NAVIENT

2017 2nd Quarter Earnings Call Presentation

July 19, 2017

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of June 30, 2017 (unless otherwise noted) and should be read in connection with Navient Corporation's (Navient) Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 24, 2017 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in our 2016 Form 10-K. This presentation contains "forward-looking" statements and other information that is based on management's current expectations as of the date of this presentation. 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 and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," or "target." 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.

For us, these factors include, among others, the risks and uncertainties associated with:
• increases in financing costs;
• the availability of financing or limits on liquidity resulting from disruptions in the capital markets or other factors;
• unanticipated increases in costs associated with compliance with federal, state or local laws and regulations;
• changes in the marketplaces in which we compete (including changes in demand or changes resulting from new laws and regulations);
• changes in accounting standards including but not limited to changes pertaining to loan loss reserves and estimates or other accounting standards that may impact our operations;
• adverse outcomes in any significant litigation to which we are a party;
• credit risk associated with our exposure to third parties, including counterparties to hedging or other 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:
• unanticipated deferrals in our FFELP securitization trusts that would delay repayment of the bonds beyond their legal final maturity date;
• reductions to our credit ratings, the credit ratings of asset-backed securitizations we sponsor or the credit ratings of the United States of America;
• failure of our operating systems or infrastructure, or those of third-party vendors;
• risks related to cybersecurity including the potential disruption of our systems or potential disclosure of confidential customer information;
• damage to our reputation resulting from cyber-breaches, litigation, the politicization of student loan servicing or other actions or factors;
• failure to successfully implement cost-cutting initiatives and adverse effects of such initiatives on our business;
• failure to adequately integrate acquisitions or realize anticipated benefits from acquisitions including delays or errors in converting portfolio acquisitions to our servicing platform;
• changes in law and regulations including but not limited to changes with respect to the student lending or servicing business and financial institutions generally, securitizations or derivatives;
• increased competition from banks and other consumer lenders;
• the creditworthiness of our customers;
• changes in the general interest rate environment, including the relationship between the relevant money-market index rate and the rate at which our assets are priced;
• our ability to successfully effectuate any acquisitions and other strategic initiatives;
• changes in the demand for asset management and business processing services;
• changes in general economic conditions; and
• the other factors that are described in the "Risk Factors" section of the 2016 Form 10-K and in our other reports filed with the SEC.

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 and actual results could differ materially. All forward-looking statements contained in this presentation are qualified by these cautionary statements and are made only as of the date of this presentation. We do not undertake any obligation to update or revise these forward-looking statements except as required by law.

Navient reports financial results on a GAAP basis and also provides certain non-GAAP "core earnings" performance measures. When compared to GAAP results, "core earnings" exclude the impact of: (1) unrealized, mark-to-market gains/losses on derivatives; and (2) goodwill and acquired intangible asset amortization and impairment. Navient provides core earnings measures because this is what management uses when making management decisions regarding Navient's performance and the allocation of corporate resources. Navient core earnings are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. For additional information, see "Core Earnings — Definition and Limitations" in Navient's fourth quarter earnings release for a further discussion and a complete reconciliation between GAAP net income and core earnings.

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Operating Results
“Core Earnings” Basis

Selected Financial Information

(In millions, except per share amounts)	Q2 17	Q1 17	Q2 16
Adjusted Core EPS before regulatory-related costs	**$0.44**	**$0.37**	**$0.48**
Regulatory-related costs	($0.01)	($0.01)	($0.01)
Reported Core EPS	**$0.43**	**$0.36**	**$0.47**
Average common stock equivalent	285	296	328
Ending total education loans, net	$110,363	$107,836	$117,262
Average total education loans	$108,435	$110,252	$119,600

2nd Quarter Highlights

- Purchased $7.1 billion of education loans
- 16% year over year growth in non-education fee revenues
- Reduced 2018 unsecured debt maturities by $252 million
- Returned $210 million to shareholders through dividends and share buybacks

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FFELP Loans Segment
“Core Earnings” Basis

Selected Financial Information and Ratios

($ In millions)	Q2 17	Q1 17	Q2 16
Net income	$57	$51	$68
Average FFELP Loans	$85,321	$86,752	$93,900
Net interest margin	0.80%	0.77%	0.85%
Provision for loan losses	$10	$10	$10
Charge-offs	$13	$13	$13
Annualized charge-off rate	0.08%	0.07%	0.07%
Total delinquency rate	12.8%	11.4%	13.2%
Greater than 90-day delinquency rate	6.0%	6.2%	7.2%
Forbearance rate	12.3%	13.5%	14.8%

