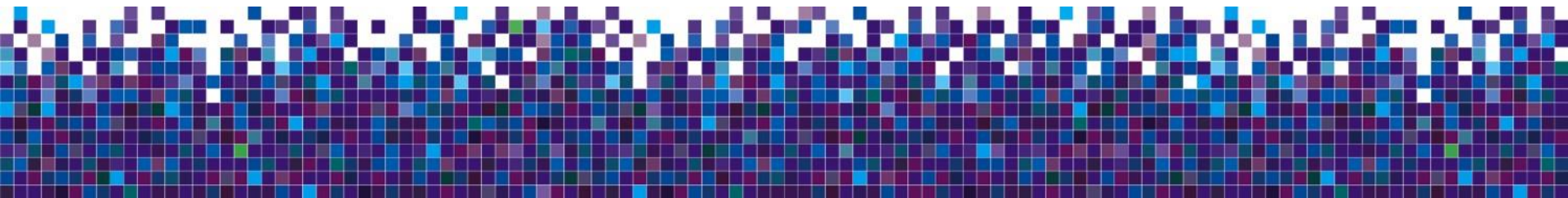


NAVIENT

Barclays Global Financial Services Conference

September 11, 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's 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 second quarter earnings release for a further discussion and a complete reconciliation between GAAP net income and core earnings.



Navient is a leading provider of asset management and business processing solutions

We help our clients achieve financial success through our services

- The company supports the educational and economic achievements of more than 12 million Americans

High quality legacy education businesses

- Well seasoned, \$110 billion education loan portfolio, that is predicted to generate over \$30 billion of cash flows

Business processing solutions provider to over 1,000 government and healthcare clients

- These market are highly fragmented and provide attractive organic growth opportunities

Generate high quality loans at attractive returns

- Well positioned to be a leading provider of Private Education Refinancing loans
- Non-compete for new Private Education Loan originations ends December 31, 2018

High quality legacy education businesses

FFELP Portfolio

- Largest holder of FFELP loans with over \$86B outstanding
- Acquired \$4.7B FFELP loans YTD
- Portfolio is government guaranteed at 97-100%
- Late stage delinquency rates declined 17% from the prior year
- Predicted to generate nearly \$14B of cash flow over the next 20 years

Private Education Portfolio

- Largest holder of Private Education loans with \$24B outstanding
- Acquired \$3.3B Private Education loans YTD
- Average recent FICO score of 721
- 95% of loans in repayment status having made more than 12 payments
- Predicted to generate over \$16B of cash flow over the next 20 years

Education Related Fee Business

- Services provided for Guarantors and third-party owned FFELP loans include:
 - Account maintenance
 - Default aversion
 - Post-default collections
 - Claims processing
- Contracts with 11 of the 26 Guarantors

Education loan portfolio generates cash flows in excess of \$30B

Projected Life of Loan Cash Flows over ~20 Years

\$'s in Billions

<u>FFELP Cash Flows</u>	<u>06/30/17</u>
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
<u>Private Credit Cash Flows</u>	
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

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 overcollateralization¹ (O/C) to be released from residuals
- \$3.6 billion of unencumbered student loans
- \$1.1 billion of hedged FFELP Loan embedded floor income

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

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

Business Processing Solutions focus on markets that are growing and facing disruption

Overview

Government Services

- Budget constraints on government finances provide opportunities
- Currently support more than 1,000 government contracts
- Provide payment processing and collection services to state, local and federal governments
- Provide full service back office solutions for toll services

Healthcare RCM

- Health systems facing significant revenue challenges
- Currently support more than 70 hospital and health system clients
- Primarily focused on providing “back end” revenue cycle management, with growth into the middle and front end
- Competitive landscape remains highly fragmented

