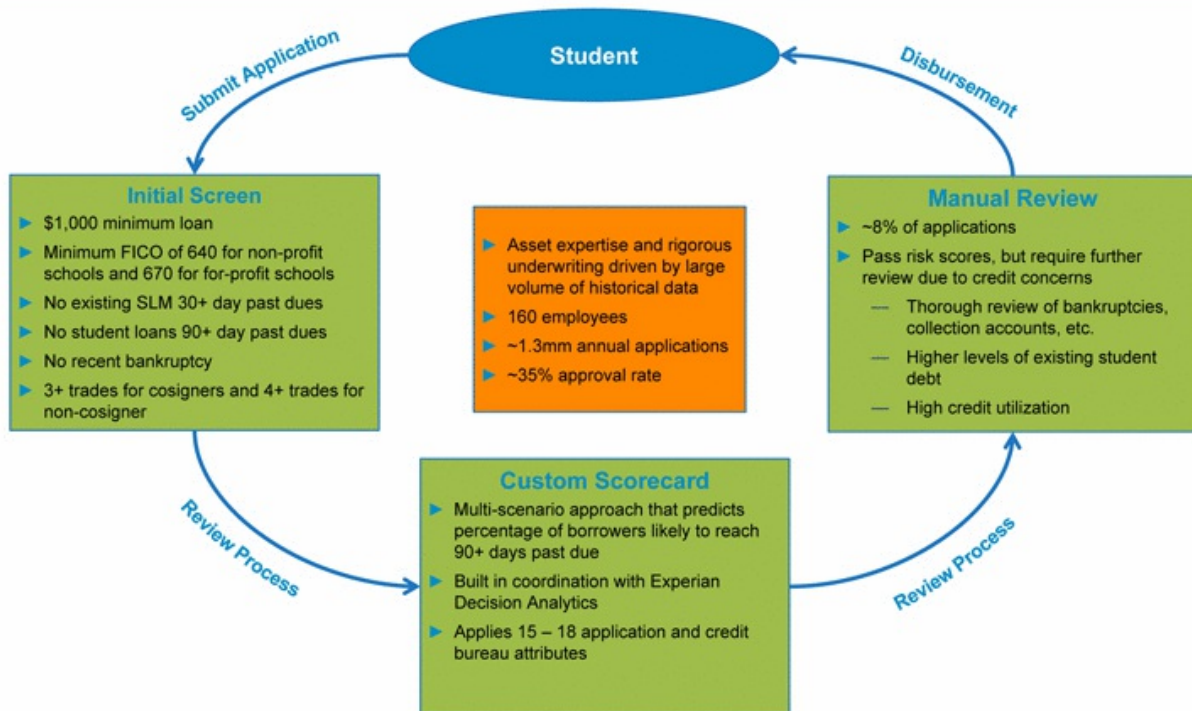
Weighted Average Age of Loan: ~1.5 years

Customer FICO at Origination



Weighted Average FICO: 746

## Analytical Approach to Credit





## Smart Option Credit Outperforming

- ▶ Smart Option products outperform prior private education loan products due to more stringent underwriting standards and tailored product options
- ▶ Performance of newer vintage loans driven by focused marketing on high quality borrowers, better data and product management and an improving macroeconomic environment

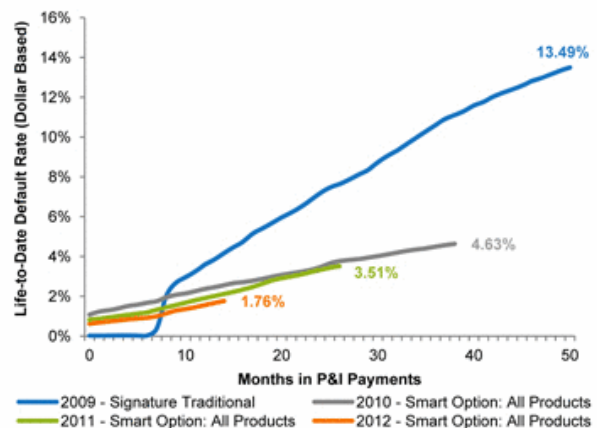
### Smart Option Performance Trends<sup>1</sup>

	2011	2012	2013
Smart Option Loans	\$4,769	\$7,501	\$10,514
Smart Option Loans in Repayment	4,195	5,774	7,728
% Charge-Offs <sup>2</sup>	0.3%	0.5%	0.6%
% Delinquencies <sup>2</sup>	2.8%	2.9%	3.0%
% 90+ Day Delinquencies <sup>2</sup>	0.8%	1.0%	1.1%
% in Forbearance <sup>2</sup>	0.3%	2.1%	2.5%
% with Co-Signer <sup>2</sup>	94%	93%	92%
Average FICO at Origination <sup>2</sup>	746	746	746

<sup>1</sup> Total existing Sallie Mae Smart Option portfolio (includes Sallie Mae and Navient pro forma Smart Option loans)

<sup>2</sup> Percentage of loans in repayment.

