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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): AUGUST 7, 1997.

SLM HOLDING CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	001-13251	52-2013874
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11600 SALLIE MAE DRIVE
RESTON, VA 20193
(Address of Principal Executive Offices)

(703) 810-3000
(Registrant's telephone number, including area code)

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GENERAL

On August 14, 1997, the Registrant filed a Current Report on Form 8-K reporting, pursuant to Item 2 of Form 8-K, that the Student Loan Marketing Association, a federally chartered government-sponsored enterprise, was reorganized into a wholly owned subsidiary of the Registrant. This Amendment to that Current Report contains, pursuant to Item 7 of Form 8-K, the financial statements of Student Loan Marketing Association for the periods specified in 17 C.F.R. Section 210-3.05. This Amendment incorporates by reference the financial statements of Student Loan Marketing Association for the fiscal year ended December 31, 1996 (including the manually signed accountants' report), as set forth in the Registrant's registration statement on Form S-4 (File No. 333-21217), as filed with the Commission on July 25, 1997, as amended.

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Paragraphs (a), (b) and (c) of Item 7 of the Current Report on Form 8-K previously filed on August 14, 1997 are hereby amended to read in their entirety as follows:

ITEM 7: FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of business acquired / (b) Pro forma financial information.

OVERVIEW

ON AUGUST 7, 1997 PURSUANT TO THE STUDENT LOAN MARKETING ASSOCIATION REORGANIZATION ACT OF 1996 (THE "PRIVITIZATION ACT") AND AN AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF APRIL 7, 1997, THE STUDENT LOAN MARKETING ASSOCIATION (THE "GSE") WAS REORGANIZED INTO A WHOLLY OWNED SUBSIDIARY OF THE SLM HOLDING CORPORATION ("SLM HOLDING" OR THE "COMPANY"). SEE "PRIVATIZATION". UNDER THE TERMS OF THIS REORGANIZATION (THE "REORGANIZATION") THE GSE WILL TRANSFER CERTAIN ASSETS, INCLUDING STOCK IN CERTAIN SUBSIDIARIES, TO SLM HOLDING OR ONE OF ITS NON-GSE SUBSIDIARIES. THIS TRANSFER OF THE SUBSIDIARIES AND ASSETS AND THE RELATED EXCHANGE OF STOCK IS BEING ACCOUNTED FOR AT HISTORICAL COST SIMILAR TO A POOLING OF INTERESTS AND THEREFORE ALL PRIOR PERIOD FINANCIAL STATEMENTS AND RELATED DISCLOSURES PRESENTED HAVE BEEN RESTATED AS IF THE REORGANIZATION TOOK PLACE AT THE BEGINNING OF SUCH PERIODS.

Set forth below is Management's Discussion and Analysis of Financial Conditions and Results of Operations of SLM Holding for the three months and six months ended June 30, 1997 and 1996. These discussions include complementary information and are intended to be read together. All dollar amounts are in millions, except per share amounts.

THREE AND SIX MONTHS ENDED JUNE 30, 1997 AND 1996
SELECTED FINANCIAL DATA
CONDENSED STATEMENTS OF INCOME

	THREE MONTHS ENDED JUNE 30,		INCREASE (DECREASE)	
	1997	1996	$	%
Net interest income	$ 207	$ 219	$ (12)	(6)%
Other operating income	78	28	50	180
Operating expenses	115	100	15	15
Federal income taxes	51	44	7	15
Minority interest in net earnings of subsidiary	3	3	---	---
NET INCOME	$ 116	$ 100	$ 16	16%
EARNINGS PER COMMON SHARE	$ 2.20	$ 1.79	$ .41	23%
Dividends per common share	$ .44	$ .40	$ .04	10%
CORE EARNINGS	$ 111	$ 91	$ 20	22%

	SIX MONTHS ENDED JUNE 30,		INCREASE (DECREASE)	
	1997	1996	$	%
Net interest income	$ 406	$ 452	$ (46)	(10)%
Other operating income	154	50	104	210
Operating expenses	217	199	18	9
Federal income taxes	105	92	13	14
Minority interest in net earnings of subsidiary	5	5	---	---
Income before premiums on debt extinguished	233	206	27	13
Premiums on debt extinguished, net of tax	--	(5)	5	(100)
NET INCOME	$ 233	$ 201	$ 32	16%
EARNINGS PER COMMON SHARE	$ 4.36	$ 3.53	$ .83	24%
Dividends per common share	$ .88	$ .80	$ .08	10%
CORE EARNINGS	$ 224	$ 182	$ 42	23%

CONDENSED BALANCE SHEETS

	JUNE 30, 1997	DECEMBER 31, 1996	INCREASE (DECREASE)	
			$	%
ASSETS				
Student loans	$ 31,488	$ 33,754	$ (2,266)	(7)%
Warehousing advances	2,495	2,790	(295)	(11)
Academic facilities financings	1,353	1,473	(120)	(8)
Cash and investments	10,593	7,706	2,887	37
Other assets	1,970	1,907	63	3
Total assets	$ 47,899	$ 47,630	$ 269	1%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Short-term borrowings	$ 25,850	$ 22,518	$ 3,332	15%
Long-term notes	19,489	22,606	(3,117)	(14)
Other liabilities	1,503	1,458	45	3
Total liabilities	46,842	46,582	260	1
Minority interest in subsidiary	214	214	---	---
Stockholders' equity before treasury stock	1,581	1,371	210	15
Common stock held in treasury at cost	738	537	201	37
Total stockholders' equity	843	834	9	1
Total liabilities and stockholders' equity	$ 47,899	$ 47,630	$ 269	1%

This document contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company's management and assumptions made by and information available to the Company as of the date of this document. When used in this document, the words "anticipate," "believe," "estimate" and "expect" and similar expressions, as they relate to the Company's management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company's management with respect to future events and are subject to certain risks, uncertainties and assumptions, described in this document. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. The Company does not intend to update these forward-looking statements.

RESULTS OF OPERATIONS

SLM Holding's net income was $116 million ($2.20 per common share) for the first three months of 1997 compared to $100 million ($1.79 per common share) for the first three months of 1996. For the six months ended June 30, 1997, net income was $233 million ($4.36 per common share), compared to $201 million ($3.53 per common share) for the six months ended June 30, 1996.

The net income growth for the three months ended June 30, 1997 over the year ago period was primarily a result of higher income related to student loan securitization gains of $14 million, higher investment income of $22 million, a 12 percent growth in average managed student loan assets resulting mainly in increased servicing and securitization revenue of $13 million and lower operating expenses (net of nonrecurring expenses) relative to managed student loans. Earnings per common share was further enhanced by repurchases of 536,000 common shares (1 percent of the shares outstanding) during the three months ended June 30, 1997, lowering shares outstanding to 52.3 million at June 30, 1997.

The net income increase of $32 million (16 percent) in the first six months of 1997 was primarily a result of, on an after-tax basis, an increase in student loan securitization gains of $29 million, the growth in managed student loan assets resulting mainly in increased servicing and securitization revenue of $22 million, and increased revenue from amortization of student loan floor contracts of $6 million. These positive factors were somewhat offset by the increased interest on loans subject to Omnibus Budget Reconciliation Act ("OBRA") fees of $7 million as discussed below, a decrease in student loan floor revenues of $10 million, increased operating expenses of $12 million and a decrease in interest earned on student loans as loans were securitized. Earnings per common share was further enhanced by repurchases of 1.8 million shares (3 percent of shares outstanding) during the first six months of 1997.

OBRA imposed legislative fees and risk-sharing on the GSE and other participants in the Federal Family Education Loan Program ("FFELP") including an offset fee applicable only to the GSE, consolidation loan rebate fees, and risk-sharing on defaulted loans applicable to all FFELP participants. The impact of these fees and reserves for risk-sharing on the Company's on-balance sheet portfolio of student loans reduced net income by $18 million and $15 million for the three months ended June 30, 1997 and 1996, respectively, and by $37 million and $30 million for the first six months of 1997 and 1996, respectively. In addition to these fees, OBRA also imposed other yield reductions on all FFELP participants, principally loan origination fees paid to the federal government and reduced Special Allowance Payment ("SAP," which is described below) during the period when a borrower is not in an active repayment status. The Company effectively shares the impact of these costs through the pricing of loan portfolios it purchases in the secondary market. Management believes the spreads earned on the Company's portfolio of student loans will continue to be adversely affected as a result of these changes to the FFELP program for the next several years as older loans in its portfolio, which were not affected by OBRA, amortize and are replaced by more recently originated loans which are affected by OBRA.

Core Earnings and Core Student Loan Spread

Important measures of the Company's operating performance are core earnings and the core student loan spread. Core earnings is defined as the Company's net income less the after-tax effect of floor revenues and other one-time charges. Management believes that these measures, which are not measures under generally accepted accounting principles ("GAAP"), are important because they depict the Company's earnings before the effects of one-time events such as floor revenues which are largely outside of the Company's control. Management believes that core earnings as defined, while not necessarily comparable to other companies' use of similar terminology, provide for meaningful period to period comparisons as a basis for analyzing trends in the Company's core student loan operations.

The following table analyzes the earning spreads on student loans for the three and six months ended June 30, 1997 and 1996. The line captioned "Adjusted Student Loan Yields" reflects contractual yields adjusted for premiums paid to purchase loan portfolios and the estimated costs of borrower benefits. The Company, as the servicer of student loans that the GSE securitizes, will continue to earn fee revenues over the life of the securitized student loan portfolios. The off-balance sheet information presented in the table that follows analyzes the on-going fee revenues associated with the securitized portfolios of student loans.

STUDENT LOAN SPREAD ANALYSIS

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996
ON-BALANCE SHEET				
Adjusted student loan yields	7.90%	7.98%	7.85%	7.96%
Amortization of floor contracts	.10	.07	.11	.05
Floor income	.10	.17	.09	.17
Direct OBRA Costs	(.35)	(.29)	(.34)	(.28)
Student loan income	7.75	7.93	7.71	7.90
Cost of funds	(5.51)	(5.51)	(5.51)	(5.47)
Student loan spread	2.24%	2.42%	2.20%	2.43%
Core student loan spread	2.14%	2.25%	2.11%	2.26%
OFF-BALANCE SHEET				
Servicing and securitization revenue	1.54%	1.32%	1.59%	1.33%
AVERAGE BALANCES (IN MILLIONS OF DOLLARS)				
Student loans, including participations	$ 32,799	$ 33,025	$ 33,298	$ 33,688
Securitized loans	8,129	3,385	7,259	2,374
Managed student loans	$ 40,928	$ 36,410	$ 40,557	$ 36,062

The decrease in the core student loan spread in the three and six months ended June 30, 1997 versus the corresponding periods in the prior year was due principally to higher OBRA fees and the effect of student loan participations, which contractually yield a lower rate than the underlying student loans (discussed below), offset by the revenues from the amortization of upfront payments received from student loan floor contracts.

Student Loan Floor Revenues

As of June 30, 1997, approximately $32 billion of the Company's managed student loans were eligible to earn floors ($15 billion with fixed borrower interest rates and $17 billion with variable borrower interest rates that reset annually). During 1996, the Company "monetized" the value of the floors related to $13 billion of such loans by entering into contracts with third parties under which it agreed to pay the future floor revenues received, in exchange for upfront payments. These upfront payments are being amortized over the life of these contracts, which is approximately 2 years. The amortization of these payments, which is not dependent on future interest rate levels, is included in core earnings.

In the three months ended June 30, 1997 and 1996, the amortization of these upfront payments contributed $8 million and $6 million, respectively, pre-tax to core earnings. In addition, the Company earned floor revenues of $8 million (net of $5 million in payments under the floor revenue contracts) and $14 million (net of $3 million in payments under the floor revenue contracts) in the three months ended June 30, 1997 and 1996, respectively, as the average bond equivalent 91-day Treasury bill rate was 5.22 percent and 5.17 percent in the three months ended June 30, 1997 and 1996, respectively.

In the first six months of 1997 and 1996, the amortization of these upfront payments contributed $18 million and $8 million, respectively, pre-tax to core earnings. Of the remaining $19 billion of loans eligible to earn floors at June 30, 1997, $4 billion were earning floor revenues based upon current interest rates. These loans earned floor revenues of $14 million (net of $10 million in payments under the floor revenue contracts) and $29 million (net of $4 million in payments under the floor revenue contracts) in the six months ended June 30, 1997 and 1996, respectively, as the average bond equivalent 91-day Treasury bill rate was 5.21 percent in the first six months of 1997 versus 5.13 percent in the first six months of 1996.

