

Dear Shareholders,

Last year, I ended my letter to you by sharing our goals for 2014: I let you know we would invest in growing our core businesses, opportunistically acquire financial assets at the right prices, launch new products and services in existing and new markets, invest in start-up businesses, and potentially acquire new businesses when it made sense.

A year later, I'm happy to report we accomplished our goals. We had a great year any way you measure it:

- We reported record earnings of \$6.12 per share
- Book value per share grew by 19% to \$37.31 per share
- We bought \$6.1 billion of student loans
- Student loan servicing volume exceeded \$161 billion and 7.5 million borrowers
- We invested significantly to modernize our private loan origination and servicing platforms
- We now serve a market-leading 7,000 private and faith-based K-12 schools with tuition payment plans, as well as grant and aid services
- We acquired RenWeb, a premier private and faith-based K-12 school information system provider
- We invested in many new initiatives, including startups
- We increased the size of our team from 2,800 associates to more than 3,100

We are excited by the achievements of the previous year and proud of the teamwork that made them possible. While it's fun to reflect, we are energized for the opportunities and challenges ahead of us, and remain focused on long-term value creation.

// New Mission and Vision Statements

The world is changing quickly. To thrive in an ever-changing environment, we must pivot rapidly to meet the evolving needs of our customers, and use our core values as a compass for each turn. To drive the future direction of the company, last year we updated our mission and vision statements.

Our mission statement: To build a more educated and fiscally responsible world.

Our vision statement: To be the premier education, finance, software, and services provider.

Our values:

- Provide superior customer experiences
- Create an awesome work environment
- Pursue opportunities for diversification and growth
- Communicate openly and honestly
- Give back to the communities in which we live and work

We operate under a simple formula for success: Education + Finance + Software + Services = Nelnet. We have strong competencies and believe we can deliver exceptional value in each of these four areas. However, we know from past performance that if we combine more than one of these competencies when launching new products or services, we have a greater likelihood of success.

// Our 3-Year Strategy

Our strategy for the next three years is directly in line with that of the last three years, and has four critical parts:

1. Focus on the growth of our core operations
2. Expand our products into new verticals
3. Diversify our product and service offerings
4. Opportunistically deploy capital

Focus on the growth of our core operations

This is Nelnet's bread and butter. Simply stated, we are going to continue to buy student loan portfolios, grow our servicing operations, including private loan servicing, and grow our eBilling and ePayment and tuition payment plan businesses. This is the core of what we do, and we don't want to lose focus on these great businesses and the opportunities to grow them.

Expand our products into new verticals

When we break down what we do well in education, finance, software, and services into smaller parts, we've found that many of these functions and competencies are needed in other markets, especially highly regulated, highly secure, payment-focused, consumer-driven verticals, such as healthcare. Over the next few years, we plan to introduce our products and services into even more new verticals.

Diversify our product and service offerings

Nelnet's success in the past can be attributed to our constant attention to diversification. We have always strived to avoid putting all of our eggs into the one proverbial basket. This strategy has served us well given the ever-changing political and regulatory landscape. You will continue to see us diversify our revenue sources.

Opportunistically deploy capital

For some time, we have been accumulating capital and we continue to be disciplined in how it is deployed. While opportunistically deploying capital is a top priority, we will continue to be methodical in our decisions. We have opportunities to invest in our core servicing and payment processing businesses, loan origination, and portfolio acquisitions at the appropriate risk and return levels. We believe in the value we have created and will create in the future, and we will continue to buy back stock under the right market conditions.

// 2015 Objectives

In 2015, you will see us focus on executing on our three-year strategy. We will:

1. Enhance our customers' experience in all interactions with our company
2. Grow our core businesses
3. Diversify our products and services
4. Meet our financial targets
5. Optimize our organizational structure to recruit, retain, and energize our associates

Enhance our customers' experience in all interactions with our company

Our goal is to create industry-leading customer experience. Across the company, we are focused on delivering easy-to-use products supported by terrific customer service. In 2015, we will implement a new telephony system to create a better self-service borrower experience, launch a new website for student loan borrowers to manage their accounts, introduce a more user-friendly institutional dashboard for K-12 school clients, and continue to invest significantly in developing an intuitive private loan origination system.

