Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of December 31, 2018 (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, 2017 (the “2017 Form 10-K”), filed by Navient with the Securities and Exchange Commission (the “SEC”) on February 26, 2018 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in our 2017 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 the company’s 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 Navient, these factors include, among others, the risks and uncertainties associated with:

• increases in financing costs;
• the availability of financing or limits on our 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 demand for asset management and business processing solutions or other changes in marketplaces in which we compete (including increased competition);
• 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 the company is a party;
• credit risk associated with the company’s underwriting standards or exposure to third parties, including counterparties to the hedging transactions; and
• changes in the terms of education loans and the educational credit marketplace generally (including changes resulting from new laws and the implementation of existing laws).

The company could also be affected by, among other things:

• unanticipated repayment trends on loans including prepayments or deferrals in our securitization trusts that could accelerate or delay repayment of the bonds;
• reductions to our credit ratings, the credit ratings of asset-backed securitizations we sponsor or the credit ratings of the United States of America;
• failures of our operating systems or infrastructure or those of third-party vendors;
• risks related to cybersecurity including the potential disruption of our systems or those of our third-party vendors or customers 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 whether new laws or regulations or new interpretations of existing laws and regulations applicable to any of our businesses or activities or those of our vendors, suppliers or customers;
• changes in the general interest rate environment, including the availability of any relevant money market index rate, including LIBOR, or 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 general economic conditions; and
• the other factors that are described in the “Risk Factors” section of Navient’s Annual Report on Form 10-K and in our other reports filed with the SEC.

The preparation of the company’s 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 release are qualified by these cautionary statements and are made only as of the date of this presentation. The company does 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 performance measures, including Core Earnings, Tangible Net Asset Ratio, and various other non-GAAP financial measures derived from Core Earnings. When compared to GAAP results, Core Earnings exclude the impact of: (1) 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 in Navient’s fourth quarter earnings release and pages 15 & 16 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.
Navient is a leading provider of educational loan management and business processing solutions for education, healthcare, and government clients at the federal, state and local levels. We help our clients and millions of Americans achieve financial success through our services and support.

- Industry leading student loan servicer supporting the educational and economic development of our approximately 12 million customers
- Offering products that are focused on helping consumers refinance their education loans at the lower rates they have earned
- Providing business processing services for healthcare and non-education related government clients
Specifications:

- As of June 30, 2014

- High-quality loan portfolio generates predictable cash flows, projected to total ~$24 billion over next 20 years
  - PV of cash flows, less unsecured debt, well in excess of current market cap

- Optimized capital structure and conservative funding approach that ensures excess capital is returned to shareholders
  - Since separation, 121% of net income has been returned in dividends and share repurchases

- Consistent track record of improving operating efficiency and aggressively managing expenses

- Successfully leveraged existing infrastructure to generate incremental value with portfolio acquisitions

---

1 As of June 30, 2014
Education Loan Portfolio Projected to Generate ~$24 Billion In Cash Flows Over Next ~20 Years

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

### Projected Life of Loan Cash Flows over ~20 Years

<table>
<thead>
<tr>
<th>($’s in Billions)</th>
<th>12/31/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FFELP Cash Flows</td>
<td>$10.2</td>
</tr>
<tr>
<td>Total Private Education Cash Flows</td>
<td>$13.8</td>
</tr>
<tr>
<td>Combined Cash Flows</td>
<td>$24.0</td>
</tr>
<tr>
<td>Unsecured Debt (par value)</td>
<td>$11.6</td>
</tr>
</tbody>
</table>

### Enhancing Cash Flows

- Numerous improvements in financing efficiencies have minimized the impact from the amortization of the portfolio:
  - Active optimization of facility financing capacity
  - Effective hedging strategies implemented to reduce LIBOR basis risk
  - Innovative financing structures
  - Managing unsecured debt maturities through repurchases and refinancing

- Acquired **$3.6 billion** of student loans in 2018

- Generated **$2.6 billion** of cash flows in 2018
Actual Cash Flows From Our Education Loan Portfolio Are Exceeding Initial Projections

Additional cash flows of $6 billion were generated primarily by enhanced financing activity and acquisitions of additional education loan portfolios.

