2017 1st Quarter Earnings Call Presentation

April 19, 2017

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of March 31, 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.

Operating Results
“Core Earnings” Basis

Selected Financial Information

(In millions, except per share amounts)	Q1 17	Q4 16	Q1 16
Adjusted Core EPS before regulatory-related costs and reserve for legal contingencies	**$0.37**	**$0.47**	**$0.44**
Regulatory-related costs	($0.01)	($0.00)	($0.01)
Reserve for legal contingencies	-	($0.04)	-
Reported Core EPS	**$0.36**	**$0.43**	**$0.43**
Average common stock equivalent	296	300	343
Ending total education loans, net	$107,836	$111,070	$120,469
Average total education loans	$110,252	$113,151	$122,298

1st Quarter Highlights

- Significant education portfolio acquisitions
- Continued growth in our fee businesses
- Returned $156 million to shareholders
- Repurchased or retired $568 million of unsecured debt
- Reduced operating expenses 4% from prior year

FFELP Loans Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q1 17	Q4 16	Q1 16
Net income	$51	$68	$66
Average FFELP Loans	$86,752	$88,914	$95,721
Net interest margin[1]	0.77%	0.89%[1]	0.81%
Provision for loan losses	$10	$13	$7
Charge-offs	$13	$12	$16
Annualized charge-off rate	0.07%	0.07%	0.09%
Total delinquency rate	11.4%	12.2%	14.1%
Greater than 90-day delinquency rate	6.2%	6.3%	7.0%
Forbearance rate	13.5%	12.9%	14.4%

Q1 2017 Performance

- Acquired $686 million of FFELP loans
- Charge-offs declined 19% from the prior year to $13 million
- Total delinquency rate declined 19% from the prior year
- Forbearance rate declined 6% from prior year

[1] The net interest margin for the fourth-quarter 2016 reflects the revised prepayment rates that resulted from a correction to our policy regarding the application of the interest method. As a result of this correction, the Private Education Loan discount balance increased by $9 million (resulting in a $9 million reduction to net interest income and a 0.14 percent reduction to fourth-quarter 2016 Private Education Loan net interest margin) and the FFELP Loan premium balance increased by $7 million (resulting in a $7 million increase to net interest income and a 0.03 percent increase to fourth-quarter 2016 FFELP Loan net interest margin). The net impact of this correction was a decrease of $2 million to net interest income.

Private Education Loans Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q1 17	Q4 16	1Q 16
Net income	$35	$41	$61
Average Private Education Loans	$23,500	$24,237	$26,577
Net interest margin[1]	3.16%	3.08%[1]	3.56%
Provision for loan losses	$95	$87	$104
Charge-offs	$137	$130	$144
Annualized charge-off rate	2.6%	2.3%	2.4%
Total delinquency rate	6.8%	7.4%	6.2%
Greater than 90-day delinquency rate	3.5%	3.6%	3.2%
Forbearance rate	3.6%	3.4%	3.7%

Q1 2017 Performance

- Acquired $112 million of Private Education loans
- Charge-offs declined 5% from the prior year to $137 million
- Total delinquency rate increased from the prior year due to the TDR portfolio amortizing at a slower rate than the rest of the portfolio
- Loans in forbearance decreased to $793 million, down $123 million from a year ago

[1] The net interest margin for the fourth-quarter 2016 reflects the revised prepayment rates that resulted from a correction to our policy regarding the application of the interest method. As a result of this correction, the Private Education Loan discount balance increased by $9 million (resulting in a $9 million reduction to net interest income and a 0.14 percent reduction to fourth-quarter 2016 Private Education Loan net interest margin) and the FFELP Loan premium balance increased by $7 million (resulting in a $7 million increase to net interest income and a 0.03 percent increase to fourth-quarter 2016 FFELP Loan net interest margin). The net impact of this correction was a decrease of $2 million to net interest income.

Business Services Segment
“Core Earnings” Basis

Selected Financial Information and Ratios

(In Millions)	Q1 17	Q4 16	Q1 16
Net income	$77	$71	$75
Number of accounts serviced for Department of Education	6.1	6.2	6.3
Total federal loans serviced (in billions)	$295	$293	$291
Contingent collections receivables inventory (in billions):			
Education loan inventory	$8.8	$9.9	$10.1
Other inventory	$9.9	$10.1	$9.1
Total contingent collections receivables inventory (in billions)	$18.7	$20.0	$19.2

Q1 2017 Performance

- Multiple contract wins across business processing solutions
- Excluding intercompany loan servicing revenue, fee revenue grew 4% from the prior year
- Increased federal loans serviced by $4 billion from prior year
  - Submitted bid for the U.S. Department of Education’s proposal for single servicing solution on January 9, 2017