Non-Education Related Revenues



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

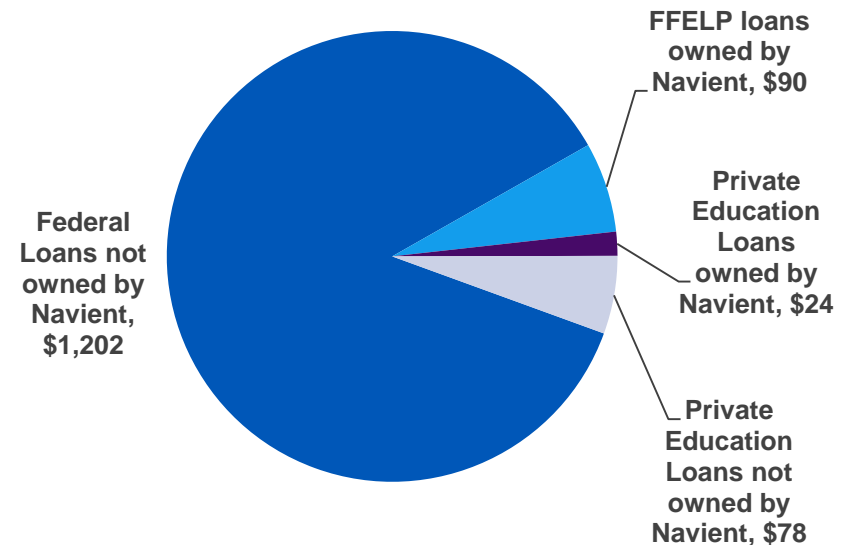
Refinancing education loans is an attractive asset generating opportunity

Overview

- Leverages our 40 years of data, analytics, capital markets and industry experience
- Opportunity to acquire assets from multiple originators
- Large addressable market
- Graduation, employment and proven cash flows meaningfully reduce credit risk
- Expected to generate low to mid teens ROE at scale, in line with our loan portfolio and above our cost of capital
- Enhances our ability to re-invest capital generated from legacy portfolio

Estimated Outstanding Education Loan Market¹

\$1.4 Trillion as of FFYE 9/30/2016
(\$ in billions)



¹ Source: Navient estimates for total outstanding Federal Loans based on FSA Data Center, Portfolio Summary, September 30, 2016; Navient estimates for total outstanding Private Education Loans based on "The MeasureOne Private Student Loan Report" December, 2016; Navient 10Q filings

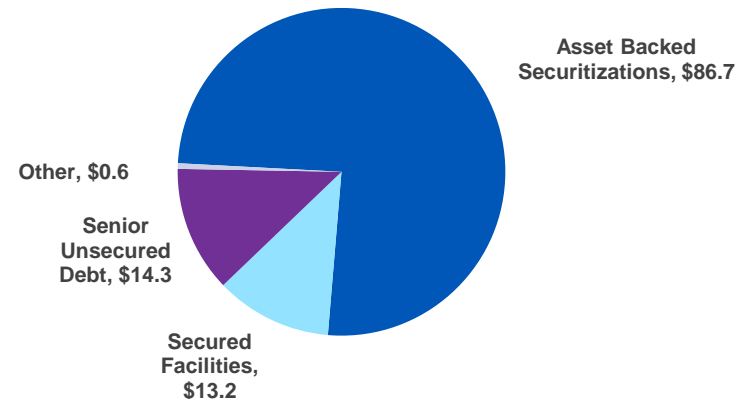
Employ a conservative long term approach to capital management

Managing Capital Return

- Stable net asset ratio of 1.2x to 1.3x for the past five years
- Target economic capital
 - 0.50% for FFELP loans
 - 8% for legacy private education loans
- Prioritization of future capital allocation:
 - ✓ Grow refinancing business
 - ✓ Fee business and education loan portfolio acquisitions
 - ✓ Maintain \$0.64 annual dividend
 - ✓ Return excess capital and cash flows to shareholders

Conservative Funding Profile

Total "Core Earnings" Borrowings
\$115 billion as of June 30, 2017



- Education loan portfolio is 76% funded to term and expected to generate over \$30 billion of cash flows
- Reduced 2018 maturities by \$1 billion or 40% compared to the prior year ¹
- Manage our debt footprint to match our cashflows

¹ As of June 30, 2017



Investment Highlights

Efficient and large-scale, customer-focused operating platforms

High quality loan portfolio generates significant and predictable cash flow

Improving credit quality driven by a seasoned portfolio

Meaningful growth opportunities

Ability to service unsecured debt through long-term conservative funding approach