Projected vs. Actual Cash Flows Received from June 30, 2014 to December 31, 2018 ($'s in Billions)

- Projected Cash Flows: $15
- Actual Cash Flows Received: $21

Since separation ¹, Navient has primarily used excess cash flows to reduce unsecured debt and return capital to shareholders ($'s in Billions)

- Reduction of Unsecured Debt: $6.1
- Share Repurchases: $2.7
- Dividends: $0.7
- Capital Held for Education Loans Acquired: $0.6
- Corporate Acquisitions: $0.9
- Total: $9.7Bn (88%)

¹ As of June 30, 2014

Note: Capital held for education loans acquired assumes equity of 50 basis points for $24 billion of FFELP loans, 5% for $3 billion of Private Education Refinance Loans, and 10% for $4 billion of Private Education Loans.
Optimized Capital Structure

**Long-Term Conservative Funding Approach**

- Important to maintain our credit ratings which support ongoing access to the unsecured debt markets
  - Navient holds a stable outlook with all 3 credit rating agencies
  - We continue to opportunistically repurchase debt in the open market

- 80% of education loan portfolio is funded to term
  - Issued $3 billion of Private Education Loan ABS in 2018 compared to $662 million in 2017

- Returned $386 million to shareholders through dividends and share repurchases in 2018
  - Tangible net asset ratio increased to 1.25x from 1.20x a year ago

**Managing Unsecured Debt Maturities**

(par value, $ in billions)

<table>
<thead>
<tr>
<th>Date</th>
<th>Maturities within 5 years</th>
<th>Maturities beyond 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2014</td>
<td>$10.4</td>
<td></td>
</tr>
<tr>
<td>December 31, 2015</td>
<td>$9.8</td>
<td></td>
</tr>
<tr>
<td>December 31, 2016</td>
<td>$8.5</td>
<td></td>
</tr>
<tr>
<td>December 31, 2017</td>
<td>$8.9</td>
<td></td>
</tr>
<tr>
<td>December 31, 2018</td>
<td>$7.6</td>
<td></td>
</tr>
</tbody>
</table>
Navient Is Focused On Expense Efficiency

Continued to build on our strong track record of improving operating efficiency and managing an expense structure that compares favorably to our peers.

Note: See slide 14 for additional detail

Confidential and proprietary information © 2019 Navient Solutions, LLC. All rights reserved.
Originating Education Loans is an Attractive Opportunity

**Sizable Market With Attractive Yields**

1. **Estimated Total Market Annual Originations and Yields ($'s in billions)**
   - Estimated 2019 Originations:
     - Grad PLUS: $11
     - In-School Private Education Loans: $12
     - Private Education Refinance Loans: $12
   - Estimated Average Yields:
     - 7.6%
     - ~8%
     - ~5%

2. **Estimated Outstanding Education Loan Market**
   - $1.5 Trillion as of FFYE 9/30/2018 ($'s in billions)
     - Grad PLUS, $67
     - Federal Loans (excl. Grad PLUS), $1,372
     - Private Education Loans, $118

   - Estimated average yields since 2014 for newly originated Grad PLUS loans and in-school Private Education Loans have ranged from 6% to 10%

3. **Leveraging Our Existing Infrastructure to Generate Value**
   - **Private Education Refinance Loans:**
     - Expect to originate at least $3 billion in 2019
     - Targeting low to mid teens ROE at scale
     - Life of loan loss expectation of 1.5% ³
     - Weighted average life of ~3.5 years
   - **In-School Private Education Loans:**
     - Expect to originate at least $150 million in 2019
     - Targeting mid to high teens ROE at scale
     - Life of loan loss expectations of 6% ³
     - Weighted average life of ~8 years