### Smart Option Outperforms Legacy Signature

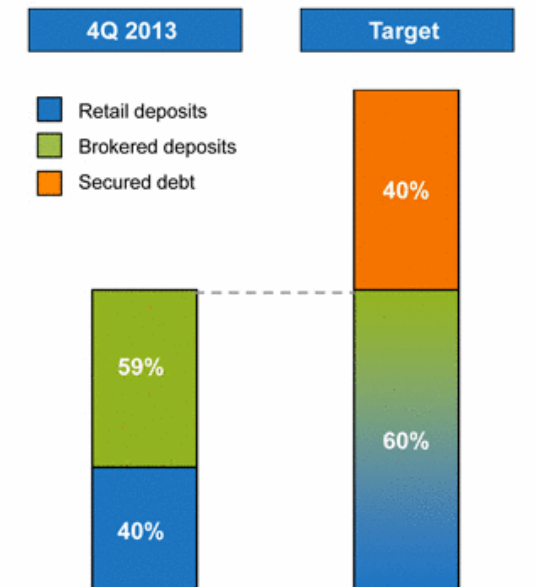


Signature loans represent random sample of traditional Signature loans originated during the 2006-2008 origination years totaling \$500mm annually  
Smart Option loans represent random sample of Smart Option loans originated during the 2009-2013 origination years totaling \$500mm annually



## Conservative Funding Approach

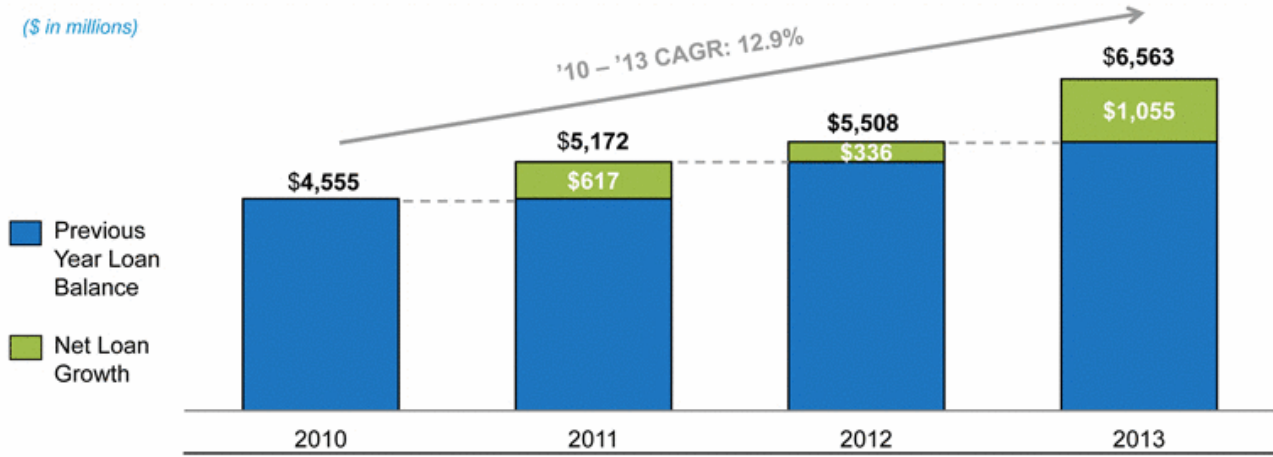
- ▶ **Low cost deposit base with no branch overhead**
  - 74% of retail deposits are savings accounts
  - Brokered deposits used as alternative funding source
- ▶ **Term funding / securitizations will augment deposit funding for future growth**
  - Retaining experienced capital markets team
  - Capacity to securitize \$2 – \$3bn of private education loans
- ▶ **Multi-year revolving conduit facility**
  - Provides seasonal loan funding and backup liquidity
  - \$500mm conduit with 2-year term provided by consortium of banks
- ▶ **Whole loan sales used to manage balance sheet growth**
  - Targeting \$1.5 – \$2.5bn of loan sales annually
- ▶ **Substantial liquidity portfolio**
  - \$2.9bn of on-balance sheet cash provides seasonal loan funding and liquidity





## Significant Private Education Loan Growth

(\$ in millions)



Private Education Loans

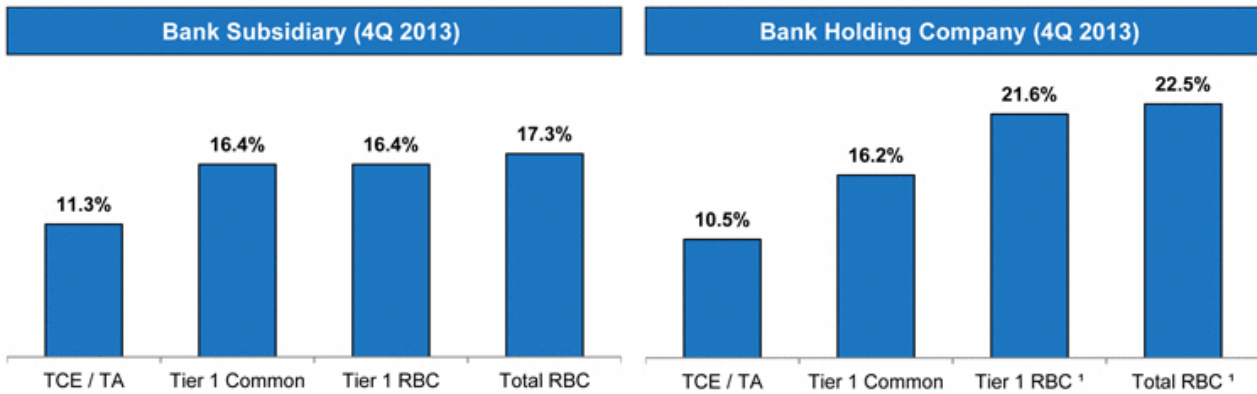
Originations	\$2,236	\$2,699	\$3,305	\$3,762
% Outstanding	49%	52%	60%	57%
Loan Sales <sup>1</sup>	\$1,820	\$1,897	\$2,639	\$2,411
% of Originations	81%	70%	80%	64%

<sup>1</sup> Loan sales to affiliates.