Grow our core businesses

We see growth opportunities in Nelnet Business Solutions (NBS) and Nelnet Diversified Solutions (NDS).

NBS will introduce our Enterprise tuition management and processing system into the higher education market. This new higher education system is developed from our K-12 system, which has proven to be reliable, secure, and easy to use.

In the K-12 market, we are excited to continue to integrate and cross-sell RenWeb's school information system with FACTS Management's tuition payment plan system. Together, these two products will reshape the future of school management solutions for more than 7,000 private and faith-based K-12 schools that work with either FACTS or RenWeb today, as well as potential new customers.

Our NDS student loan servicing volume for the U.S. Department of Education (Department) increased last year to \$133.6 billion in loans for 5.9 million borrowers, up from \$110.5 billion in loans for 5.3 million borrowers at the end of 2013. We expect to increase this volume further after a transitional year in which we will adapt to the new Department performance metrics.

As we did several years ago to become the Department's top-ranked servicer, we are shifting our approach to compete with the new metrics and continuing to offer the best student loan experience possible to our customers. We realize that changes won't come overnight, which suits our strategy of creating long-term sustainable value for all of our constituents.

Diversify our products and services

A number of areas will bring diversification this year. In 2013, we launched Proxi, a specialized business process outsourcing brand. We are working with client companies that need high-quality 24/7 call center operations, the highest security standards, and Midwestern work ethic coupled with a focus on great customer experience. As it begins its third year, Proxi continues to refine its niche in the market and have success.

We have also bolstered our Nelnet Transaction Services (NTS) business, which processes all types of payments in a secure, integrated, multi-channel solution. NTS has traditionally processed credit and debit card payments in the education vertical, but with the improvements we have made in the technology, we continue to see opportunities to grow our payment processing in other markets as well.

One opportunity we are seeing in 2015 is the re-emerging private loan market. New entrants, as well as some long-term market participants, are capitalizing on historically low interest rates to refinance outstanding education loans. Borrowers with low credit risk are able to lower their interest rates and save considerable amounts over the life of their loans.

Our strategy is to develop a number of partnerships with both new and established companies that have great management teams, and are focused on delivering true value and excellent customer experience to their borrowers – basically, companies that share our values. We will offer marketing services, underwriting experience, origination systems, repayment servicing, and some balance sheet funding to a select group of partners in the private loan space.

We know we have great systems and great people that we can leverage in the growing private loan refinance market. Past experience, such as the credit crisis of 2008, has taught us how fast the capital markets can move away from finance companies. As a result, our strategy is to keep our balance sheet (asset quality and equity) very strong and to remain nimble and quick to react to significant market movements in either direction.

In addition, we will continue to diversify by investing our capital in new venture businesses, starting new businesses through the Nelnet Innovation Hub, and growing our real estate portfolio.

Meet our financial targets

As our core businesses evolve and mature, we are focused on profitable growth that maintains strong margins. In 2015, we'll continue to be disciplined in our management of expenses in these areas.

Optimize our organizational structure to recruit, retain, and energize our associates

We want Nelnet to be an awesome place for the best and brightest to launch or build a career. To help accomplish this core value, we continue to invest in our workspace, advance our leading wellness program, and develop education and leadership programs for associates at all levels.

// Regulatory Update

In December 2013, the Consumer Finance Protection Bureau (CFPB) issued a rule to begin supervising large, non-bank student loan servicers, including Nelnet. As a result, the CFPB began their first review of our servicing functions last year and we expect it to be complete this year.

There is always uncertainty when new regulators begin looking at your company with a different set of criteria, and this is certainly the case with the CFPB. However, we believe their intentions for our consumers are well-placed and will drive positive change.

Working with the CFPB through this first examination will hopefully be a testament to how we live our values, especially our commitment to our customers and transparency. In our conversations with the CFPB, we do our best to be clear about our practices and open to suggestions that improve our customers' experiences. We aim to work in partnership with regulators to ensure the best outcome for the students, families, and companies we serve.