---

3. Life of loan loss expectations on a gross basis

Confidential and proprietary information © 2019 Navient Solutions, LLC. All rights reserved.
Focused on Improving Margin and Organic Business Processing Growth

Well Positioned for Long-Term Growth

- Leveraging existing infrastructure along with 40 years of data, analytics and processing experience to deliver best in class performance and compliance

- Providing business processing services for over 600 non-education related clients

- Government Services
  - Integrated solutions technology and superior data driven approach allows governments to achieve efficiencies in processing and revenue cycle management capabilities
  - Revenues of $174 million in 2018, up 30% from the prior year

- Healthcare Services
  - Full service provider of end-to-end revenue cycle solutions to U.S. based hospitals and healthcare systems
  - Revenues of $93 million in 2018, up 19% from the prior year

Growing Fee Revenues at Attractive Margins

<table>
<thead>
<tr>
<th>Total Business Processing Fee Revenues ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>$174</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA Margin</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>
## Strength Across Key Metrics

<table>
<thead>
<tr>
<th></th>
<th>2018 Actual</th>
<th>2019 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Earnings Return on Equity</strong></td>
<td>15%</td>
<td>Mid-teens</td>
</tr>
<tr>
<td><strong>Core Earnings Efficiency Ratio</strong></td>
<td>47%</td>
<td>~50%</td>
</tr>
<tr>
<td><strong>Tangible Net Asset Ratio</strong></td>
<td>1.25x</td>
<td>1.23x – 1.25x</td>
</tr>
<tr>
<td><strong>Net Interest Margin – Federal Education Loan Segment</strong></td>
<td>0.83%</td>
<td>Low to Mid 80’s</td>
</tr>
<tr>
<td><strong>Charge-off Rate – Federal Education Loan Segment</strong></td>
<td>0.09%</td>
<td>0.08% - 0.10%</td>
</tr>
<tr>
<td><strong>Net Interest Margin – Consumer Lending Segment</strong></td>
<td>3.24%</td>
<td>3.10% - 3.20%</td>
</tr>
<tr>
<td><strong>Charge-off Rate – Consumer Lending Segment</strong></td>
<td>1.7%</td>
<td>1.6% - 1.8%</td>
</tr>
<tr>
<td><strong>EBITDA Margin – Business Processing Segment</strong></td>
<td>17%</td>
<td>High Teens</td>
</tr>
</tbody>
</table>

1 Item is a non-GAAP financial measure. See note 2 on slide 15
2 Item is a non-GAAP financial measure. See note 3 on slide 15
3 Item is a non-GAAP financial measure. See note 4 on slide 15
Appendix
Five Recommendations for Better Student Loans

1. Providing better information *before* borrowing
2. Improving the college completion rate
3. Simplifying repayment
4. Helping borrowers pay off faster
5. Encouraging borrower contact with servicers

For additional information, please read "Five Recommendations for Better Student Loans" at news.Navient.com
Navient Is Focused On Expense Efficiency

Notable Items Impacting Total Expenses Compared to Prior Periods

<table>
<thead>
<tr>
<th>($ In millions)</th>
<th>Q4 18</th>
<th>Q4 17</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Core Earnings Expenses</td>
<td>$256</td>
<td>$289</td>
<td>$997</td>
<td>$995</td>
</tr>
<tr>
<td>Restructuring &amp; Reorganization Expenses</td>
<td>$4</td>
<td>$29</td>
<td>$13</td>
<td>$29</td>
</tr>
<tr>
<td>Regulatory-Related Expenses</td>
<td>$8</td>
<td>$3</td>
<td>$29</td>
<td>$14</td>
</tr>
<tr>
<td>Duncan &amp; Earnest Operating Expenses</td>
<td>$22</td>
<td>$22</td>
<td>$100</td>
<td>$30</td>
</tr>
<tr>
<td>3rd Party Transfer Fee</td>
<td>-</td>
<td>-</td>
<td>$9</td>
<td>-</td>
</tr>
<tr>
<td>Transition Services Agreement</td>
<td>$7</td>
<td>-</td>
<td>$16</td>
<td>-</td>
</tr>
<tr>
<td>Impact of ASC 606</td>
<td>$13</td>
<td>-</td>
<td>$51</td>
<td>-</td>
</tr>
<tr>
<td>Reserve Release</td>
<td>-</td>
<td>-</td>
<td>($40)</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Core Earnings Expenses</td>
<td>$202</td>
<td>$235</td>
<td>$819</td>
<td>$922</td>
</tr>
<tr>
<td>Year over Year Change in Adjusted Core Earnings Expenses</td>
<td>(14%)</td>
<td>(11%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2018 Highlights

