

Serving Students and Families

Supporting Dreams, Building Prosperous Futures

CORPORATE SOCIAL RESPONSIBILITY REPORT

MARCH 2020

sallie
mae®





Sallie Mae
is committed
to creating a
better world.



About this report

We are pleased to present the first Corporate Social Responsibility (CSR) Report for SLM Corporation (NASDAQ: SLM), more commonly known as Sallie Mae.

Our organization is proud of the efforts and initiatives you will read about in this publication, and we are truly committed to effecting lasting and meaningful change. To us, social responsibility is foundational to who we are as a company, and what we care about as individuals.

This report focuses on the environmental, social, and governance (ESG) factors relevant to our business and our communities, and it highlights our commitment to increased transparency. We are pleased to share with our customers, investors, employees, and our other audiences, the great work our employees do to strengthen the fabric of our society. Going forward, we plan to issue an updated CSR Report annually, further detailing how we are improving on our key CSR performance indicators and the ways in which we continue to help our customers empower their financial independence through education.

This report has been prepared in accordance with the principles and disclosures of the Global Reporting Initiative (GRI) Standards: Core Option, and covers topics for all entities included in our financial statements.

The GRI Standards are the most widely used framework for sustainability reporting in the world. We also considered the recommended disclosures in the Sustainability Accounting Standards Board (SASB) Consumer Finance

Standard when determining the contents of this report. SASB's mission is to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors. The SASB and GRI disclosures included in our report are highlighted in the [SASB Index](#) and [GRI Content Index](#). The highlights and metrics shared in this report represent calendar year 2019, but when possible, we provide multi-year trend data. All financial information is presented in U.S. dollars.

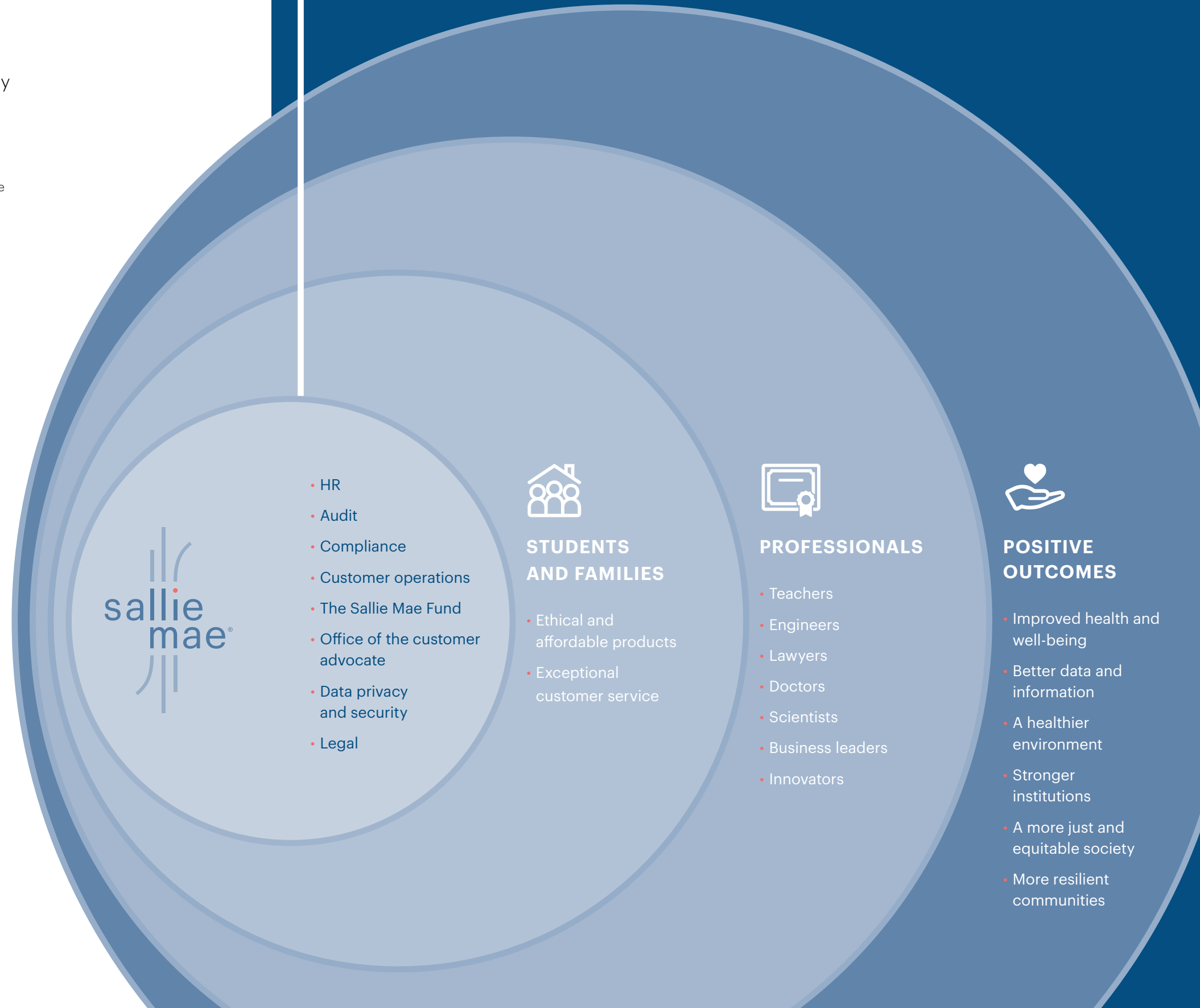
If you have any feedback on this report or our CSR commitments and activities, we would love to hear it. Please email CSR@SallieMae.com with comments or suggestions.

For more about who we are and what we do, please visit us at www.salliemae.com.

To view this report online, please visit www.salliemae.com/csr.

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• Dedicated to multiplying our impact and building a better world.



- HR
- Audit
- Compliance
- Customer operations
- The Sallie Mae Fund
- Office of the customer advocate
- Data privacy and security
- Legal



STUDENTS AND FAMILIES

- Ethical and affordable products
- Exceptional customer service



PROFESSIONALS

- Teachers
- Engineers
- Lawyers
- Doctors
- Scientists
- Business leaders
- Innovators



POSITIVE OUTCOMES

- Improved health and well-being
- Better data and information
- A healthier environment
- Stronger institutions
- A more just and equitable society
- More resilient communities



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Message from the CEO

Welcome to the inaugural edition of the Sallie Mae Corporate Social Responsibility (CSR) report. My hope is that by reading the information contained in this document, you will get a better sense of who we are as a company, what we believe in as a community, and how deeply we are committed to creating a better, more hospitable world.

At Sallie Mae, our mission is clear—to build prosperous futures by providing access, planning outcomes, and helping students and families responsibly fund their future. We believe that education is a transformative experience. The customers we support today are our nation's future doctors and jurists, teachers and business leaders, engineers and entrepreneurs, and we have no doubt that these women and men will help solve society's most vexing problems. We are honored to be a small part of their journey and we take that privilege and responsibility very seriously.

This purpose, coupled with our core values, have informed and inspired our CSR strategy related to our customers, employees, communities, the environment, as well as governance and ethics. These pillars help guide our approach, affirm our commitment to transparency and responsible governance, and push us to be a better corporate citizen in all aspects of our business. We've aligned our CSR initiatives with the United Nations

Sustainable Development Goals (UNSDGs), particularly Goal #4: Quality Education, and will continue to look for ways to enhance our contribution to this and other global initiatives so that our work can have the greatest impact.

As you will read in greater detail in the following pages, we've recently introduced new college planning tools and resources, launched nation-wide scholarship programs and financial literacy campaigns, and worked to improve both our customers' and our employees' experiences. It's particularly gratifying that 91% of our customers complete their program of study, 91% are employed, and 98% are successfully repaying their Sallie Mae loans. We are also extremely proud of the acknowledgement we received in 2019, including recognition from J.D. Power by providing "An Outstanding Customer Service Experience," for phone support, an A+ rating from the Better Business Bureau, and designation by Forbes as one of America's Best Midsize Employers.



While we are pleased by what we've been able to accomplish thus far, for us, it's only the beginning.

As our customers have taught us time and time again, with a powerful purpose, a clear vision, and a little support, you can literally change the world. And that is exactly what we intend to do.

In the coming years, I look forward to sharing more of our journey with you.

Raymond J. Quinlan
Chairman and Chief Executive Officer

“

As our customers have taught us time and time again, with a powerful purpose, a clear vision, and a little support, you can literally change the world. And that is exactly what we intend to do.

Raymond J. Quinlan, Chairman
and Chief Executive Officer

Who we are

At Sallie Mae we are all united by our purpose, values, and customer focus.

Our mission is to build prosperous futures by providing access, planning outcomes, and helping students and families responsibly fund their future. We believe education in all forms is the foundation for success, an equalizer of opportunities, and a proven pathway to economic mobility.

Every day we are motivated by the desire to help our customers. We help facilitate their journey in a responsible manner, and we take great pride in empowering our customers to achieve financial independence, either through utilizing our financial planning tools, accessing a scholarship through our comprehensive, nationwide database, or obtaining one of our loans.

Their personal stories drive us to do better.

To be better. To innovate and provide safe and trusted products.

To provide a seamless and engaging customer experience.

To ensure our employees are well equipped to understand what our customers need, and provide support throughout our customers' journeys, especially when our customers face challenges.

To continue looking for new ways to transform lives through education.

We recognize that quality education is a critical success factor for enabling sustainable development. In addition to improving quality of life, access to education equips individuals with the power of knowledge and the tools required to develop innovative solutions to the world's greatest challenges.

We strive to do our part and be a leading corporate citizen in all aspects of our business, including how we serve our customers, how we develop and empower our employees, how we give back to the community, and how we care for the environment.

We are here to make great things happen.



- **We are one Sallie Mae, united by our purpose. United by the power of education.**

What we do

We are a financial institution with a purpose, serving as a leader in private student lending.

At Sallie Mae, we believe education and life-long learning, in all forms, helps people fulfill and achieve their aspirations and dreams. As a leader in private student lending, we are proud to equip aspiring minds with the resources, tools, and funding they need to build their prosperous futures and empower their financial independence. These people are more than just our customers, they are our future.

Our core products include:

Student Loans

We offer private student loans with competitive rates to help undergraduate and graduate students and their families bridge the gap between the cost of higher education and the amount funded through financial aid, federal loans, and student and family resources.

College Planning

We provide a variety of tools, resources, and educational content like Scholarship Search and College Planning Calculator to help our customers responsibly plan, and pay for, their college educations.

Credit Cards

Co-created with our customers, we offer three unique and differentiated credit cards to help build good credit, reward financial responsibility, and encourage habits that lead to financial independence.

Savings

We offer competitive products to help our customers grow their money—whether they're just starting out their careers, or working toward their next financial goal.

We are here to fuel people's ambitions and empower them toward financial independence. We consider ourselves coaches, trusted advisors, and friends, and we are proud of the role we play in our customers' success.

We take great pride in providing exceptional customer service at all phases in the customer journey, investing in training and technologies that help us deliver excellent customer service. In fact, in 2019 we were recognized by a global leader in consumer insights, advisory services, and data and analytics, J.D. Power, by providing "An Outstanding Customer Service Experience" for phone support.



In September 2019,

Sallie Mae was recognized by J.D. Power* by providing "An Outstanding Customer Service Experience" for phone support, highlighting our genuine commitment to putting our customers first.

You can learn more about our approach to assisting students and families borrowing and repaying private education loans, as well as our financial performance, in our [Annual Report on Form 10-K](#) as filed with the U.S. Securities and Exchange Commission (SEC).

*J.D. Power 2019 Certified Customer Service Program recognition is based on successful completion of an evaluation and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. For more information, visit www.jdpower.com/ccs.



Sallie Mae at a glance

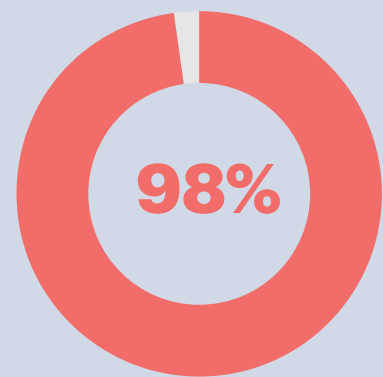
In 2019 alone, we provided the following value for our customers:

455,000

students and families supported in financing their college and graduate studies.

\$5.6 billion

authorized in Private Education Loans.



Achieved a 98% customer loan repayment rate.

\$403,000

granted to students facing hardships through scholarships, contests, and sweepstakes.

In 2019, we generated the following economic value for our employees, shareholders, and local communities:

1,900

Employees

6

Locations

\$561 million

GAAP Net Income Attributable to Common Stock

\$1.30

GAAP Diluted Earnings per Common Share

\$1,035,513

Total charitable contributions
(Includes The Sallie Mae Fund, CRA, All Scholarships, and Employee Giving)

Our history...

- 2005

We created Sallie Mae Bank to fund and originate private education loans.

- 2014

We spun off and separated from Navient, the loan servicing business, to better serve our customers as a consumer banking business.

- 2019

We are constantly adapting to create innovative, new products to support customers in achieving their dreams.

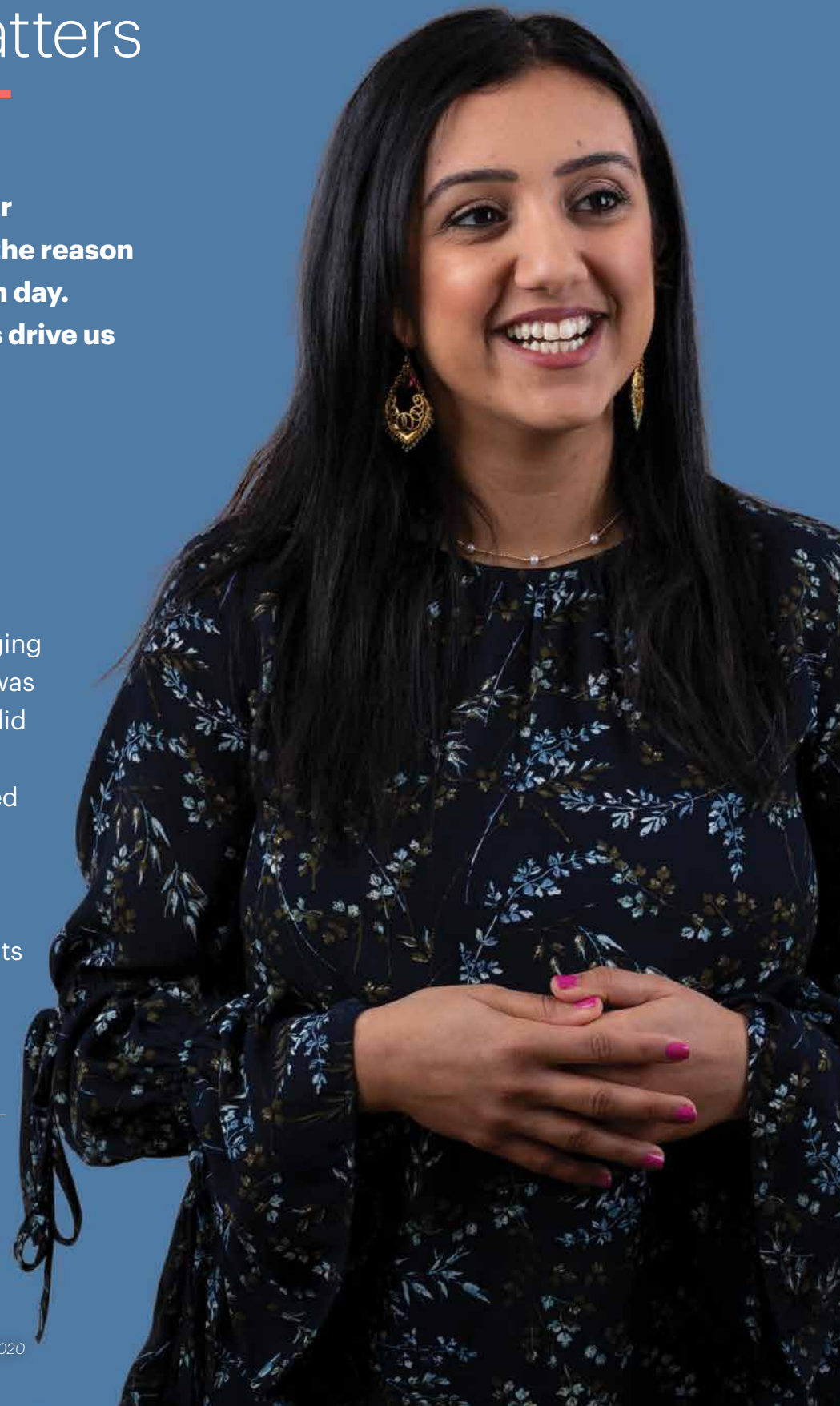
Why it matters

Our customers are our motivation. They are the reason we come to work each day. Their personal stories drive us to be better.

“

Being awarded the Bridging the Dream Scholarship was life-changing. Not only did it provide much-needed financial relief, it enriched my confidence as a law student. And most importantly, made me believe that achievements like this are possible.

Noor, Studying Law, current Editor in Chief of California Law Review at University of California – Berkeley School of Law



“

I always knew I wanted to be a doctor. At ten years old, I missed two months of sixth grade to undergo cancer treatments. My oncologist encouraged me to share my experience with other kids, and for me that translated to a career in medicine. Going to college was my opportunity to pursue this goal. My pre-med classes were not simple, but they challenged me to remain motivated toward medical school. Having earned my MD and completed residency, I am now in fellowship in oncology- my dreams realized. Education has been a long journey, and what I have learned along the way continues to inspire me and empowers me to bring the best possible care to my patients.