## Strong Capital Position

- ▶ Significant available capital resources, well in excess of regulatory minimums
- ▶ Long-term target of 14% Total RBC ratio at the bank subsidiary
- ▶ \$565mm of preferred securities remain with SLM<sup>1</sup>



Note: Financial data as of December 31, 2013

<sup>1</sup> Includes \$400mm Series B non-cumulative perpetual preferred stock and excludes \$165mm Series A cumulative perpetual preferred stock that will also remain with SLM.





## High Return Business Model – Illustrative Life of Loan Per Unit Economics

	Return on Assets	Description
Loan Yield	8.00 %	▶ Approximate average yield on future originations; ~85% variable / ~15% fixed rate
Cost of Funds	1.70 %	▶ Expected life of loan cost of funds including deposit / ABS funding and 15% equity
<b>Net Interest Margin</b>	<b>6.30 %</b>	
Loan Losses	1.00 %	▶ Average annual provision for loan losses based on expected cumulative cohort default rate of ~7%; actual defaults typically higher in early years and lower in later years
<b>Risk-Adjusted Margin</b>	<b>5.30 %</b>	
Cost to Acquire	0.40 %	▶ Marketing / origination cost associating with new loans; amortized over life of loan
Servicing Cost	0.50 %	▶ Expected average annual servicing costs; ~\$4.00 / month per account
Overhead Expense	0.50 %	▶ Expected average annual overhead expenses
<b>Total Expenses</b>	<b>1.40 %</b>	
Total Pre-Tax Income	3.90 %	
<b>Net Income / ROAA</b>	<b>2.34 %</b>	▶ Assumes 40% tax rate
<b>ROE</b>	<b>15.60 %</b>	▶ Assumes 15% equity

Note: All information based on Sallie Mae Bank current business plan.



## Financial Review – Pro Forma Sallie Mae

(\$ in millions)

Pro Forma Balance Sheet		Pro Forma Income Statement	
	2013	2012	2013
<b>Assets</b>			
Cash and Investments	\$ 2,864		
Private Education Loans (net of allowance for losses of \$62)	6,506		
FFELP Loans (net of allowance for losses of \$6)	1,425		
Other Assets	490		
<b>Total Assets</b>	<b>\$ 11,285</b>		
<b>Liabilities and Equity</b>			
Deposits	\$ 8,952		
Other Liabilities	588		
<b>Total Liabilities</b>	<b>\$ 9,540</b>		
Total Equity	1,745		
<b>Total Liabilities &amp; Equity</b>	<b>\$ 11,285</b>		
<b>Interest Income:</b>			
Net Interest Income	\$ 410	\$ 410	\$ 462
Less: Provisions on Loan Losses	66	66	69
<b>Net Interest Income after Provisions</b>	<b>\$ 344</b>	<b>\$ 344</b>	<b>\$ 393</b>
<b>Other Income:</b>			
Gain on Sale of Loans and Investments	\$ 235	\$ 235	\$ 260
Other	32	32	38
<b>Total Other Income</b>	<b>\$ 267</b>	<b>\$ 267</b>	<b>\$ 298</b>
<b>Expenses:</b>			
Operating Expenses	\$ 260	\$ 260	\$ 272
Acquired Intangible Asset Amortization	12	12	3
Restructuring	1	1	2
<b>Total Non-Interest Expense</b>	<b>\$ 273</b>	<b>\$ 273</b>	<b>\$ 277</b>
Income Before Tax Expense	\$ 338	\$ 338	\$ 414
Income Tax Expense	124	124	157
<b>Net Income</b>	<b>\$ 214</b>	<b>\$ 214</b>	<b>\$ 257</b>
<b>Net Income to Common</b>	<b>\$ 196</b>	<b>\$ 196</b>	<b>\$ 238</b>
<b>Memo:</b>			
NIM	5.2 %	5.2 %	4.8 %
Efficiency Ratio	40.3 %	40.3 %	36.4 %
ROA <sup>1</sup>	–	–	2.1 %
ROE <sup>1</sup>	–	–	13.6 %

Source: SLM Corporation 10-K

<sup>1</sup> Net income to common divided by year end assets / equity.



## Key Financial Targets

	Target
Annual Originations	\$4 bn +
Asset Growth	15.0% – 17.5%
Earnings Growth	20% +
Annual Loan Sales	\$1.5 – \$2.5 bn
ROA	2.0% +
ROE	15% +
Total RBC	14%

## Business Diversification Opportunities



### Lending

### Funding

#### Credit Cards

- ▶ Focused on Upromise Rewards customers

#### Personal Loans

- ▶ Consumer term loan with credit card like features
- ▶ Short terms and fixed payments
- ▶ Target recent graduates with professional degrees

#### Practice Loans

- ▶ Medium ticket secured loans for healthcare professionals
- ▶ Medium term durations

#### Banking Products

- ▶ Continued focus on building deposit relationships

#### Loan Sales

- ▶ Whole loan sales to third parties in order to manage balance sheet growth
- ▶ Loan sales decline as balance sheet grows

#### Secured Funding

- ▶ Experienced private education loan capital markets team
- ▶ Provides diversified funding



## Sallie Mae Investment Highlights

- 1 Experienced management team with deep industry knowledge
- 2 Leading brand in the education lending market
- 3 Simple low cost delivery system
- 4 Attractive customer base
- 5 Disciplined approach to credit
- 6 Strong capital position and funding capabilities
- 7 Targeting high growth and high return business