1st Quarter 2017 Capital Markets Summary

- Acquired $798 million of education loans

- Issued two FFELP ABS transactions totaling $1.9 billion
  - FFELP ABS spreads continue to improve
  - On April 10, 2017 priced an additional $1.0 billion FFELP ABS transaction

- Issued $843 million of long-term unsecured debt
  - Decreased 2018 maturities by 35% from the prior year

- Returned $156 million to shareholders through share repurchases and dividends
  - Continued to repurchase shares well below Navient's intrinsic value

- Maintained a tangible net asset ratio of 1.23x
  - 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

GAAP Results

(In millions, except per share amounts)	1Q 17	Q4 16	1Q 16
Net income	$88	$145	$181
EPS	$0.30	$0.48	$0.53
Operating expenses	$238	$246	$247
Provision	$107	$102	$111
Average Student Loans	$110,252	$113,151	$122,298

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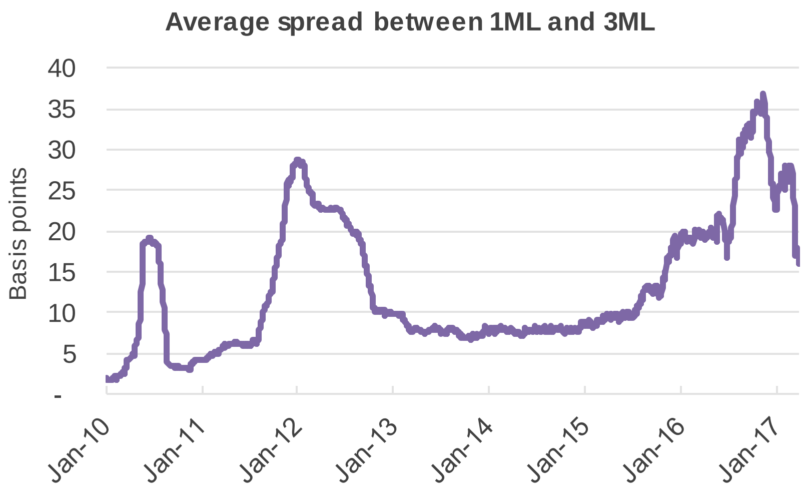
Appendix

LIBOR Basis Risk Management

Exposure to Funding Mix[1]

- From 2010 to 2015, the average spread between 1ML and 3ML was 11 basis points.
  - In Q1 17, the average spread was 22 basis points.
- 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 $25 billion of **FFELP loans** indexed to 1ML that reset daily with funding indexed to 3ML that reset quarterly.
- The company has $7 billion of **Private Education Loans** indexed to Prime with funding indexed to 3ML.
- The company has $7 billion of **Private Education Loans** indexed to Prime with funding indexed to 1ML.



[1] After the impact of hedges

Education Loan Portfolio Generates Significant Cash Flows

Projected Life of Loan Cash Flows over ~20 Years

$'s in Billions	
FFELP Cash Flows	**03/31/17**
Secured	
Residual (including O/C)	$7.4
Floor Income	1.9
Servicing	3.0
Total Secured	$12.3
Unencumbered	0.9
Total FFELP Cash Flows	**$13.2**
Private Credit Cash Flows	
Secured	
Residual (including O/C)	$11.1
Servicing	0.9
Total Secured	$12.0
Unencumbered	3.6
Total Private Cash Flows	**$15.6**
Combined Cash Flows before Unsecured Debt	**$28.8**

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 $0.7 billion of cash flows in 1Q 2017
- Issued $0.8 billion of unsecured debt and paid down $0.6 billion in 1Q 2017.
- Returned $0.2 billion to shareholders through share repurchases and dividends in 1Q 2017
- Acquired $0.8 billion of student loans in 1Q 2017
- $28.8 billion of estimated future cash flows remain over ~ 20 years
  - Includes ~$11 billion of overcollateralization[1] (O/C) to be released from residuals
- $3.3 billion of unencumbered student loans
- $1.1 billion of hedged FFELP Loan embedded floor income

[1] Includes $1.5B O/C related to six private education ABS trusts securing our private education loan ABS repurchase transactions

Private Education Loans Segment Troubled Debt Restructurings (TDR)

Delinquency & Forbearance Usage

TDR Loans ($ in millions)	1Q 17	4Q 16	1Q 16
Total delinquencies	$1,240	$1,365	$1,164
Total delinquency rate as a % of loans in repayment	13.0%	14.2%	12.4%
Greater than 90-day delinquencies	$657	$686	$610
Greater than 90-day delinquency rate as a % of loans in repayment	6.9%	7.1%	6.5%
Forbearance	$598	$588	$665
Forbearance rate	5.9%	5.7%	6.6%