Julia, Studied Medicine and completed a fellowship in hematology and oncology at the Icahn School of Medicine, Mount Sinai Hospital



Cynthia, Completed her MBA at Cambridge College, with a focus on health care management

“

An unknown author penned a famous quote which states, 'A comfort zone is a beautiful place, but nothing ever grows there.' My objective in life has always been to exceed my personal best. Emigrating as a teenager from Nigeria to the United States challenged me in so many ways. Adjusting to a culture different from my own allowed me to start thinking about success. Sallie Mae helped make that happen by allowing me to be the first college graduate in my family and the first to pursue a Master's degree. I am proud of my personal and professional successes thus far, all of which I owe to Sallie Mae.

“

It helped teach me responsibility and how to take positive control of my life. The degree I received allowed me to accomplish one of my life long goals of becoming an officer in the Army National Guard where I am able to give back to both my community and the soldiers that serve. It also allowed me to continue my education in law school. I am able to do even more for the soldiers I serve with and my community as a whole as a Judge Advocate and Civilian Attorney. I know that none of the things I have managed to accomplish would be possible had I not been able to go to college.



Haley, Obtained his juris doctorate from University of Mississippi School of Law

Our approach to CSR

Identifying emerging CSR topics

In 2019, we evaluated a full range of CSR topics, including the environmental, social, and governance issues that are most critical to our business and to the communities in which we live, work, and raise our families. To identify CSR topics that are potentially relevant and material to our company, we reviewed industry standards, gathered feedback from key stakeholders, examined inputs from our employees, and utilized competitor and peer reporting. We assessed the importance of each CSR topic in two ways: (i) whether it impacts our business in terms of growth, cost, risk, or trust; and (ii) whether it significantly influences the assessments and decisions of our key stakeholders.

Our CSR strategy pillars

Prioritizing our CSR topics helped us refine our strategy, allocate resources, and communicate more effectively with key stakeholders. Our CSR strategy is comprised of five pillars. Our commitments and activities in each area are stated below and discussed more thoroughly throughout this report.

	Customers	<ul style="list-style-type: none"> • Fair and Responsible Lending • Data Security and Privacy
	Employees	<ul style="list-style-type: none"> • Attracting and Retaining Talent • Providing Training and Development Opportunities • Fostering a Diverse and Inclusive Workplace • Ensuring a Safe and Healthy Workplace
	Communities	<ul style="list-style-type: none"> • Engagement and Investment • Empowering Underserved Populations
	Environment	<ul style="list-style-type: none"> • Energy and Emissions
	Governance and Ethics	<ul style="list-style-type: none"> • Business Integrity • Regulatory Compliance • Risk Assessment

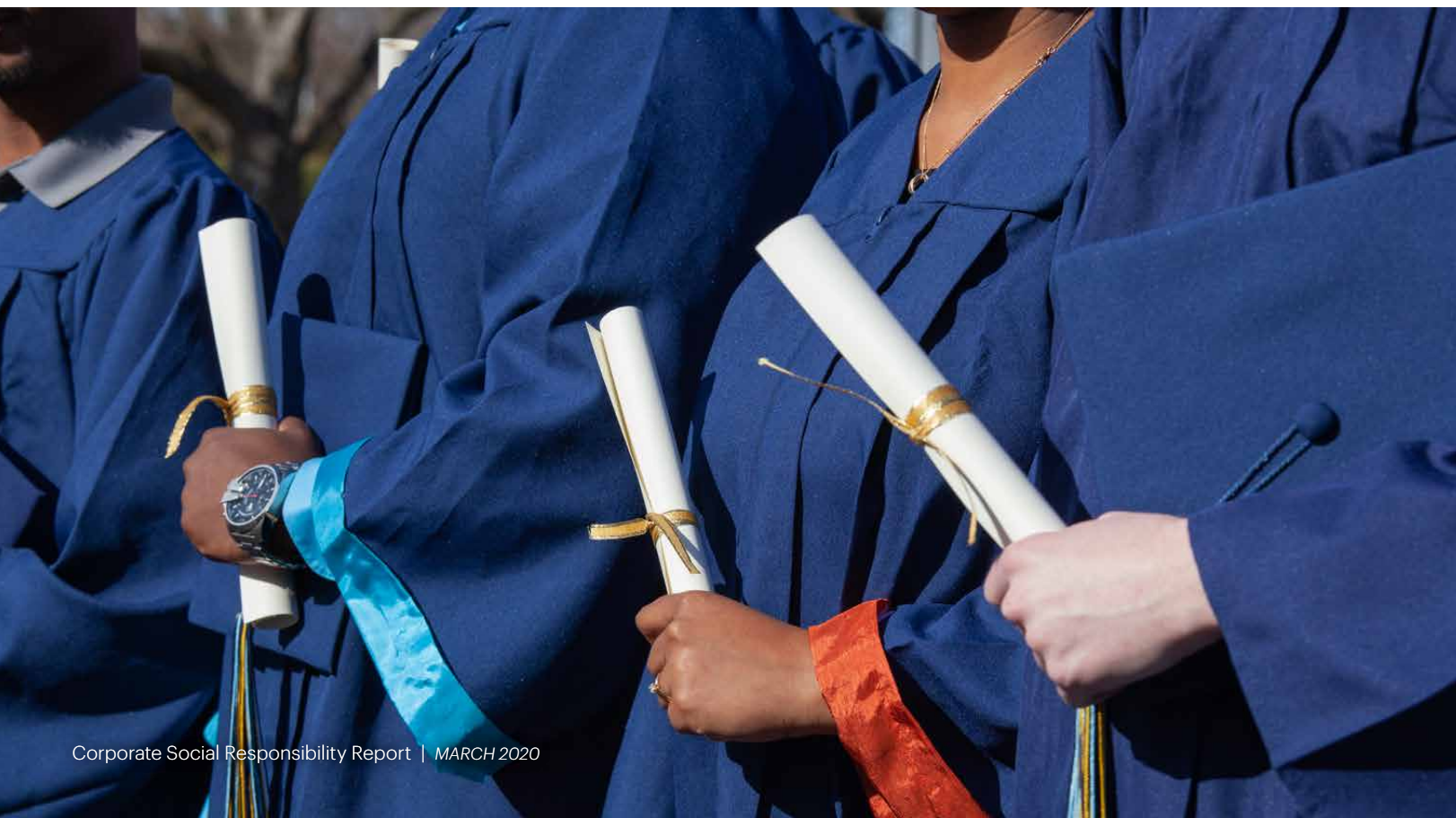
We are committed to continuously evaluating and updating our policies and practices, recognizing that stakeholder perceptions and expectations are constantly changing, as is the business environment in which we operate. Increasingly, the investor community is using sustainability performance as a barometer for sound governance and business performance. Our current priorities are to track emerging issues and their potential impact on our business, enhance overall data collection, and consistently report on our CSR performance. We are also committed to identifying opportunities to more closely align our actions with the United Nations Sustainable Development Goals.

Sustainable development goals

The United Nations Sustainable Development Goals (UNSDGs) are a globally recognized framework for advancing sustainability in the public and private sectors. Many different stakeholders, including countries, communities, businesses, and organizations, are committed to tackling the economic, environmental, and social challenges we face.

After some initial analysis of the UNSDGs, it was clear that **United Nations Sustainable Development Goal #4 – Quality Education**, represented a strong link to the core purpose of our business, and should be of critical focus for us. Goal #4 requires collaboration among governments, corporations, non-governmental organizations, and academic institutions to achieve inclusive and quality education for all, whether for a degree program, continuing education, or certificate training.

SUSTAINABLE DEVELOPMENT GOALS



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Sallie Mae initiatives that support United Nations Sustainable Development Goal #4 include:

- Our support of organizations that help strengthen and assist the needs of our hometown communities, such as our partnership with the **Year Up Internship Program**, a platform designed to help young adults gain the skills and experience necessary to excel in professional and technical careers.
- Our **financial literacy tools and resources**, including the Sallie Mae College Planning Calculator and the Sallie Mae Scholarship Search, to help individuals manage their financial resources effectively for the long-term.
- Our **Bridging the Dream and Utah scholarships and grants programs**, for students whose financial circumstances may not allow them to pursue their higher education dreams.
- **The Sallie Mae Fund**, an employee-directed charitable giving fund that supports numerous non-profit initiatives, including removing barriers to quality education.
- Our private education loans for undergraduates, graduate students, parents, career training, and certificate programs.

We recognize that much more can be done to eliminate gender and wealth disparities that will enable universal access to a quality higher education. We will continue to assess the specific targets under Goal #4, and to identify ways to foster stronger alignment and collaboration with key stakeholders. We are also committed to conducting a deeper assessment of the other UNSDGs this year to better understand their potential relevance for us, and the interrelationships and dependencies with education that we could work to strengthen.

- We empower financial independence.



Damian,
Studying political science
and philosophy

Serving our customers

Our approach

As a leader in private student lending, we provide tools, resources, and financing to help produce the next generation of engineers, nurses, teachers, entrepreneurs, thought leaders, and more. Since establishing ourselves as a stand-alone consumer banking business in 2014, we have helped more than 1.2 million families pay for postsecondary education—more than any other private student lender in the U.S.!

We have always put the success of our customers first, and we are continuously honing our customer centric focus. To that end, we work hard to understand the unique financial needs of our students and their families, and we aim to provide the best individual experience for each customer. We are committed to meeting our customers where they are in their personal journeys, and we will be flexible, adjusting and growing with them as their needs change.

With this in mind, we focused on the following initiatives in 2019:

- Developing a more integrated approach to customer centricity that connects all our business functions through the implementation of a focused Customer Experience strategy;
- Continuing to track customer satisfaction and giving a voice to our customers to ensure that we are hitting the mark;
- Protecting the best interests of our customers through fair and responsible lending practices; and
- Safeguarding customer data through enhanced monitoring and technology.

In 2019, we were recognized by the independent and highly-respected consumer advocacy group, J.D. Power, by providing “An Outstanding Customer Service Experience” for phone support. Becoming a J.D. Power Certified Customer Service Program exemplifies our commitment to providing excellent customer service and an exceptional customer experience—a commitment from our CEO to our front-line employees. This recognition has helped, and will continue to help us, shape and reinforce a high-performing, customer-first culture.

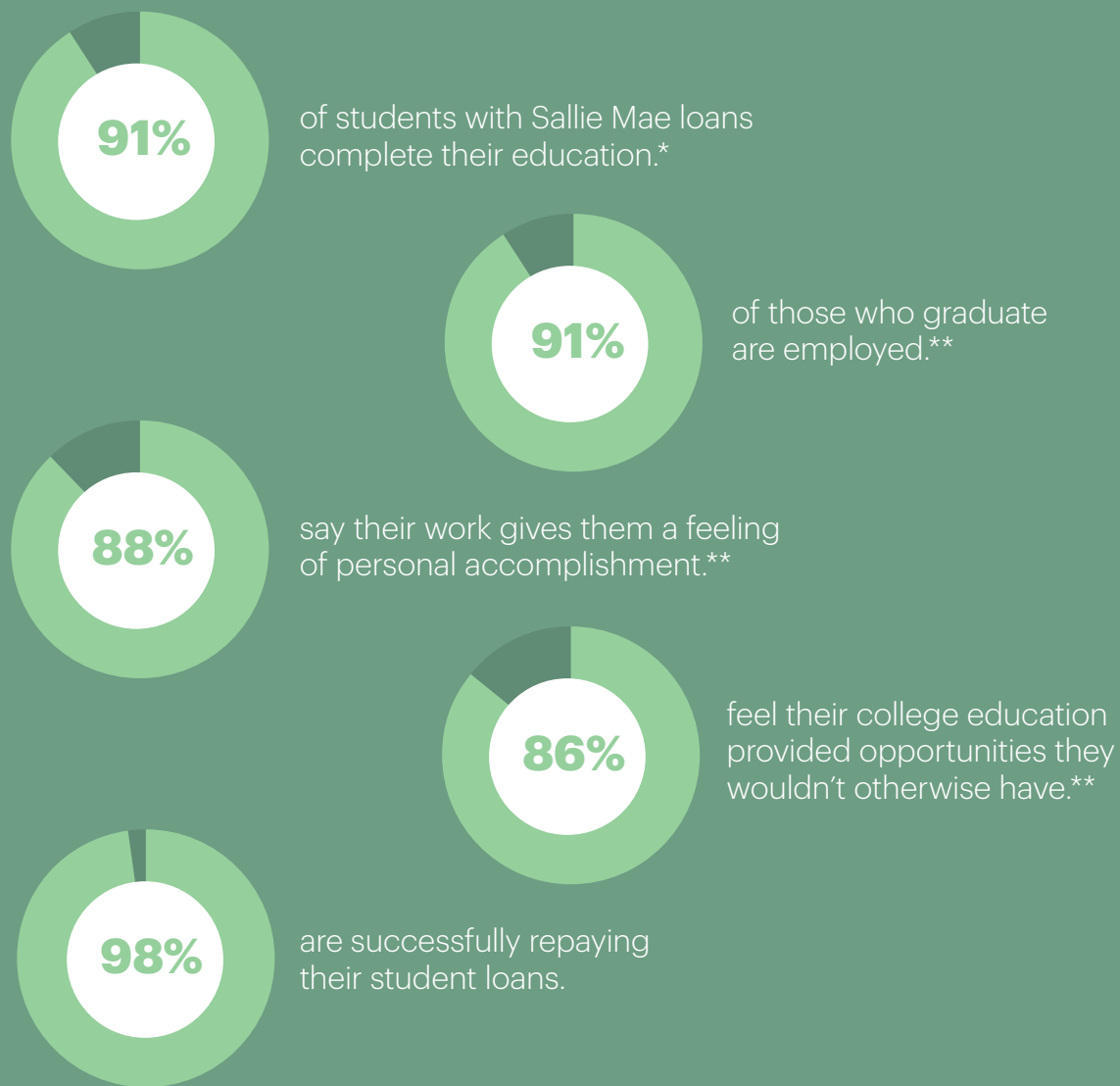


Outstanding customer service

We are pleased to announce that Sallie Mae has been recognized by J.D. Power, by providing “An Outstanding Customer Service Experience” for phone support.

Supporting our customers' success

Sallie Mae loans promote responsible borrowing and incentivize customers to make smart choices that help them graduate with less debt. We strongly believe this underlying philosophy supports our customers' success, but the proof is in the statistics:

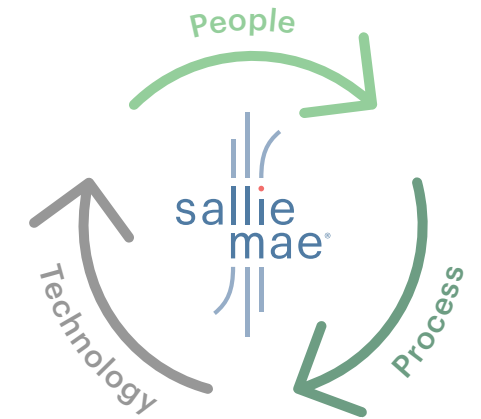


*Sallie Mae sponsored research from December 2018 among borrowers under age 35 in repayment who borrowed for an undergraduate program.
 **Sallie Mae sponsored research from March 2019 among borrowers under age 35 in repayment who borrowed for an undergraduate program and have earned at least a bachelor's degree.

Focus on customer centricity

Customer centricity drives our people, processes, and technology to foster an optimal customer experience at every stage of the customer's journey.

Whether communicating approved loans or credit, answering students' or their families' questions, or discussing payment arrangements, we value every opportunity to connect with our customers. Delivering an exceptional customer experience is at the heart of our customer centric focus.



What customer centricity means to us



Faizal Chaudhury, Vice President, Customer Centricity

“It’s an exciting transformation! We are committed to creating a customer obsessed company. Everyone at Sallie Mae is challenged to put the customer first in an effort to enhance every stage of the customer journey.



Antoine Oakley, Director, Corporate Social Responsibility

“Our customers are at the center of everything we do here at Sallie Mae. When they are successful, we are successful. Our role is to provide them with the tools, resources and sometimes, even advice, that will support them on their journey. We are in their corner and 100 percent committed to their success.



Cinitae Savage, Year Up Alumna and Continuous Improvement Analyst

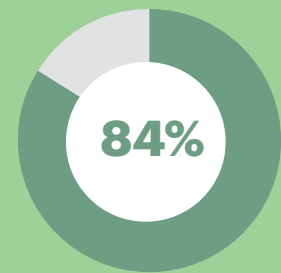
“When I first walked into Sallie Mae, I noticed the customers on the wall. We always talk about our customers’ experience; beyond that when our employees are taken care of, the customers benefit even more. Through my work, I enhance the experience for the agent and that produces a better end result for the customer.

Our enhanced **Customer Experience (CX) strategy complements our Three Horizon Business Strategy** and consists of the following key areas: Customer Insights & Experience Design, Measurement, and Outreach. Each area has a roadmap and set of activities that help us build a relationship with our customers and deliver greater value over time.

Some of our greatest achievements this year include:

People

- Invested in a **comprehensive roll-out of our refreshed company brand, purpose, values, and customer centricity initiatives**, uniting us as an organization and supporting our customer focus.
- Obtained regular feedback from employees on how engaged and satisfied they are through **new Voice of Employee survey initiative**.
- Rolled out the employee journey mapping exercise and solicited **feedback from employees on their personal journeys** at Sallie Mae, for example, as a new hire, or as a new manager.
- Launched **Employee Engagement Manager** for our customer care agents to simplify and enhance their ability to change their schedules.



of our employees would recommend Sallie Mae as a great place to work.