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# Navient Investor Roadshow

April 2014

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# Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of April 17, 2014 (unless otherwise noted) and should be read in connection with the Registration Statement on Form 10, as amended (the "Form 10"), filed by Navient Corporation ("Navient") with the Securities and Exchange Commission (the "SEC") on April 10, 2014, and the Annual Report on Form 10-K for the year ended December 31, 2013 filed by SLM Corporation ("Sallie Mae") with the SEC on February 19, 2014 (the "2013 Form 10-K"), and subsequent reports filed by Navient and Sallie Mae with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2013 Form 10-K. This presentation contains forward-looking statements and information based on management's current expectations as of the date of this presentation. Statements that are not historical facts, including statements about the beliefs and expectations of Navient and/or Sallie Mae and statements that assume or are dependent upon future events, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others: the risks and uncertainties set forth in Item 1A "Risk Factors" and elsewhere in the 2013 Form 10-K, in Risk Factors in the Form 10, and the subsequent filings of Navient and Sallie Mae with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; changes in accounting standards and the impact of related changes in significant accounting estimates; any adverse outcomes in any significant litigation to which Navient and/or Sallie Mae is a party; credit risk associated with exposure to third parties, including counterparties to derivative transactions; and changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). Navient and Sallie Mae could also be affected by, among other things: changes in its funding costs and availability; reductions to its credit ratings or the credit ratings of the United States of America; failures of operating systems or infrastructure, including those of third-party vendors; damage to business reputation; failures to successfully implement cost-cutting and adverse effects of such initiatives on business; risks associated with restructuring initiatives, including the separation of Sallie Mae and Navient into two distinct publicly traded companies; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; increased competition from banks and other consumer lenders; the creditworthiness of customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of earning assets vs. funding arrangements; changes in general economic conditions; and changes in the demand for debt management services. The preparation of Navient and Sallie Mae consolidated financial statements also require 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 release are qualified by these cautionary statements and are made only as of the date of this release. Neither Navient nor Sallie Mae undertakes any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in expectations.

Navient and Sallie Mae report financial results on a GAAP basis and also provides certain core earnings performance measures. The difference between core earnings and GAAP results for the periods presented were the unrealized, mark-to-market gains/losses on derivative contracts and the goodwill and acquired intangible asset amortization and impairment. These items are recognized in GAAP but not in core earnings results. Navient and Sallie Mae provide core earnings measures because this is what management uses when making management decisions regarding Navient and Sallie Mae performance and the allocation of corporate resources. Navient and Sallie Mae core earnings are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. For additional information, see "Core Earnings — Definition and Limitations" in the 2013 Form 10-K and Form 10 for a further discussion and a complete reconciliation between GAAP net income and core earnings for Sallie Mae and Navient, respectively.

For additional information on the proposed separation of Sallie Mae and Navient, please see the 2013 Form 10-K and Form 10 of Sallie Mae and Navient, respectively.

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# Navient Unaudited Pro Forma Condensed Financials

- The slide on page 22 presents unaudited pro forma condensed financial statements of Navient reflecting the separation and distribution that is expected to occur on April 30, 2014.
  - The unaudited consolidated pro forma balance sheet as of December 31, 2013 reflects Navient results as if the separation and distribution and such related transactions had occurred as of December 31, 2013.
  - The unaudited consolidated pro forma statement of operations for the year ended December 31, 2013 reflects Navient's results as if the separation and distribution and related transactions had occurred as of January 1, 2013.
- Navient's historical information, throughout this presentation, on a "pro forma basis" refers to Navient's business, net income, assets and liabilities, as adjusted to give effect to the separation and distribution as described in the previous bullet (unless otherwise indicated).
- The unaudited pro forma financial statements are not intended to be a complete presentation of Navient's financial position or results of operations had the separation and distribution occurred as of and for the year ended December 31, 2013. In addition, these pro formas are provided for illustrative and informational purposes only and are not necessarily indicative of Navient's future results of operations or financial condition as an independent, publicly traded company.
- Please refer to the "Unaudited Pro Forma Condensed Consolidated Financial Statements" contained on pages 51 to 58 in the Form 10 filed on April 10, 2014 for further information and discussion regarding these pro formas.
- Although Navient is the legal spinnee, from an accounting standpoint, Navient is considered the "accounting spinnor" and therefore will be the "accounting successor" to SLM. As a result, the "historical" financial statements of Navient will be SLM's previously filed financial statements.



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# NAVIENT<sup>SM</sup>

The new name in loan management, servicing and asset recovery  
more than 40 years in the making.

Helping our customers navigate the path to financial success is everything we  
stand for. Our name symbolizes the expertise, experience and dedication we  
consistently deliver for our clients and customers.

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## Experienced Management Team

**Jack Remondi,**  
*Chief Executive Officer*

- 30 years of financial services experience
- Currently serves as SLM's Chief Executive Officer

**Somsak Chivavibul,**  
*Chief Financial Officer*

- 25 years of financial services experience
- Currently serves as SLM's SVP – Financial Planning & Analysis

**John Kane,**  
*Chief Operating Officer*

- 24 years of financial services experience
- Currently serves as SLM's SVP – Enterprise Project Management
- Oversaw the project activities related to the successful separation of Sallie Mae into two publicly traded companies

**Tim Hynes,**  
*Chief Risk Officer*

- 21 years of financial services experience
- Currently serves as SLM's SVP – Asset Recovery
- Oversaw implementation of a more predictive scorecard and a new credit decision engine

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## Separation Details

Company	<ul style="list-style-type: none"><li>Spin-Off Company: Navient (loan management, servicing and asset recovery company)</li><li>Remaining Company: Sallie Mae</li></ul>
Transaction	<ul style="list-style-type: none"><li>Tax-free spin-off of Navient to Sallie Mae Shareholders</li><li>1:1 distribution ratio</li></ul>
Exchange Details	<ul style="list-style-type: none"><li>Navient: NASDAQ / "NAVI"</li><li>Sallie Mae: NASDAQ / "SLM"</li></ul>
Financial Details	<ul style="list-style-type: none"><li>All existing secured and unsecured debt will be the obligation of Navient</li><li>Preferred securities will remain at Sallie Mae</li><li>Navient expects to follow a capital return policy that is consistent with Sallie Mae's current distribution policy (common dividend and share repurchase)</li></ul>
Timing & Approvals	<ul style="list-style-type: none"><li>When-Issued Trading: April 17, 2014</li><li>Record Date: April 22, 2014</li><li>Distribution Date: April 30, 2014</li><li>Regular Way Trading: May 1, 2014</li></ul>