Securitization

During the three months ended June 30, 1997 and 1996, the GSE completed securitization transactions in which a total of $2.5 billion and $1.5 billion, respectively, of student loans were sold to a special purpose finance subsidiary and by the subsidiary to trusts that issued asset-backed securities to fund the student loans to term. In each of the first six months of 1997 and 1996, the GSE completed two securitization transactions in which a total of $4.5 billion and $3.0 billion, respectively, of student loans were sold by the GSE to a special purpose finance subsidiary and by that subsidiary to trusts that issued asset-backed securities to fund the student loans to term.

When loans are securitized a gain on sale is recorded that is equal to the present value of the expected net cash flows from the trust. The Company recorded pre-tax securitization gains in the three months ended June 30, 1997 and 1996 of $31 million and $9 million, respectively, versus gains recorded in the six months ended June 30, 1997 and 1996 of $65 million and $19 million, respectively. The increase in the gains in the first three and six months of 1997 was mainly due to the increase in the size, the higher average borrower indebtedness and the longer average life of the portfolio of loans securitized. Gains on future securitizations will continue to vary depending on the characteristics of the loan portfolios securitized.

On July 23, 1997, the United States Department of Education (the "DOE") decided that the 30 basis point annual offset fee that the GSE is required to pay on student loans that it owns does not apply to student loans that the GSE has securitized. The U.S. Court of Appeals for the District of Columbia Circuit had struck down the Secretary of Education's previous interpretation, which applied the offset fee to loans securitized by the GSE, but upheld the constitutionality of the offset fee as it applies to student loans held on the GSE's balance sheet. Based upon the DOE's final decision and the favorable Court ruling in this matter, the contingent gain of approximately $97 million pre-tax that had not been recognized in income through June 30, 1997 was released and recognized in income in the third quarter. All future securitization gains will be calculated without consideration of the offset fee.

NET INTEREST INCOME

To compare nontaxable asset yields to taxable yields on a similar basis, the amounts in the following table are adjusted for the impact of certain tax-exempt and tax-advantaged investments based on the marginal corporate tax rate of 35 percent.

	THREE MONTHS ENDED JUNE 30,		INCREASE (DECREASE)	
	1997	1996	$	%
Interest income				
Student loans	$ 634	$ 651	$ (17)	(3)%
Warehousing advances	37	49	(12)	(24)
Academic facilities financings	24	25	(1)	(6)
Investments	168	135	33	25
Taxable equivalent adjustment	10	9	1	12
Total taxable equivalent interest income	873	869	4	----
Interest expense	656	641	15	2
Taxable equivalent net interest income	$ 217	$ 228	$ (11)	(5)%

	SIX MONTHS ENDED JUNE 30,		INCREASE (DECREASE)	
	1997	1996	$	%
Interest income				
Student loans	$ 1,274	$ 1,323	$ (49)	(4)%
Warehousing advances	78	107	(29)	(27)
Academic facilities financings	48	49	(1)	(2)
Investments	312	270	42	16
Taxable equivalent adjustment	18	16	2	9
Total taxable equivalent interest income	1,730	1,765	(35)	(2)
Interest expense	1,305	1,296	9	1
Taxable equivalent net interest income	$ 425	$ 469	$ (44)	(9)%

Taxable equivalent net interest income for the three months ended June 30, 1997 declined by $11 million, from the three months ended June 30, 1996. This decline was due to the increase in loans subject to OBRA fees, which reduced taxable equivalent net income and net interest margin by $28 million and .24 percent, respectively, for the three months ended June 30, 1997 as compared to reductions of $23 million and .20 percent for the three months ended June 30, 1996. Other factors contributing to the declines were lower student loan floor revenues, decreased spreads on student loans and a decrease in average student loan assets as loans were securitized. The decreases were partially offset by the increase in revenue of $2 million from the amortization of upfront payments received from student loan floor contracts for the three months ended June 30, 1997 over the same year-ago period and increased earnings from student loan participations. The decrease in interest income from warehousing advances is due to the decrease in the average balance of those assets and the increase in interest income from investments is due principally to the increase in the average balance of those assets. See "-- Rate/Volume Analysis."

Taxable equivalent net interest income for the six months ended June 30, 1997 declined by $44 million from the six months ended June 30, 1996. This decline was due to the increase in loans subject to OBRA fees, which reduced taxable equivalent net income and net interest margin by $57 million and .24 percent, respectively, for the six months ended June 30, 1997 as compared to reductions of $47 million and .20 percent for the six months ended June 30, 1996. Other factors contributing to the declines were lower student loan floor revenues, decreased spreads on student loans and a decrease in average student loan assets as loans were securitized. The decreases were partially offset by increased revenue of $10 million from the amortization of upfront payments received from student loan floor contracts for the six months ended June 30, 1997 over the same year-ago period and increased earnings from student loan participations. The decrease in interest income from warehousing advances is due to the decrease in the average balance of those assets and the increase in interest income from investments is due principally to the increase in the average balance of those assets. See "-- Rate/Volume Analysis."

Allowance for Student Loans

The provision for student loan losses is the periodic expense of maintaining an adequate allowance at the amount estimated to be sufficient to absorb possible future losses, net of recoveries inherent in the existing on-balance sheet loan portfolio. In evaluating the adequacy of the allowance for loan losses the Company takes into consideration several factors including trends in claims rejected for payment by guarantors, default rate trends on privately insured loans, and the amount of FFELP loans subject to 2 percent risk-sharing. To recognize these potential losses on student loans, the Company maintained a reserve of $82 million and $64 million at June 30, 1997 and 1996, respectively. In the three months ended June 30, 1997, the Company increased this reserve by $4.2 million to cover loans subject to risk-sharing, offset by a decrease of $4 million due to improved experience in recovering unpaid guarantees on defaulted student loans. In the first six months of 1997, the Company increased this reserve by $6 million, due mainly to an $8 million increase in loans subject to risk-sharing offset partially by the $4 million decrease mentioned above. In the three and six months ended June 30, 1996, the Company increased this reserve by $5 million and $9 million, respectively, due mainly to the increase in loans subject to risk-sharing. Once a student loan is charged off as a result of an unpaid claim, it is the Company's policy to continue to pursue the recovery of principal and interest.

Management believes that the allowance for loan losses is adequate to cover anticipated losses in the on-balance sheet student loan portfolio. This evaluation is inherently subjective, however, as it requires material estimates that may be susceptible to significant changes.

AVERAGE BALANCE SHEETS

The following table reflects the rates earned on earning assets and paid on liabilities for the three and six months ended June 30, 1997 and 1996. Managed net interest margin includes net interest income plus gains on securitization sales and servicing and securitization income divided by average managed assets.

	THREE MONTHS ENDED JUNE 30,			
	1997		1996	
	BALANCE	RATE	BALANCE	RATE
AVERAGE ASSETS				
Student loans	$ 32,799	7.75%	$ 33,025	7.93%
Warehousing advances	2,485	6.01	3,297	5.98
Academic facilities financings	1,415	8.44	1,494	8.48
Investments	11,138	6.21	9,512	5.81
Total interest earning assets	47,837	7.32%	47,328	7.39%
Non-interest earning assets	1,819		1,860	
Total assets	$ 49,656		$ 49,188	
AVERAGE LIABILITIES AND STOCKHOLDERS' EQUITY				
Six month floating rate notes	$ 2,919	5.46%	$ 2,600	5.45%
Other short-term borrowings	24,876	5.52	17,234	5.41
Long-term notes	19,571	5.61	27,069	5.56
Total interest bearing liabilities	47,366	5.55%	46,903	5.50%
Non-interest bearing liabilities	1,469		1,492	
Stockholders' equity	821		793	
Total liabilities and stockholders' equity	$ 49,656		$ 49,188	
Net interest margin		1.82%		1.94%
Managed net interest margin		2.00%		1.97%

	SIX MONTHS ENDED JUNE 30,			
	1997		1996	
	BALANCE	RATE	BALANCE	RATE
AVERAGE ASSETS				
Student loans	$33,298	7.71%	$33,688	7.90%
Warehousing advances	2,639	5.98	3,523	6.11
Academic facilities financings	1,443	8.44	1,430	8.50
Investments	10,606	6.04	9,343	5.91
Total interest earning assets	47,986	7.27%	47,984	7.40%
Non-interest earning assets	1,930		1,808	
Total assets	$49,916		$49,792	
AVERAGE LIABILITIES AND STOCKHOLDERS' EQUITY				
Six month floating rate notes	$2,952	5.46%	$2,605	5.42%
Other short-term borrowings	24,243	5.48	16,759	5.41
Long-term notes	20,444	5.59	28,136	5.55
Total interest bearing liabilities	47,639	5.53%	47,500	5.49%
Non-interest bearing liabilities	1,458		1,474	
Stockholders' equity	819		818	
Total liabilities and stockholders' equity	$49,916		$49,792	
Net interest margin		1.78%		1.96%
Managed net interest margin		1.99%		2.01%

The decrease in net interest margin for the three and six months ended June 30, 1997 from the three and six months ended June 30, 1996 is mainly due to increased OBRA fees and lower floor revenues offset by the increased revenues from the amortization of upfront payments received from student loan floor contracts. See "--Rate/Volume Analysis." The decrease in net interest margin for the six months ended June 30, 1997 is also due to lower student loans as loans were securitized. The decrease in the managed net interest margin for the three and six months ended June 30, 1997 from the three and six months ended June 30, 1996 is due to the factors mentioned above for the net interest margin offset by an increase in the gains from securitization of $21 million and $45 million, respectively, and the increase in servicing and securitization income of $20 million and $42 million, respectively.

FUNDING COSTS

The Company's borrowings are generally variable rate indexed principally to the 91-day Treasury bill rate. The following table summarizes the average balance of debt (by index after giving effect to the impact of interest rate swaps) for the three and six months ended June 30, 1997 and 1996.

	THREE MONTHS ENDED JUNE 30,			
	1997		1996	
INDEX	AVERAGE BALANCE	AVERAGE RATE	AVERAGE BALANCE	AVERAGE RATE
Treasury bill, principally 91-day............	$ 33,435	5.50%	$ 35,179	5.51%
LIBOR..	6,298	5.49	7,683	5.25
Discount notes...............................	6,200	5.52	2,889	5.33
Fixed..	670	7.02	755	6.76
Zero coupon..................................	134	11.12	120	11.15
Other..	629	5.18	277	4.54
Total..	$ 47,366	5.55%	$ 46,903	5.50%

	SIX MONTHS ENDED JUNE 30,			
	1997		1996	
INDEX	AVERAGE BALANCE	AVERAGE RATE	AVERAGE BALANCE	AVERAGE RATE
Treasury bill, principally 91-day............	$33,868	5.50%	$35,878	5.46%
LIBOR..	6,363	5.42	8,412	5.38
Discount notes...............................	6,006	5.43	2,075	5.32
Fixed..	673	7.04	760	6.73
Zero coupon..................................	132	11.12	122	11.12
Other..	597	5.10	253	5.29
Total..	$47,639	5.53%	$47,500	5.49%

In the above table, for the three months ended June 30, 1997 and 1996, spreads for Treasury bill-indexed borrowings averaged .22 and .25 percent, respectively, over the weighted average Treasury bill rates for the same periods and spreads for London Interbank Offered Rate ("LIBOR")-indexed borrowings averaged .26 percent and .28 percent, respectively, under the weighted average LIBOR rates.

In the above table, for the six months ended June 30, 1997 and 1996, spreads for Treasury bill-indexed borrowings averaged .23 percent and .25 percent, respectively, over the weighted average Treasury bill rates for the same periods and spreads for LIBOR-indexed borrowings averaged .26 percent and .28 percent, respectively, under the weighted average LIBOR rates.

RATE/VOLUME ANALYSIS

The Rate/Volume Analysis below shows the relative contribution of changes in interest rates and asset volumes.

	TAXABLE EQUIVALENT INCREASE (DECREASE)	INCREASE (DECREASE) ATTRIBUTABLE TO CHANGE IN	
		RATE	VOLUME
THREE MONTHS ENDED JUNE 30, 1997 VS. THREE MONTHS ENDED JUNE 30, 1996			

Taxable equivalent interest income	$ 4	$ (6)	$ 10
Interest expense	15	8	7
Taxable equivalent net interest income	$ (11)	$ (14)	$ 3

	TAXABLE EQUIVALENT INCREASE (DECREASE)	INCREASE (DECREASE) ATTRIBUTABLE TO CHANGE IN	
		RATE	VOLUME
FIRST SIX MONTHS OF 1997 VS. FIRST SIX MONTHS OF 1996			
Taxable equivalent interest income..........................	$ (35)	$ (28)	$ (7)
Interest expense..	9	13	(4)
Taxable equivalent net interest income......................	$ (44)	$ (41)	$ (3)

The $14 million decrease in taxable equivalent net interest income attributable to the change in rates for the three months ended June 30, 1997, was principally due to increased OBRA costs of $5 million and the decrease of $6 million in floor revenues (net of payments under the floor contracts).