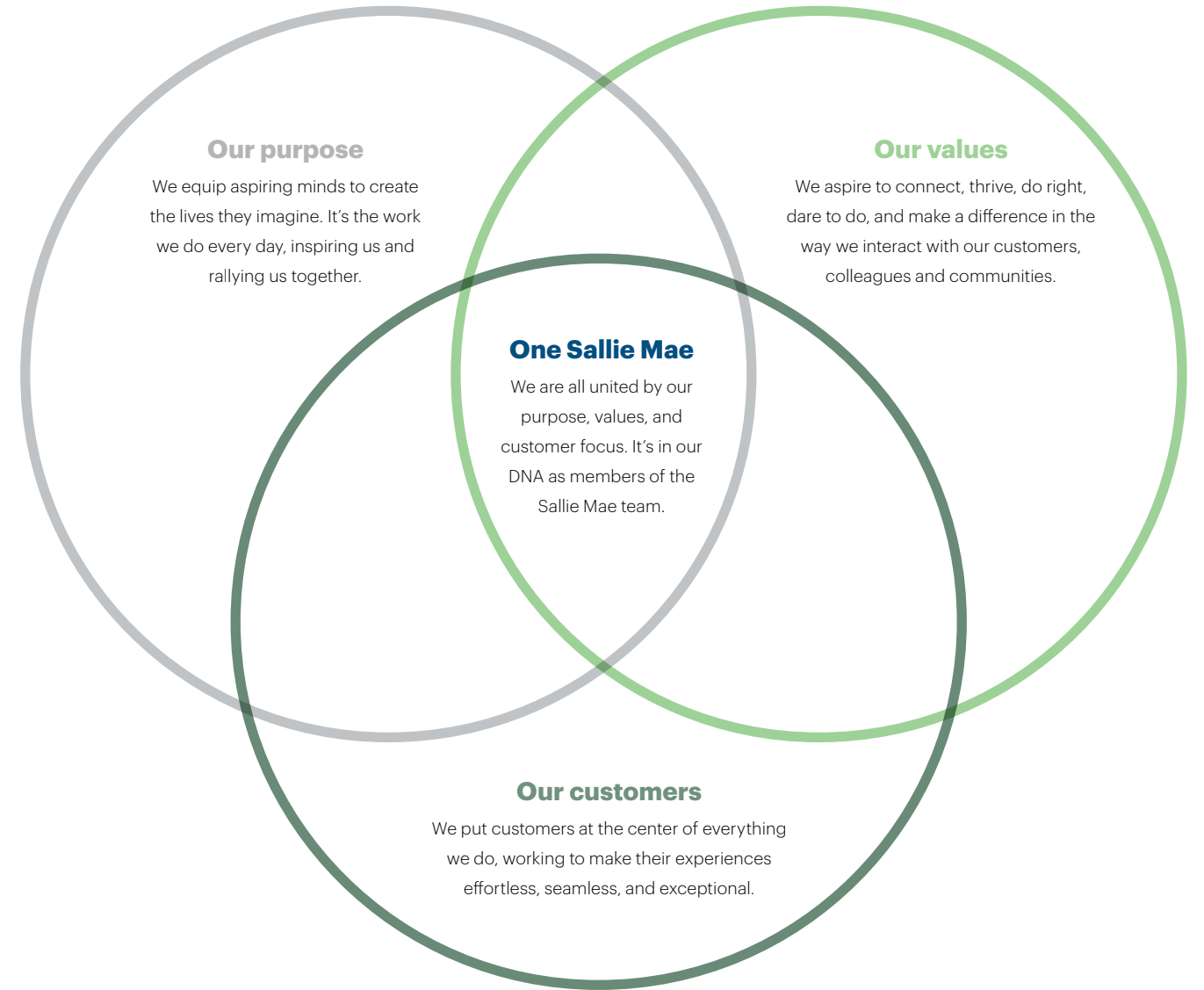
Process

- Engaged the entire enterprise on CX: **formed connections with the business development team** as they were designing a new suite of credit card products, and **deepened collaboration with our Human Resources (HR) Department**, recognizing the links between engaged and satisfied employees and satisfied customers.
- **Launched several pilot projects to test new CX interfaces** and channels to engage customers and solicit their feedback. In the first six months when our new Chatbot app went live on our website, customers rated their experience very highly.

Technology

- **Employed WalkMe software**, an automated guide with interactive intelligence that helps our call agents address customer concerns and needs more effectively and efficiently on each call. This program allows our customer care agents to answer questions faster and more accurately, which in turn enhances customer satisfaction.
- **Transitioned our infrastructure entirely to the cloud**, which has internal benefits for Sallie Mae (e.g., scalability, access to robust compliance monitoring tools and reporting) as well as benefits for our customers (e.g., less down time and faster reactions to customers when there are system glitches).
- **Enhanced the digital experience through improvements to our app**, including new and improved product support, in-app messaging, and improvements to biometric authentication. Customers can now service their loans on the mobile app, including viewing balances, making payments, and receiving notifications. In addition, customers now have secure “text messaging” to communicate directly to customer care agents. Customers can also login through advanced and more secure facial recognition technology.

Our DNA consists of three core components:



Customer satisfaction

Knowing that we did a great job supporting a customer in his or her personal journey is our primary motivation. We have a robust system for collecting and managing customer feedback, and we diligently track customer satisfaction metrics.

This helps us manage the changing expectations and growing needs of our customers and adjust when we need to. We are proud of the work we've done, but we know we can always do better. We are committed to continually assessing and revamping our current metrics to ensure a more holistic view of customer feedback, and will continue to deploy and utilize technology enhancements to achieve these goals.

Other awards include:



Protecting the best interests of our customers

Fair and responsible lending

OUR APPROACH

As the leading provider of private student loans, we make fair and responsible lending a core tenet of our business practices. We are firmly committed to making credit products available to consumers on a fair, consistent, and responsible basis. We comply with all relevant fair lending laws and do not discriminate against applicants regarding any aspect of a credit transaction on a prohibited basis. Our commitment to fair lending is not only a basic responsibility for all employees, but also good business. Our Fair Lending Program provides supporting guidance and sets expectations on the controls, standards, and practices outlined in our Fair Lending Policy.



Sallie Mae Bank

The retail banking arm of Sallie Mae, the nation's saving, planning, and paying for college company—was named the bank with the [Best Savings Account from 2016 – 2019](#) and one of the [10 Best Online Banks of 2019, four of the last five years](#), by [GOBankingRates.com](#), a leading site for personal finance and consumer banking information. The Bank was also awarded an A+ rating from the Better Business Bureau in 2019.

OUR VALUES

We help make great things happen in an ethical and responsible manner. Providing loans and credit responsibly also means we do not overburden our customers with loans that surpass their ability to repay. While each family's strategy to plan and pay for college is different, we recommend families follow a 1-2-3 approach to financing their education:

- 1. Start with money you won't have to pay back.**
Supplement college savings and income by maximizing scholarships, grants, and work study. Our [Scholarship Search](#) database is free and home to more than 5 million scholarships collectively worth over \$25 billion.
- 2. Explore federal student loans.**
Apply by completing the Free Application for Federal Student Aid (FAFSA).
- 3. Consider a responsible private student loan.**
Fill the gap between available resources and the cost of college. We offer competitively-priced private student loans for undergraduates and parents, as well as a full suite of financing options for graduate students.

Our responsible lending philosophy also encourages students and their families to evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

In addition, we have several options to reduce loan costs, including the option to make low in-school payments and discounts for automated payments. And we never charge penalties or fees for prepayment.

We adjust the terms of loans for certain borrowers when we believe such changes will help our customers manage their student loan obligations, achieve better student outcomes, and increase the collectability of the loan. These changes generally take the form of a temporary forbearance of payments, a temporary interest rate reduction, a temporary interest rate reduction with a permanent extension of the loan term, and/or a short-term extended repayment alternative. Forbearance is granted prospectively for borrowers who are current in their payments and may be granted retroactively for certain delinquent borrowers.



FRAUD PREVENTION

Fraud detection and prevention plays an important role in our responsible lending practices. We are committed to safeguarding our customers' personal information and protecting their accounts from fraudulent activity.

Our [website](#) provides consumers with tips on how to avoid online fraud, as well as how to spot student loan debt relief scams.



Some of the tools we use to identify and prevent fraud include:

• Pattern recognition programs and systems

• Web access security features, including multi-factor authentication

• Automated customer verification and fraud detection software

• Training employees in fraud prevention and detection practices, and ensuring managers of risk are independent from the functions they monitor

• Segregating duties, transaction limits, restricted access to data systems, and dual controls

• Utilizing several lines of defense, including, but not limited to, comprehensive and independent internal audits that evaluate compliance with our policies

FINANCIAL LITERACY PROGRAMS

We understand that for many of our customers, their relationship with us is their first major financial experience. And we take that privilege and responsibility seriously. That's why we embed tools and product features that promote financial literacy into their experience, to help guide them to financial responsibility, stability, and success. Over the course of our relationship, we are gratified to see our customers develop valuable, lifelong financial skills that ultimately help them transition to financial independence.

We know that ensuring better foundations at the start of our customers' journey greatly improves their chances of future success. That's why we place a high priority on providing financial literacy tools to help families—even if they aren't our customers—make responsible, well informed decisions about how they pay for higher education.

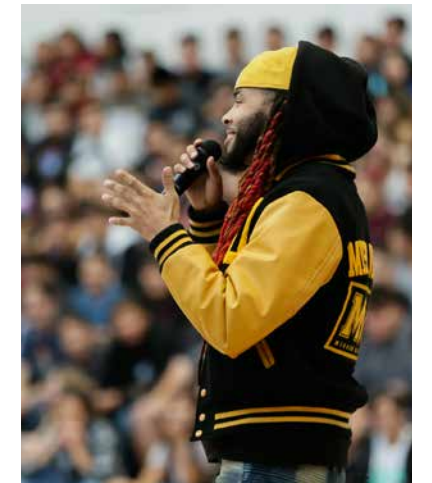
These tools and resources include:

- Our [College Planning Calculator](#), which helps families set college savings goals, project the full costs of a college degree, and estimate future student loan payments, as well as the annual starting salary level needed to keep payments manageable.
- [Scholarship Search](#), our free online scholarship database, is home to

more than 5 million scholarships, collectively worth over \$25 billion.

- In 2019, we launched a free [Paying for College Resource](#) with tutorials, frequently asked questions, and worksheets for high school counselors and families to stream, download, and share. States like California, North Carolina, and South Carolina have found the information so helpful that they have made it accessible on their websites.
- **For more than a decade, we have created and published [leading research reports](#)** that provide insight into How America Saves for College, How America Pays for College, How America Pays for Graduate School, and How Young Adults Manage Their Finances. This research is regularly featured in the national media, requested by regulators and think tanks, and used by higher education institutions and policymakers to monitor trends and make informed decisions for students and families.
- Since 2016, **we have partnered with hip-hop recording artist, motivational speaker, and former middle-school teacher, Dee-1**, to educate high school students about planning for college and financial literacy. This award-winning, nationwide tour has reached more than 22,000 high school students across the U.S.

For academic year 2018 – 2019, more than 20,000 students reported receiving at least one scholarship via our database, covering more than \$61 million in college costs.



Dee-1 and Sallie Mae

Together, Dee-1 and Sallie Mae have visited high schools and youth groups across the country, awarding \$190,000 in scholarships and student loan payments.



Our shared goal is simple: to help high school students understand that college is possible, and to give them the tools, resources, and motivation to make college happen, and let them know that resources are out there to help—they just need to know where to look.

Dee-1, Hip-hop artist



PROGRAMS THAT SUPPORT DISADVANTAGED, LOW-INCOME, AND UNDER-SERVED POPULATIONS

Consistent with our purpose to help aspiring students realize their dreams, we are committed to helping those who have experienced financial hardship or other challenging circumstances through our scholarship programs.

- Our **Bridging the Dream Scholarship Program** recognizes students who have excelled both inside and outside of the classroom, but whose financial circumstances or other obstacles in life may prevent them from pursuing a college education. Over the past three years, Sallie Mae has awarded nearly \$700,000 in Bridging the Dream scholarships to undergraduate and graduate students.
- Through the Community Reinvestment Act (CRA) in Utah, **Sallie Mae Bank has an annual goal of providing \$250,000 in scholarships to students from low-to-medium income families.** In 2019, the Bank met, and exceeded its goal, in scholarships and grants to qualified community development organizations within its assessment area.

Learn more about these scholarship programs and our other community investments in the [Community section](#) of our report.



Bridging the Dream Scholarship Program

Nine students benefitted from \$25,000 scholarships through our Bridging the Dream Scholarship Program in 2019.

Safeguarding data and customer privacy

Our approach

Sallie Mae takes consumer and customer data privacy and security very seriously. We respect their privacy and safeguard their information using industry best practices. This commitment is engrained in our culture and enables us to build trust with our customers and regulators.

Our attention to data security and privacy starts with policies and procedures governing enterprise-wide information security and privacy controls and practices. These policies are approved by the Risk and/or Compliance Committees of our Board of Directors.

In addition, Sallie Mae has a comprehensive suite of privacy disclosures, available on [Salliemae.com](#). The disclosures include:

- The Privacy Notice provided to all customers at time of application and annually thereafter. This notice describes Sallie Mae's privacy principles and practices regarding our relationship with our customers and how we collect and share their information with our affiliates and outside companies.
- The Online Privacy Policy describing Sallie Mae's practices concerning the collection and use of information gathered from or about our online visitors and registered users.
- The California Consumer Privacy Act (CCPA) addendum applying to California residents and supplements our Online Privacy Policy. This addendum describes our privacy principles and practices and provides instructions on how to exercise their rights under the CCPA.

Sallie Mae falls under state and federal regulatory oversight and examination (generally the Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and the Utah Department of Financial Institutions). In addition, information security and privacy undergo regular audits from our independent internal auditors. These examinations and audits ensure our compliance with certain standards and legal compliance. We are active in several industry associations such as the American Bankers Association, International Association of Privacy Professionals, and the Financial Services Information Sharing and Analysis Center.

The Privacy Officer oversees the implementation and effectiveness of the privacy program throughout all business units and processes. This ensures that there is regular testing and monitoring allowing for the early capture of potential issues. As laws come into effect or change, the Privacy Officer is closely aligned with the legal department to ensure that senior management is informed, and the affected business units are engaged to ensure their systems are updated, their employees are educated, and their practices are in line with the applicable laws. Employees and authorized service providers are granted system and personal information access only when necessary to perform their functions.

Our third-party management office and risk partner teams ensure that service providers security and privacy controls are thoroughly reviewed and monitored prior to and during the engagement. Due to our strong privacy culture, we have not experienced any significant or material breaches or loss of customer information in 2019.

All policies and procedures are reviewed at least annually to ensure they include appropriate legal and regulatory updates.

Our Chief Security Officer and the Corporate Security Group establish and monitor the relevant and necessary standards, protocols, and management processes for information and cybersecurity. We have developed comprehensive data privacy and security-related internal policies and procedures which dictate requirements and controls that protect customer and company information. These include, but are not limited to, the Corporate Information Security Program, Customer Information Safeguarding Program, Information Security Policy, and Privacy Policy and Procedures.

Our policies and procedures are examined regularly by internal and external auditors, bank regulators, and third-party consultants. In addition, our vendors, contractors, and consultants are subject to security and privacy policies and contract provisions as appropriate for the services or products being provided.

Our comprehensive [privacy policy](#) is publicly available on our website. It sets forth the data privacy practices related to the collection, use, and sharing of customer information across Sallie Mae products and business lines.

Employee training

We **regularly train and continually assess our workforce on the importance of data privacy and security**, including regular training to help mitigate the threats posed by phishing emails and other forms of social engineering, and how to report data privacy events or other suspicious activity. We enhance this security awareness employee training annually to ensure it covers current and evolving threats, and applies best practices to keep our customer, employee, and company data safe.

Incident response program

Our comprehensive Cybersecurity Incident Response Program is constantly evolving and sets forth detailed enterprise-wide policies and procedures for responding to a cybersecurity event. The Program procedures are tested through **semi-annual cybersecurity incident response exercises**, led by independent third-party experts. These exercises are designed to resemble real life situations. They challenge us to both test and rehearse our response and decision-making protocols, and participation by key executives and senior management is mandated.





Investing in our people

Our approach

Our employees are the backbone of our business. We are committed to creating a culture where they feel appreciated, engaged, and inspired to make a difference. Just as we are here to help our customers build their own prosperous futures, we strive to help our employees do the same.

We know that engaged employees seek out a strong, purpose-driven work culture, and we have adopted our strategies to keep pace with these expectations and support the development of our teammates. Our employees spend a good part of their day at work, and our goal is to make their time at Sallie Mae as meaningful, enjoyable, and rewarding as possible. We are focused on continually improving our approach, including developing policies, practices, and metrics that help us measure progress and enhance employee engagement. We are working hard to create a culture that is inclusive and respectful; fosters ongoing growth and development; promotes health and well-being; values giving and receiving feedback; and empowers individuals.



My education gave me a broader perspective and opened up my thinking into different areas of business, more specifically, how individuals and departments can more fluidly interact to better serve the customer. I often ask myself: if I was in that customer's position, what would I want to happen? And then I work with my colleagues to get it done!



Daniel Matera, Sr. Manager, Credit
Bureau Disputes and Reporting Analytics

United by our purpose, values, and customer focus

In 2019, we undertook a robust and inclusive employee engagement exercise to refresh our core values. It is important to us that our values align with, and support, our purpose. Through this refresh exercise, it became apparent that Sallie Mae employees are united by a common set of principles and values.