# Strategic Separation Into Two Distinct Businesses

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Transaction Entity	Spin-Off Company		Remaining Company	
<b>Strategic Focus</b>	Leading education loan management, servicing and asset recovery company		Consumer banking and leading private education loan origination franchise	
<b>Key Businesses</b>	<ul style="list-style-type: none"> <li>• FFELP Loan Portfolio</li> <li>• Non-Bank Private Education Loan Portfolio</li> <li>• Largest Education Loan Servicer (FFELP, ED, private)</li> <li>• Asset Recovery Services</li> <li>• Guarantor Servicing</li> <li>• Student Assistance and Outreach Solutions</li> </ul>		<ul style="list-style-type: none"> <li>• Largest Private Education Loan Originator</li> <li>• Private Education Loan Servicing</li> <li>• Other Consumer Assets (Future)</li> <li>• Deposits</li> <li>• Upromise Rewards</li> <li>• Insurance Services</li> <li>• Credit Card</li> </ul>	
<b>Pro Forma Financial Statistics</b> As of 12/31/13 (\$ billions)	Assets	\$148.4	Assets	\$11.3
	FFELP Loans	\$103.2	FFELP Loans	\$1.4
	Private Loans	\$31.0	Private Loans	\$6.5
	Deposits	\$ –	Deposits	\$9.0
	Secured Debt	\$120.5	Secured Debt	\$ –
	Unsecured Debt	\$18.3	Unsecured Debt	\$ –
	Preferred Stock	\$ –	Preferred Stock	\$0.6
	Tangible Common Equity	\$3.5	Tangible Common Equity	\$1.2
<b>Regulatory Status</b>	No bank regulation; continued CFPB supervision		Regulated by Utah Dept. of Finance and FDIC; CFPB supervision by end of 2014	

For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

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# Investment Highlights – Navient Pro Forma

## Large, high quality asset base

- \$134bn student loan portfolio; 77% insured or guaranteed
- Average remaining life of 7 years
- 80% of education loans are funded to term

## Efficient and large scale servicing platform

- Largest education loan servicer
- 12mm customers and nearly \$300bn of education loans serviced
- Additional platform capacity to continue to scale business
- Robust compliance driven culture with multiple lines of defense routines and expertise

## Superior operating performance

- Superior default prevention
- Industry leading asset recovery

## Significant and predictable cash flow generation

- \$35bn of FFELP and private education life of loan cash flows
- 1.9x unsecured debt coverage

## Strong capital return

- Significant cash flow and capital released as legacy portfolio pays down
- Committed to consistent capital return

## Meaningful growth opportunities

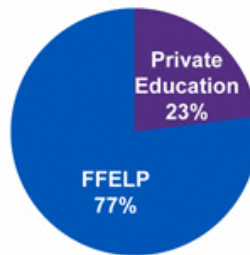
- Opportunistic acquisitions of FFELP and private education loan portfolios
- Additional ED and third party servicing and asset recovery opportunities

Note: Financial data as of 12/31/2013.  
For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

# High Quality Education Loan Portfolio – Navient Pro Forma

## FFELP Portfolio

- Largest holder of FFELP loans
- 97-98% of portfolio is government guaranteed
- FFELP portfolio expected to amortize over 20 years
- 85% of portfolio funded to term with securitizations
- Fully integrated servicing and asset recovery support operations



Total Education Loans: \$134bn

## Private Education Portfolio

- Largest holder of Private Education loans
- Seasoned portfolio with nearly 90% of loans having made more than 12 payments
- Typically non-dischargeable in bankruptcy
- Integrated underwriting, servicing and asset recovery

## FFELP Portfolio Statistics

Balance (\$bn, net of allowance)	\$103
% Consolidation Loans	62%
% Stafford & Other	38%
90+ Day Delinquent	9.3%

## Private Education Portfolio Statistics

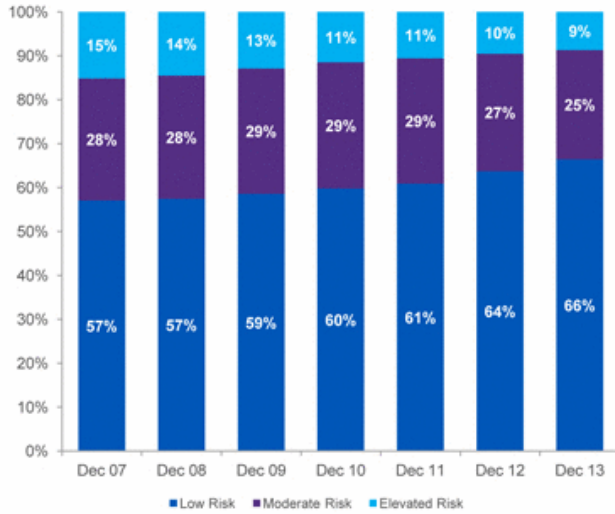
Balance (\$bn, net of allowance)	\$31
Avg. Loan Size	\$10,316
Avg. FICO at Orig.	717
% Cosigner	63%
90+ Day Delinquent	4.7%

Note: Financial data as of 12/31/2013.  
For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