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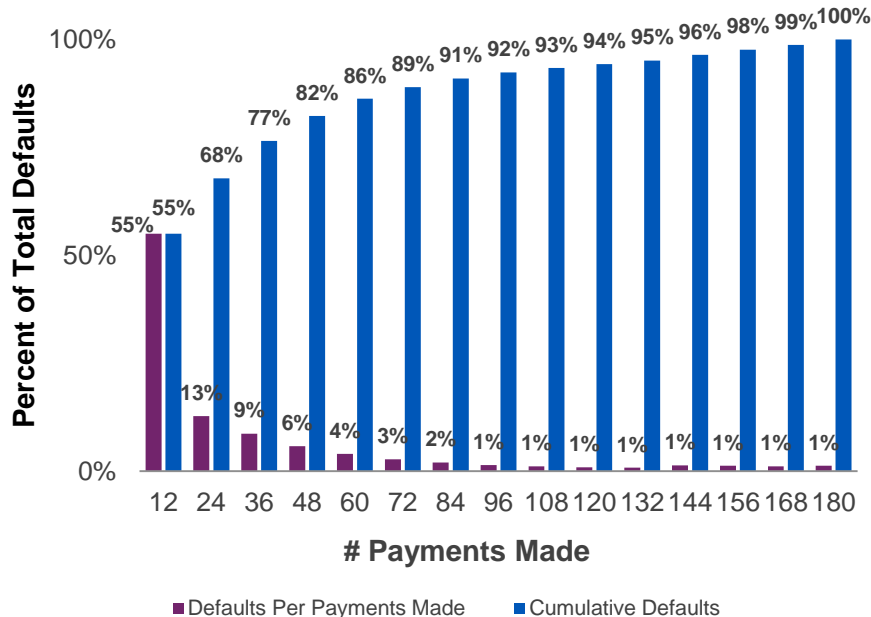


Appendix

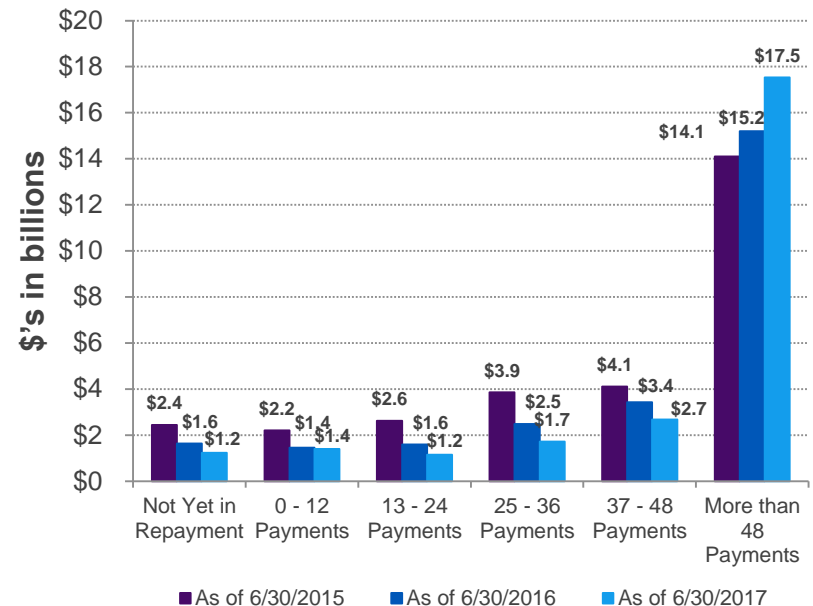
Private Education Loans Segment

Default Performance

Private Education Loan Historical Defaults by Payments Made



Private Education Loans Outstanding by Payments Made



- Average number of payments made on loans in the Private Education Loan Portfolio is 67
- The probability of default substantially diminishes as the number of payments made increases
- As of June 30, 2017, 68% of the portfolio has made more than 48 payments compared with 48% two years ago