The $45 million decrease in taxable equivalent net interest income attributable to the change in rates in the first six months of 1997 was principally due to the decrease of $15 million in floor revenues (net of payments under the floor contracts) in the first six months of 1997 versus 1996, the impact of student loan participations on the student loan spread and increased OBRA costs of $10 million. Offsetting the decreases in taxable equivalent net interest income were $10 million of increased revenues from the amortization of the upfront payments received from student loan floor contracts.

OPERATING EXPENSES

Operating expenses include general and administrative costs, costs incurred to service the Company's managed student loan portfolio and operational costs incurred in the process of acquiring student loan portfolios. Total operating expenses as a percentage of average managed student loans were 113 basis points and 111 basis points for the three months ended June 30, 1997 and 1996, respectively, and 108 basis points and 111 basis points for the six months ended June 30, 1997 and 1996, respectively. Operating expenses are summarized in the following tables:

	THREE MONTHS ENDED JUNE 30, 1997		
	CORPORATE	SERVICING AND ACQUISITION	TOTAL
Salaries and employee benefits.................	$ 15	$ 36	$ 51
Occupancy and equipment........................	5	15	20
Professional fees..............................	8	5	13
Advertising and promotion......................	3	--	3
Office operations..............................	3	6	9
Other..	2	4	6
Total internal operating expenses..............	36	66	102
Third party servicing costs....................	--	13	13
Total operating expenses.......................	$ 36	$ 79	$ 115

	THREE MONTHS ENDED JUNE 30, 1996		
	CORPORATE	SERVICING AND ACQUISITION	TOTAL
Salaries and employee benefits.................	$ 17	$ 33	$ 50
Occupancy and equipment........................	6	15	21
Professional fees..............................	4	2	6
Advertising and promotion......................	2	--	2
Office operations..............................	3	7	10
Other..	2	--	2
Total internal operating expenses..............	34	57	91
Third party servicing costs....................	--	9	9
Total operating expenses.......................	$ 34	$ 66	$ 100

	THREE MONTHS ENDED JUNE 30,		INCREASE/(DECREASE)	
	1997	1996	$	%
Servicing costs....................................	$ 64	$ 50	$ 14	26%
Acquisition costs..................................	15	16	(1)	(5)
Total servicing and acquisition costs..............	$ 79	$ 66	$ 13	19%

	SIX MONTHS ENDED JUNE 30, 1997		
	CORPORATE	SERVICING AND ACQUISITION	TOTAL
Salaries and employee benefits.................	$ 31	$ 72	$ 103
Occupancy and equipment........................	9	30	39
Professional fees..............................	12	8	20
Advertising and promotion......................	5	--	5
Office operations..............................	4	13	17
Other..	6	6	12
Total internal operating expenses..............	67	129	196
Third party servicing costs....................	--	21	21
Total operating expenses.......................	$ 67	$ 150	$ 217
Employees at end of the period.................	686	4,003	4,689

	SIX MONTHS ENDED JUNE 30, 1996		
	CORPORATE	SERVICING AND ACQUISITION	TOTAL
Salaries and employee benefits.................	$ 34	$ 68	$ 102
Occupancy and equipment........................	13	30	43
Professional fees.............................	6	4	10
Advertising and promotion......................	3	--	3
Office operations..............................	4	15	19
Other..	4	--	4
Total internal operating expenses..............	64	117	181
Third party servicing costs....................	--	18	18
Total operating expenses.......................	$ 64	$ 135	$ 199
Employees at end of the period.................	739	3,918	4,657

	SIX MONTHS ENDED JUNE 30,		INCREASE/(DECREASE)	
	1997	1996	$	%
Servicing costs....................................	$ 121	$ 102	19	19%
Acquisition costs..................................	29	33	(4)	(13)
Total servicing and acquisition costs..............	$ 150	$ 135	15	11%

The increase of $2 million in corporate operating expenses for the three months ended June 30, 1997 versus the three months ended June 30, 1996 is mainly due to an increase in professional fees due to the privatization and proxy efforts and increased advertising offset by lower salaries due to the closing of the Company's Education Finance Center, Inc. ("EFCI") subsidiary in the fourth quarter of 1996. The increase in servicing costs of $14 million is due to the increase in the number of loans serviced and to a one-time cost of $5 million in connection with the early transfer of loans from a third party servicer to Sallie Mae Servicing Corporation ("SMSC"). The increase of $3 million in corporate operating expenses in the first six months of 1997 versus the first six months of 1996 was mainly due to the increase in professional fees related to the privatization and proxy efforts and to SEC registration fees, offset in part by the decrease in occupancy costs and a decrease in salaries caused principally by the closing of EFCI in the fourth quarter of 1996.

Servicing costs include all operations and systems costs incurred to service the Company's portfolio of managed student loans, including fees paid to third party servicers. The 1992 legislated expansion of student eligibility and increases in loan limits resulted in higher average student loan balances, which generally command a higher price in the secondary market and contribute to lower servicing costs as a percentage of the average balance of managed student loans. When expressed as a percentage of the managed student loan portfolio, servicing costs averaged 62 basis points and 56 basis points for the three months ended June 30, 1997 and 1996, respectively, and 60 basis points and 57 basis points for the six months ended June 30, 1997 and 1996, respectively. These increases were due principally to a one-time cost in connection with the early transfer of loans from a third party servicer to SMSC.

Loan acquisition costs are principally costs incurred under the ExportSS(R) loan origination and administration service, the costs of converting newly acquired portfolios onto the Company's servicing platform or those of third party servicers and costs of loan consolidation activities. Student loans added to the ExportSS(R) pipeline, which represent loan volume serviced by and committed for sale to the Company, totaled $443 million during the three months ended June 30, 1997, up from $343 million in the three months ended June 30, 1996. For the six months ended June 30, 1997, $1.7 billion of student loans were added to the ExportSS(R) pipeline, down slightly from $1.8 billion added in the first six months of 1996. The outstanding portfolio of loans serviced for ExportSS(R) lenders totaled $3.5 billion at June 30, 1997, down 4 percent from $3.7 billion at June 30, 1996.

FEDERAL AND STATE TAXES

The Company maintains a portfolio of tax-advantaged assets principally to support education-related financing activities. That portfolio was primarily responsible for the decrease in the effective federal income tax rate from the statutory rate of 35 percent to 30 percent for both the three months ended June 30, 1997 and 1996, and to 31 percent and 30 percent in the first six months of 1997 and 1996, respectively. The GSE is exempt from all state, local, and District of Columbia income, franchise, sales and use, personal property and other taxes, except for real property taxes. This tax exemption is effective only at the GSE level. As a result of the Reorganization, the Company's GSE and non-GSE activities are separated and non-GSE activities are subject to state and local taxation. State taxes are expected to be immaterial in 1997 as the majority of the Company's business activities will relate to the GSE. As increasing business activities occur outside of the GSE, the effects of state and local taxes are expected to increase accordingly. When fully phased in, management estimates that the Company's effective tax rate will be increased by approximately five percentage points. In addition, state and local sales and property taxes ultimately are expected to increase operating expenses by approximately two to three percent.

LIQUIDITY AND CAPITAL RESOURCES

In the three months ended June 30, 1997, student loan purchases totaled $2.1 billion, down 13 percent from the $2.4 billion purchased in the three months ended June 30, 1996. Included in the $2.1 billion of purchases was approximately $177 million of student loan participations from the Chase Joint Venture.

In the first six months of 1997, student loan purchases totaled $4.1 billion, down 11 percent from $4.6 billion in the first six months of 1996. Included in the $4.1 billion of 1997 student loan purchases was approximately $590 million of student loan participations from the Company's joint venture with The Chase Manhattan Bank (the "Chase Joint Venture"). Approximately two-thirds of non-joint venture purchase volume in both the three and six months ended June 30, 1997 was derived from the Company's base of commitment clients, particularly those who used the ExportSS(R) loan origination service. The GSE secures financing to fund the purchase of insured student loans along with its other operations by issuing debt securities in the domestic and overseas capital markets, through public offerings and private placements of U.S. dollar-denominated and foreign currency-denominated debt of varying maturities and interest rate characteristics and through securitizations of its student loan assets (see below, "Securitization"). The GSE's debt securities are currently rated at the highest credit rating level by Moody's Investors Service and Standard & Poor's. Historically, the rating agencies' ratings of the GSE have been largely a factor of its status as a government-sponsored enterprise.

The Privatization Act effectively requires that the GSE maintain a minimum statutory capital adequacy ratio (the ratio of stockholders' equity to total assets plus 50 percent of the credit equivalent amount of certain off-balance sheet items) of at least 2 percent until January 1, 2000 and 2.25 percent thereafter or be subject to certain "safety and soundness" requirements designed to restore such statutory ratio. Management anticipates being able to fund the increase in required capital from the GSE's current and retained earnings. At June 30, 1997, the GSE's statutory capital adequacy ratio was 2.09 percent. In addition, the Privatization Act now requires management, before the payment of dividends by the GSE, to certify to the Secretary of the Treasury that, after giving effect to the payment of dividends, the statutory capital ratio test would have been met at the time the dividend was declared.

The Company uses interest rate and foreign currency swaps (collateralized where appropriate), purchases of U.S. Treasury securities and other hedging techniques to reduce the exposure to interest rate and currency fluctuations that arise from its financing activities and to match the characteristics of its variable interest rate-earning assets (See "Interest Rate Risk Management"). During the first six months of 1997, the Company issued $2.3 billion of long-term notes to refund maturing and repurchased obligations. At June 30, 1997, the Company had $19.5 billion of outstanding long-term debt issues of which $13.8 billion had stated maturities that could be accelerated through call provisions. The GSE has, in the past, also issued adjustable rate cumulative preferred stock, common stock, common stock warrants and puts, and subordinated debentures convertible to common stock, to diversify its funding sources.

During the first six months of 1997, the Company repurchased 1.8 million shares of its common stock, leaving 52.3 million shares outstanding at June 30, 1997. For the past few years the GSE has operated near the statutory minimum capital ratio of 2.00 percent of risk adjusted assets required under its charter. Capital in excess of such amounts has been used to repurchase common shares. During 1997, management anticipates using current earnings to repurchase 7 to 9 percent of the shares outstanding at the beginning of the year.

SECURITIZATION

The GSE uses securitizations of student loans to reduce its on-balance sheet funding needs. The GSE completed a $2.5 billion securitization transaction during the three months ended June 30, 1997 bringing the total amount securitized in the first six months of 1997 to $4.5 billion. Management believes that securitizations will grow in importance as a source of funding for the Company.

CASH FLOWS

For the three months ended June 30, 1997, cash and cash equivalents increased $2.1 billion and the ending balance at June 30, 1997 was $2.2 billion versus $312 million at June 30, 1996. This increase in cash and cash equivalents was mainly due to the temporary restriction on the Company's share repurchase activity in connection with the proxy contest. The additional capital was temporarily invested in cash equivalent securities. The Company funded its $2.1 billion purchase of student loans and its net increase in investments of $700 million in the second quarter through the proceeds from the $2.5 billion student loan securitization and through the proceeds from the net issuance of $1.8 billion of debt. These proceeds were also used to pay down other liabilities of $399 million.

In the first six months of 1997, operating activities provided net cash inflows of $219 million, an increase of $64 million from the first six months of 1996. This increase was due mainly to the increase in net income of $32 million. Investing activities provided $1.7 billion in cash in the first six months of 1997, a decrease of $19 million from the cash provided in the first six months of 1996 as the Company increased investments by $941 million, offset by a decrease in warehousing advances of $294 million in the six months ended June 30, 1997 versus a decrease of $425 million in investments and a decrease of $893 million in warehousing advances in the first six months of 1996. In addition, the Company had purchases, net of repayments, claims and resales of student loans and student loan participations of $2.3 billion in the first six months of 1997 and 1996 and securitized $4.5 billion and $3.0 billion of student loans in the first six months of 1997 and 1996, respectively. Financing activities used $4 million in cash in the first six months of 1997 as the Company repurchased 1.8 million shares for $201 million.

The Company also repaid a net $5.2 billion in long-term notes through the issuance of net short-term borrowings of $5.5 billion. As student loans are securitized the need for long-term financing of these assets on balance sheet decreases.