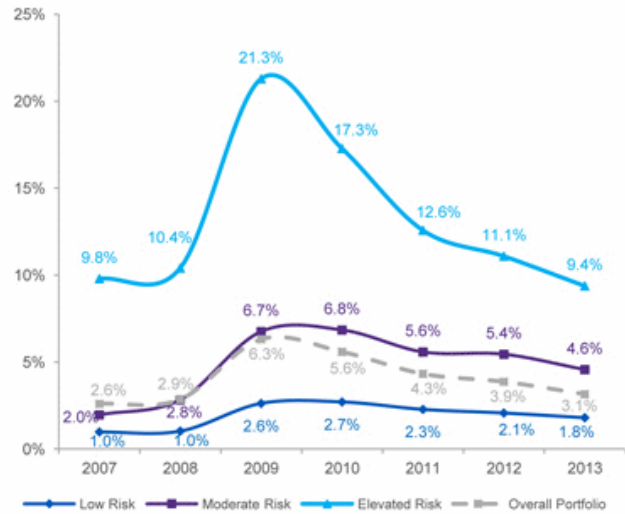


# Strong Private Education Portfolio Credit Performance – Navient Pro Forma

Private Credit: % of Portfolio Outstanding by Segment



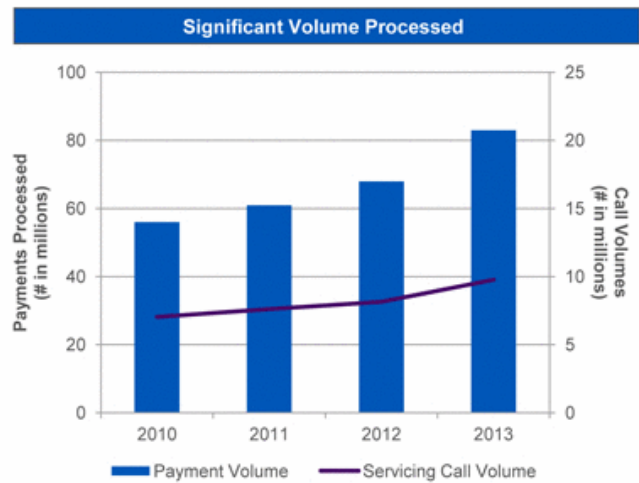
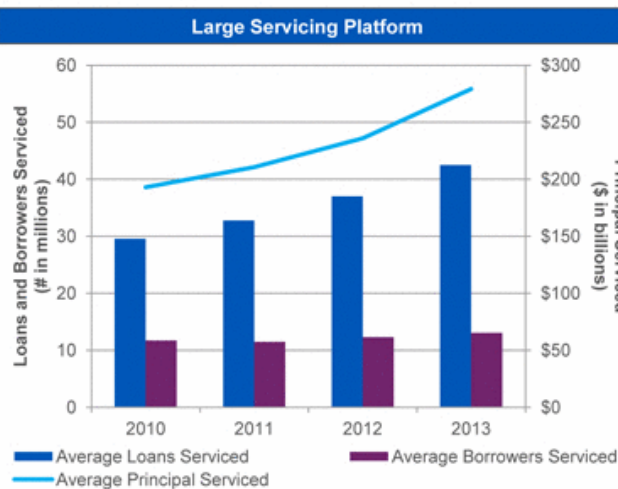
Private Credit Charge-Off Rate by Segment



Low Risk = Smart Option, Legacy Traditional Cosigned, and Law/MBA/MED/CT/Other  
 Moderate Risk = Legacy Traditional Non-Cosigned  
 Elevated Risk = Non-Traditional

Note: Financial data as of 12/31/2013.  
 For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

# Large Scale Servicing Platform and Operations – Navient Pro Forma



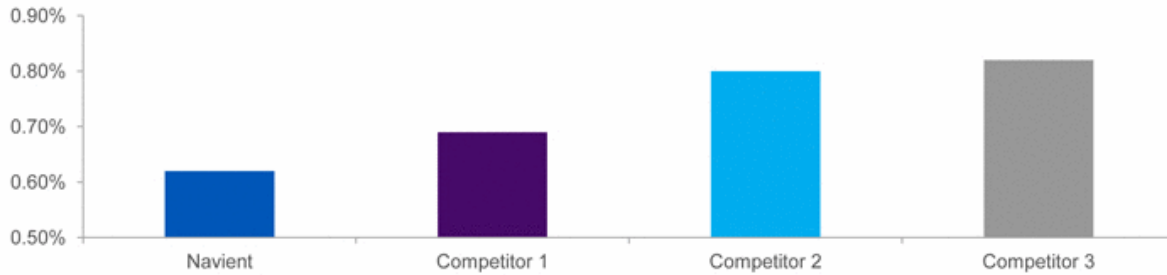
- 11 servicing and asset recovery locations with experienced management team and staff
- Servicing 12 million of the 45 million borrowers with an education loan
- Demonstrated scalable infrastructure with capacity to add volume
- History of large, well executed account conversions
  - 2011 – \$26 billion in FFELP loans acquired and converted from Citibank
  - 2013 – \$40 billion Legacy Direct Loan portfolio converted from ACS

*For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3*



# Superior Operating Performance

Average Quarterly % Default Score  
ED Servicing Contract-to-Date



Source: Department of Education, Sallie Mae Estimates

- Best-in-class performance; if other firms performed at the same level as Navient:
  - ~250,000 fewer defaulted borrowers
  - \$1.1 billion in additional recoveries
- Servicing business and asset recovery business requires little capital and generates high returns on equity
- Robust compliance driven culture driven by a "customer first" approach
  - Ability to maintain efficiencies in increasingly complex environment
  - Demonstrated FFELP compliance and preserved federal loan guarantee