As of June 30, 2017



Private Education Loan Seasoning – “Core Earnings” Basis

June 30, 2017

Traditional Portfolio

Monthly Scheduled Payments Received

<u>Loan Status</u>	<u>0-12 payments</u>		<u>13-24 payments</u>		<u>25-36 payments</u>		<u>37-48 payments</u>		<u>More than 48 payments</u>		<u>Total</u>	
Not Yet in Repayment												1,122
Loans in Forbearance	208	16.2%	85	8.3%	87	5.7%	92	3.8%	299	1.8%	771	3.4%
Loans in Repayment- Current	928	72.4%	813	79.4%	1,292	84.2%	2,118	88.3%	15,345	94.6%	20,496	91.3%
Loans in Repayment- Delinq 31-60 days	41	3.2%	34	3.3%	46	3.0%	65	2.7%	227	1.4%	413	1.8%
Loans in Repayment- Delinq 61-90 days	29	2.3%	25	2.4%	32	2.1%	34	1.4%	120	0.7%	240	1.1%
Loans in Repayment- Delinq 90 + days	76	5.9%	67	6.5%	77	5.0%	90	3.7%	231	1.4%	541	2.4%
Total Loans in Repayment or Forbearance	\$ 1,282	100%	\$ 1,024	100%	\$ 1,534	100%	\$ 2,399	100%	\$ 16,222	100%	\$ 22,461	100%
Charge-offs as a % of loans in repayment	8.8%		6.2%		4.4%		2.9%		0.9%		2.0%	

Non Traditional Portfolio

Monthly Scheduled Payments Received

<u>Loan Status</u>	<u>0-12 payments</u>		<u>13-24 payments</u>		<u>25-36 payments</u>		<u>37-48 payments</u>		<u>More than 48 payments</u>		<u>Total</u>	
Not Yet in Repayment												114
Loans in Forbearance	33	27.6%	13	10.2%	12	6.5%	12	4.3%	29	2.2%	99	4.9%
Loans in Repayment- Current	55	46.2%	88	68.8%	141	74.5%	223	81.4%	1,184	90.3%	1,691	83.6%
Loans in Repayment- Delinq 31-60 days	8	6.6%	7	5.1%	9	4.7%	10	3.7%	34	2.6%	68	3.4%
Loans in Repayment- Delinq 61-90 days	6	4.7%	5	3.9%	6	3.1%	9	3.1%	21	1.6%	47	2.3%
Loans in Repayment- Delinq 90 + days	18	14.8%	15	11.9%	21	11.1%	20	7.1%	43	3.3%	117	5.8%
Total Loans in Repayment or Forbearance	\$ 120	100%	\$ 128	100%	\$ 189	100%	\$ 274	100%	\$ 1,311	100%	\$ 2,022	100%
Charge-offs as a % of loans in repayment	26.1%		9.5%		8.0%		6.3%		2.5%		5.2%	