Q2 2017 Performance

- Acquired $4.0 billion of FFELP loans
- More than 85% of floor income is hedged through 2020, up from 68% in the prior year
- Late stage delinquency rates declined 17% from the prior year
- Forbearance rate declined 17% from prior year

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Private Education Loans Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q2 17	Q1 17	2Q 16
Net income	$39	$35	$57
Average Private Education Loans	$23,114	$23,500	$25,700
Net interest margin	3.28%	3.16%	3.50%
Provision for loan losses	$95	$95	$100
Charge-offs	$122	$137	$127
Annualized charge-off rate	2.3%	2.6%	2.2%
Total delinquency rate	6.0%	6.8%	6.1%
Greater than 90-day delinquency rate	2.8%	3.5%	2.9%
Forbearance rate	3.6%	3.6%	3.7%

Q2 2017 Performance

- Acquired $3.1 of billion private education loans, including $102 million of newly originated refinance loans
- Charge-offs declined $5 million to $122 million, compared to the second quarter 2016
- Loans delinquent greater than 90 days declined $10 million to $658, from $668 million compared to the second quarter 2016

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Business Services Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

(In Millions)	Q2 17	Q1 17	Q2 16
Net income	$81	$77	$81
Number of accounts serviced for Department of Education	6.0	6.1	6.2
Total federal loans serviced (in billions)	$293	$295	$289
Contingent collections receivables inventory (in billions):			
Education loan inventory	$8.6	$8.8	$10.1
Other inventory	$12.3	$9.9	$9.1
Total contingent collections receivables inventory (in billions)	$20.9	$18.7	$19.2

Q2 2017 Performance

- Began work on new contracts in the federal, state, municipal and healthcare markets
- Excluding intercompany loan servicing revenue, fee revenue increased 8% from the prior year
- Non-education fee revenue increased 16% from the prior year

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2nd Quarter 2017 Capital Markets Summary

- Purchased $7.1 billion of education loans
  - Closed $2.0 billion private education asset backed commercial paper facility, maturing June 2020
  - Increased the maximum financing amount of FFELP ABCP facility from $6.75 billion to $7.75 billion and extended its maturity date to April 2019

- Issued one FFELP ABS transaction totaling $1.0 billion
  - FFELP ABS spreads continue to improve with each successive deal

- Managed our unsecured debt footprint in order to match cashflows
  - Issued $500 million in benchmark Senior Notes, due June 25, 2025
  - Re-opened $52 million of Senior Notes due March 25, 2021
  - Retired $252 million of 2018 unsecured debt

- Returned $210 million to shareholders through share repurchases and dividends
  - Continued to repurchase shares well below our expectations for Navient's intrinsic value

- Maintained a tangible net asset ratio of 1.22x
  - This ratio has consistently remained within our target range of 1.2x to 1.3x for the past five years

The tangible net asset ratio equals GAAP tangible assets less secured debt and other liabilities adjusted for the impact of derivative accounting under GAAP and unamortized net floor premiums divided by unsecured debt

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Guidance

- “Core Earnings” per share between $1.75 and $1.80 excluding expenses associated with regulatory costs
- Expected FFELP NIM in the mid to high 70’s in Q3 & Q4 2017
- Expected Private Education Loan NIM in the high 340’s in Q3 2017 and in the low 340’s in Q4 2017
- Expected charge-offs and provision related to the $3.0 billion Private Education Loan portfolio acquisition to be approximately $30 million in Q4 2017

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GAAP Results

(In millions, except per share amounts)	2Q 17	1Q 17	2Q 16
Net income	$112	$88	$125
EPS	$0.39	$0.30	$0.38
Operating expenses	$230	$238	$230
Provision	$105	$107	$110
Average Student Loans	$108,435	$110,252	$119,600

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Appendix

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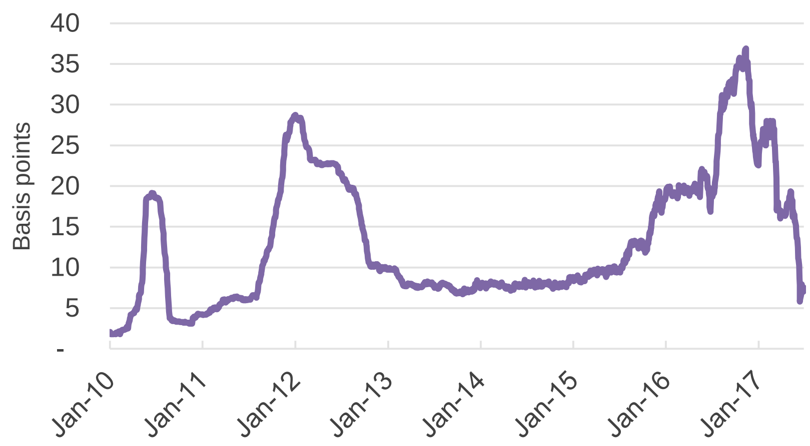
Basis Risk Management