Non-TDR Loans ($ in millions)	1Q 17	4Q 16	1Q 16
Total delinquencies	$209	$279	$309
Total delinquency rate as a % of loans in repayment	1.8%	2.2%	2.2%
Greater than 90-day delinquencies	$89	$115	$139
Greater than 90-day delinquency rate as a % of loans in repayment	0.8%	0.9%	1.0%
Forbearance	$195	$202	$251
Forbearance rate	1.6%	1.6%	1.7%

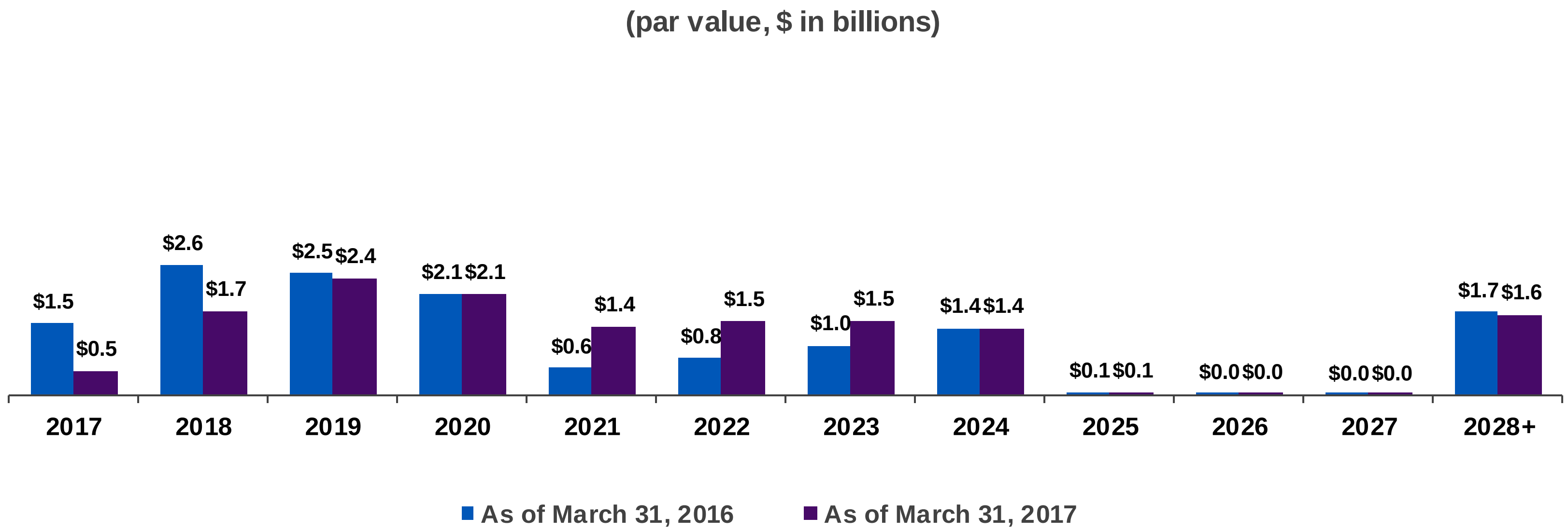
Allowance for Loan Loss

	March 31, 2017		
($ in millions)	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 135	$ 12,770	1.1%
TDR Loans	1,176	10,727	11.0%
Total before RPCO	1,311	23,497	5.6%
RPCO		800	0.0%
Total	$ 1,311	$ 24,297	5.4%

	March 31, 2016		
	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 249	$ 15,875	1.6%
TDR Loans	1,185	10,754	11.0%
Total before RPCO	1,434	26,629	5.4%
RPCO		867	0.0%
Total	$ 1,434	$ 27,496	5.2%

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

Managing Unsecured Debt Maturities



Long Term Conservative Funding Approach

- Important to maintain our credit ratings to support ongoing access to the unsecured debt markets
- Manage tangible net asset ratio to a range of 1.2x to 1.3x
  - 1.23x as of March 31, 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

Differences between “Core Earnings” and GAAP

“Core Earnings” adjustments to GAAP:	Quarters Ended Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016
“Core Earnings” net income	$107	$129	$147
Net impact of derivative accounting	(23)	50	54
Net impact of goodwill and acquired intangible assets	(6)	(13)	(4)
Net income tax effect	10	(21)	(16)
Total “Core Earnings” adjustments to GAAP	(19)	16	34
GAAP net income	$88	$145	$181