# Education Loan Portfolio Generates Significant Cash Flows – Navient Pro Forma

## Key Portfolio Characteristics

- Over \$35bn of estimated future cash flows
  - Highly predictable
  - Includes ~\$11bn of overcollateralization to be released from residuals
  - Continuing low interest rate environment will increase future floor revenue
- ~20 year remaining life
- ~1.9x unsecured debt coverage
- Significant pool of cash available for shareholder distributions

## Keys to Maximizing Portfolio Value

- Portfolio management strategy (term extension, default prevention)
- Interest rate risk management
- Continued efforts to drive efficiencies and reduce direct and overhead costs
- Enhanced compliance and regulatory risk management
- Capital markets strategies (leverage / funding / residuals)

Note: Financial data as of 12/31/2013.  
For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

## Projected Life of Loan Cash Flows\*

As of December 31, 2013

### FFELP Cash Flows

#### Secured

Residual (including O/C)	\$7.1
Floor	1.9
Servicing	4.2

**Total Secured** **\$13.2**

**Unencumbered** **\$1.3**

**Total FFELP Cash Flows** **\$14.5**

### Private Credit Cash Flows

#### Secured

Residual (including O/C)	\$12.5
Servicing	1.4

**Total Secured** **\$13.9**

**Unencumbered** **\$6.9**

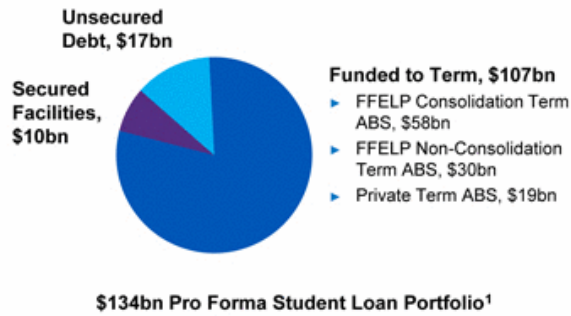
**Total Private Cash Flows** **\$20.8**

**Combined Cash Flows** **\$35.3**

\*Floor cash flows projected using 1/13/14 yield curve. These projections are based on internal estimates and assumptions and are subject to ongoing review and modification. These projections may prove to be incorrect.

# Conservative Funding Profile – Navient Pro Forma

## High Percentage of Education Loans Funded to Term



- 80% of student loan portfolio funded to term
- Continued access to securitization market
  - Strong capital markets team with extensive market knowledge and transaction experience
  - \$6.5bn of FFELP securitizations and \$3.1bn of Private Education Loan securitizations in 2013

## Unsecured Debt Maturities



- Demonstrated access to capital markets
  - 3 unsecured debt issuances since May 2013 separation announcement, totaling \$3.1bn
- Cash flow coverage in excess of unsecured debt maturities

<sup>1</sup> Figures as of December 31, 2013  
For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

# Focused on Distributing Excess Capital

		Outlook
<b>Capital Generation</b>  <i>Strong predictable cash flows</i>	<b>Net Income</b>	<ul style="list-style-type: none"> <li>• 2014 Standalone<sup>1</sup> Core Earnings EPS Estimate of \$2.05</li> </ul>
	<b>Capital Release</b> <i>Portfolio run-off and residual sales</i>	<ul style="list-style-type: none"> <li>• Economic capital                             <ul style="list-style-type: none"> <li>– 0.50% for FFELP loans</li> <li>– 12% for Private Education loans</li> </ul> </li> <li>• Continue to explore opportunities to optimize cash flows</li> </ul>
<b>Capital Usage</b>  <i>Return excess capital to shareholders</i>	<b>Common Dividend</b>	<ul style="list-style-type: none"> <li>• ~30% payout ratio</li> </ul>
	<b>Share Repurchase</b>	<ul style="list-style-type: none"> <li>• Return excess capital and cash flows to shareholders after dividends are paid</li> </ul>
	<b>Growth Opportunities</b>	<ul style="list-style-type: none"> <li>• Portfolio and servicing acquisitions</li> <li>• Fee businesses</li> </ul>

<sup>1</sup> Reported Navient 2014 Core Earnings EPS will include 4 months of the consumer banking business results (January 2014 through the expected date of separation and distribution on April 30, 2014), actual restructuring and reorganization expense and the impact of the transition services agreements and long term contracts between Navient and SLM Corporation from April 30, 2014 (expected date of separation and distribution) forward. In order to provide investors with some reference for Navient's expected ordinary course future performance post-spin, we have provided Standalone Navient 2014 Core Earnings EPS which does not include consumer banking business results from January 2014 to April 2014 or expected spin related reorganization and restructuring expenses or any potential additional compliance remediation expense. We do not anticipate Reported Core Earnings EPS will be materially different from Standalone Core Earnings EPS.

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## Leveraging Core Strengths to Drive Growth

### Large Scale Servicing Platform

- Capacity to process large volume of transactions and manage complex administrative requirements
- Flexibility to acquire portfolios or service on third-party basis

### Default Prevention and Asset Recovery

- Delinquency and charge-offs significantly below national average
- Industry leading asset recovery and private credit loss mitigation capabilities

### Operating Efficiency

- Customized and efficient account-based servicing system and environment
- Proven track record of cost reductions throughout franchise

### Regulatory Compliance and Risk Management

- Demonstrated compliance infrastructure
- Operational and technical expertise and capacity to adapt to new regulatory environment

# Growth Opportunities

Multiple channels available to drive profitable growth in both portfolio acquisitions and fee based opportunities