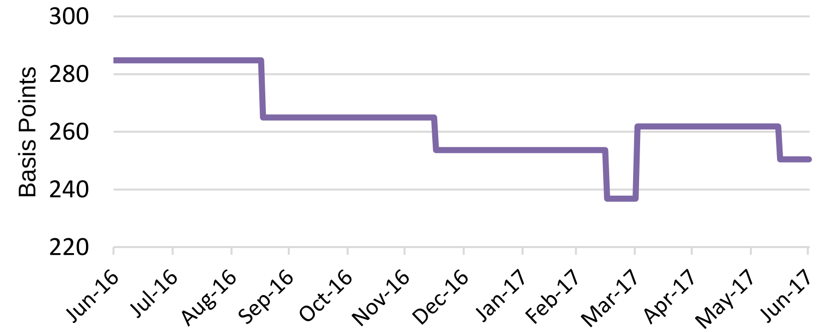
Exposure to Funding Mix

- From 2010 to 2015, the average spread between 1ML and 3ML was 11 basis points (bps).
  - For 2016, the average spread was 25 bps
  - In Q2 2017, the average spread was 15 bps
- Navient uses floor contracts and other derivatives to convert a portion of our liabilities from quarterly reset 3ML to other indices that more closely correlate to our asset indices.
- The company has $20 billion [1] of **FFELP loans** indexed to 1ML that reset daily with funding indexed to 3ML that reset quarterly.
- The company has $15 billion of **Private Education Loans** indexed to Prime with funding indexed to LIBOR.
  - Increases or decreases to the Prime rate can significantly lag changes in LIBOR
- New ABS issuances are primarily indexed to 1ML

Average spread between 1ML and 3ML



Spread Analysis: Prime vs 3ML Indices
(Navient Quarterly Resets)



[1] After the impact of hedges

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Education Loan Portfolio Generates Significant Cash Flows

Projected Life of Loan Cash Flows over ~20 Years

$'s in Billions	
FFELP Cash Flows	**06/30/17**
Secured	
Residual (including O/C)	$7.6
Floor Income	1.9
Servicing	3.0
Total Secured	$12.5
Unencumbered	1.3
Total FFELP Cash Flows	**$13.8**
Private Credit Cash Flows	
Secured	
Residual (including O/C)	$11.9
Servicing	0.9
Total Secured	$12.8
Unencumbered	3.6
Total Private Cash Flows	**$16.4**
Combined Cash Flows before Unsecured Debt	**$30.2**

These projections are based on internal estimates and assumptions and are subject to ongoing review and modification. These projections may prove to be incorrect.

Enhancing Cash Flows

- Generated $1.7 billion of cash flows in YTD 2017
- Issued $1.4 billion of unsecured debt and paid down $0.8 billion in YTD 2017.
- Returned $0.4 billion to shareholders through share repurchases and dividends in YTD 2017
- Acquired $7.9 billion of student loans in YTD 2017
- $30.2 billion of estimated future cash flows remain over ~ 20 years
  - Includes ~$11 billion of overcollateralization[1] (O/C) to be released from residuals
- $3.6 billion of unencumbered student loans
- $1.1 billion of hedged FFELP Loan embedded floor income

[1] Includes $1.7B O/C related to seven private education ABS trusts securing our private education loan ABS repurchase transactions

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Private Education Loans Segment
Troubled Debt Restructurings (TDR)

Delinquency & Forbearance Usage

TDR Loans ($ in millions)	2Q 17	1Q 17	2Q 16
Total delinquencies	$1,145	$1,240	$1,138
Total delinquency rate as a % of loans in repayment	12.0%	13.0%	11.9%
Greater than 90-day delinquencies	$567	$657	$554
Greater than 90-day delinquency rate as a % of loans in repayment	6.0%	6.9%	5.8%
Forbearance	$624	$598	$648
Forbearance rate	6.2%	5.9%	6.3%

Non-TDR Loans ($ in millions)	2Q 17	1Q 17	2Q 16
Total delinquencies	$281	$209	$284
Total delinquency rate as a % of loans in repayment	2.0%	1.8%	2.1%
Greater than 90-day delinquencies	$91	$89	$114
Greater than 90-day delinquency rate as a % of loans in repayment	0.6%	0.8%	0.9%
Forbearance	$246	$195	$244
Forbearance rate	1.7%	1.6%	1.7%