Interest Rate Risk Management

The Company's principal objective in financing its loan assets is to minimize its sensitivity to changing interest rates by matching the interest rate characteristics of borrowings to specific assets in order to lock in spreads. The Company funds its floating rate loan assets (most of which have weekly rate resets) with variable rate debt and fixed rate debt converted to variable rates with interest rate swaps. To achieve a more precise match of interest rate characteristics between loan assets and their related liabilities, the Company has effectively converted some of its variable rate debt to a different variable rate index with interest rate swaps. At June 30, 1997, $19.6 billion of fixed rate debt and $2.9 billion of variable rate debt were matched with interest rate swaps and foreign currency agreements. Fixed rate debt at June 30, 1997 also funded fixed rate warehousing advances and academic facilities financings. Investments were funded on a "pooled" approach, i.e., the pool of liabilities that funds the investment portfolio has an average rate and maturity or reset date that corresponds to the average rate and maturity or reset date of the investments which they fund.

In both its match funding activities for its loan assets and its pool funding activities for its investments, the Company enters into various financial instrument contracts in the normal course of business to reduce interest rate risk and foreign currency exposure on certain of its borrowings. These financial instrument contracts include interest rate swaps, interest rate cap and collar agreements, foreign currency swaps, forward currency exchange agreements, options on currency exchange agreements, options on securities, and financial futures contracts.

In the table below the Company's variable rate assets and liabilities are categorized by reset date of the underlying index. Fixed rate assets and liabilities are categorized based on their maturity dates. An interest rate gap is the difference between volumes of assets and volumes of liabilities maturing or repricing during specific future time intervals. Nonperforming loans are included in the analysis based on their underlying interest rate characteristics. The following gap analysis reflects rate-sensitive positions at June 30, 1997 and is not necessarily reflective of positions that existed throughout the period.

	INTEREST RATE SENSITIVITY PERIOD		
	3 MONTHS OR LESS	3 MONTHS TO 6 MONTHS	6 MONTHS TO 1 YEAR
ASSETS			
Student loans	$ 31,488	$ --	$ --
Warehousing advances	2,476	--	2
Academic facilities financings	83	43	17
Cash and investments	8,040	459	16
Other assets	--	--	--
Total assets	42,087	502	35
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short-term borrowings	18,274	2,617	4,958
Long-term notes	6,919	--	--
Other liabilities	--	--	--
Minority interest in subsidiary	--	--	--
Stockholders' equity	--	--	--
Total liabilities and stockholders' equity	25,193	2,617	4,958
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS			
Interest rate swaps	17,328	(2,232)	(4,140)
Period gap	$ (434)	$ 117	$ (783)
Cumulative gap	$ (434)	$ (317)	$ (1,100)
Ratio of cumulative gap to total assets	.9%	.7%	2.3%
Ratio of interest-sensitive assets to interest-sensitive liabilities	167.1%	19.2%	.7%

	INTEREST RATE SENSITIVITY PERIOD		
	1 TO 2 YEARS	2 TO 5 YEARS	OVER 5 YEARS
ASSETS			
Student loans	$ --	$ --	$ --
Warehousing advances	1	--	16
Academic facilities financings	37	291	882
Cash and investments	103	184	1,791
Other assets	--	--	1,970
Total assets	141	475	4,659
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short-term borrowings	--	--	--
Long-term notes	3,108	8,830	632
Other liabilities	--	--	1,504
Minority interest in subsidiary	--	--	214
Stockholders' equity	--	--	843
Total liabilities and stockholders' equity	3,108	8,830	3,193
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS			
Interest rate swaps	(3,020)	(8,694)	758
Period gap	$ 53	$ 339	$ 708
Cumulative gap	$ (1,047)	$ (708)	$ --
Ratio of cumulative gap to total assets	2.2%	1.5%	--%
Ratio of interest-sensitive assets to interest-sensitive liabilities	4.5%	5.4%	425.5%

In low interest rate environments, floor revenues on student loans cause the margins on these loans to widen beyond the locked-in spreads. See "--Results of Operations -- Student Loan Floor Revenues." Such loans continue to be classified in the three months or less category in the table above, reflecting the fact that as interest rates rise these assets will resume their weekly rate reset.

The weighted average remaining terms to maturity of the Company's earning assets and borrowings at June 30, 1997 were 5.5 years and 1.5 years, respectively. The following table reflects the average terms to maturity for the Company's earning assets and liabilities at June 30, 1997:

AVERAGE TERMS TO MATURITY
(IN YEARS)

EARNING ASSETS	
Student loans.............................	6.0
Warehousing advances......................	3.5
Academic facilities financings............	8.0
Cash and investments......................	4.0
Total earning assets......................	5.5
BORROWINGS	
Short-term borrowings.....................	.5
Long-term borrowings......................	3.0
Total borrowings..........................	1.5

In the above table, Treasury receipts and variable rate asset-backed securities, although generally liquid in nature, extend the weighted average remaining term to maturity of cash and investments to 4.0 years. As loans are securitized, the need for long-term on-balance sheet financing will decrease.

MINORITY INTEREST

As part of the GSE's privatization, SLM Holding became the parent company of, and successor to, the GSE on August 7, 1997. As a result, the GSE's preferred stock is now reflected as a minority interest in the consolidated financial statements. The financial statements for prior periods have been restated to reflect this change.

The GSE's preferred stock dividends are cumulative and payable quarterly at 4.50 percentage points below the highest yield of certain long-term and short-term United States Treasury obligations. The dividend rate for any dividend period will not be less than 5 percent per annum nor greater than 14 percent per annum. For each of the six month periods ended June 30, 1997 and 1996, the preferred stock dividend rate was 5.00 percent and reduced net income by $5.3 million. The Privatization Act requires that on the dissolution date of September 30, 2008, the GSE shall repurchase or redeem, or make proper provisions for repurchase or redemption of any outstanding preferred stock. The Company has the option of effecting an earlier dissolution if certain conditions are met.

OTHER RELATED EVENTS AND INFORMATION

Status of Direct Lending

As of June 30, 1997, approximately 1,484 colleges and universities were participating in the Federal Direct Student Loan Program ("FDSLP") for the 1996-97 academic year. The FDLSP had a legislated market share goal of 50 percent for the 1996-1997 academic year. Based on DOE reports, management estimates that the FDSLP accounted for approximately 33 percent of total student loan originations for the 1996-97 academic year. The FDSLP accounted for approximately 31 percent of total student loan volume in the 1995-96 academic year, up from approximately 7 percent in the 1994-95 academic year.

In recent years as the FDSLP has grown, the volume of loans originated by banks and other participants under the FFELP has been adversely impacted. Historically, the GSE has purchased the majority of its student loans as they near the repayment phase which commences after a borrower leaves school. On average there is a two to three year lag between the date a loan is originated and the date it enters repayment. This lag has delayed the adverse affect of FDSLP originations on the GSE's purchases of student loans. As the volume of FDSLP loans reaching the repayment phase increases, the GSE's percentage share of the overall student loan market will decline. In 1994, the DOE began to offer existing FFELP borrowers the opportunity to refinance FFELP loans into FDSLP loans. As of June 30, 1997, approximately $592 million of FFELP loans owned by the GSE have been accepted for refinancing into FDSLP loans. Approximately $409 million have been refinanced into FDSLP loans with the remainder awaiting disbursement by the federal government.

OBRA provides for a change in the borrower interest rate and the Special Allowance Payment for certain FFELP loans made on or after July 1, 1998. The new rates are scheduled to be based on the U.S. Treasury security with a "comparable maturity" plus 1.0 percent. The Secretary of Education has not adopted regulations specifying the U.S. Treasury security on which the Special Allowance Payment rate will be based or details on setting the Special Allowance Payment rate. Management believes that the "comparable maturity" security will be the 10-year Treasury Note. Depending on the specifics of the regulations, these changes could adversely impact the FFELP market and the Company's business because the availability and costs of funding to support this new type of instrument are uncertain. Representatives of the student loan industry are in discussions with members of Congress concerning possible legislative modification of this OBRA provision.

OBRA also requires the GSE to act as a lender of last resort to make

FFELP loans when other private lenders are not available. Such loans receive a 100 percent guarantee and are not subject to the 30 basis point offset fee on loans held by the GSE. If the Secretary of Education determines that the GSE is not adequately implementing this provision, the offset fee paid by the GSE could be increased from 30 basis points to 100 basis points.

Legislated expansion of student eligibility as well as increases in student and parent loan limits have increased the volume of national loan originations. FFELP originations rose nearly 30 percent year-to-year to about $23 billion for the 1994 federal fiscal year ended September 30, 1994. During the 1995 federal fiscal year, FFELP originations declined to $21 billion due to FDSLP originations totaling $5 billion. Although FFELP originations declined in the 1996 federal fiscal year to $20 billion, management expects, based on Department of Education reports, FFELP originations to increase to $21 billion in the 1997 federal fiscal year. In the meantime, however, the competition for FFELP loans has intensified at both the originating and secondary market levels due mainly to the reduced volume and to securitization of student loans, which has developed into a significant funding alternative for FFELP lenders.

Recently Issued Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("FAS") No. 128, "Earnings Per Share", which is required to be adopted on December 15, 1997. At that time, the Company will be required to change the method used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. The adoption is expected to have no material impact on the Company's reported earnings per share.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("FAS") No. 130, "Reporting Comprehensive Income", which is effective for periods after December 15, 1997. FAS 130 establishes standards for reporting and display of comprehensive income in a full set of general purpose financial statements. The Company is currently evaluating the effect of this pronouncement on its financial statement presentation and disclosure.

CONSOLIDATED FINANCIAL STATEMENTS

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SLM HOLDING CORPORATION

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	JUNE 30, 1997 (UNAUDITED)	DECEMBER 31, 1996
ASSETS		
Insured student loans purchased	$ 29,568,713	$ 32,307,930
Student loan participations	1,918,871	1,445,596
Insured student loans	31,487,584	33,753,526
Warehousing advances	2,495,178	2,789,485
Academic facilities financings		
Bonds-- available-for-sale	827,235	934,481
Loans	526,276	538,850
Total academic facilities financings	1,353,511	1,473,331
Investments		
Available-for-sale	7,785,047	6,833,695
Held-to-maturity	584,576	601,887
Total investments	8,369,623	7,435,582
Cash and cash equivalents	2,223,439	270,887
Other assets, principally accrued interest receivable	1,969,583	1,907,079
Total assets	$ 47,898,918	$ 47,629,890
LIABILITIES		
Short-term borrowings	$ 25,850,071	$ 22,517,627
Long-term notes	19,488,810	22,606,226
Other liabilities	1,503,568	1,458,207
Total liabilities	46,842,449	46,582,060
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST IN SUBSIDIARY	213,883	213,883
STOCKHOLDERS' EQUITY		
Common stock, par value $.20 per share, 250,000,000 shares authorized: 66,158,095 and 65,695,571 shares issued, respectively	13,231	13,139
Additional paid-in capital	28,218	--
Unrealized gains on investments (net of tax of $185,569 and $188,050, respectively)	344,628	349,235
Retained earnings	1,194,769	1,008,737
Stockholders' equity before treasury stock	1,580,846	1,371,111
Common stock held in treasury at cost: 13,823,562 and 12,004,976 shares, respectively	738,260	537,164
Total stockholders' equity	842,586	833,947
Total liabilities and stockholders' equity	$ 47,898,918	$ 47,629,890

See accompanying notes to consolidated financial statements.

SLM HOLDING CORPORAITON

CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED JUNE 30, 1997 (unaudited)	THREE MONTHS ENDED JUNE 30, 1996 (unaudited)
Interest income:		
Insured student loans purchased	$ 602,921	$ 651,503
Student loan participations	30,737	-
Insured student loans	633,658	651,503
Warehousing advances	37,235	49,025
Academic facilities financings:		
Taxable	12,289	13,160
Tax-exempt	11,365	11,923
Total academic facilities financings	23,654	25,083
Investments	168,637	135,175
Total interest income	863,184	860,786
Interest expense:		
Short-term debt	381,890	266,932
Long-term debt	273,833	374,293
Total interest expense	655,723	641,225
NET INTEREST INCOME	207,461	219,561
Other income:		
Gain on sale of student loans	30,638	9,474
Servicing and securitization revenue	31,231	11,129
Gains/(losses) on sales of securities	4,199	1,194
Other	11,987	6,102
Total other income	78,055	27,899
Operating expenses:		
Salaries and benefits	71,864	71,975
Other	43,419	28,170
Total operating expenses	115,283	100,145
Income before federal income taxes, minority interest in net earnings of subsidiary and premiums on debt extinguished	170,233	147,315
Federal income taxes:		
Current	51,075	58,532
Deferred	(6)	(14,192)
Total federal income taxes	51,069	44,340
Minority interest in net earnings of subsidiary	2,673	2,674
Income before premiums on debt extinguished	116,491	100,301
Premiums on debt extinguished, net of tax	--	--
NET INCOME	$ 116,491	$ 100,301
Earnings per common share before premiums on debt extinguished	$ 2.20	$ 1.79
EARNINGS PER COMMON SHARE	$ 2.20	$ 1.79

	SIX MONTHS ENDED JUNE 30, 1997 (UNAUDITED)	SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)
Interest income:		
Insured student loans purchased	$ 1,220,530	$ 1,323,266
Student loan participations	53,044	--
Insured student loans	1,273,574	1,323,266
Warehousing advances	78,203	106,920
Academic facilities financings:		

Taxable	24,531	26,571
Tax-exempt	23,287	22,019
Total academic facilities financings	47,818	48,590
Investments	312,466	270,008
Total interest income	1,712,061	1,748,784
Interest expense:		
Short-term debt	738,764	520,676
Long-term debt	566,810	775,868
Total interest expense	1,305,574	1,296,544
NET INTEREST INCOME	406,487	452,240
Other income:		
Gain on sale of student loans	64,630	19,403
Servicing and securitization revenue	57,191	15,668
Gains/(losses) on sales of securities	7,382	3,054
Other	24,792	11,528
Total other income	153,995	49,653
Operating expenses:		
Salaries and benefits	102,781	102,096
Other	114,061	96,822
Total operating expenses	216,842	198,918
Income before federal income taxes, minority interest in net earnings of subsidiary, and premiums on debt extinguished	343,640	302,975
Federal income taxes:		
Current	118,121	112,686
Deferred	(12,482)	(20,378)
Total federal income taxes	105,639	92,308
Minority interest in net earnings of subsidiary	5,347	5,347
Income before premiums on debt extinguished	232,654	205,320
Premiums on debt extinguished, net of tax	--	(4,792)
NET INCOME	$ 232,654	$ 200,528
Earnings per common share before premiums on debt extinguished	$ 4.36	$ 3.62
EARNINGS PER COMMON SHARE	$ 4.36	$ 3.53

See accompanying notes to consolidated financial statements.