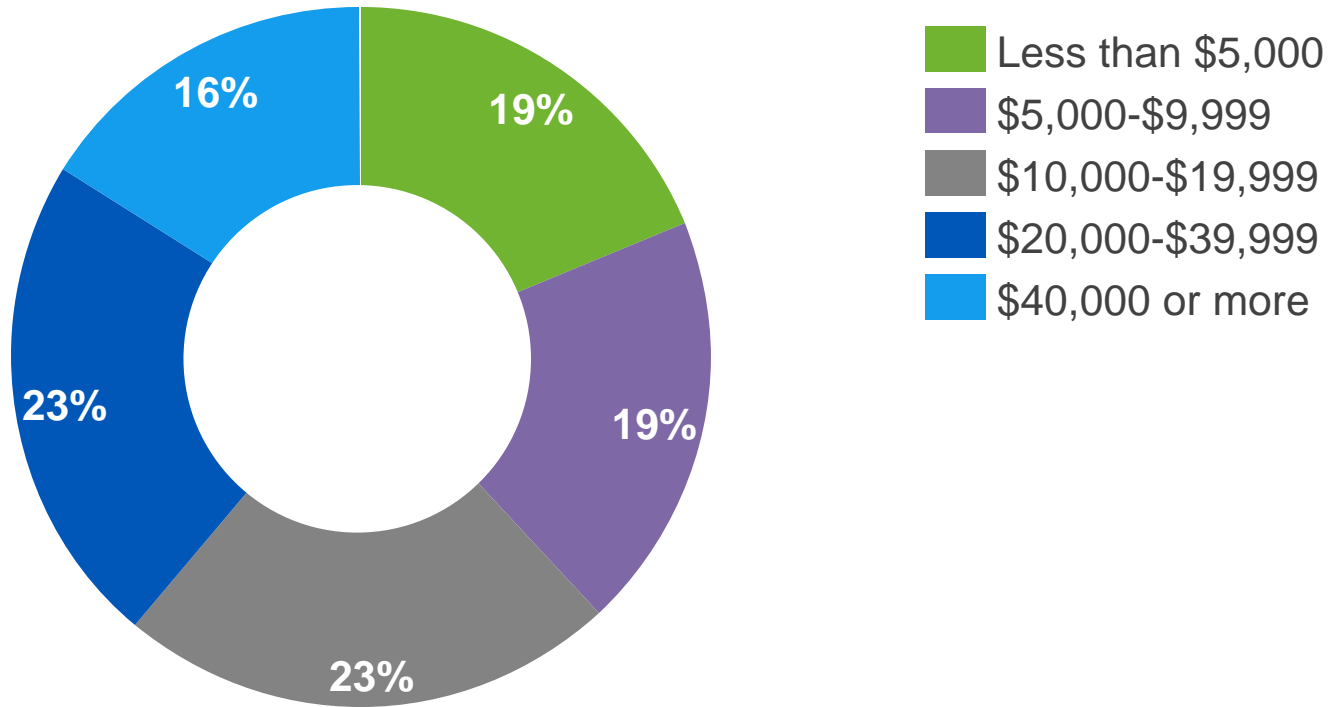
Total

Monthly Scheduled Payments Received

<u>Loan Status</u>	<u>0-12 payments</u>		<u>13-24 payments</u>		<u>25-36 payments</u>		<u>37-48 payments</u>		<u>More than 48 payments</u>		<u>Total</u>	
Not Yet in Repayment												1,236
Loans in Forbearance	241	17.2%	98	8.5%	99	5.7%	104	3.9%	328	1.9%	870	3.6%
Loans in Repayment- Current	983	70.1%	901	78.2%	1,433	83.2%	2,341	87.6%	16,529	94.3%	22,187	90.6%
Loans in Repayment- Delinq 31-60 days	49	3.5%	41	3.6%	55	3.2%	75	2.8%	261	1.5%	481	2.0%
Loans in Repayment- Delinq 61-90 days	35	2.5%	30	2.6%	38	2.2%	43	1.6%	141	0.8%	287	1.2%
Loans in Repayment- Delinq 90 + days	94	6.7%	82	7.1%	98	5.7%	110	4.1%	274	1.6%	658	2.7%
Total Loans in Repayment or Forbearance	\$ 1,402	100%	\$ 1,152	100%	\$ 1,723	100%	\$ 2,673	100%	\$ 17,533	100%	\$ 24,483	100%
Charge-offs as a % of loans in repayment	9.4%		6.4%		4.9%		3.3%		1.1%		2.3%	