One step we have already taken, based on the recommendation of the CFPB, is to further strengthen our compliance management program. Ensuring Nelnet's compliance with consumer protection laws has always been important to us; however, by creating a board-level Compliance Committee and hiring a Chief Compliance Officer who reports to our Board of Directors, we are making compliance more visible in all areas of the company and integrating compliance activities. Previously, our compliance activities were performed well, but managed by different teams across the organization. Under the new structure, compliance functions and training will be managed and coordinated by one team.

// Record Financial Year

2014 was our second record financial year in a row. Other than on the back of napkins, rarely is business growth a straight line up, so we are very happy to be delivering consistent results. We manage Nelnet for the long term and create a strong return on investment based on real cash flow. With this long-term view, we know there will be periods where our returns will ebb and flow, based upon how we are investing our cash.

In 2014, our book value increased by 19%. Over the past 11 years, Nelnet's per-share book value has increased from \$5.70 to \$37.31, and we have paid out \$3.69 per share in dividends. The compounded annual growth rate of our book value, including dividends per share since we became a public company in December 2003, is just under 20%.

Nelnet's Corporate Performance vs. the S&P 500 (Annual Percentage Change)			
	Per Share Book Value With Dividends Included	Per Share Market Value With Dividends Included	S&P 500 With Dividends Included
2004	49.2%	20.2%	10.9%
2005	41.5%	51.1%	4.9%
2006	6.3%	(32.7)%	15.8%
2007	(1.6)%	(52.5)%	5.5%
2008	6.5%	13.0%	(37.0)%
2009	20.5%	20.2%	26.5%
2010	23.1%	40.6%	15.1%
2011	21.3%	4.6%	2.1%
2012	15.7%	25.9%	16.0%
2013	23.4%	39.0%	32.4%
2014	19.1%	10.1%	13.7%
CAGR	19.7%	7.6%	8.0%

// Our Fair Value Approach

At Nelnet, we feel strongly about fundamental value, and have shared our perspective on fundamental value in our annual reports as a public company:

We believe in conservative and transparent accounting policies. We have never used gain-on-sale accounting. Rather, we have always recorded all assets and liabilities on our balance sheet. This is both transparent and conservative because it does not result in the front-loading of revenues. We recognize income as it is generated. Thus, there is no residual risk associated with the figures reported on our income statement, or residuals included in our equity reported on our balance sheet.

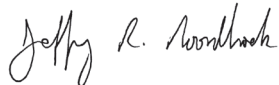
It is our goal for each Nelnet shareholder to record a gain or loss in market value proportional to the gain or loss in per-share fundamental value recorded by the company. To achieve this goal, we strive to maintain a one-to-one relationship between the company's fundamental value and the market price. As that implies, we would rather see Nelnet's stock price at a fair level than at an inflated level. Our fair value approach may not be preferred by all investors, but we believe it aligns with Nelnet's long-term approach to both our business model and market value.

As I stated last year, the biggest challenges facing Nelnet are also some of the biggest opportunities. Since the Affordable Care Act eliminated the Federal Family Education Loan Program (FFELP), we have been able to stem the natural run-off of our FFELP student loan portfolio by acquiring \$17.1 billion in loans. We see more opportunities to acquire loans, but these opportunities will not last forever. Our goal is to take a long-term perspective and deploy our capital into new products and services. We'll focus on investing in businesses and assets that create real cash flows at returns commensurate with the risks in those assets and investments. If we're unable to find ways to deploy our cash over the long term in ways that leverage our strengths, we will return it to our shareholders who have entrusted us with their investment.

We are proud of the company we have built. We have a great mission, a great vision, and a proven set of values. We have talented and highly engaged people that we work for each day. We have market-leading products and services. We have a large and diverse client base. We have expertise in many business verticals, and we have a nice amount of cash. We think this leads to a recipe for success.

We are highly optimistic about the future of Nelnet.

Dream, Learn, Grow

A handwritten signature in black ink that reads "Jeff R. Noordhoek". The signature is written in a cursive, flowing style.

Jeff Noordhoek
Chief Executive Officer