SLM HOLDING CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED JUNE 30,	
	1997	1996
	(UNAUDITED)	(UNAUDITED)
COMMON STOCK:		
Balance, beginning of period	$ 13,213	$ 24,897
Issuance of common shares	18	14
Retirement of common shares	--	--
Balance, end of period	13,231	24,911
ADDITIONAL PAID-IN CAPITAL:		
Balance, beginning of period	22,953	552,574
Proceeds in excess of par value from issuance of common stock	5,265	2,995
Tax benefit related to employee stock option and purchase plans	--	--
Retirement of common shares	--	--
Balance, end of period	28,218	555,569
UNREALIZED GAINS ON INVESTMENTS, NET OF TAX:		
Balance, beginning of period	331,023	342,518
Unrealized gains as of January 1, 1994	--	--
Change in unrealized gains	13,605	(6,898)
Balance, end of period	344,628	335,620
RETAINED EARNINGS:		
Balance, beginning of period (as restated, see note 2)	1,101,450	2,805,688
Net income	116,491	100,301
Retirement of common shares	--	--
Cash dividends:		
Common stock ($.44 and $.40, per share, respectively)	(23,172)	(22,307)
Balance, end of period	1,194,769	2,883,682
COMMON STOCK HELD IN TREASURY AT COST:		
Balance, beginning of period	672,765	2,914,827
Repurchase of 535,746 and 1,097,212 common shares, respectively	65,495	81,664
Retirement of 59,000,000 common shares	--	--
Balance, end of period	738,260	2,996,491
TOTAL STOCKHOLDERS' EQUITY	$ 842,586	$ 803,291

	SIX MONTHS ENDED JUNE 30,	
	1997	1996
	(UNAUDITED)	(UNAUDITED)
COMMON STOCK:		
Balance, beginning of period	$ 13,139	$ 24,824
Issuance of common shares	92	87
Retirement of common shares	--	--
Balance, end of period	13,231	24,911
ADDITIONAL PAID-IN CAPITAL:		
Balance, beginning of period	--	537,818
Proceeds in excess of par value from issuance of common stock	28,218	17,751
Tax benefit related to employee stock option and purchase plans	--	--
Retirement of common shares	--	--
Balance, end of period	28,218	555,569
UNREALIZED GAINS ON INVESTMENTS, NET OF TAX:		
Balance, beginning of period	349,235	370,846

Unrealized gains as of January 1, 1994	--	--
Change in unrealized gains	(4,607)	(35,226)
Balance, end of period	344,628	335,620
RETAINED EARNINGS:		
Balance, beginning of period (as restated, see note 2)	1,008,737	2,728,383
Net income	232,654	200,528
Retirement of common shares	--	--
Cash dividends:		
Common stock ($.88 and $.80, per share, respectively)	(46,622)	(45,229)
Balance, end of period	1,194,769	2,883,682
COMMON STOCK HELD IN TREASURY AT COST:		
Balance, beginning of period	537,164	2,794,549
Repurchase of 1,818,586 and 2,638,949 common shares, respectively	201,096	201,942
Retirement of 59,000,000 common shares	--	--
Balance, end of period	738,260	2,996,491
TOTAL STOCKHOLDERS' EQUITY	$ 842,586	$ 803,291

See accompanying notes to consolidated financial statements.

SLM HOLDING CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED JUNE 30,	
	1997	1996
	(UNAUDITED)	(UNAUDITED)
OPERATING ACTIVITIES		
Net income	$ 116,491	$ 100,301
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in accrued interest receivable	(137,615)	(91,520)
Increase (decrease) in accrued interest payable	72,201	141,387
(Increase) in other assets	(25,059)	(49,358)
Increase in other liabilities	(399,165)	(54,444)
Total adjustments	(489,638)	(53,935)
Net cash provided by operating activities	(373,147)	46,366
INVESTING ACTIVITIES		
Insured student loans purchased	(1,876,637)	(2,373,729)
Reduction of insured student loans purchased:		
Installment payments	551,504	727,703
Claims and resales	302,599	358,660
Proceeds from securitization of student loans	2,496,450	1,515,030
Participations purchased	(177,439)	--
Participation repayments	63,222	--
Warehousing advances made	(146,720)	(274,374)
Warehousing advance repayments	184,790	640,753
Academic facilities financings made	(39,327)	(219,295)
Academic facilities financings reductions	100,224	33,299
Investments purchased	(4,994,961)	(2,867,710)
Proceeds from sale or maturity of investments	4,298,983	2,417,915
Net cash provided by (used in) investing activities	762,688	(41,748)
FINANCING ACTIVITIES		
Short-term borrowings issued	183,474,366	56,006,267
Short-term borrowings repaid	(180,026,513)	(54,567,527)
Long-term notes issued	911,594	66,581
Long-term notes repaid	(2,517,813)	(2,391,291)
Common stock issued	5,283	3,009
Common stock repurchased	(65,495)	(81,664)
Dividends paid	(23,172)	(22,307)
Net cash provided by (used in) financing activities	1,758,250	(986,932)
Net increase (decrease) in cash and cash equivalents	2,147,791	(982,314)
Cash and cash equivalents at beginning of period	75,648	1,293,847
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,223,439	$ 311,533

	SIX MONTHS ENDED JUNE 30,	
	1997	1996
	(UNAUDITED)	(UNAUDITED)
OPERATING ACTIVITIES		
Net income	$ 232,654	$ 200,528
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in accrued interest receivable	(13,088)	10,141
Increase (decrease) in accrued interest payable	28,526	6,560
(Increase) in other assets	(48,179)	(124,146)
Increase in other liabilities	19,316	62,235

Total adjustments	(13,425)	(45,210)
Net cash provided by operating activities	219,229	155,318
INVESTING ACTIVITIES		
Insured student loans purchased	(3,553,247)	(4,639,956)
Reduction of insured student loans purchased:		
Installment payments	1,131,175	1,667,232
Claims and resales	615,639	640,955
Proceeds from securitization of student loans	4,545,650	3,015,030
Participations purchased	(590,436)	--
Participation repayments	117,161	--
Warehousing advances made	(285,857)	(734,810)
Warehousing advance repayments	580,164	1,628,086
Academic facilities financings made	(53,720)	(301,569)
Academic facilities financings reductions	172,570	57,366
Investments purchased	(9,347,820)	(8,334,029)
Proceeds from sale or maturity of investments	8,406,424	8,758,590
Net cash provided by (used in) investing activities	1,737,703	1,756,895
FINANCING ACTIVITIES		
Short-term borrowings issued	375,929,647	101,760,944
Short-term borrowings repaid	(370,477,376)	(101,656,582)
Long-term notes issued	2,260,125	3,670,249
Long-term notes repaid	(7,497,368)	(6,398,878)
Common stock issued	28,310	17,838
Common stock repurchased	(201,096)	(201,942)
Dividends paid	(46,622)	(45,229)
Net cash provided by (used in) financing activities	(4,380)	(2,853,600)
Net increase (decrease) in cash and cash equivalents	1,952,552	(941,387)
Cash and cash equivalents at beginning of period	270,887	1,252,920
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,223,439	$ 311,533

See accompanying notes to consolidated financial statements.

SLM HOLDING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(INFORMATION AT JUNE 30, 1997 AND FOR THE SIX MONTHS ENDED
JUNE 30, 1997 AND 1996 IS UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

1. ORGANIZATION AND PRIVATIZATION

On September 30, 1996, President Clinton signed into law the Student Loan Marketing Association Reorganization Act of 1996, Pub. L. 104-208 (the "Privatization Act"), authorizing the restructuring of the Student Loan Marketing Association, a government-sponsored enterprise (the "GSE"), as a fully private, state-chartered corporation. On July 31, 1997, at a Special Meeting of Shareholders convened pursuant to a combined Proxy Statement/Prospectus registered with the Securities and Exchange Commission, the GSE's shareholders voted to approve a reorganization (the "Reorganization") pursuant to which the GSE became a wholly owned subsidiary of SLM Holding Corporation ("SLM Holding" or the "Company"), a Delaware corporation. The Reorganization was consummated on August 7, 1997 and each outstanding share of common stock, par value $.20 per share, of the GSE was converted into one share of common stock, par value $.20 per share of SLM Holding.

Under the terms of the Reorganization the GSE will transfer certain assets, including stock in certain subsidiaries, to SLM Holding or one of its non-GSE subsidiaries. This transfer of the subsidiaries and assets and the related exchange of stock is being accounted for at historical cost similar to a pooling of interests and therefore all prior period financial statements and related disclosures presented have been restated as if the Reorganization took place at the beginning of such periods. Operations performed outside the GSE after the Reorganization will be subject to state and local taxes.

The GSE is a stockholder-owned corporation chartered by Congress to provide liquidity for originators of student loans made under federally sponsored student loan programs and otherwise to support the credit needs of students and educational institutions. The GSE's charter is subject to legislative change from time to time. The GSE is predominantly engaged in the purchase of student loans insured under federally sponsored programs. The GSE also makes secured loans (warehousing advances) to providers of education credit, and provides financing to educational institutions for their physical plant and equipment (academic facilities financings).

Privatization

Under the terms of the Privatization Act, the GSE will be able to continue to issue debt in the government agency market to finance student loans and other permissible asset acquisitions, although the maturity date of such issuances generally may not extend beyond September 30, 2008, the date by which the GSE must dissolve. At June 30, 1997 and December 31, 1996, the GSE had $379 million and $372 million, respectively, in carrying value of outstanding debt with maturities after September 30, 2008. Such debt will be transferred into a defeasance trust on the dissolution date.

After the Reorganization, SLM Holding paid $5 million to the District of Columbia Financial Responsibility and Management Assistance Authority (the "D.C. Financial Control Board") for use of the name "Sallie Mae." In addition, SLM Holding issued to the D.C. Financial Control Board warrants to purchase 555,015 shares of SLM Holding Common Stock at $72.43 per share. The D.C. Financial Control Board subsequently transferred the warrants on September 2, 1997 for $37 million.

Beginning in fiscal 1997, and until the GSE is dissolved, the GSE also must reimburse the U.S. Treasury Department up to $800,000 annually (subject to adjustment based on the Consumer Price Index) for its reasonable costs and expenses of carrying out its supervisory duties under the Privatization Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Reclassification

Certain prior year amounts in the Consolidated Statements of Income for the six months and three months ended June 30, 1996 have been reclassified to conform with the 1996 year-end presentation.

Basis of Presentation

The accompanying unaudited consolidated financial statements of SLM Holding have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Operating results for the three and six months ended June 30, 1997 are not necessarily indicative of the results for the year ending December 31, 1997.

Earnings per common share are computed based on net income divided by the weighted average common and common equivalent shares outstanding for the period. Average common and common equivalent shares outstanding for the three and six months ended June 30, 1997, three and six months ended June 30, 1996 totaled 52,993,323; 53,316,841; 56,082,844; and 56,782,781, respectively.