The majority of student loan balances are less than \$20,000

Distribution Of Borrowers By Average Balance, 2015

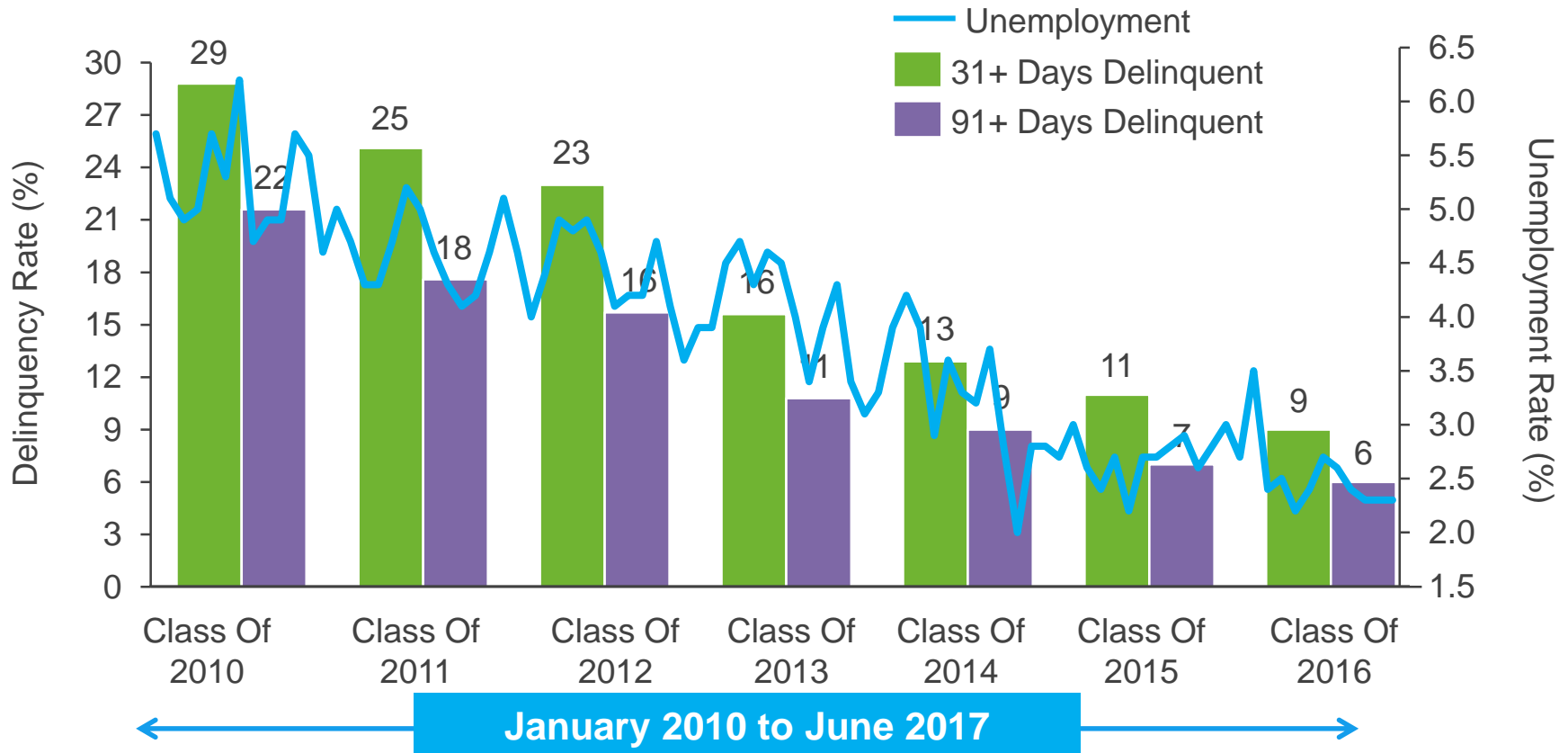


Source: [College Board](#), "Distribution Of Borrowers By Amount Of Outstanding Education Debt, 2015," Trends In Student Aid 2016, 10/26/16



Delinquency rates for the class of 2016 are one-third that of the class of 2010

Federal loan delinquency rates six months after end of grace period and unemployment for bachelor's degree holders



Source: Navient data and US. Bureau of Labor Statistics, [Unemployment Rate - College Graduates - Bachelor's Degree, 25 to 34 years](#) [CGBD2534], retrieved from FRED, Federal Reserve Bank of St. Louis.