OUR CORE VALUES

	Connect.	We believe a diverse and inclusive team that unites through shared goals drives the greatest outcome. We connect by listening, being kind, caring, and accepting in all our relationships.
	Thrive.	We believe in personal and professional growth and fulfillment. We thrive when we balance our physical, emotional, professional, and financial well-being. When we thrive, so do those around us.
	Do right.	We believe that the time is always right to do the right thing. We are empowered to do right by being bold, acting selflessly, and making tough decisions. Courage required.
	Dare to do.	We believe that making great things happen requires thinking and doing differently. We dare to do by being curious, embracing diverse thought, challenging assumptions, doing cool stuff, and growing from our experiences.
	Make a difference.	We believe that every moment is an opportunity to make a difference—one person or experience at a time. We amaze, surprise, and delight our teams, our customers, and our community.

Throughout this process, we also learned that **many of our employees have personal stories about how education helped them achieve professional success** and discover what they were passionate about in life. Hearing these stories helps to connect us with the reason we do what we do and helps bring our purpose to life.

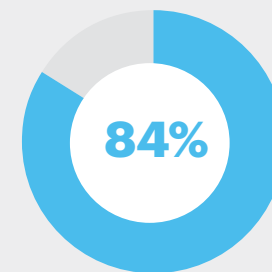
“

An MBA degree always felt out of my reach until I started seeing these words on our office wall. The picture ignited a desire and helped me persevere through several months of strenuous study. I ultimately scored in the 96th percentile on the GMAT and got admitted with scholarship into the #1 business school in Indiana. I never thought a picture in the office hallway could change my life.

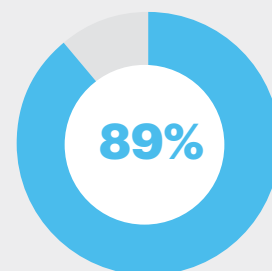
Vijay Srinivasan, Sr. Architect,
Technical Capability and Architecture



Our annual employee engagement survey



of our employees would recommend Sallie Mae as a great place to work.

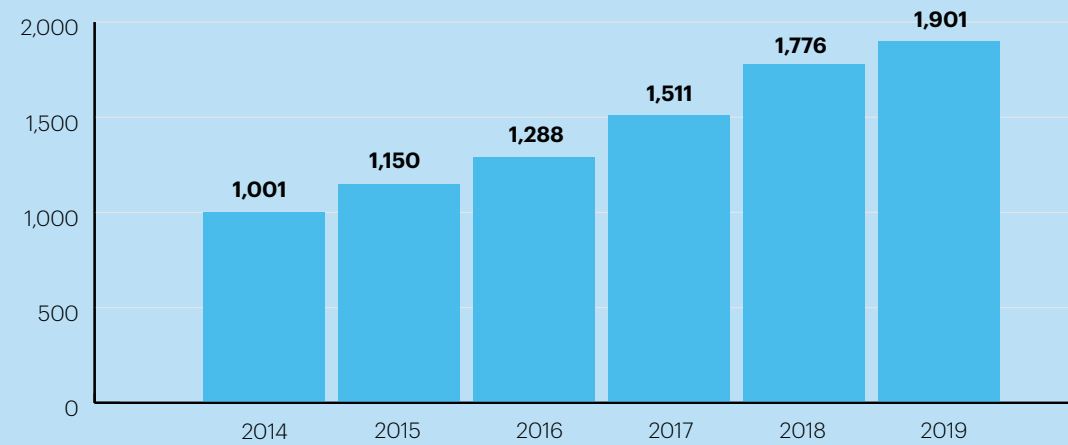


of our employees believe our company has a clear strategy with a common mission.

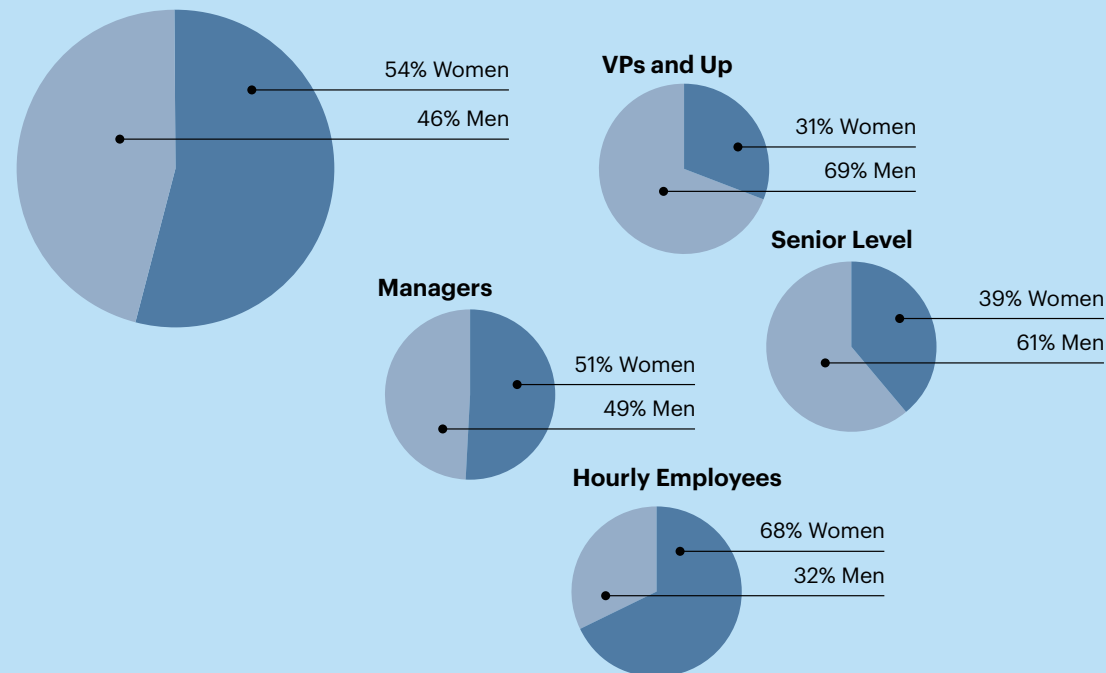
Our workforce

This snapshot shows how we have grown since 2014 in total number of employees, and provides a breakdown of the make up of our workforce in 2019.

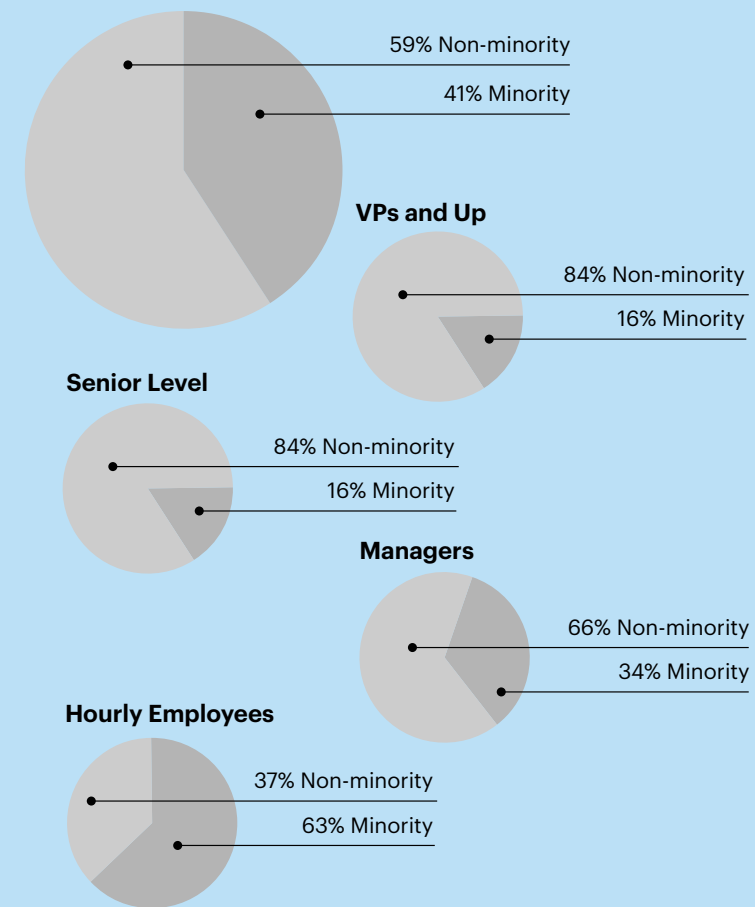
Total workforce



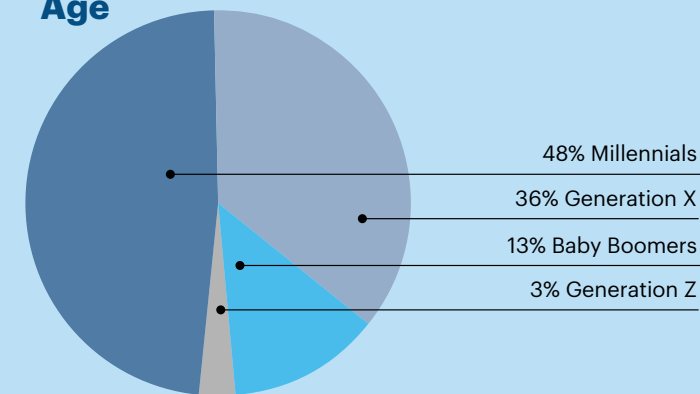
Gender



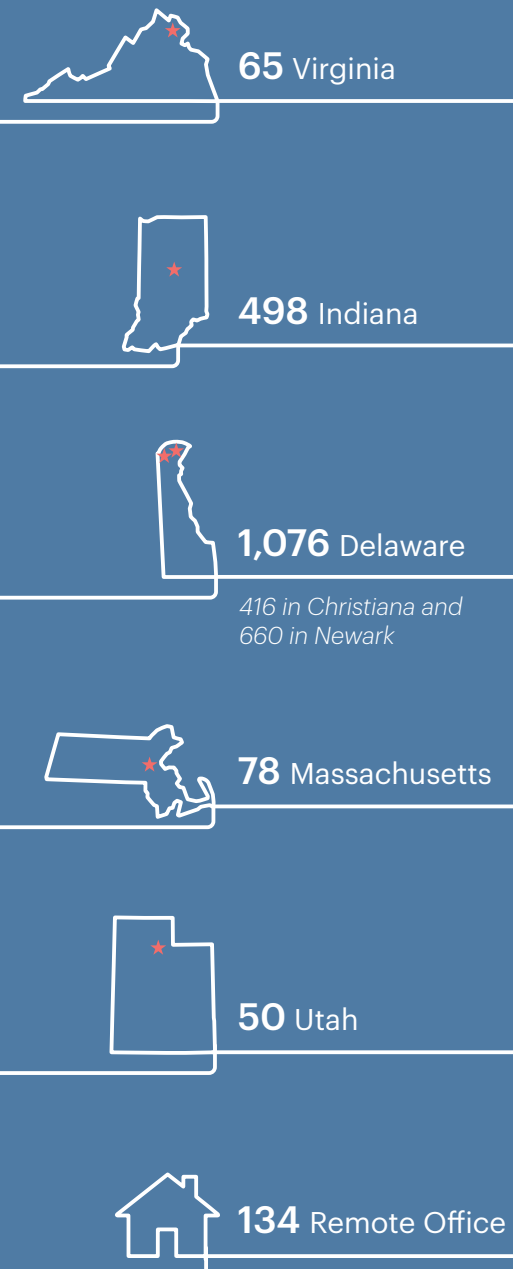
Ethnicity



Age



Geographic Distribution



For the 2nd consecutive year, Forbes awarded Sallie Mae the designation of one of America's Best Midsize Employers in 2019, and ranked us in the top 10 for banking and financial services.



A culture of inclusion and respect

We are committed to creating an inclusive, diverse working environment by embracing different skills, backgrounds, and perspectives. We recognize that to build a strong, successful Sallie Mae, we need to attract, engage, and include the best talent regardless of ethnicity, gender identity, or background. Our **foundational value of Connecting** can best be realized through uniting diverse and inclusive teams, teams that are representative of the customers we serve.

Our commitment to a culture of inclusion and respect translates in multiple ways and with varied communities. But, we can always do more. We are proud, for example, to have reinforced our commitment to support those who identify as LGBTQ+ by participating in the Human Rights Campaign's Corporate Equality Index. By doing so, we hope to encourage those in our midst and beyond to treat this community, among others, with the respect, value, and dignity they deserve.

We provide equal employment opportunity for all employees and job applicants, regardless of their race, color, religion, sex, sexual orientation, age, disability, national origin, marital status, citizenship status, protected veteran status, genetic information, gender identity, or any other basis protected by applicable law. Our work focuses on ensuring all in our midst are treated with fairness, equality, and value.

A culture of ongoing growth and development

We believe that our ongoing success at fueling our customers' ambitions directly relates to our ability to help our employees realize fulfilling and rewarding careers at Sallie Mae. We place a high priority on providing access to growth opportunities for everyone, regardless of their title, and on developing and promoting emerging leaders from within. We do this by empowering employees to take control of their careers, and set out clear plans for achieving their personal and employment goals.

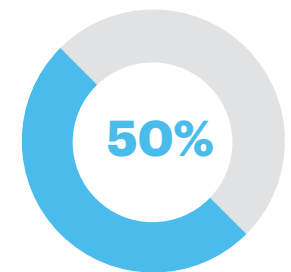
Individual development planning for all

Beginning in 2019, our employees worked closely with their managers to develop a **personal career map**, essentially a personal pathway toward achieving their long-term professional goals. This development process is based on a core competency model we rolled out in 2018 that aligns with, and supports, our core values. The core values have been translated into a set of attributes and behaviors that are closely linked to successful growth at Sallie Mae. This core competency model acts as our guide for developing our people and finding and attracting new talent, and focuses on the values most important to our organization, such as accountability, leadership, collaboration, innovation, and courage.

Internal mobility

In 2019, we provided several new avenues for our employees to explore career opportunities at Sallie Mae. First, as a result of an idea generated through our Leadership Development Cohort, we launched a Task Force Program. This program creates opportunities for employees to develop skills and broaden their experience by working in other areas of the business during periods where those areas require short-term resources for special projects, leaves of absence or other critical business initiatives. **To date, 18 task force positions have been created and we received over 100 internal applicants across the company for these positions.**

Second, we engaged cross-functional leaders in the creation of an internal career fair. This gave employees access to senior leaders to learn about opportunities across the company, better understand what additional skills or experience is needed for different positions, and learn more about our e-Learning platform, Sallie Mae YOUiversity.



internal hire rate in 2019.

We make an effort to fill positions internally, where possible.

e-Learning platform

Sallie Mae YOUNiversity was launched in 2018. Through this platform, employees complete a self-assessment against our competency model, develop an outline for their personal development journey, and are encouraged to take courses that foster personal growth in their developmental need areas. This platform offers over 3,000 courses on both technical and soft skills for our employees.

Cultivating emerging leaders

Through the performance review and development planning process, emerging leaders have been identified and invited to participate in targeted leadership training. **Our MAPS Program (Manage, Apply, Practice, and Succeed) is designed to identify, and cultivate, our future leaders** from existing employees of Sallie Mae. Now in its third year and seventh cohort, the MAPS Program brings together mid and senior-level managers to enhance their leadership skills and build their project management capabilities through group projects and collaborative exercises. **Our Leadership Development Program: Inspirational Leadership** is designed to build on our leadership competencies and provide an opportunity to bring about new solutions through our business challenge. This program is offered to mid to senior-level leaders that have the potential to assume broader roles in the future.

Building our talent pipeline

In a competitive job market, it is critical that we not only develop our existing employees, but are strategic and intentional about building our talent pipeline. In addition to ongoing recruiting efforts at local colleges and universities, we have targeted internship programs that ensure we attract the very best and brightest to our team.

YEAR UP INTERNSHIP PROGRAM

We are a proud supporter and corporate partner of Year Up Wilmington, a national program designed to help young adults gain the skills and experience necessary to excel in professional and technical careers. In 2019, we donated \$150,000 to the organization, and in the past two years, we've provided six-month internships for five individuals in our technology, human resources, and customer service teams. At the close of the 2018 - 2019 internship session, we were pleased to offer three outstanding interns full-time positions.



Employee journey mapping is crucial in identifying and understanding key pain points and areas of opportunity that need improvement. My team is striving to improve every touch point of the employee's experience. As we move towards a more customer centric environment, we also need to ensure our processes and technology support the success of our own people. Employee journey mapping helps us make this happen.

Mary Kate Mieczkowski,
Employee Experience & Engagement Manager

Our own Bonnie Rumbold receives 2019 Corporate Champion Award for Year Up Wilmington.

In recognition of her commitment to Year Up, Bonnie Rumbold, our Chief Human Resources Officer, was honored with their Corporate Champion Award on July 30th, 2019. The annual award recognizes individuals and organizations dedicated to ensuring more motivated young adults in Wilmington and beyond gain the requisite skills, education, and experience to launch successful careers.



I was honored and humbled by the recognition from Year Up Wilmington, and I am in awe of the difference they make in the lives of young adults. We are so fortunate to have these talented students as members of the Sallie Mae community and workforce.

Bonnie Rumbold,
Chief Human Resources Officer



A culture that promotes health and well-being

We believe there is a strong connection between employee health and well-being and our ability to do great work. We provide a comprehensive suite of health and wellness benefits to help our employees lead healthier and happier lives, which is aligned with our **core value of Thriving**.

Progressive wellness benefits

We recognize that employees sometimes struggle to find balance between their physical, emotional, professional, and financial well-being. Through our competitive health benefits program, we offer multiple insurance plans with dental, vision, disability, life, and accident insurance, paid bereavement leave, and disability coverage to both full and part time employees. But we want to go further and provide additional support for employees when they need it.

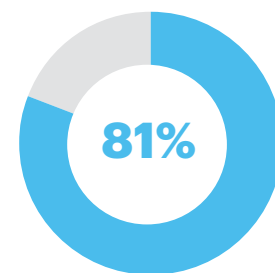
In 2019, we made several changes to our benefits package to make it even stronger.