Recently Issued Accounting Pronouncements

During 1997, the Company adopted the requirements of FAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," which establishes the accounting for certain financial asset transfers including securitization transactions. The effect of implementing this standard was not material on the Company's financial statements. Management also believes that this standard will not have a material effect on the financial statements in the future.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("FAS") No. 128, "Earnings Per Share," which is required to be adopted on December 15, 1997. At that time, the Company will be required to change the method used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. The adoption is expected to have no material impact on the Company's reported earnings per share.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("FAS") No. 130, "Reporting Comprehensive Income", which is effective for periods after December 15, 1997. FAS 130 establishes standards for reporting and display of comprehensive income in a full set of general purpose financial statements. The Company is currently evaluating the effect of this pronouncement on its financial statement presentation and disclosure.

3. STUDENT LOANS

For the three and six months ended June 30, 1997, the amortization of the upfront payments on floor revenue contracts increased student loan income by $10 million and $21 million, respectively, versus $6 million and $8 million for the three and six months ended June 30, 1996, repectively. For the three and six months ended June 30, 1997, payments under the contracts totaled $5 million and $10 million, respectively versus $3 million and $4 million for the three months and six months ended June 30, 1996, respectively.

The GSE purchases student loans from originating lenders, typically just before the student leaves school and is required to begin repayment of the loan. The estimated average remaining term of student loans in the Company's portfolio, including student loan participations, was approximately 6.0 years at June 30, 1997 and December 31, 1996. The following table reflects the distribution of the Company's loan portfolio by program.

	JUNE 30, 1997	DECEMBER 31,1996
FFELP-- Stafford	$ 14,323,238	$ 17,292,273
FFELP-- PLUS/SLS	2,940,619	3,580,803
FFELP-- Consolidation loans	8,359,899	7,658,035
HEAL	2,708,339	2,758,860
Privately insured	1,236,618	1,017,959
Insured student loans purchased	29,568,713	32,307,930
Student loan participations	1,918,871	1,445,596
Total student loans	$ 31,487,584	$ 33,753,526

As of June 30, 1997 and December 31, 1996, 82 percent and 84 percent, respectively, of the Company's on-balance sheet student loan portfolio was in repayment.

The Company owned $14.3 billion at June 30, 1997 and $14.5 billion at December 31, 1996 of FFELP loans that were originated after October 1, 1993 and are insured for 98 percent of their unpaid balance resulting in 2 percent risk-sharing for holders of these loans.

Claims not immediately honored by the guarantor because of servicing or origination defects are returned for remedial servicing, during which period income is not recognized. On certain paid claims, guarantors assess a penalty for minor servicing defects. Costs associated with claims on defaulted student loans, which include such penalties, reduced interest income on student loans by $3.3 million and $5.7 million, for the three and six months ended June 30, 1997 versus $3.2 million and $6.8 million for the three and six months ended June 30, 1996.

The following table summarizes the reserves that the Company has recorded for estimated losses due to risk-sharing, unpaid guarantee claims and defaults on privately insured loans.

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996
BALANCE AT BEGINNING OF PERIOD	$ 87,378	$ 61,834	$ 84,063	$ 60,337
Additions				
Provisions for loan losses	165	4,875	5,983	9,167
Recoveries	1,377	2,039	4,470	3,739
Deductions				
Reductions for sales on student loans	(2,364)	(744)	(4,328)	(1,601)
Losses on loans	(4,093)	(3,739)	(7,725)	(7,377)
BALANCE AT END OF PERIOD	$ 82,463	$ 64,265	$ 82,463	$ 64,265

4. WAREHOUSING ADVANCES

A summary of warehousing advances by industry concentration follows:

	JUNE 30, 1997	DECEMBER 31, 1996
Commercial banks	$ 1,284,049	$ 1,547,193
Public sector agencies	1,150,800	1,126,095
Educational institutions	60,329	116,197
Thrift institutions	--	--
	--	--
	$ 2,495,178	$ 2,789,485

As of June 30, 1997, approximately 98 percent were collateralized by student loans, 1 percent by U.S. government securities and 1 percent by other collateral. As of December 31, 1996, approximately 97 percent were collateralized by student loans, 1 percent by U.S. government securities and 2 percent by other collateral.

A summary of warehousing advance interest rate characteristics follows:

	JUNE 30, 1997	DECEMBER 31, 1996
Variable rate:		
Treasury bill	$ 1,798,656	$ 1,723,588
LIBOR	677,496	1,046,086
Fixed rate	19,026	19,811
	$ 2,495,178	$ 2,789,485

The average remaining term to maturity of warehousing advances was 3.5 years as of June 30, 1997 and 1.0 year as of December 31, 1996.

The following table summarizes the maturities of warehousing advances at June 30, 1997 and December 31, 1996.

YEAR OF MATURITY	JUNE 30, 1997	DECEMBER 31, 1996
1997	$ 119,628	$ 1,221,148
1998	1,190,496	1,232,186
1999	1,000	175,391
2000	624,335	127,863
2001	--	--
After 2001	559,719	32,897
	$ 2,495,178	$ 2,789,485

5. ACADEMIC FACILITIES FINANCINGS

The following tables summarize the academic facilities bonds at June 30, 1997 and December 31, 1996.

	JUNE 30, 1997			
BONDS-- AVAILABLE-FOR-SALE	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	MARKET VALUE
Fixed	$ 758,643	$ 18,053	$ (360)	$ 776,336
Variable	51,193	6	(300)	50,899
Total academic facilities bonds	$ 809,836	$ 18,059	$ (660)	$ 827,235

	DECEMBER 31, 1996			
BONDS-- AVAILABLE-FOR-SALE	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	MARKET VALUE
Fixed	$ 831,711	$ 19,794	$ (978)	$ 850,527
Variable	84,401	10	(457)	83,954
Total academic facilities bonds	$ 916,112	$ 19,804	$ (1,435)	$ 934,481

The following table summarizes academic facilities loans at June 30, 1997 and December 31, 1996.

LOANS	JUNE 30, 1997	DECEMBER 31, 1996
Fixed rate	$ 465,657	$ 474,659
Variable rate	60,619	64,191
Total academic facilities loans	$ 526,276	$ 538,850

The average remaining term to maturity of academic facilities financings was 8.0 years at both June 30, 1997 and December 31, 1996. The stated maturities and maturities if accelerated to the put or call dates for academic facilities bonds and loans at June 30, 1997 and December 31, 1996 are shown in the following table:

YEAR OF MATURITY	JUNE 30, 1997 BONDS STATED MATURITY	BONDS MATURITY TO PUT OR CALL DATE	LOANS STATED MATURITY
1997	$ 19,459	$ 48,447	$ 2,048
1998	46,218	104,666	8,917
1999	42,663	58,312	47,776
2000	73,936	101,145	16,270
2001	108,676	127,130	23,070
2002-2006	422,708	350,194	102,530
after 2006	113,575	37,341	325,665
	$ 827,235	$ 827,235	$ 526,276

YEAR OF MATURITY	DECEMBER 31, 1996 BONDS STATED MATURITY	BONDS MATURITY TO PUT OR CALL DATE	LOANS STATED MATURITY
1997	$ 44,078	$ 97,657	$ 8,325
1998	77,409	127,774	14,065
1999	43,638	57,366	45,115
2000	78,588	98,515	17,368
2001	87,197	107,464	22,673
2002-2006	486,168	410,945	104,872
after 2006	117,403	34,760	326,432
	$ 934,481	$ 934,481	$ 538,850

6. INVESTMENTS

A summary of investments at June 30, 1997 and December 31, 1996 follows:

	JUNE 30, 1997 AMORTIZED COST	GROSS UNREALIZED GAINS
AVAILABLE-FOR-SALE		
U.S. Treasury and other U.S. government agencies obligations		
U.S. Treasury securities	$ 955,529	$ 499,840
State and political subdivisions of the United States		
Student loan revenue bonds	184,614	5,455
Asset-backed and other securities		
Asset-backed securities	5,112,738	6,313
Variable corporate bonds	521,974	462
Commercial paper	58,030	--
Federal funds & bank deposits	425,000	--
Other securities	15,600	--
Total available-for-sale investment securities	$ 7,273,485	$ 512,070
HELD-TO-MATURITY		
Other	$ 584,576	$ 86

	JUNE 30, 1997 GROSS UNREALIZED LOSSES	MARKET VALUE
AVAILABLE-FOR-SALE		
U.S. Treasury and other U.S. government agencies obligations		
U.S. Treasury securities	$ (141)	$ 1,455,228

State and political subdivisions of the United States		
Student loan revenue bonds.............................	(299)	189,770
Asset-backed and other securities		
Asset-backed securities................................	(68)	5,118,983
Variable corporate bonds...............................	--	522,436
Commercial paper.......................................	--	58,030
Federal funds & bank deposits..........................	--	425,000
Other securities.......................................	--	15,600
Total available-for-sale investment securities.............	$ (508)	$ 7,785,047
HELD-TO-MATURITY		
Other..	$ (236)	$ 584,426

	DECEMBER 31, 1996	
	AMORTIZED COST	GROSS UNREALIZED GAINS
AVAILABLE-FOR-SALE		
U.S. Treasury and other U.S. government agencies obligations		
U.S. Treasury securities	$ 809,164	$ 508,758
State and political subdivisions of the United States		
Student loan revenue bonds	201,248	5,563
Asset-backed and other securities		
Asset-backed securities	4,645,046	4,746
Variable corporate bonds	634,925	489
Commercial paper	24,395	--
Total available-for-sale investment securities	$ 6,314,778	$ 519,556
HELD-TO-MATURITY		
Other	$ 601,887	$ 125

	DECEMBER 31, 1996	
	GROSS UNREALIZED LOSSES	MARKET VALUE
AVAILABLE-FOR-SALE		
U.S. Treasury and other U.S. government agencies obligations		
U.S. Treasury securities	$ (41)	$ 1,317,881
State and political subdivisions of the United States		
Student loan revenue bonds	(431)	206,380
Asset-backed and other securities		
Asset-backed securities	(167)	4,649,625
Variable corporate bonds	--	635,414
Commercial paper	--	24,395
Total available-for-sale investment securities	$ (639)	$ 6,833,695
HELD-TO-MATURITY		
Other	$ (267)	$ 601,745

The Company sold available-for-sale securities with a carrying value of $1.4 billion, $2.6 billion and $4.6 billion for the six months ended June 30, 1997 and 1996 and for the year ended December 31, 1996, respectively. The fair market value of U.S. Treasury securities is adjusted for unrealized gains and losses on interest rate swaps, which are held to reduce interest rate risk related to these securities ($29.2 million and $19.5 million of unrealized gains at June 30, 1997 and December 31, 1996, respectively).

As of June 30, 1997 and December 31, 1996, stated maturities and maturities if accelerated to the put or call dates for investments are shown in the following table:

	JUNE 30, 1997		
	HELD-TO-MATURITY	AVAILABLE-FOR-SALE	
YEAR OF MATURITY	STATED MATURITY	STATED MATURITY	MATURITY TO PUT OR CALL DATE
1997	$ 82,171	$ 571,292	$ 571,292
1998	13,678	342,283	392,614
1999	10,073	531,107	490,166
2000	103,564	301,554	311,621
2001	5,357	950,096	965,088
2002-2006	45,100	2,352,269	2,336,199
After 2006	324,633	2,736,446	2,718,067
	$ 584,576	$ 7,785,047	$ 7,785,047

	DECEMBER 31, 1996		
	HELD-TO-MATURITY	AVAILABLE-FOR-SALE	
YEAR OF MATURITY	STATED MATURITY	STATED MATURITY	MATURITY TO PUT OR CALL DATE
1997	$ 106,823	$ 216,807	$ 275,955
1998	12,493	278,153	278,528
1999	9,229	532,975	488,182
2000	102,879	142,401	150,981
2001	4,721	1,059,148	1,073,776
2002-2006	46,058	2,534,058	2,514,787
After 2006	319,684	2,070,153	2,051,486
	$ 601,887	$ 6,833,695	$ 6,833,695

7. SHORT-TERM BORROWINGS

Short-term borrowings have an original or remaining term to maturity of one year or less. The following tables summarize outstanding short-term notes at June 30, 1997, and December 31, 1996, the weighted average interest rates at the end of each period, and the related average balances, weighted average interest rates and weighted average effective interest rates, which include the effects of related off-balance sheet financial instruments (see Note 10) during the periods.