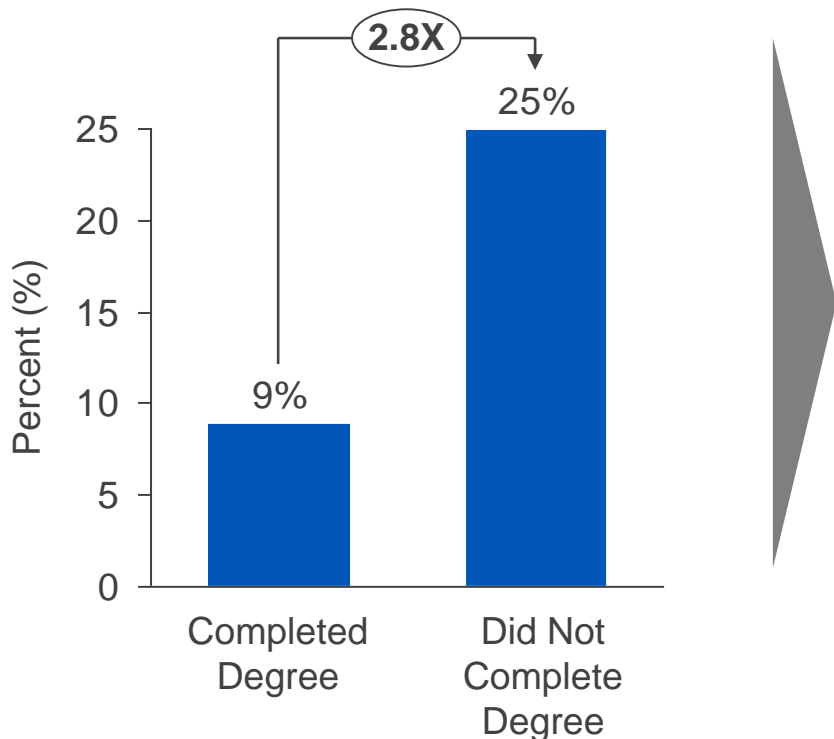
This preliminary Class of 2016 data includes borrowers who entered repayment in November and December 2016, and will be updated with borrowers entering repayment in January 2017 later this summer/fall.



The borrowers who struggle the most are often non-completers with low levels of debt

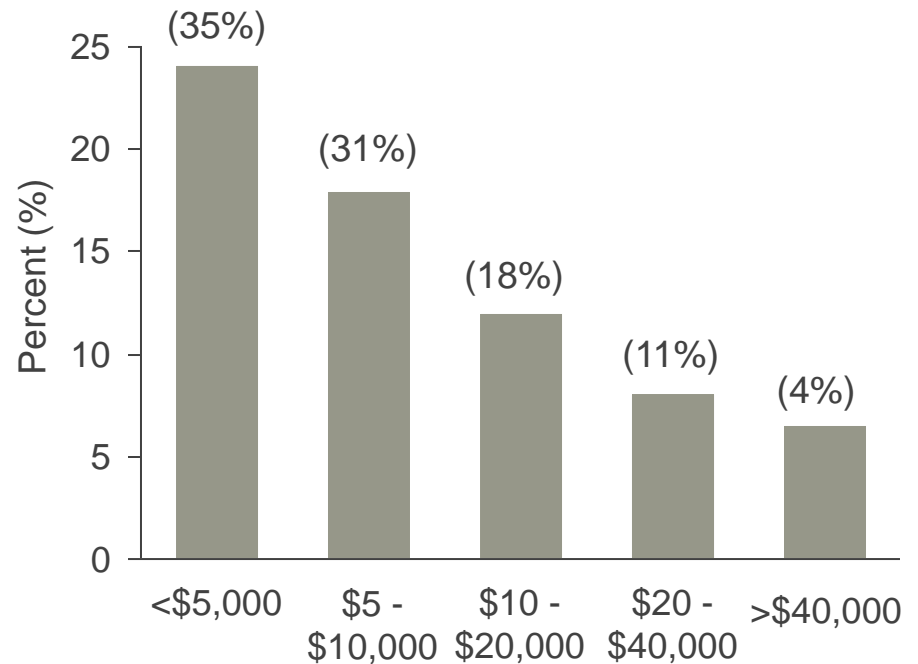
Borrowers who do not complete a degree default at a rate almost three times higher than borrowers who earned a degree ...

Borrowers in default by attainment



... As a result, borrowers who run into trouble repaying usually have below-average amounts of debt.

3-year default rate by loan size, 2011 repayment cohort (Parentheses contain share of all defaults)



Source: President's Council of Economic Advisors, "Investing In Higher Education: Benefits, Challenges, And The State Of Student Debt," [July 2016](#)

Note: Years are fiscal years. Loan size is based on balance of loan when entering repayment.