- We **improved our 401(k)-matching program by increasing the company match to be dollar for dollar up to 5 percent of employee contributions** and instituted auto enrollment in 2019, resulting in a 10 percent increase in participation;
- We increased parental leave to **12 weeks of paid leave for primary caregivers** and **four weeks paid leave for secondary caregivers at 100 percent of pay rate**;
- We **rolled out a relationship with Care.com** to connect employees with care givers, pet sitters, and more during times of need;
- We **doubled our adoption reimbursement to \$10,000** and were **recognized as one of the 100 Best Adoption-Friendly Workplaces** by the Dave Thomas Foundation for Adoption; and
- We significantly **increased the classes offered at the two fitness and health centers located at our Delaware offices, including guided meditation** as a way to help our employees find balance.

We also encourage employees to get involved in the communities where they live and work by providing 48 hours of annual paid leave to volunteer for charities and non-profits of their choosing. **In 2019, our employees donated 2,746 hours through our community engagement programs.** Learn more about our investments in local communities in the [Community section](#) of this report.



We were proud to make the 100 Best Adoption-Friendly Workplaces list in 2019, a diverse group of organizations which are striving to make adoption a supported option for every working parent.



of our employees believe our benefits programs meet their respective needs.



Healthy lifestyles

We love to see our employees thrive through active lifestyles and a broad range of athletic pursuits, and we strive to support them by providing lifestyle coaching, biometric screening, access to athletic facilities at our offices, online tools, digital trackers, and company-sponsored wellness events such as the Sallie Mae 5K run/walk races. In addition to our traditional healthcare benefits, our **“Get Up & Go” wellness program** for employees is designed to support the integration and long-term adoption of healthy habits and behaviors. Employees earn healthcare premium credits for participation in various activities throughout the year, including annual health assessments and biometric screenings, wellness Lunch n’ Learns, daily healthy challenges, quarterly challenges, and financial wellness activities.

Employees also have the option of working with a lifestyle management coach who can help them set and achieve healthy goals related to exercise, diet, and stress, or simply support an overall healthier lifestyle.



We provide free Fitbit® activity trackers to our employees to help them achieve their wellness goals.

Employee volunteer snapshot: Yolanda Ward-Jones

Yolanda Ward-Jones won the Volunteer of the Year Award from [Women & Hi Tech!](#) The organization focuses on supporting, recognizing, and advancing outstanding women and girls pursuing STEM (Science, Technology, Engineering, and Mathematics) fields in Indiana. Women & Hi Tech provides educational, professional development, recognition, mentoring, and networking programs for collegiate and career women, along with STEM exposure opportunities for girls in kindergarten through 12th grade.

Yolanda, a Scrum Master in our IT division, was recognized for all of her efforts with the organization over the past year. She volunteered to assist with multiple Women & Hi Tech events, including the Ignite Your Superpower exhibition, the Executive Women's Forum, and OperationALL, an annual professional development seminar focused on providing tools for increased gender inclusion in the workplace.

Embracing the "dare to do" motto, Yolanda is also involved in a Women in Agile group in Indianapolis which launched in May 2019, and is an investor in SmartGurlz, an action doll product designed to teach children how to code while playing.



Supporting transition to and from military duty

We are grateful for the service and sacrifices of the women and men in our armed services who bravely and selflessly protect and defend us. For employees on active military duty and their families, Sallie Mae serves as a resource and aids the transition to and from military duty by continuing salary and benefits beyond what is required by law, and by offering flexible work schedules during military training. **In 2018, we received the Pro Patria Award** from the Delaware State Committee of the Employer Support of the Guard and Reserve, which recognizes a company's exemplary support to National Guardsmen and Reservists through service, community outreach, and personnel policies that make it easier for employees to serve.

Supporting our servicemember employees

Tiffany recently returned to work from 20 months of activation with the Air Force Reserves where she serves as an Aviation Resource Manager.



I was activated with the Reserves in April 2018, and what was supposed to be two months was extended and extended again, ultimately turning into 20 months. As an Aviation Resource Manager at Dover Air Force Base, I made sure pilots completed their training requirements in simulators and in aircraft, etc., before they deployed.

Sallie Mae has been extremely supportive throughout my career in the military. From day one, my manager asked me to let her know if there was anything they could do to support me. My transition back to civilian life was seamless. On my first day back at work after 20 months, my supervisor met me at my desk to welcome me back, everyone thanked me for my service and extended a helping hand. It feels great to be supported 100%.



Tiffany Fisher, Education Coordinator,
Customer Operations

Robert joined the military out of high school, was on active duty in the Marine Corps in Hawaii and at Camp Pendleton in San Diego, and has been in the Reserves for the National Guard for four years. Robert is currently studying at Temple to become a physical therapist, nurse, or physician's assistant. His dream is to work for the Veterans Administration helping people in the military deal with ailments.



Roberto Parra, Collections Specialist



My team and the company have been very accommodating to me related to my Reserve duties, which take me away one weekend a month, and two weeks in the summer. My supervisor never schedules me to work the night before I have to drill. I was deployed for a year and came back and still had the same position. In fact, three weeks after I got back, I was promoted. That's amazing!

A culture of giving and receiving feedback

We believe that feedback helps our team members grow and stretch beyond their comfort zones. All employees receive a formal performance review during which managers measure their progress against their individual career maps, and provide valuable feedback on performance and areas of potential growth. Managers are also encouraged to provide feedback on an ongoing basis throughout the year, and employees are encouraged to strengthen and increase their skill sets through ongoing trainings and educational opportunities.

We have several mechanisms that allow employees to let us know when we are doing well and where we might have opportunities to improve. They are:

- An open-door policy with our managers;
- Quarterly townhalls with our CEO where all employees can submit questions ahead of time for him to speak to during the meeting; and
- Regular employee engagement surveys.

We are in the process of shifting from an annual employee survey to shorter, quarterly feedback surveys, which will help us react and adapt more quickly to employee feedback.

Recognizing excellence

When employees feel valued and appreciated, their overall job satisfaction increases, and as a result, they are happier and more productive at work. We've put several initiatives in place to foster a culture that recognizes important contributions from employees. They are:

- Employee Appreciation Month**
 Each year in September, we celebrate our employees through a series of events, activities, and giveaways;
- Thanks to you! Peer to Peer Recognition Program**
 In 2019, employees sent 3,186 creative eCards through our peer recognition program to show appreciation for their peers in real-time, an increase of approximately 18 percent over 2018;
- Quarterly Awards of Excellence Program**
 Every quarter, we hold luncheons where our CEO and other members of the leadership team recognize employees who make outstanding contributions and demonstrate our core values through their daily work; and
- Milestone Anniversary Awards Program**
 Employees who reach significant milestone work anniversaries are recognized with gift cards and a personalized yearbook from their manager.

Employee appreciation month

In September 2019, we celebrated Employee Appreciation Month across all our sites. Both remote and office-based employees received Sallie Mae gifts as tokens of our appreciation for all of their work and efforts throughout the year. We also hosted weekly activities, including onsite employee appreciation parties, food trucks, chair massages, pet therapy dogs, and snack carts. It was a great month to recognize Sallie Mae employees and give special thanks to all our teams.



Members of the Finance team (L to R: Disiree Woodruff, Lisa Lesage, and Emilia Besosa) spend time connecting at the Employee Appreciation Party.



Sallie Mae colleagues (L to R: Angela Arnold, Kevin Ognibene, and Joellen McCauley) welcome employees at the front door to kick off Employee Appreciation Month.

A culture of empowerment

We want our employees to feel empowered. That means they should be comfortable sharing their ideas, asking difficult questions, and making tough decisions. Implementing the Agile process helps us build that culture of engaged and empowered employees.

Agile work environment

To help us react and adapt more quickly to changing customer needs and an ever-evolving digital environment, we've adopted the Agile process, whereby a team of employees can manage a project by breaking it up into several stages and constantly collaborate with its stakeholders. During quarterly Program Increment Planning Events (PIPE), teams from our IT and branding/creative departments gather together in person and set priorities about where to invest time and resources in the next quarter. This translates into clear and focused workplans that employees design themselves.

Since launching Agile in 2017, employees tell us they feel more empowered as decision-makers, and have greater ownership and pride in their work.



Building stronger communities

Our approach

Giving back to the communities where we live and work is more than the right thing to do, it's a part of who we are. Positively effecting change is a common thread that connects and inspires us and is reflected in our core value of

Making a Difference—one person at a time.

As a company committed to building prosperous futures through access to education, **United Nations Sustainable Development Goal #4: Quality Education** is our primary investment focus, one where we believe we can make the greatest impact. We are committed to reducing barriers to higher education by investing in planning tools, resources, and financial literacy programs.

Our philanthropic giving is channeled through the Sallie Mae Fund and our CRA commitments through Sallie Mae Bank. Both channels have comprehensive strategies guiding our grants and robust application and review processes to help us select and fund charitable causes that align with our vision and values. In the communities where we have a local presence, we work closely with strategic partners to identify the greatest needs so that our contributions have a meaningful and substantial impact.

In 2018 and 2019, The Sallie Mae Fund, including through the Employee Matching Gift Program, awarded \$345,000 and \$487,000, respectively, to community partners and causes important to our employees. This was due in part to the generosity of our employees, who significantly increased their personal contributions in 2019.

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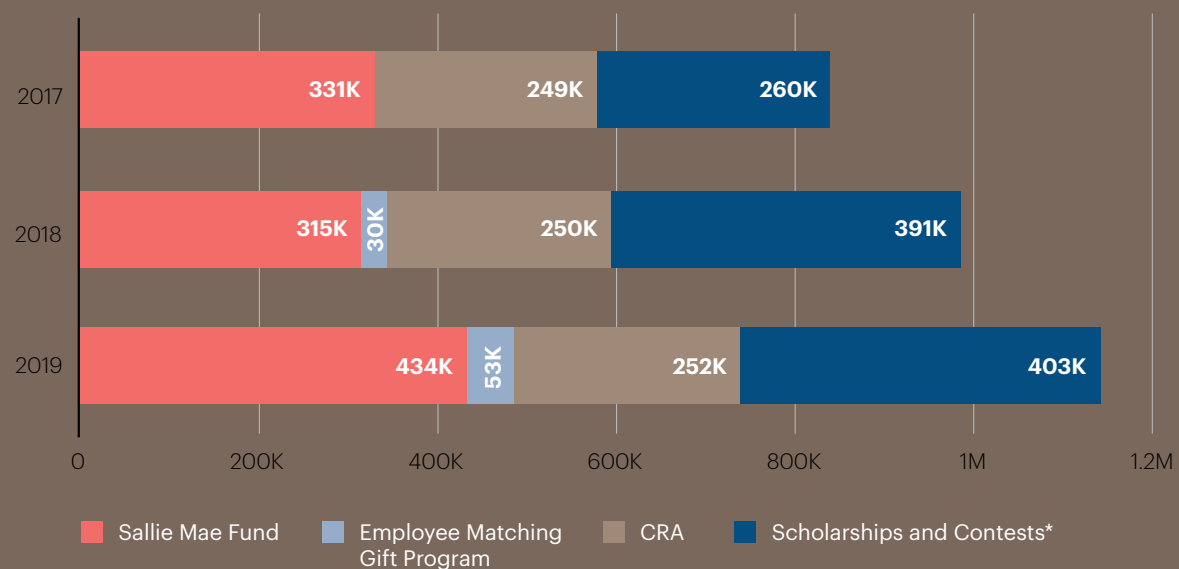
Our employees value making a difference with customers, with colleagues, and with our hometown communities. As a bank with a purpose, it is inherent upon us to be an engaged community partner.



Martha Holler, Senior Vice President, Communications and Community

Our social impact

Total charitable contributions 2017 – 2019



*Includes Utah Based Scholarships and Bridging the Dream Scholarships in Utah.

**Our Utah scholarships fall under both Scholarships and Contests, and CRA contributions, and are included in the sums for both in this chart. We have not double counted those contributions in the Total Contributions number for 2019.

\$1,035,513**

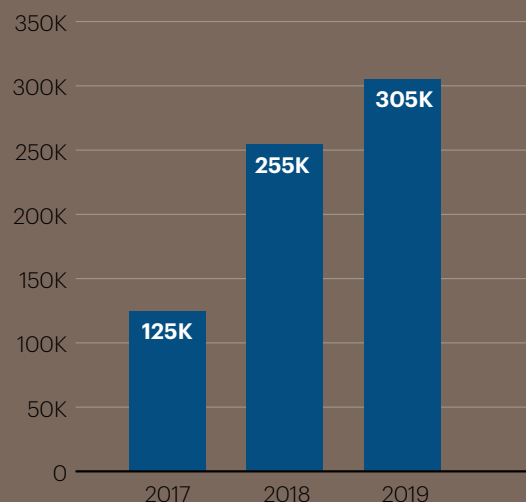
Total charitable contributions in 2019
(Includes Sallie Mae Fund, CRA, All Scholarships, and Employee Giving)

Bridging the Dream Scholarship contributions...

Since the beginning of 2017, We have provided **29 students** with

\$685,000

in scholarships through our Bridging the Dream Scholarship Program.



Community investment

Scholarships and grants for higher education

Providing scholarships and grants to those in need brings our mission to life. Not only are we helping families make college happen and building a better future, we are also engaging our employees directly through the money they raise to support the programs, along with our corporate matching commitment.

BRIDGING THE DREAM SCHOLARSHIPS

Our Bridging the Dream Scholarship recognizes high school juniors and seniors who excel in academics, athletics, community service, or school activities, but whose financial circumstances may not allow them to pursue their college dreams. With \$25,000 available for their postsecondary education, many scholarship recipients have overcome incredible adversity outside of the classroom to accomplish extraordinary achievements.

In 2018, we expanded our Bridging the Dream Scholarship Program to also include graduate students. Over the past two years, eight aspiring graduate students were each awarded \$20,000 to support the costs associated with pursuing their medical, law, business, and doctorate degrees.

Employees often tell us that they love this initiative because it supports our core purpose. While Sallie Mae sets aside money for the scholarships, our employees also raise money throughout the year to enhance the scholarships, and we match the employee donations. Over the past four years **since the program's launch in 2016, employees have raised approximately \$192,000**, and Sallie Mae has awarded nearly \$800,000 in Bridging the Dream scholarships.



Bridging the Dream undergraduate recipient story **Ardavia Lee, New Castle, DE**

Ardavia's mom, a firefighter from Delaware, was her best friend and rock. When she passed away after battling a house fire, Ardavia's world was forever changed. A resilient young woman, Ardavia stayed focused on extracurriculars and academics—completing challenging courses and earning a 3.94 GPA.

Just as her mother was dedicated to serving their community, so too is Ardavia. She has completed over 100 hours of community service in the last three years and become an example of leadership and kindness. Her talents extend to the court as well, where she thrives in volleyball and basketball, and loves motivating her teammates. Her goal is to continue to help people as she follows her dream of going to law school.



Ardavia was one of our deserving Bridging the Dream Scholarship recipients in 2019 and she continues to inspire us with her courage and determination.

EDUCATIONAL SCHOLARSHIPS IN UTAH

Sallie Mae Bank, located in Salt Lake City, sponsors a second scholarship program that helps us meet our commitments under the Community Reinvestment Act. We provide financial assistance to qualifying students in communities in Utah whose courses of study will lead them to careers in some of the state's most in-demand professions, including engineering, nursing, teaching, and respiratory therapy. We've also partnered with local and state universities to award scholarship money to first generation college students and low-income residents of Utah.

In 2019, we awarded \$82,500 in scholarships to students in Utah. Since 2007, we have awarded more than \$1 million to 300 Utah students to support them in achieving their dreams.



“Our mission at Sallie Mae is grounded in helping aspiring minds achieve the lives they imagine and that starts with making the dream of a higher education a reality. I am extremely proud of the investments we are making in tomorrow's leaders and if the Bridging the Dream Scholarship recipients are any indication of what's to come—the future looks bright.

Raymond J. Quinlan,
Chairman and CEO

Bridging the Dream graduate school recipient story **Felipe Hernandez, Los Angeles, CA**

Felipe Hernandez, a first-generation college student and Fulbright Scholar, is completing his law degree at Harvard University, and aspires to assist and advocate for low-income communities and minorities.

“As a first-generation student, I didn't assume college, let alone graduate school, was a possibility for me. But I was determined to make it happen.

Receiving the Bridging the Dream Scholarship only further encourages me to continue fighting for the rights of others, so that they, too, may be able to overcome barriers to success. I am grateful for Sallie Mae's support and generosity.



Strengthening our communities

The Sallie Mae Fund

Since April 2014, the Sallie Mae Fund has contributed more than \$2.3 million to address key barriers to college access and build more resilient communities. The Sallie Mae Fund supports programs and initiatives that help open doors to higher education, encourage academic and personal achievement through the arts, and address food scarcity challenges, including:



- Kids2College®**
 This program increases awareness and encourages a college-attending culture in communities across the country by exposing middle school students to potential opportunities and the value of higher education. Built in consultation with the National Council for Community and Education Partnerships, the six-session program combines hands-on activities with information on careers, college life, and academic preparation.



- Year Up Wilmington**
 \$150,000 grant to Year Up Wilmington to support skills training and workforce development programs for local young adults.



- The Music School of Delaware**
 A grant of \$25,000 was bestowed in 2019 to provide financial assistance to underserved students.



- Big Brothers Big Sisters of Delaware**
 \$100,000 grant to support school-based mentoring initiatives to connect at-risk youth with positive adult role models.



- The University of Delaware Center for Economic Education & Entrepreneurship**
 A grant of \$25,000 was awarded in 2019 to support its "Keys to Financial Success" Program, which provides high school teachers with training, support, and materials needed to teach personal finance to students.