	AT JUNE 30, 1997	
	ENDING BALANCE	WEIGHTED AVERAGE INTEREST RATE
Six month floating rate notes	$ 2,749,528	5.34%
Other floating rate notes	2,800,789	5.36
Discount notes	4,237,503	5.76
Fixed rate notes	6,820,497	5.94
Securities sold -- not yet purchased and repurchase agreements	74,906	5.95
Short-term portion of long-term notes	9,166,848	5.57
Total short-term notes	$ 25,850,071	5.65%
Maximum outstanding at any month end	$ 29,084,281	

SIX MONTHS ENDED JUNE 30, 1997		
AVERAGE BALANCE	WEIGHTED AVERAGE INTEREST RATE	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE

Six month floating rate notes	$ 2,952,202	5.37%	5.46%
Other floating rate notes	2,522,616	5.35	5.37
Discount notes	6,046,055	5.38	5.43
Fixed rate notes	5,033,317	5.98	5.54
Securities sold-- not yet purchased and repurchase agreements	331,528	5.37	5.37
Short-term portion of long-term notes	10,309,073	5.67	5.51
Total short-term notes	$ 27,194,791	5.60%	5.48%

	AT DECEMBER 31, 1996	
	ENDING BALANCE	WEIGHTED AVERAGE INTEREST RATE
Six month floating rate notes	$ 2,699,477	5.23%
Other floating rate notes	2,188,722	5.25
Discount notes	2,377,976	6.43
Fixed rate notes	3,964,777	6.01
Securities sold-- not yet purchased and repurchase agreements	--	--
Short-term portion of long-term notes	11,286,675	5.55
Total short-term notes	$ 22,517,627	5.66%
Maximum outstanding at any month end	$ 25,271,494	

	YEAR ENDED DECEMBER 31, 1996		
	AVERAGE BALANCE	WEIGHTED AVERAGE INTEREST RATE	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
Six month floating rate notes	$ 2,485,322	5.32%	5.42%
Other floating rate notes	2,088,347	5.43	5.35
Discount notes	3,072,019	5.31	5.36
Fixed rate notes	1,211,197	6.07	5.53
Securities sold-- not yet purchased and repurchase agreements	165,792	4.93	4.93
Short-term portion of long-term notes	11,956,008	5.75	5.45
Total short-term notes	$ 20,978,685	5.61%	5.43%

At June 30, 1997 and December 31, 1996, the short-term portion of long-term notes included issues totaling $778 million and $771 million, respectively, which require the payment of interest and principal in foreign currencies. At December 31, 1996, the short-term portion of long-term notes also included issues totaling $80 million repayable in U.S. dollars, with principal repayment obligations tied to foreign currency exchange rates. To eliminate its exposure to the effect of currency fluctuations on these contractual obligations, the Company has entered into various foreign currency agreements with independent parties (see Note 10).

8. LONG-TERM NOTES

The following tables summarize outstanding long-term notes at June 30, 1997 and December 31, 1996, the weighted average interest rates and related notional amount of derivatives at the end of the periods, and the related average balances and weighted average effective interest rates, which include the effects of related off-balance sheet financial instruments (see Note 10), during the periods.

	AT JUNE 30, 1997		
	ENDING BALANCE	WEIGHTED AVERAGE INTEREST RATE	NOTIONAL AMOUNT OF DERIVATIVES
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing, due 1998-2003	$ 7,158,424	5.33%	$ 1,554,023
Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing, due 1998-2018	11,481,801	6.17	18,646,147
Zero coupon, due 1998-2022	339,998	8.28	362,772
Dual currency, due 1998	251,487	7.63	272,000
Foreign currency:			
Interest bearing, due 1999-2000	257,100	5.57	496,209
Total fixed rate notes	12,330,386	6.25	19,777,128
Total long-term notes	$ 19,488,810	5.91%	$ 21,331,151

	SIX MONTHS ENDED JUNE 30, 1997	
	AVERAGE BALANCE	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
Floating rate notes:		
U.S. dollar denominated:		
Interest bearing, due 1998-2003	$ 7,472,062	5.46%
Fixed rate notes:		
U.S. dollar denominated:		
Interest bearing, due 1998-2018	12,131,991	5.60
Zero coupon, due 1998-2022	333,417	7.64
Dual currency, due 1998	249,958	6.73
Foreign currency:		
Interest bearing, due 1999-2000	257,100	5.43
Total fixed rate notes	12,972,466	5.67
Total long-term notes	$ 20,444,528	5.59%

	AT DECEMBER 31, 1996		
	ENDING BALANCE	WEIGHTED AVERAGE INTEREST RATE	NOTIONAL AMOUNT OF DERIVATIVES
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing, due 1998-2003	$ 8,844,825	5.27%	$ 2,022,044

Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing, due 1998-2018	12,928,983	6.35	21,676,042
Zero coupon, due 1998-2022	326,875	8.25	358,071
Dual currency, due 1998	248,443	7.63	272,000
Foreign currency:			
Interest bearing, due 1999-2000	257,100	5.34	495,785
Zero coupon, due 1997	--	--	--
Total fixed rate notes	13,761,401	6.40	22,801,898
Total long-term notes	$ 22,606,226	5.96%	$ 24,823,942

	YEAR ENDED DECEMBER 31, 1996	
	AVERAGE BALANCE	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
Floating rate notes:		
U.S. dollar denominated:		
Interest bearing, due 1998-2003	$ 12,740,190	5.46%
Fixed rate notes:		
U.S. dollar denominated:		
Interest bearing, due 1998-2018	11,971,640	5.59
Zero coupon, due 1998-2022	304,990	7.68
Dual currency, due 1998	245,569	6.65
Foreign currency:		
Interest bearing, due 1999-2000	577,592	5.31
Zero coupon, due 1997	183,647	5.42
Total fixed rate notes	13,283,438	5.64
Total long-term notes	$ 26,023,628	5.55%

At June 30, 1997 and December 31, 1996, the Company had outstanding long-term debt issues with call features totaling $13.8 billion and $14.1 billion, respectively. As of June 30, 1997 and December 31, 1996, the stated maturities and maturities if accelerated to the call dates for long-term notes are shown in the following table:

	JUNE 30, 1997	
YEAR OF MATURITY	STATED MATURITY	MATURITY TO CALL DATE
1997	$ --	$ 10,980,927
1998	4,010,521	3,824,302
1999	7,952,279	2,361,092
2000	4,206,943	1,683,893
2001	2,366,570	79,200
2002-2022	952,497	559,396
	$ 19,488,810	$ 19,488,810

	DECEMBER 31, 1996	
YEAR OF MATURITY	STATED MATURITY	MATURITY TO CALL DATE
1997	$ --	$ 12,794,908
1998	7,466,131	5,510,293
1999	7,676,221	2,185,610
2000	4,077,772	1,483,972
2001	2,465,758	79,200
2002-2022	920,344	552,243
	$ 22,606,226	$ 22,606,226

9. STUDENT LOAN SECURITIZATION

For the first six months of 1997 and 1996 and for the year ended December 31, 1996 and in October 1995, SLM Funding Corporation, a wholly-owned special purpose finance subsidiary, purchased from the GSE and sold $4.5 billion, $3 billion, $6 billion and $1 billion, respectively, of student loans to trusts which issued floating rate student loan asset-backed securities in underwritten public offerings. At June 30, 1997 and December 31, 1996, securitized student loans outstanding totaled $10.0 billion and $6.3 billion, respectively.

On July 23, 1997, the U.S. Department of Education decided that the 30 basis point annual offset fee which the GSE is required to pay on student loans which it owns does not apply to student loans that the GSE has securitized. The Department of Education had been under a court order since January 10, 1997 to announce its final position on the application of the offset fee on securitized loans by July 31, 1997. The GSE initially filed suit in the U.S. District Court for the District of Columbia in April 1995 challenging the Secretary of Education's attempt to apply the offset fee to securitized loans. The GSE prevailed, and the Court of Appeals ruled that the fee applies only to loans that the GSE owns and remanded the case to the District Court with instructions to remand the matter to the Secretary of Education. In addition, the Court of Appeals upheld the constitutionality of the offset fee, which applies annually with respect to the principal amount of student loans that the GSE holds on balance sheet and that were acquired on or after August 10, 1993.

Based upon the favorable final ruling in this matter, the contingent gain of approximately $97 million pre-tax that had not been recognized in income through June 30, 1997 will now be released and recognized in income in the third quarter. All future securitization gains will be calculated without consideration of the offset fee.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative Financial Instruments Held or Issued for Purposes Other than Trading

The Company enters into three general types of interest rate swaps under which it pays the following: 1) a floating rate in exchange for a fixed rate (standard swaps); 2) a fixed rate in exchange for a floating rate (reverse swaps); and 3) a floating rate in exchange for another floating rate, based upon different market indices (basis/reverse basis swaps). At June 30, 1997, the Company had outstanding $19.3 billion, $1.1 billion, and $16.4 billion of notional principal amount of standard swaps, reverse swaps, and basis/reverse basis swaps, respectively. Of the Company's $36.8 billion of interest rate swaps outstanding at June 30, 1997, $35.7 billion was related to debt and $1.1 billion was related to assets. At December 31, 1996, the Company had outstanding $18.2 billion, $1.1 billion, and $17.8 billion of notional principal amount of standard swaps, reverse swaps, and basis/reverse basis swaps, respectively. Of the Company's $37.1 billion of interest rate swaps outstanding at December 31, 1996, $36 billion was related to debt and $1.1 billion was related to assets.

The following tables summarize the ending balances of the borrowings that have been matched with interest rate swaps and foreign currency agreements at June 30, 1997 and December 31, 1996 (dollars in billions).

	AT JUNE 30, 1997		
		SWAPS	
	BORROWINGS	STANDARD	REVERSE
SHORT-TERM NOTES			
Six month floating rate notes	$ --	$ --	$ --
Other floating rate notes	.3	--	--
Discount notes	--	--	--
Fixed rate notes	6.0	6.0	--
Securities sold-- not yet purchased and repurchase agreements	--	--	--
Short-term portion of long-term notes	3.6	1.7	--
Total short-term notes	9.9	7.7	--
LONG-TERM NOTES			
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing	1.0	.3	--
Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing	10.9	10.9	--
Zero coupon	.2	.2	--
Dual currency	.2	.2	--
Foreign currency:			
Interest bearing	.3	--	--
Total long-term notes	12.6	11.6	--
Total notes	$ 22.5	$ 19.3	$ --

	AT JUNE 30, 1997		
	SWAPS		
	BASIS/ REVERSE BASIS	FOREIGN CURRENCY AGREEMENTS	TOTAL DERIVATIVES
SHORT-TERM NOTES			
Six month floating rate notes	$ --	$ --	$ --
Other floating rate notes	.5	--	.5
Discount notes	--	--	--
Fixed rate notes	3.7	--	9.7
Securities sold-- not yet purchased and repurchase agreements	--	--	--
Short-term portion of long-term notes	2.7	.7	5.1
Total short-term notes	6.9	.7	15.3
LONG-TERM NOTES			
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing	1.3	--	1.6
Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing	7.7	--	18.6
Zero coupon	.2	--	.4
Dual currency	.1	--	.3
Foreign currency:			
Interest bearing	.2	.3	.5
Total long-term notes	9.5	.3	21.4
Total notes	$ 16.4	$ 1.0	$ 36.7

	AT DECEMBER 31, 1996		
		SWAPS	
	BORROWINGS	STANDARD	REVERSE
SHORT-TERM NOTES			

Six month floating rate notes	$ .3	$ --	$ --
Other floating rate notes	.3	--	--
Discount notes	--	--	--
Fixed rate notes	3.4	3.4	--
Securities sold-- not yet purchased and repurchase agreements	--	--	--
Short-term portion of long-term notes	4.5	1.8	--
Total short-term notes	8.5	5.2	--
LONG-TERM NOTES			
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing	1.4	.3	--
Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing	12.3	12.3	--
Zero coupon	.2	.2	--
Dual currency	.2	.2	--
Foreign currency:			
Interest bearing	.3	--	--
Zero coupon	--	--	--
Total long-term notes	14.4	13.0	--
Total notes	$ 22.9	$ 18.2	$ --

	AT DECEMBER 31, 1996		
	SWAPS		
	BASIS/ REVERSE BASIS	FOREIGN CURRENCY AGREEMENTS	TOTAL DERIVATIVES
SHORT-TERM NOTES			
Six month floating rate notes	$ .3	$ --	$ .3
Other floating rate notes	.6	--	.6
Discount notes	--	--	--
Fixed rate notes	2.2	--	5.6
Securities sold-- not yet purchased and repurchase agreements	--	--	--
Short-term portion of long-term notes	3.2	.9	5.9
Total short-term notes	6.3	.9	12.4
LONG-TERM NOTES			
Floating rate notes:			
U.S. dollar denominated:			
Interest bearing	1.8	--	2.1
Fixed rate notes:			
U.S. dollar denominated:			
Interest bearing	9.3	--	21.6
Zero coupon	.1	--	.3
Dual currency	.1	--	.3
Foreign currency:			
Interest bearing	.2	.3	.5
Zero coupon	--	--	--
Total long-term notes	11.5	.3	24.8
Total notes	$ 17.8	$ 1.2	$ 37.2

The following table summarizes the activity for the Company's interest rate swaps, foreign currency agreements and futures contracts held or issued for purposes other than trading for the year ended December 31, 1996 and the six months ended June 30, 1997 (dollars in millions).

