

SLM CORP
Form 10-Q
April 22, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

or

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

For the transition period from _____ to _____

Commission File Number: 001-13251

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

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

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

(302) 451-0200
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year, if changed since last report)

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

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the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at March 31, 2015
Common Stock, \$0.20 par value	425,180,591 shares

SLM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
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SLM CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	March 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$875,622	\$2,359,780
Available-for-sale investments at fair value (cost of \$168,964 and \$167,740, respectively)	170,831	168,934
Loans held for investment (net of allowance for losses of \$89,805 and \$83,842, respectively)	10,909,014	9,509,786
Other interest-earning assets	62,383	77,283
Accrued interest receivable	541,355	469,697
Premises and equipment, net	79,822	78,470
Acquired intangible assets, net	2,855	3,225
Tax indemnification receivable	227,157	240,311
Other assets	64,485	64,757
Total assets	\$12,933,524	\$12,972,243
Liabilities		
Deposits	\$10,467,753	\$10,540,555
Income taxes payable, net	194,345	191,499
Upromise related liabilities	285,104	293,004
Other liabilities	120,409	117,227
Total liabilities	11,067,611	11,142,285
Commitments and contingencies		
Equity		
Preferred stock, par value \$0.20 per share, 20 million shares authorized Series A: 3.3 million and 3.3 million shares issued, respectively, at stated value of \$50 per share	165,000	165,000
Series B: 4 million and 4 million shares issued, respectively, at stated value of \$100 per share	400,000	400,000
Common stock, par value \$0.20 per share, 1.125 billion shares authorized: 428 million and 425 million shares issued, respectively	85,587	84,961
Additional paid-in capital	1,106,415	1,090,511
Accumulated other comprehensive loss (net of tax benefit of \$13,012 and \$7,186, respectively)	(20,584)	(11,393)
Retained earnings	154,824	113,066
Total SLM Corporation stockholders' equity before treasury stock	1,891,242	1,842,145
Less: Common stock held in treasury at cost: 3 million and 1 million shares, respectively	(25,329)	(12,187)
Total equity	1,865,913	1,829,958
Total liabilities and equity	\$12,933,524	\$12,972,243

See accompanying notes to consolidated financial statements.

SLM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Interest income:		
Loans	\$ 197,856	\$ 160,035
Investments	2,720	968
Cash and cash equivalents	780	866
Total interest income	201,356	161,869
Interest expense:		
Deposits	29,570	22,591
Other interest expense	832	40
Total interest expense	30,402	22,631
Net interest income	170,954	139,238
Less: provisions for loan losses	16,618	39,159
Net interest income after provisions for loan losses	154,336	100,079
Noninterest income:		
Gains on sales of loans, net	—	33,888
Gains (losses) on derivatives and hedging activities, net	3,292	(764
Other	8,007	8,136
Total noninterest income	11,299	41,260
Expenses:		
Compensation and benefits	41,203	29,667
Other operating expenses	39,984	34,004
Total operating expenses	81,187	63,671
Acquired intangible asset amortization expense		