	Description	Market Opportunity
<b>FFELP Acquisition and Servicing</b>	<ul style="list-style-type: none"> <li>Focus on lenders that contract with 3<sup>rd</sup> party servicers given vendor management requirements and servicing risk</li> <li>Regulatory trends (capital, compliance) will encourage asset dispositions from banks</li> </ul>	\$150bn of FFELP loans not owned or serviced by Navient
<b>Private Education Loan Acquisition and Servicing</b>	<ul style="list-style-type: none"> <li>Ability to position Navient as servicing partner vs. competitor</li> <li>Dormant portfolios drive further Private Education loan opportunities</li> </ul>	\$70bn of Private Education loans not owned or serviced by Navient
<b>Department of Education Services</b>	<ul style="list-style-type: none"> <li>Servicing scale, performance and compliance creates opportunity</li> <li>Default management opportunity driven by increasing share to top agencies and enhanced recovery potential</li> <li>Origination contract up for rebid</li> </ul>	Department of Education spend to originate, service and collect loans projected to increase from \$1.5bn to \$2.0bn by 2017
<b>Asset Recovery Services</b>	<ul style="list-style-type: none"> <li>Continue to expand market share with student loan guarantors</li> <li>Expand into state, court and municipality asset recovery</li> <li>Non-ED government asset recovery provide additional growth opportunity</li> </ul>	State, court and municipality recoveries: \$380mm annual recovery revenue Other government contracts: More than \$500bn outstanding receivables
<b>School Services</b>	<ul style="list-style-type: none"> <li>Expand and grow default prevention services to schools</li> <li>Grow market share of servicing other loans, such as Perkins</li> </ul>	Over \$200mn annual revenue Market of \$680mn of annual receivables



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# Conclusion

- 1 Large, high quality asset base
- 2 Efficient and large scale servicing platform
- 3 Superior operating performance
- 4 Significant and predictable cash flow generation
- 5 Strong capital return
- 6 Meaningful growth opportunities



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# Appendix

## Top Holders of FFELP Loans

Top Ten Not-For-Profit Holders of FFELP Loans	
Lender	\$'s in Billions
Brazos	\$8.7
PHEAA	\$7.3
Access Group	\$4.1
Northstar	\$3.4
MOHELA	\$2.9
EdSouth	\$2.4
College Foundation	\$2.4
SC Student Loan	\$2.4
Edsouth Services	\$1.8
KHESLC	\$1.3
Total Not-For-Profit	\$34

Top Ten For-Profit Holders of FFELP Loans	
Lender	\$'s in Billions
Nelnet	\$25.2
Wells Fargo	\$12.9
Chase	\$7.5
PNC	\$6.1
CLC	\$5.7
Goal Financial	\$5.6
SunTrust	\$5.5
Student Loan Express	\$3.6
Bank of America	\$3.6
U.S. Bank	\$3.0
Total For-Profit	\$75

\*Source: Sallie Mae 9/30/2013 estimates based on US ED Top 100 Holder 2013 and 2012 report

# Navient Unaudited Pro Forma Condensed Financials

## GAAP Balance Sheet

December 31, 2013  
(\$ in billions)

<b>Assets</b>	
FFELP Loans (Net of Allowance for Losses)	\$ 103.2
Private Education Loans (Net of Allowance for Losses)	31.0
Cash & Cash Equivalents	2.4
Other Assets	11.8
<b>Total Assets</b>	<b>\$ 148.4</b>
<b>Liabilities and Equity</b>	
Senior Unsecured Debt	\$ 18.3
Secured Borrowings	120.5
Other Liabilities	5.7
Total Liabilities	\$ 144.5
Common Equity	3.9
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>\$ 148.4</b>

## GAAP & Core Earnings Income Statement

Year Ended December 31, 2013  
(\$ in millions except per share amounts)

	<b>GAAP Navient Pro Forma</b>	<b>GAAP to Core Adjs</b>	<b>Core Navient Pro Forma</b>
<b>Interest income:</b>			
Net interest income	\$ 2,703	(455)	\$ 2,248
Less: provisions for loan losses	770	-	770
Net interest income after provisions for loan losses	1,933	(455)	1,478
<b>Other income (loss):</b>			
Gains on sales of loans and investments	302	-	302
Gains (losses) on derivative and hedging activities, net	(269)	268	(1)
Servicing revenue	292	-	292
Contingency revenue	420	-	420
Gains on debt repurchases	42	6	48
Other	100	(62)	38
Total other income (loss)	887	212	1,099
<b>Total operating expenses</b>	<b>818</b>	<b>(10)</b>	<b>808</b>
Income from continuing operations, before income tax expense	2,002	(233)	1,769
Income tax expense	739	(96)	643
Net income from continuing operations	\$ 1,263	(137)	\$ 1,126
<b>Diluted earnings (loss) per common share attributable to Navient:</b>			
Continuing operations	\$ 2.82		\$ 2.51
Average common and common equivalent shares outstanding	449		449

For a description of Navient's Unaudited Pro Forma Condensed Financials, see slide 3

## Navient Unaudited Pro Forma Condensed Financials - Differences between “Core Earnings” and GAAP

Year ended December 31, 2013  
(\$ in millions)  
(unaudited)

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“Core Earnings” adjustments to GAAP:

Pro forma Navient GAAP net income from continuing operations	\$ 1,263
Net impact of derivative accounting	(243)
Net impact of goodwill and acquired intangible assets	10
Net income tax effect	96
Total “Core Earnings” adjustments to GAAP	<u>(137)</u>
Pro forma “Core Earnings” net income from continuing operations	<u><u>\$1,126</u></u>

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**Note:** In accordance with Article 11-02(b)(5) and consistent with Navient’s unaudited pro forma consolidated statements of income included in its Form 10 filed on April 10, 2014, only net income from continuing operations is presented. As a result, net income from discontinued operations is excluded.