

SLM CORP
Form 10-Q
October 19, 2016

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 September 30, 2016

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 September 30, 2016
Common Stock, \$0.20 par value	428,267,726 shares

SLM CORPORATION

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

	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents	\$ 1,454,938	\$ 2,416,219
Available-for-sale investments at fair value (cost of \$209,464 and \$196,402, respectively)	213,176	195,391
Loans held for investment (net of allowance for losses of \$164,839 and \$112,507, respectively)	14,760,504	11,630,591
Restricted cash and investments	38,256	27,980
Other interest-earning assets	47,283	54,845
Accrued interest receivable	805,647	564,496
Premises and equipment, net	86,721	81,273
Tax indemnification receivable	276,543	186,076
Other assets	62,545	57,227
Total assets	\$ 17,745,613	\$ 15,214,098
Liabilities		
Deposits	\$ 12,941,345	\$ 11,487,707
Short-term borrowings	350,000	500,175
Long-term borrowings	1,577,689	579,101
Income taxes payable, net	199,813	166,662
Upromise related liabilities	259,290	275,384
Other liabilities	157,980	108,746
Total liabilities	15,486,117	13,117,775
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: 434.4 million and 430.7 million shares issued, respectively	86,881	86,136
Additional paid-in capital	1,157,248	1,135,860
Accumulated other comprehensive loss (net of tax benefit of \$17,253 and \$9,949, respectively)	(27,813)	(16,059)
Retained earnings	530,594	366,609
Total SLM Corporation stockholders' equity before treasury stock	2,311,910	2,137,546
Less: Common stock held in treasury at cost: 6.1 million and 4.4 million shares, respectively	(52,414)	(41,223)
Total equity	2,259,496	2,096,323

Total liabilities and equity	\$17,745,613	\$15,214,098
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See accompanying notes to consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2016	2015	September 30, 2016	2015
Interest income:				
Loans	\$268,341	\$205,274	\$765,246	\$598,417
Investments	2,193	2,640	7,155	7,746
Cash and cash equivalents	2,003	987	4,832	2,568
Total interest income	272,537	208,901	777,233	608,731
Interest expense:				
Deposits	38,210	29,110	107,633	86,961
Interest expense on short-term borrowings	1,604	1,951	5,827	4,719
Interest expense on long-term borrowings	9,448	2,398	17,869	2,398
Total interest expense	49,262	33,459	131,329	94,078
Net interest income	223,275			