- YWCA**
 We support YWCA Utah's Teen Program, which provides a safe environment for homeless teens living with their mothers in YWCA's domestic violence shelter and transitional housing. Since November 2018, our grants have helped to provide evidence-based education programming for 18 YWCA teens; 332 hours of individualized educational counseling; art instruction; and skill-based teamwork building exercises.



- Food Bank of Delaware**
 Sallie Mae has long supported the Delaware Food Bank through charitable giving and volunteerism. In 2019, we unveiled the Sallie Mae Culinary Classroom, with the mission of empowering unemployed, underemployed, disabled, and disadvantaged individuals to achieve self-sufficiency through job training, personal development, and employment in the food service industry.



Sallie Mae employees volunteering at the Food Bank of Delaware.

In 2020, we are planning to undertake a strategic review of The Sallie Mae Fund designed to look for opportunities to more closely align our charitable giving with our core purpose. We believe we have an opportunity to scale our positive impact on **United Nations Sustainable Development Goal #4 – Quality Education**, and potentially others. We look forward to sharing more in our next report as we embrace this goal with more intention.

The Sallie Mae Fund commemorated Veterans Day with a \$50,000 Contribution to Folds of Honor

The Sallie Mae Fund reinforced its commitment to military servicemembers in 2019 through a \$50,000 grant to Folds of Honor. The contribution, presented during a Veterans Day event at Sallie Mae’s headquarters in Newark, Delaware, will help provide scholarships for children and spouses of disabled and fallen military servicemembers. Since 2014, The Sallie Mae Fund has contributed \$275,000 to Folds of Honor.

“Our motto is ‘Honor Their Sacrifice and Educate Their Legacy,’ and through partners, like Sallie Mae, we put those words into action,” said Alan Wronowski, Director at Folds of Honor.

“Sallie Mae’s support provides a pathway to higher education for the families of service members and helps them build the kind of futures their loved ones fought so hard to protect.”

“Our support of Folds of Honor is a natural extension of our mission to help people build prosperous futures, as we continue to strengthen our commitment to military servicemembers and their families.

Raymond J. Quinlan,
Chairman and CEO



Community Reinvestment Act

Under the CRA, federally insured depository institutions like Sallie Mae Bank have an obligation to support the credit needs of low- and moderate-income neighborhoods in the communities where they are located. Sallie Mae Bank has elected to focus on underserved communities in five Utah counties by providing access to finance through consumer and community development lending, qualified investments, grants to community development organizations, and education scholarships for low- and moderate-income persons.

We work with local organizations across our assessment area, led by our Senior Compliance Manager and CRA Officer, to determine how we can be most impactful. We’ve identified affordable housing, educational finance, childhood development, and consumer financial literacy as the greatest needs in the communities in our assessment area and have prioritized our investments accordingly.

Sallie Mae Bank develops three-year CRA Strategic Plans to guide its investment strategy in the underserved areas of Utah, and submits these plans to the Federal Deposit Insurance Corporation (FDIC) for evaluation. During our most recent FDIC Performance Evaluation, we received an assessment of “Outstanding,” the highest possible rating a financial institution can get.

Community investment highlights from Sallie Mae Bank

Our investments primarily focus on scholarships and grants that provide opportunities for students to achieve their dreams of college education, and ultimately, fulfilling careers. **In 2019 we:**

Exceeded our funding goal for scholarships and grants by providing more than
\$250,000
 to deserving individuals and organizations in our assessment area in Utah.

Exceeded our outstanding employee service goal by spending more than
608 hours
 (an average of 12 hours per Sallie Mae employee based in Utah).

Volunteering time at:



Employee volunteerism

Our employees take immense pride in giving back to their local communities, and we work hard to foster a culture that encourages active volunteerism. Through our Volunteer Paid Time Off policy, our employees are paid for up to 48 hours each year for time spent volunteering with charitable causes about which they are passionate.

In 2019, Sallie Mae employees volunteered a total of

2,746 hours

to organizations in our community.

- Sallie Mae’s Annual 5K run to support the Bridging the Dream Scholarship Program
- Collecting books for children



- Volunteering with Ronald McDonald House
- Preparing food at the Food Bank of Delaware



Making financial literacy tools and resources available to all

Financial literacy

Long-term financial success starts with educating students so they can make effective and informed decisions. **We provide free and accessible programs, including our College Planning Calculator and Scholarship Search**, to help individuals manage their financial resources effectively for the long-term. In the last academic year, we are incredibly proud that nearly 20,000 students—both customers and non-customers - received approximately \$61 million in scholarship money using the free Sallie Mae Scholarship Search on our website. In addition, our own programs, such as our Paying for College Resource, support a range of financial literacy initiatives across the country. Learn more about our financial literacy programs, tools, and research in the [Customers Section](#) of our report.



“ Having lived through the challenge of paying for college, I know I would have benefited greatly from an incredible tool like this one. Scholarship Search opens up a world of access to free money for college which can help students achieve their educational goals.

Jake LaTurner,
Kansas State Treasurer

“ For most of my students, how to pay for college is one of the first major financial decisions they’ll make. The Sallie Mae Paying for College Resource addresses these topics in a simple and straightforward way, and provides free content to guide us through the college planning process. My colleagues and I are excited to use these resources, and we feel equipped to have the financial talks students and families rely on us for.

Laura Dew,
College advisor at Westbury High School in Houston



Strategic partnerships

Getting our financial literacy message out to students and their families is not always easy. To broaden our reach and help us educate as many people as possible, we partner with individuals and organizations who are both well-respected and deeply connected to this audience.

AMERICA SAVES

Sallie Mae partners with America Saves, a campaign managed by the Consumer Federation of America, which encourages, motivates, and supports low to moderate income households to save money, reduce debt, and build wealth. Together, **we facilitate Twitter Chats that reach more than 400,000 individuals** and share our collective message underscoring the importance of making responsible financial choices as families prepare for their college journeys.

“

College is expensive, and that doesn't seem to be changing any time soon. By preparing for it ahead of time, it will save you a lot of stress (and debt!) down the road.

America Saves,

during Sallie Mae's National College Savings Month Twitter chat.

ROAD2COLLEGE

We collaborate with **Road2College**, an organization dedicated to helping families become better educated consumers and make more informed decisions related to their finances. Road2College established and maintains one of the most engaged Facebook groups, "Paying for College 101," a social learning group that has more than 67,000 active members. Through our partnership, we support the development of content for the site and provide expert advice to thousands of students and families embarking on their college journeys.

“

Parents are interested to know how they can help their students build their credit. They know it will be important going forward in their financial life, and I am excited to talk about that topic tonight.

Debbie Schwartz, Founder and CEO of Road2College, on Sallie Mae Facebook Live event on Credit Tips for Students



WISEBREAD

Sallie Mae and WiseBread joined forces in 2019 to **develop Twitter chats that resonated with an audience of more than 70,000 money-conscious individuals and families.** This year's chat topics included insights from our industry leading reports, Majoring in Money and How America Pays for College, as well as important topics such as the Free Application for Federal Student Aid.

WINNIE SUN

For the past two years, we've partnered with financial advisor and entrepreneur, Winnie Sun, to help educate students, their families, and recent graduates on the importance of financial responsibility. Winnie's name recognition as a regular contributor on CNBC, Fox Business, and Cheddar, provides a powerful platform for us to reach thousands of engaged followers and fans and share helpful tools and resources. In 2019, **we partnered with Winnie to develop a Facebook Live series** geared towards tackling topics such as credit cards, internships, and paying off student loans.

“

For many students, paying back student loans is their first experience with managing and building a credit profile so it's extremely important to be prepared and start off on the right track. Developing a realistic budget and overall plan to pay back loans, including paying a little extra each month when possible, can pave the way to financial success.

Winnie Sun, Founding Partner and Managing Director, Sun Group Wealth Partners





Protecting the environment

Our approach

We recognize that the natural environment is under increasing strain—ecosystems are being threatened and climate change is causing growing uncertainty for societies and economies across the globe. These issues are real and relevant to our customers, our communities, and our employees. We have a responsibility to do our part, and we are committed to minimizing our environmental footprint.

Our Facilities team actively manages our environmental impact across our six locations. We are constantly looking for opportunities to **reduce our energy use and associated greenhouse gas (GHG) emissions, procure more sustainable materials, and minimize the amount of waste generated** in our offices.

In addition, **we are proud to support the development of the next generation of environmental professionals** through Sallie Mae student loans and scholarships. Our loans support students studying environmental engineering, environmental science, and other related degrees that equip them with the knowledge and skills they need to preserve environmental ecosystems, to protect human health, and enhance quality of life.

“

By getting the graduate degree in engineering that I always dreamed of, I was able to launch a cleantech startup... I come to work excited every day, forever thankful for the student loans that enabled me to pursue my passion.

Nicholas,
CA, Customer

At Sallie Mae, we do not make solar panels, electric cars, or drinking water purification systems, but we help shape the people who do. When our customers graduate, they go on to pursue their dreams of careers in:

- Sustainable Agriculture
- Sustainable Transportation Systems and Logistics
- Renewable Energy
- Environmental Education
- Sustainable Product and Packaging Design
- Marine Biology
- Watershed Management
- Water Conservation
- Green Building
- Ecology and Research
- Sustainable Forestry
- Sustainable Materials Management
- Clean Tech Innovation and Development
- Environmental Law
- Sustainable Chemistry
- Sustainability Consulting

Energy and emissions reduction

Energy reduction initiatives

While we lease five of our office spaces in buildings owned by others, there are still some ways we can be environmentally conscious and proactive. With approximately 1,900 employees, we recognize the important role we play in increasing overall awareness of conservation issues, whether that means encouraging our team members to bring a sweater to work and turn off their space heaters, asking them to shut off lights when they leave rooms, or using the recommended power management settings that place electronics into hibernate mode when they are not in use.

Clearly, we have more control over how we consume energy in the building we own, and we make every effort to use more efficient lighting, IT equipment, and appliances. We are proud of the reductions we've been able to make at our headquarters in Newark, Delaware, where nearly one third of employees are based.

“ I went to law school because I wanted to help people. Now I represent survivors and first responders of 9/11 in seeking compensation for their injuries. I am also litigating on behalf of the residents of Flint, MI over the ongoing water crisis.

Omar,
NY, Customer

Energy reduction project highlights at HQ in Newark, Delaware

Completed installation of LED exterior lighting for our parking lot, achieving savings of

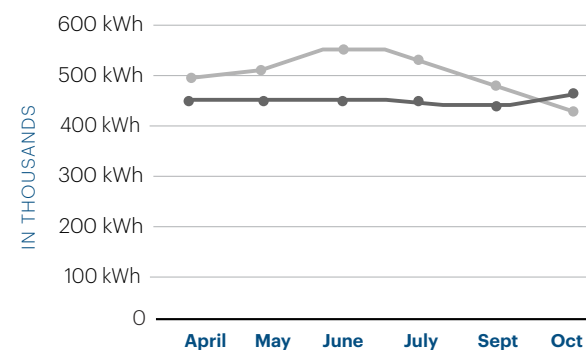
90.8 MWh

close to 2% of our total annual electrical usage at the facility.

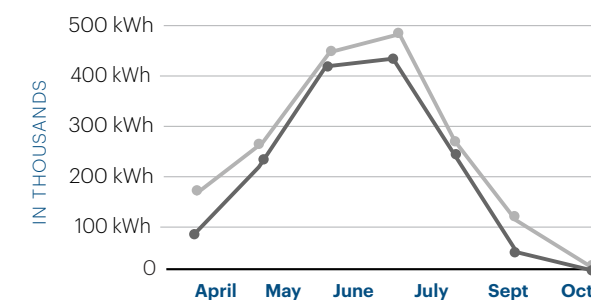


We've installed room sensors in our buildings in areas such as kitchens, washrooms, and other spaces that have intermittent use. The sensors help to reduce our energy use as they automatically turn lights on as people come into rooms, then automatically turn them off after people leave when no motion is detected.

HQ electricity usage

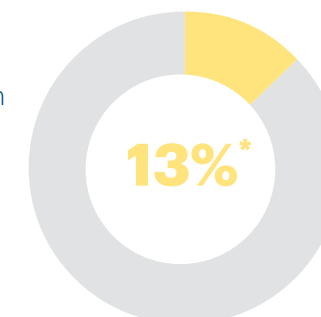


Cooling degree days



*Cooling season (April to October)

Replaced existing chillers with high-efficiency chillers that reduced the building's total energy use by



Energy audits

To help us uncover more opportunities to reduce our energy consumption, we partnered with a commercial real estate services firm in 2019 to conduct extensive energy audits at our two largest office locations in Newark and New Castle, Delaware. Together these two sites house almost 1,100 of our 1,900 employees.

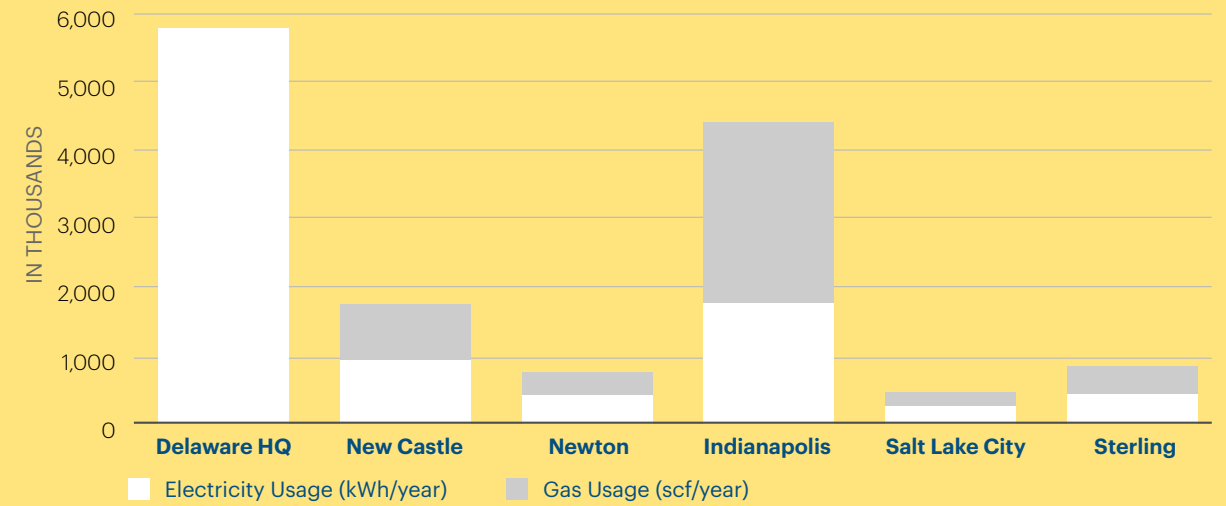
Based on the results of the audit, we mapped out a five-year plan to guide our future activities and investments. The audit identified potential energy and cost savings for each project, which helps us prioritize where to invest first based on feasibility and return on investment. While we've already significantly reduced onsite energy use at these two facilities, noteworthy improvement opportunities from the audit findings included:

- Implementing a setback schedule for the heating, ventilation, and air conditioning (HVAC) systems that allows the buildings to save HVAC energy when not occupied;
- Reducing chilled water pump speed to slightly increase efficiency of chilled water flow to the roof top units;
- Installing submeters to better track energy use of leased sites;
- Replacing uninterruptable power source or battery backup units with newer, smaller capacity units with greater efficiency; and
- Replacing all interior lamps with LED bulbs that are energy efficient T-5 lighting.

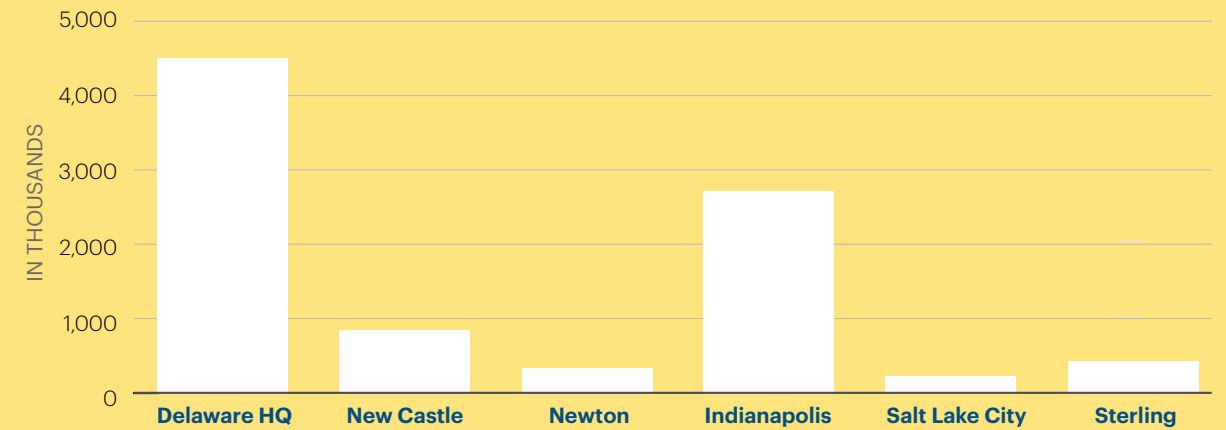
Our external partner also helped us develop an initial baseline of our total energy use, and associated GHG emissions, across our entire operation, using a combination of data from utility bills and estimations based on square footage of our facilities.