	NOTIONAL PRINCIPAL		
	INTEREST RATE SWAPS	FOREIGN CURRENCY AGREEMENTS	FUTURES CONTRACT AMOUNTS
Balance, December 31, 1995	$ 36,180	$ 1,484	$ 180
Issuances/Opens	14,571	14	2,631
Maturities/Expirations	(13,369)	(310)	(708)
Terminations/Closes	(300)	--	(1,925)
Balance, December 31, 1996	37,082	1,188	178
Issuances/Opens	4,840	7	1,958
Maturities/Expirations	(5,094)	(160)	(510)
Terminations/Closes	--	--	(625)
Balance, June 30, 1997	$ 36,828	$ 1,035	$ 1,001

Interest Rate Swaps

Net payments related to the debt-related swaps are recorded in interest expense. For the six months ended June 30, 1997 and 1996 and for the year ended December 31, 1996, the Company received net payments on all debt-related swaps reducing interest expense by $66 million, $89 million and $165 million, respectively.

As of June 30, 1997 and December 31, 1996, stated maturities of interest rate swaps and maturities if accelerated to the put dates, are shown in the following table (dollars in millions). The maturities of interest rate swaps generally coincide with the maturities of the associated assets or borrowings.

	JUNE 30, 1997		DECEMBER 31, 1996	
YEAR OF MATURITY	STATED MATURITY	MATURITY TO PUT DATE	STATED MATURITY	MATURITY TO PUT DATE
1997	$ 4,671	$ 10,949	$ 7,599	$ 15,161
1998	9,986	10,550	7,102	7,001
1999	10,816	8,100	10,541	7,925
2000	6,781	4,760	7,225	4,560
2001	3,135	1,350	3,235	1,350
2002-2008	1,439	1,119	1,380	1,085
	$ 36,828	$ 36,828	$ 37,082	$ 37,082

Foreign Currency Agreements

At June 30, 1997 and December 31, 1996, the Company had borrowings with principal repayable in foreign currencies of $1.0 billion. Such debt issuances were hedged by forward currency exchange agreements, foreign currency swaps, and options on currency exchange agreements. Such agreements typically mature concurrently with the maturities of the debt. At December 31, 1996, the Company also had borrowings repayable in U.S. dollars, with principal repayment obligations tied to foreign currency exchange rates of $80 million. At both June 30, 1997 and December 31, 1996, the Company had outstanding $1.0 billion of notional principal in foreign currency swaps. The following table summarizes the outstanding amount of these borrowings and their currency translation values at June 30, 1997 and December 31, 1996, using spot rates at the respective dates (dollars in millions).

	JUNE 30, 1997	DECEMBER 31, 1996
Carrying value of outstanding foreign currency debt	$ 1,035	$ 1,108
Currency translation value of outstanding foreign currency debt	949	1,002

Futures Contracts

At June 30, 1997 and December 31, 1996, the Company sold the futures contracts that hedged approximately $1 billion and $178 million, respectively, of anticipated funding of the PLUS program.

Derivate Financial Instruments Held or Issued for Trading Purposes

From time to time the Company maintains a small number of active trading positions in derivative financial instruments which are designed to generate additional income based on market conditions. Trading results for these positions were immaterial to the Company's financial statements for the six months ended June 30, 1997 and 1996. During December 1995, the Company entered into a derivative contract of $1.5 billion notional amount whose value is determined by both the market value and the yield of certain AAA rated variable rate asset-backed securities. The mark-to-market gain on this contract, which is included in gains/(losses) on sales of securities in the Consolidated Statements of Income, was $3 million and $2 million for the six months ended June 30, 1997 and 1996, respectively.

11. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table summarizes the fair values of the Company's financial assets and liabilities, including off-balance sheet financial instruments (dollars in millions):

	JUNE 30, 1997		
	FAIR VALUE	CARRYING VALUE	DIFFERENCE
EARNING ASSETS			
Student loans	$ 31,779	$ 31,488	$ 291
Warehousing advances	2,488	2,495	(7)
Academic facilities financings	1,358	1,353	5
Cash and investments	10,593	10,593	--
Total earning assets	46,218	45,929	289
INTEREST BEARING LIABILITIES			
Short-term borrowings	25,827	25,850	23
Long-term notes	19,385	19,489	104
Total interest bearing liabilities	45,212	45,339	127
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS			
Interest rate swaps	(41)	--	(41)
Forward exchange agreements and foreign currency swaps	(141)	--	(141)
Warehousing advance commitments	--	--	--
Academic facilities financing commitments	--	--	--
Letters of credit	--	--	--
Excess of fair value over carrying value			$ 234

	DECEMBER 31, 1996		
	FAIR VALUE	CARRYING VALUE	DIFFERENCE
EARNING ASSETS			
Student loans	$ 34,005	$ 33,754	$ 251
Warehousing advances	2,793	2,790	3
Academic facilities financings	1,473	1,473	--
Cash and investments	7,706	7,706	--
Total earning assets	45,977	45,723	254
INTEREST BEARING LIABILITIES			
Short-term borrowings	22,457	22,518	61
Long-term notes	22,519	22,606	87
Total interest bearing liabilities	44,976	45,124	148
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS			
Interest rate swaps	(21)	--	(21)
Forward exchange agreements and foreign currency swaps	(161)	--	(161)

Warehousing advance commitments	--	--	--
Academic facilities financing commitments	--	--	--
Letters of credit	--	--	--
Excess of fair value over carrying value			$ 220

At June 30, 1997 and December 31, 1996, substantially all interest rate swaps, foreign exchange agreements and foreign currency swaps were hedging liabilities.

12. COMMITMENTS AND CONTINGENCIES

Commitments outstanding are summarized below:

	JUNE 30, 1997	DECEMBER 31, 1996
Student loan purchase commitments	$ 19,548,570	$ 15,845,821
Warehousing advance commitments	3,403,288	2,367,288
Academic facilities financing commitments	21,600	9,930
Letters of credit	4,624,695	3,743,892
	$ 27,598,153	$ 21,966,931

The following schedules summarize expirations of commitments outstanding at June 30, 1997 and December 31, 1996:

	JUNE 30, 1997			
	STUDENT LOAN PURCHASES	WAREHOUSING ADVANCES	ACADEMIC FACILITIES FINANCINGS	LETTERS OF CREDIT
1997	$ 1,141,198	$ 6,500	$ 250	$ --
1998	2,284,320	194,745	9,650	30,346
1999	6,656,026	40,000	11,700	167,428
2000	1,423,172	52,387	--	266,313
2001	--	--	0	271,306
2002-2017	8,043,854	3,109,656	0	3,889,302
Total	$ 19,548,570	$ 3,403,288	$ 21,600	$ 4,624,695

	DECEMBER 31, 1996			
	STUDENT LOAN PURCHASES	WAREHOUSING ADVANCES	ACADEMIC FACILITIES FINANCINGS	LETTERS OF CREDIT
1997	$ 3,299,173	$ 348,072	$ 1,230	$ 367,829
1998	1,793,359	172,647	--	1,122,724
1999	4,367,745	103,609	8,700	861,630
2000	272,743	34,859	--	826,690
2001	--	--	--	207,620
2002-2017	6,112,801	1,708,101	--	357,399
Total	$ 15,845,821	$ 2,367,288	$ 9,930	$ 3,743,892

13. FEDERAL INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the company's deferred tax liabilities and assets as of June 30, 1997 and December 31, 1996 under the liability method are as follows:

	JUNE 30, 1997	DECEMBER 31, 1996
Deferred tax liabilities:		
Leases	$ 347,987	$ 351,093
Unrealized investment gains	185,569	188,050
Other	36,441	32,669
	569,997	571,812
Deferred tax assets:		
ExportSS operating costs	66,459	68,874
Student loan reserves	50,173	47,004
In-substance defeasance transactions	30,627	30,788
Asset valuation allowances	24,490	24,842
Securitization transactions	19,473	13,076
Other	34,440	31,211
	225,662	215,795
Net deferred tax liabilities	$ 344,335	$ 356,017

Reconciliations of the statutory United States federal income tax rates to the Company's effective tax rate follow:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996

Statutory rate	35.0%	35.0%	35.0%	35.0%
Tax exempt interest and dividends received deduction	(3.7)	(3.8)	(3.3)	(3.5)
Other, net	(1.2)	(1.2)	(1.0)	(1.2)
Effective tax rate	30.1%	30.0%	30.7%	30.3%

Federal income taxes paid were $73 million and $110 million, respectively, for the three and six months ended June 30, 1997 and $70 million and $109 million, respectively, for the three and six months ended June 30, 1996.

14. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	1997	
	FIRST QUARTER	SECOND QUARTER
Net interest income	$ 199,026	$ 207,461
Other income	75,940	78,055
Operating expenses	101,559	115,283
Federal income taxes	54,570	51,069
Minority interest in net earnings of subsidiary	2,674	2,673
Income before premiums on debt extinguished	116,163	116,491
Premiums on debt extinguished, net of tax	--	--
Net income	$ 116,163	$ 116,491
Earnings per common share before premiums on debt extinguished	$ 2.17	$ 2.20
Earnings per common share	$ 2.17	$ 2.20

	1996	
	FIRST QUARTER	SECOND QUARTER
Net interest income	$ 232,679	$ 219,561
Other income	21,754	27,899
Operating expenses	98,773	100,145
Federal income taxes	47,968	44,340
Minority interest in net earnings of subsidiary	2,673	2,674
Income before premiums on debt extinguished	105,019	100,301
Premiums on debt extinguished, net of tax	(4,792)	--
Net income	$ 100,227	$ 100,301
Earnings per common share before premiums on debt extinguished	$ 1.82	$ 1.79
Earnings per common share	$ 1.74	$ 1.79

	1996	
	THIRD QUARTER	FOURTH QUARTER
Net interest income	$ 208,988	$ 205,208
Other income	35,211	62,052
Operating expenses	100,075	106,659
Federal income taxes	42,877	48,313
Minority interest in net earnings of subsidiary	2,673	2,674
Income before premiums on debt extinguished	98,574	109,614
Premiums on debt extinguished, net of tax	--	--
Net income	$ 98,574	$ 109,614
Earnings per common share before premiums on debt extinguished	$ 1.79	$ 2.01
Earnings per common share	$ 1.79	$ 2.01

15. COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

In 1987, the Company assisted in creating the College Construction Loan Insurance Association ("Connie Lee"), a private, for-profit, stockholder-owned corporation, authorized by Congress to insure and reinsure educational facilities obligations. At both June 30, 1997 and December 31, 1996, the carrying value of the Company's investment in Connie Lee was approximately $44 million, and as of June 30, 1997 and December 31, 1996, through its ownership of preferred and common stock and through agreements with other shareholders, the Company effectively controlled 42 percent and 36 percent, respectively, of Connie Lee's outstanding voting stock. In February 1997, Connie Lee converted to a private, shareholder-controlled corporation pursuant to statutory provisions under Pub. L. No. 104-208 that required Connie Lee to repurchase shares of its stock owned by the U.S. government at a purchase price determined by an independent appraisal. On February 28, 1997 the Company loaned Connie Lee $18 million to repurchase the shares. On May 27, 1997 the term of this loan was extended to June 29, 1997 and on June 26, 1997, the loan was further extended to December 29, 1997.

(c) Exhibits

Exhibit No.	Description
2	Agreement and Plan of Reorganization by and among Student Loan Marketing Association ("Sallie Mae"), SLM Holding Corporation ("Registrant") and Sallie Mae Merger Company ("MergerCo").
23.1	Consent of Ernst & Young LLP

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.

Dated: October 21, 1997

SLM HOLDING CORPORATION

By: /s/ Mark G. Overend

Name: Mark G. Overend
Title: Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description	Sequentially Numbered Page
2**	Agreement and Plan of Reorganization by and among Student Loan Marketing Association ("Sallie Mae"), SLM Holding Corporation (the "Registrant") and Sallie Mae Merger Company ("MergerCo").	
23.1*	Consent of Ernst & Young LLP	

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* Filed herewith
** Previously filed

EXHIBIT 23.1

Consent of Independent Auditors

We consent to the incorporation by reference of our report dated January 13, 1997 (except as to the third and fourth paragraphs of Note 2, as to which the date is April 7, 1997), with respect to the consolidated financial statements included in the Registration Statement (Form S-4 No. 333-21217) for the year ended December 31, 1996, in the Current Report on Form 8-K/A dated October 21, 1997 filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Washington, D.C.
October 21, 1997