Allowance for Loan Loss

	June 30, 2017		
($ in millions)	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 133	$ 15,074	0.9%
TDR Loans	1,153	10,645	10.8%
Total before RPCO	1,286	25,719	5.0%
RPCO		784	0.0%
Total	$ 1,286	$ 26,503	4.9%

	June 30, 2016		
	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 247	$ 14,974	1.6%
TDR Loans	1,163	10,819	10.7%
Total before RPCO	1,410	25,793	5.5%
RPCO		847	0.0%
Total	$ 1,410	$ 26,640	5.3%

Receivable for Partially Charged-Off Private Education Loans (RPCO)

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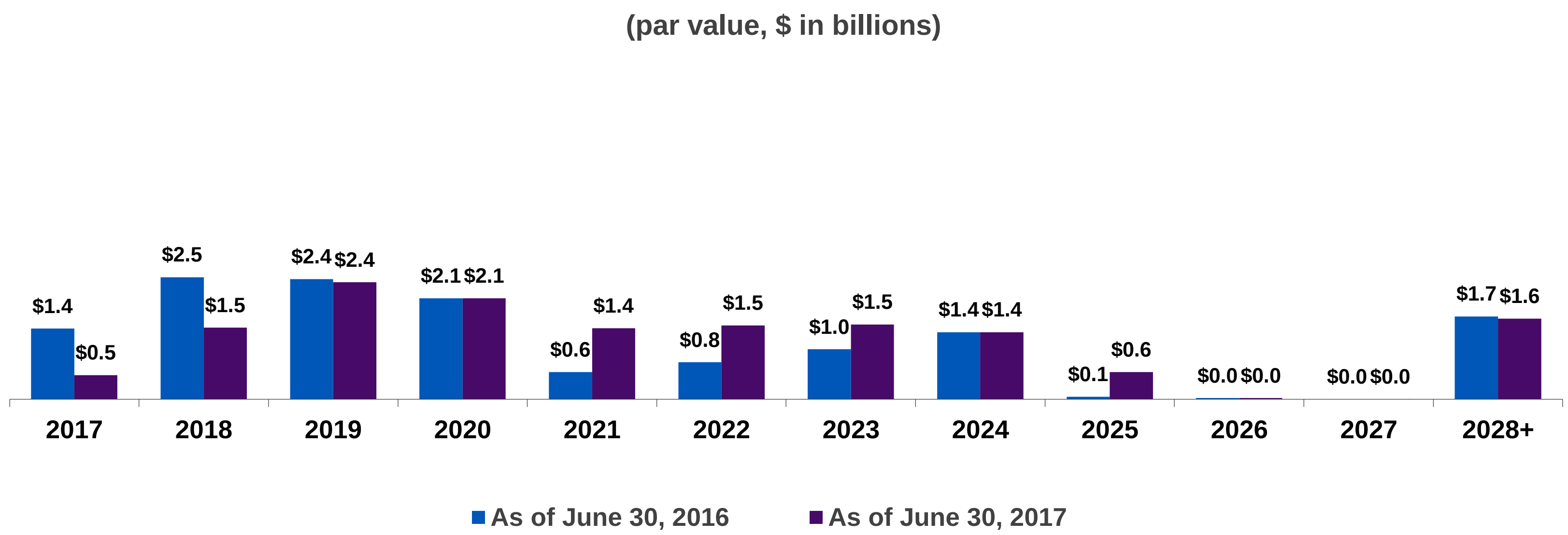
Managing Unsecured Debt Maturities



Long Term Conservative Funding Approach

- Important to maintain our credit ratings to support ongoing access to the unsecured debt markets
  - Reduced 2018 maturities by $1 billion or 40% compared to the prior year
  - Continued our cashflow matching strategy, issuing long, and buying back near term maturities

- Manage tangible net asset ratio to a range of 1.2x to 1.3x
  - 1.22x as of June 30, 2017

The tangible net asset ratio equals GAAP tangible assets less secured debt and other liabilities adjusted for the impact of derivative accounting under GAAP and unamortized net floor premiums divided by unsecured debt

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Differences between “Core Earnings” and GAAP

“Core Earnings” adjustments to GAAP: (Dollars in Millions)	Quarters Ended Jun. 30, 2017	Mar. 31, 2017	Jun. 30, 2016
“Core Earnings” net income	$123	$107	$154
Net impact of derivative accounting	(15)	(23)	(32)
Net impact of goodwill and acquired intangible assets	(6)	(6)	(6)
Net income tax effect	10	10	9
Total “Core Earnings” adjustments to GAAP	(11)	(19)	(29)
GAAP net income	$112	$88	$125

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