Energy use and GHG Emissions

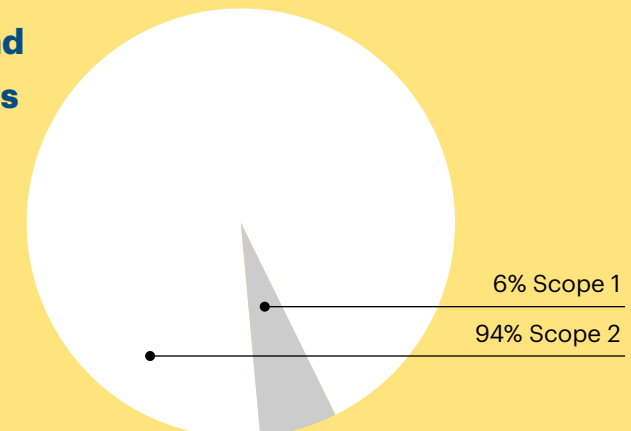
2019 Total energy use



2019 MtCO₂e



2019 Scope 1 and 2 GHG emissions



Sustainable offices

Part of our commitment to being good environmental stewards is being thoughtful about the materials we use when designing and furnishing our office spaces. In 2018 and 2019, our Facilities Team developed a set of environmentally preferable standards to guide our selection of materials and equipment, as well as inform our demolition practices.

These formal specifications help us design and execute projects in an environmentally conscious manner and with the health and well-being of our employees in mind. Where applicable, the specifications are aligned with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) qualifications and credits.

New builds or retrofits

The current environmentally preferable standards we use when designing or retrofitting new offices include:

- **Carpet:** Our carpets are certified and assessed for human health and environmental impact, Greenguard Certified®, PVC free, and qualify for Green LEED credits.
- **Paint:** We use low volatile organic compound (VOC) paints.
- **Ceramic tile:** We procure tile that is composed of pre-consumer recycled materials.
- **Plumbing:** We install low-flow toilets and faucets for water conservation, and auto-flush and touchless faucets for both human health and environmental impact.
- **Electrical distribution for general office areas:** We incorporate time-of-day switched outlets for non-critical circuits.
- **Ceiling tile:** We use tiles that are Greenguard Gold Certified®, have low VOC emissions, and are comprised of more than 73% recycled material.
- **Lighting:** We utilize energy efficient LED lighting for all lighting retrofits and exit signage.
- **Lighting controls:** We install lighting controls that take advantage of daylight; we install occupancy and vacancy sensors; we incorporate the use of manual dimming controls resulting in energy gains of 50%.
- **HVAC:** We install automation system controls for HVAC systems and zoned temperature controls with centrally controlled variable air volume controllers.

Demolition

Our demolition specification calls for maximum salvaging for reuse or sorting to recycle to minimize contribution to landfills. Our carpets are all subject to the cradle to cradle specification, which means carpet is returned to the manufacturer for recycling to downcycling.

These new standards were applied to the renovations at our New Castle office in Delaware and our Sterling office in Virginia, and will apply to all new builds and renovations moving forward, including the New Castle office expansion scheduled for 2020.

Waste minimization

We make concerted efforts to reduce the amount and type of waste we generate at our offices. We are working with our waste removal company at both Delaware locations to enhance our recycling programs for greater reductions in overall waste. Wherever possible, all our offices have separate receptacles to facilitate proper sorting and recycling.

We are also taking steps to transition towards paperless offices. We've moved away from individual desktop printers to multi-function devices (MFDs), which are shared by multiple users and discourage unnecessary printing. MFD defaults are set to double-sided, black-and-white printing to further reduce our environmental impact. Additionally, our secure paper shredding service recycles all office paper that goes into recycling bins.





Members of Sallie Mae's
Compliance Team

Governance and ethics

Corporate governance

We set high standards and expectations for the ethical conduct of our leadership, employees, and business partners, and we believe that maintaining such standards of accountability and transparency are fundamental for the long-term success of our business.

Since the formation of the company, we have attracted and built a strong, qualified Board of Directors whose members have expertise relevant to our business, are diverse in background, and who are deeply committed to operating ethically and with integrity. Eleven of our twelve Directors (or approximately 92% of the members of our Board of Directors) are independent directors, with the exception of Raymond Quinlan, our Chief Executive Officer. We recruit Board members with vast experience in the student loan and financial services industries to help us with emerging and regulatory issues, navigate changing market needs, and guide our advancements in the technology and customer experience space. Key corporate governance policies and practices are available in the [Governance](#) section of our website.

Our Nominations, Governance, and Compensation Committee recognizes the great value in diversity of experience and perspective. Currently, we have four female board members comprising 33 percent of the Board. Our Board is committed to providing oversight of the company's strategy and performance in an effective and constructive manner, with the goal of representing the best interests of our shareholders and balancing those with the interests of our other stakeholders—our customers, employees, and regulators.

“

When an inquiry comes into the Office of the Customer Advocate, we try to take a step back and think, “how would we feel if we were in this customer's position?” This helps us to approach the dilemma with a concern for the customer while also challenging the status quo. We show Sallie Mae cares by listening to, acting on, and learning from customer experiences, to improve and enhance our business.

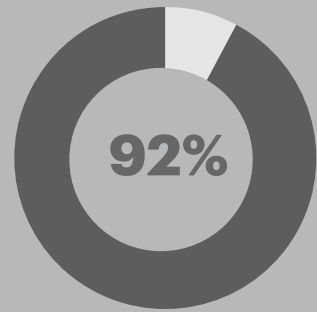


Sheri Jenkins, Director, Office of the
Customer Advocate

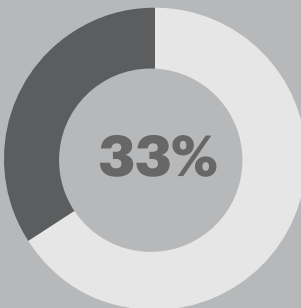
Our board

As of December 31, 2019

12
Board Size



Board Independence
11 of 12

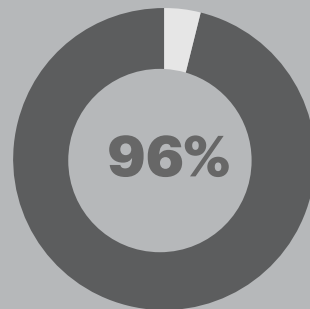


Women Representation
4 of 12

Our Board of Directors has been recognized for the past five years as a 2020 Women on Boards Winning "W" company.

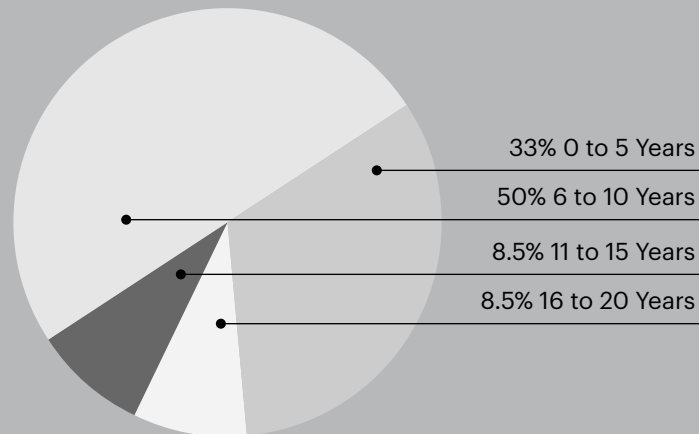


NO
Independent Chair



Say on Pay (executive compensation) for vote at 2019 Annual Shareholder Meeting

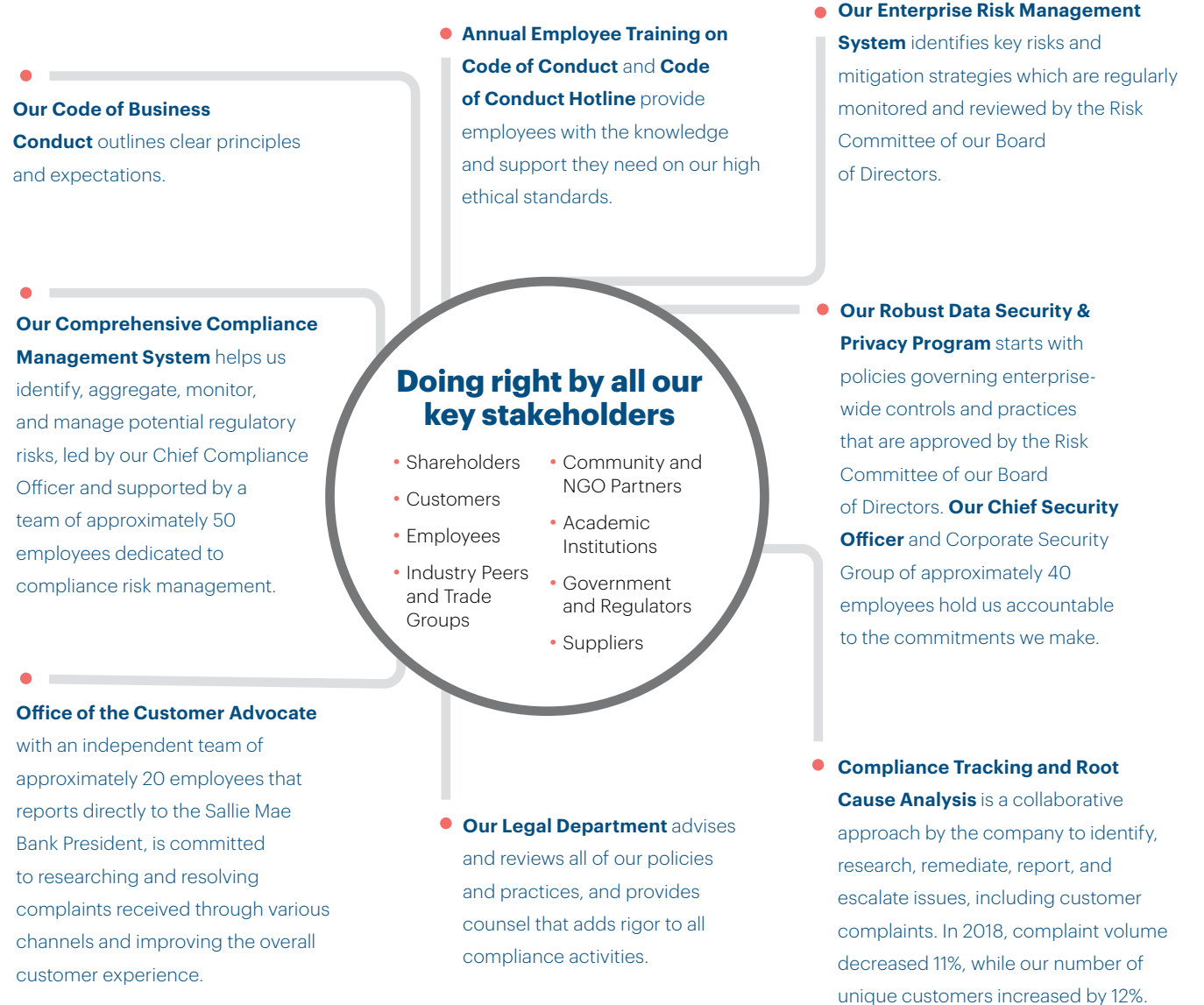
Tenure of members of the Board of Directors



Operating with integrity

For many of our customers, their relationship with us is their first major financial experience. We take that privilege and responsibility seriously.

We understand that the Sallie Mae brand and reputation begins and ends with our individual and collective commitment to integrity. Our adherence to high ethical standards while providing industry-leading services to promote access to higher education for students and families has served us well. It is critical that our employees understand our expectations and approach, which are clearly outlined in our Code of Business Conduct (Code). We train each of our employees on the Code every year, provide numerous avenues for support when they have questions, and put several checks and balances in place to ensure we do right by all of our stakeholders.



Code of business conduct

Our [Code of Business Conduct](#) is the foundation of our ethics program. It provides a clear set of principles and expectations for Sallie Mae employees, officers and directors, and consultants, and is supplemented by policies and procedures that offer more detailed guidance on specific compliance requirements. All employees are responsible for abiding by, and enforcing, the Code, including reporting any questionable activities using the resources provided in the Code.

Employees are trained regularly on the Code regarding a range of key issues and business practices, including anti-corruption, technology use, gift-giving, travel and entertainment expenses, identifying and preventing money laundering, conducting business with foreign governments, and protecting customer privacy. Business units also maintain policies relevant to their specific function. Adherence to the Code is a condition of employment, and violations can result in termination. Each employee must review the Code and sign a Code of Conduct Certification upon joining Sallie Mae and confirm continuing compliance every year thereafter.

Our Board of Directors is also subject to Code of Business Conduct training focusing each director on (i) appropriate conduct, (ii) conflicts of interest and other ethical concerns, (iii) mechanisms to report potential conflicts or unethical conduct, and (iv) helping foster a culture of openness and accountability.

The procedures of the Code are established, reviewed, and amended as needed, by the Sallie Mae Management Compliance Committee.

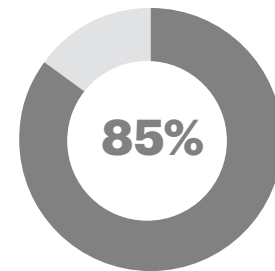
Reporting concerns

The Sallie Mae Code of Conduct Hotline provides employees, contractors, vendors, and suppliers with a resource to report actual or potential breaches of the Code, without fear of retaliation.

The anonymous hotline is operated by an independent third party and is accessible 24 hours a day, seven days a week. When received, investigations are handled timely and confidentially. Complaints of a sensitive nature may be handled by the General Counsel as well as appropriate committees of the Board of Directors. Incidents of fraud and theft will be referred for criminal prosecution when appropriate. Sallie Mae does not retaliate against any employee who, in good faith, reports a questionable activity or asks a question related to the Code.



Office of the Customer Advocate
received the Better Business Bureau
Torch Award for Marketplace Ethics
in 2018.



of our Employees felt our
company has values they
care about and that the
company lives up to.

Compliance management system

Our emphasis on compliance risk management and governance structure is how we keep our promise of security, integrity, and trust to our customers and other stakeholders at Sallie Mae Bank. Our Compliance Management System (CMS), helps us identify, aggregate, monitor, and manage consumer regulatory risks. The program also defines our compliance risk, governance, culture, and capabilities. Our Chief Compliance Officer leads implementation and execution of the CMS program, and compliance management is overseen by Sallie Mae Bank's Board of Directors through the Compliance Committee.

Proactive approach

We seek to identify and respond to issues that could impact our business, our partners, and our communities. Identifying risks, engaging with experts, and implementing policies are a few of the ways we operate to proactively manage risks. Sallie Mae Bank's Annual Compliance Plan is a twelve-month, risk-based description of the action items Sallie Mae Bank is undertaking either directly or in partnership with business areas to develop and maintain a sound, compliance management system.

Risk identification and assessment

Risk assessments are fundamental to effective internal control and compliance risk management. Sallie Mae Bank conducts its compliance risk assessments through ongoing discussions with the Sallie Mae Bank's senior management team, review of the current risk and control environment, consideration of the Bank's specific compliance issues, and discussions with the Internal Audit and Risk Departments. In addition to Sallie Mae's annual compliance risk assessment, the Bank also facilitates the completion of the Bank Secrecy Act, Anti-Money Laundering and Office of Foreign Asset Control risk assessment, Privacy risk assessment, Red Flags risk assessment, and Fair Lending risk assessment. Risk assessments are conducted pursuant to the Enterprise Compliance Risk Assessment Methodology and the Management Assessment of Risk and Control. In addition, Internal Audit conducts its annual risk assessment.

Please see our most recent Proxy Statement for additional information regarding risk oversight by the Board of Directors.

Approach to public policy

Our current policy on political activities, available on [our website](#), outlines the principles and guidelines regarding engagement and advocacy on political activities. We comply with all federal, state, and local lobbying registration and disclosure requirements, and we do not engage in grassroots lobbying efforts.

Currently, we have one long-term, designated employee engaged in lobbying activities exclusively related to matters that directly or indirectly affect the Private Education Loan industry and our mission. That employee manages an external, bipartisan consulting firm that assists with the same objectives, and we report the expenditures made to this firm in our lobbying disclosures. Our involvement with industry associations is limited to those associations comprised of financial institutions with similar interests.

Quarterly disclosures detailing our lobbying activities and expenditures are posted online by the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate.

The Sallie Mae Political Action Committee

In June 2015, we formed the Sallie Mae Political Action Committee (PAC). Our PAC is governed by an Advisory Board composed of six employees, representing different divisions within the Sallie Mae organization. The PAC's Advisory Board reviews and approves all PAC and corporate political contributions and evaluates candidates based on issues that impact the organization or our employees. It also takes note of whether our facilities or employees reside in a candidate's district or state. Our PAC contributions are published on the [Federal Elections Commission website](#).

CSR governance

At the highest level, Sallie Mae's CEO and executive leadership team are held accountable for the company's overall performance, including fulfilling the company's corporate social responsibilities. In addition, the company's Board of Directors provides active risk oversight and receives regular periodic updates on various facets of the business, including CSR topics of relevance.

Various functions at the company take on CSR commitments and initiatives while working closely with the appropriate business leaders to ensure appropriate and strategic alignment and management of such programs and initiatives. Executive team leaders provide guidance, oversight, and accountability for strategy and performance outcomes. Some of these departments include: Human Resources, Customer Operations, Legal, Marketing, and Information and Security.

Managing risk

Our approach to Enterprise Risk Management identifies and manages risks related to our strategic, financial, compliance, and operational objectives. Our Board of Directors approves the company's risk appetite framework, including our risk appetite tolerances and related risk indicators annually. The Risk Committee of our Board of Directors is responsible for monitoring risks and risk management capabilities within the company. Our key risks and mitigation strategies are documented, monitored, and reviewed with the Risk Committee of our Board of Directors quarterly. Material exigent risks are escalated to the Board or an appropriate committee for their review. The Board of Directors or management may require additional reviews as deemed appropriate or necessary. Please see our most recent Proxy Statement for additional information regarding risk oversight by the Board of Directors.



Compliance with new accounting standard – current expected credit losses

Our work regarding the recent implementation of Accounting Standards Update No. 2016-13, “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (CECL) issued by the Financial Accounting Standards Board (FASB) in June 2016 is a good example of how we identify and manage enterprise risk related to key financial matters.

CECL became effective for us on January 1, 2020 and involved a significant change in the way we are required to measure our allowance for credit losses under generally accepted accounting principles. The measurement of our allowance for credit losses requires us to make very significant estimates and judgments about reported amounts. Under CECL, for all loans carried at amortized cost, upon loan origination we are now required to measure our allowance for credit losses based on our estimate of all current expected credit losses over the remaining contractual term of the assets. Updates to that estimate each period will be recorded through provision expense.

Upon FASB issuing the CECL guidance in 2016, we embarked on a multi-year project to implement the new guidance effective January 1, 2020. We established a multi-disciplined team, including members of our accounting, finance, credit, information technology, and internal audit departments, as well as external consultants, to implement the new standard. Throughout the development and implementation phases, we provided regular updates and training to senior management throughout the company and to our Board of Directors. In 2019, we began dry runs of our solution and regularly reported the results internally and to our Board of Directors. The models used to support the estimate of our allowance for loan losses were validated by third parties prior to the adoption date. On January 1, 2020, we adopted CECL using the modified retrospective method and it had a material impact on how we record and report our financial condition and results of operations and on regulatory capital.

Engaging stakeholders on what matters

What matters to our stakeholders matters to us, and their opinions play a vital role in shaping and defining our CSR priorities. How we engage with them and respond to their concerns builds trust in our business. We use a variety of methods to actively connect with stakeholders on a regular basis to ensure that we fully understand their interests and objectives. Our ongoing engagement with these stakeholders helps us understand their current and future expectations and identify ways to create value for them.



Shareholders

Proactively hold discussions with institutional investors and financial analysts who are increasingly interested in our CSR performance as well as financial results.



Customers

Use combination of formal customer satisfaction surveys and informal channels through the customer experience interface to gather feedback.



Employees

Solicit employee perspectives through the annual Employee Satisfaction Survey, the performance review process, as well as quarterly Town Hall meetings with our CEO.



Industry Peers and Trade Groups

Engage with industry partners on key business issues, such as cybersecurity, data privacy, and fair and responsible lending.



Community and Non-Government Organizations

Engage with NGOs and community partners to identify and address the greatest needs in the communities where we operate and encourage our employees to engage in community service.



Academic Institutions

Collaborate with many academic institutions to increase financial literacy awareness as well as develop and distribute valuable tools that help students and their families navigate and plan for higher education.



Government and Regulators

Engage in regular interactions with members of Congress as well as the representatives of the Federal Deposit Insurance Corporation (FDIC), the Utah Department of Financial Institutions (UDFI), and the Consumer Financial Protection Bureau (CFPB). Such interactions involve matters of compliance, policy, or operational expertise and guidance.



Suppliers/Vendors

Execute best practices for third-party oversight and management that support development and inclusion of diverse suppliers. Our comprehensive third-party management program provides the framework to ensure integrity and soundness of third parties providing products and services to Sallie Mae by exercising appropriate due diligence prior to entering relationships and ongoing monitoring after the relationship has been established.

SASB index

Sallie Mae has elected to report to the Sustainable Accounting Standards Board (SASB) Framework in our first CSR Disclosure. SASB connects business and investors on the financial impacts of sustainability. Unless otherwise noted, all data and descriptions apply to our entire company. We do not currently disclose all metrics included in the standards for this sector, but we will continue to evaluate them in the future. All data for the year ended December 31, 2019 unless otherwise noted.

ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE/ LOCATION
Consumer Finance			
CUSTOMER PRIVACY			
Number of account holders whose information is used for secondary purposes	Quantitative	FN-CF-220a.1	The Online Privacy Policy describes our practices concerning the collection and use of information gathered from or about our online visitors and registered users. Safeguarding data and customer privacy
Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	FN-CF-220a.2	SLM discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K .
DATA SECURITY			
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.	Quantitative	FN-CF-230a.1	Due to our strong privacy culture, to our knowledge we have not experienced any significant or material breaches or loss of customer information in 2017, 2018, or 2019. Safeguarding data and customer privacy
Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	Quantitative	FN-CF-230a.2	Given that our credit cards were introduced over the course of 2019, we do not yet have a full year of data to disclose. We will share this information in future CSR reports.
Description of approach to identifying and addressing data security risks	Discussion and analysis	FN-CF-230a.3	Our approach to CSR Safeguarding data and customer privacy Form 10-K: Privacy Laws

ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE/ LOCATION
Consumer Finance cont.			
SELLING PRACTICES TOPIC			
Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	FN-CF-270a.1	This is not applicable as we do not have employees who "sell" loans or credit cards.
Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Quantitative	FN-CF-270a.2	In 2019, the approval rate for applicants with a FICO score above 660 was 75%, and approval for a FICO score below 660 was 5.5%. FICO is one attribute we use in credit underwriting to assess the risk of default as a way to minimize the number of credit accounts in our portfolio that will become past due or delinquent.
1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Quantitative	FN-CF-270a.3	1) We do not have add-on products. 2) As stated in our Annual Financial Highlights, 9.32% is the average yield. 3) The weighted average life of each asset is public information and disclosed in our Form 10-Q and Form 10-K filings. 4) Average number of trade lines is not accessible to us because we do not seek, track, or maintain this data—it sits with the credit reporting agencies. 5) We do not offer pre-paid products.
(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Quantitative	FN-CF-270a.4	1) From January 1, 2019 to December 31, 2019, there were 250 complaints filed with the CFPB wherein Sallie Mae was a respondent. 2) Of these 250 complaints, 12.8% resulted in monetary or non-monetary relief. 3) We do not have reliable data to report on this. 4) Of these 250 complaints, 0% resulted in investigation by the CFPB.
Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	FN-CF-270a.5	SLM discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K .

GRI content index

This table covers the Global Reporting Initiative's Sustainability Reporting Standards and Disclosures found in Sallie Mae's 2019 Corporate Social Responsibility Report, 2019 Annual Report and company website. This report has been prepared in accordance with the GRI Standards: Core Option.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
GRI General Disclosures		
ORGANIZATIONAL PROFILE		
GRI 102-1	Name of the organization	SLM Corporation (NASDAQ: SLM)
GRI 102-2	Activities, brands, products, and services	What we do
GRI 102-3	Location of headquarters	300 Continental Drive, Newark, DE 19713
GRI 102-4	Location of operations	Our locations: <ul style="list-style-type: none"> • Newark, DE (HQ) • Indianapolis, IN • New Castle, DE • Salt Lake City, UT • Newton, MA • Sterling, VA
GRI 102-5	Ownership and legal form	Delaware corporation See Annual Report on Form 10-K for the year ended December 31, 2019
GRI 102-6	Markets served	See Annual Report on Form 10-K for the year ended December 31, 2019
GRI 102-7	Scale of the organization	At a glance As of December 31, 2019, Sallie Mae had 1,901 employees and we reported GAAP Net Income Attributable to Common Stock of \$561 Million in 2019.
GRI 102-8	Information on employees and other workers	At a glance Our workforce As of December 31, 2019, Sallie Mae had 1,901 employees across its six locations.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
ORGANIZATIONAL PROFILE cont.		
GRI 102-9	Supply chain	Our suppliers are critical to the services and value we deliver to our clients and consumers each and every day. They enable us to progress and help us to reach our strategic goals, purchase responsibly and manage our expenses. The management of our spend is the responsibility of Strategic Procurement, which is responsible for negotiating and contracting with either new suppliers, or new statements of work, as well as management of the supplier's post-contract performance.
GRI 102-10	Significant changes to the organization and its supply chain	In 2019, Sallie Mae made no significant changes to the organization's size, structure, ownership, and supply chain.
GRI 102-11	Precautionary Principle or approach	Our precautionary approach is reflected in our Enterprise Risk Management approach.
GRI 102-12	External initiatives	Global Reporting Initiative, UN Sustainable Development Goals, U.S. Green Building Council and LEED
GRI 102-13	Membership of associations	<ul style="list-style-type: none"> • Consumer Bankers Association • American Bankers Association • Student Loan Servicing Alliance • Structured Finance Industry Group • Delaware Bankers Association • Utah Bankers Association • National Association of Industrial Bankers • National Council of Higher Education Resources
STRATEGY		
GRI 102-14	Statement from senior decision-maker	Message from the CEO
ETHICS & INTEGRITY		
GRI 102-16	Values, principles, standards, and norms of behavior	Governance and ethics Code of Business Conduct and Ethics outlines our policy, which applies to the company's employees, officers, and nonemployee directors, including the company's CEO, CFO, and principal accounting officer or controller. Learn more about our Corporate Governance policies and practices, and our Board of Directors and committees here: Corporate governance .
GRI 102-17	Mechanisms for advice and concerns about ethics	SLM Proxy Statement Operating with integrity Our Code of Business Conduct outlines the internal and external mechanisms for employees to seek advice about ethical and lawful behavior, and organizational integrity, and to report concerns about unethical or unlawful behavior, and organizational integrity.
GRI 102-18	Governance structure	SLM Proxy Statement Governance and ethics

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
GOVERNANCE		
GRI 102-18	Governance structure	<u>Governance and ethics</u> Learn more about our Corporate Governance policies and practices, and our Board of Directors and committees here .
GRI 102-29	Identifying and managing ESG topics	<u>Our approach to CSR</u>
GRI 102-30	Oversight of risk management process	<u>Compliance management system</u> <u>CSR Governance</u>
STAKEHOLDER ENGAGEMENT		
GRI 102-40	List of stakeholder groups	<u>Engaging with stakeholders</u> Our key stakeholder groups include but aren't limited to: current and former Sallie Mae Employees; Customers; Shareholders; Community and Non-Government Organizations; Academic Institutions; Industry Peers and Trade Organizations; Suppliers/Vendors; Government and Regulators.
GRI 102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 102-42	Identifying and selecting stakeholders	<u>Engaging with stakeholders</u>
GRI 102-43	Approach to stakeholder engagement	<u>Engaging with stakeholders</u>
GRI 102-44	Key topics and concerns raised	<u>Engaging with stakeholders</u> <u>Strengthening our communities</u> <u>Community Reinvestment Act</u>
REPORTING PRACTICE		
GRI 102-45	Entities included in the consolidated financial statements	See <u>Annual Report</u> on Form 10-K for the year ended December 31, 2019
GRI 102-46	Defining report content and topic Boundaries	<u>Our approach to CSR</u> In support of the 2019 materiality assessment, we engaged Anthesis Group who worked with us to review industry standards, feedback from key stakeholders, inputs from the business, and our competitor and peer reporting. We then assessed the importance of each CSR topic in two ways: (i) if such topic impacts our business in terms of growth, cost, risk, or trust, and (ii) if such topic significantly influences the assessments and decisions of our key stakeholders.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
REPORTING PRACTICE cont.		
GRI 102-47	List of material topics	<u>Our approach to CSR</u> Sallie Mae's priority CSR topics include: <ul style="list-style-type: none"> • Community Engagement and Investment • Business integrity • Data Security and Privacy • Empowering Underserved Populations • Energy and Emissions • Fair and Responsible Lending • Attracting and Retaining Talent • Providing Training and Development Opportunities • Fostering a Diverse and Inclusive Workplace • Ensuring a Safe and Healthy Workplace • Regulatory Compliance • Risk Assessment
GRI 102-48	Restatements of information	Since this is our first CSR Report, this is our first disclosure of baseline CSR data and information.
GRI 102-49	Changes in reporting	Not applicable since this is our first CSR Report.
GRI 102-50	Reporting period	The highlights and metrics shared in this report cover calendar year 2019, and we provide multi-year trend data where feasible.
GRI 102-51	Date of most recent report	This is our first CSR Report.
GRI 102-52	Reporting cycle	Sallie Mae plans to release an annual update to the CSR Report.
GRI 102-53	Contact point for questions regarding the report	Sallie Mae's contact point for questions regarding the report is CSR@salliemae.com .
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the principles and disclosures of the Global Reporting Initiative (GRI) Standards: Core Option and covers topics for all entities included in our financial statements.
GRI 102-55	GRI content index	This GRI Content Index Table.
GRI 102-56	External assurance	We do not currently have a policy regarding external assurance for our CSR reporting, and as such, the data and information in our report are not externally assured.

Specific Standard Disclosures – Economic

TOPIC: ECONOMIC PERFORMANCE

GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	<u>Identifying emerging CSR topics</u>
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GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
TOPIC: ECONOMIC PERFORMANCE <i>cont.</i>		
GRI 201-1	Direct economic value generated and distributed	At a glance Our workforce Supporting our customers' success Community investment

TOPIC: ECONOMIC PERFORMANCE		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics
GRI 203-2	Significant indirect economic impacts	Our workforce Serving our customers SEC Annual Report on Form 10-K for the year ended December 31, 2019

TOPIC: ANTI-CORRUPTION		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Operating with integrity
GRI 205-2	Communication and training about anti-corruption policies and procedures	Operating with integrity Employees are trained regularly on the Code regarding a range of key issues and business practices, including anti-corruption, technology use, gift-giving, travel, and entertainment expenses, identifying and preventing money laundering, conducting business with foreign governments, and protecting customer privacy.
GRI 205-3	Confirmed incidents of corruption and actions taken	If allegations of corruption are brought to our attention, we work to investigate and resolve them appropriately and disclose material, substantiated incidents as appropriate.

Specific Standard Disclosures – Environment

TOPIC: EMISSIONS		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Energy and emissions reduction
GRI 302-1	Energy consumption within the organization	Energy use and GHG emissions
GRI 302-4	Reduction of energy consumption	Energy and emissions reduction

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
TOPIC: EMISSIONS <i>cont.</i>		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Energy and emissions reduction
GRI 305-1	Direct (Scope 1) GHG emissions	Energy use and GHG emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Energy use and GHG emissions

Specific Standard Disclosures - Social

TOPIC: EMPLOYMENT		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Investing in our people
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401(k) matching

TOPIC: OCCUPATIONAL HEALTH AND SAFETY		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Investing in our people Promoting health and well-being
GRI 403-6	Promotion of worker health	Promoting health and well-being

TOPIC: TRAINING AND EDUCATION		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Investing in our people Ongoing growth and development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Ongoing growth and development Note that we report on the type and scope of programs Sallie Mae provides to help employees upgrade their skills. We do not currently offer any programs to facilitate continued employability of employees who leave either through retirement or termination.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
TOPIC: ANTI-CORRUPTION		
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	100% of all available and eligible employees at Sallie Mae received performance reviews in 2019.
TOPIC: DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Investing in our people Inclusion and respect
GRI 405-1	Diversity of governance bodies and employees	Our workforce Our board
TOPIC: LOCAL COMMUNITIES		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Building stronger communities
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Building stronger communities Financial literacy tools and resources Community Reinvestment Act All our operations have community engagement and investment programs in place.
TOPIC: PUBLIC POLICY		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Approach to public policy
GRI 415-1	Political Contributions	Approach to public policy Political Activity Policy PAC contributions can be found here
TOPIC: MARKETING AND LABELING		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Protecting the best interests of our customers Operating with integrity
GRI 417-1	Product and service information and labeling	Protecting the best interests of our customers
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	We have not identified any non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.
GRI 417-3	Incidents of non-compliance concerning marketing communications	We have not identified any non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES
TOPIC: CUSTOMER PRIVACY		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Operating with integrity Safeguarding data and customer privacy
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have had no substantiated complaints regarding breaches of customer privacy, and no identified leaks, thefts, or losses of customer data in 2019.
TOPIC: SOCIOECONOMIC COMPLIANCE		
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Identifying emerging CSR topics Code of Business Conduct
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Operating with integrity We have not identified any non-compliance with laws and/or regulations in the social and economic area.

Forward looking statement

This Corporate Social Responsibility Report contains “forward-looking statements” and information based on management’s current expectations as of the date of this report. Statements that are not historical facts, including statements about our beliefs, opinions or expectations and statements that assume or are dependent upon future events, are forward-looking statements. This includes, but is not limited to, our expectation and ability to pay a quarterly cash dividend on our common stock in the future, subject to the determination by our Board of Directors, and based on an evaluation of our earnings, financial condition and requirements, business conditions, capital allocation determinations, and other factors, risks and uncertainties, our 2020 guidance; our three-year horizon outlook; our expectation and ability to execute loan sales and share repurchases; our projections for originations and earnings growth and balance sheet position; and any estimates related to pending accounting standard changes. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, the risks and uncertainties set forth in Item 1A. “Risk Factors” and elsewhere in our 2019 Form 10-K and subsequent filings with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; failure to comply with consumer protection, banking and other laws; changes in accounting standards and the impact of related changes in significant accounting estimates, including any regarding the measurement of our allowance for loan losses and the related provision expense; any adverse outcomes in any significant litigation to which we are a party; credit risk associated with our exposure to third-parties, including counterparties to our derivative transactions; and changes in the terms of education loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings; cybersecurity incidents, cyberattacks, and other failures or breaches of our operating systems or infrastructure, including those of third-party vendors; damage to our reputation; risks associated with restructuring initiatives, including failures to successfully implement cost-cutting programs and the adverse effects of such initiatives on our business; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; changes in banking rules and regulations, including increased capital requirements; increased competition from banks and other consumer lenders; the creditworthiness of our customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; rates of prepayment on the loans that we own; changes in general economic conditions and our ability to successfully effectuate any acquisitions; and other strategic initiatives. The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions, including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect. All forward-looking statements contained in this report are qualified by these cautionary statements and are made only as of the date of this report. We do not undertake any obligation to update or revise these forward-looking statements to conform such statements to actual results or changes in our expectations.





We are here to make great things happen for our customers, our communities... our world. We are committed to creating a more sustainable and prosperous future, and we've only just begun.





www.salliemae.com

To view this report online, please visit www.salliemae.com/csr

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