- In the fourth quarter, adjusted core earnings expenses declined 14% as a result of ongoing operating efficiency initiatives.
- Continued to build on our strong track record of improving operating efficiency and managing an expense structure that compares favorably to our peers.

Note: Items above are non-GAAP financial measures. By using these measures, management can make better short-term and long-term decisions related to expense management and allocation.
Notes on Non-GAAP Financial Measures
(Dollars in Millions)

In addition to financial results reported on a GAAP basis, Navient also provides certain performance measures which are non-GAAP financial measures. The following non-GAAP financial measures are presented within this Presentation:

1. **Core Earnings** – The difference between the company’s Core Earnings and its GAAP results is that Core Earnings exclude the impacts of: (1) mark-to-market gains/losses on derivatives and (2) goodwill and acquired intangible asset amortization and impairment. Management uses Core Earnings in making decisions regarding the company’s performance and the allocation of corporate resources and, as a result, our segment results are presented using Core Earnings. In addition, Navient’s equity investors, credit rating agencies and debt capital investors use these Core Earnings measures to monitor the company’s business performance. For further detail and reconciliation, see page 16 of this presentation and pages 13-22 of Navient’s fourth-quarter earnings release.

2. **Core Earnings Return on Equity (CEROE)** – Core Earnings Return on Equity is calculated as Core Net income, excluding restructuring and regulatory-related expenses, divided by the quarterly average of GAAP equity for the period. This measure allows management, as well as investors and analysts, to measure the company’s use of its equity. The calculation for 2018 is as follows:

   \[
   \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$552^{(1)}}{($3,519 + $3,724 + $3,714 + $3,637) / 4} = 15\%
   \]

3. **Core Earnings Efficiency Ratio** – The Core Earnings Efficiency Ratio measures the company’s Core Earnings Expenses, excluding restructuring and regulatory-related expenses, relative to its Adjusted Core Earnings Revenue. This ratio can be calculated by dividing Core Earnings Expenses, excluding restructuring and regulatory-related expenses, by Adjusted Core Earnings Revenue. Adjusted Core Earnings Revenue is derived by adding provision for loan losses, and excluding gains or loss on debt repurchases, to Total Core Earnings Revenue. This is a useful measure to management as we plan and forecast, as it removes variables that cannot be easily predicted in advance. By using this measure, management can make better short-term and long-term decisions related to expense management and allocation. The calculation for 2018 is as follows:

   \[
   \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$955^{(1)}}{1,662 + 370 - 9} = 47\%
   \]

4. **Tangible Net Asset Ratio (TNA)** – The Tangible Net Asset Ratio measures the amount of assets available to retire the Company’s unsecured debt. Management and Navient’s equity investors, credit rating agencies and debt capital investors use this ratio to monitor and make decisions about the appropriate level of unsecured funding. It is measured by dividing Tangible net assets by par unsecured debt. For further detail and reconciliation, see page 23 of Navient’s fourth-quarter earnings release.

5. **Earnings before Interest, Taxes, Depreciation and Amortization Expense (“EBITDA”)** – This metric measures the operating performance of the Business Processing segment and is used by management and our equity investors to monitor operating performance and determine the value of those businesses. For further detail and reconciliation, see page 23 of Navient’s fourth-quarter earnings release.

---

1 Excludes $42 million of restructuring and regulatory costs
## Differences Between Core Earnings And GAAP

<table>
<thead>
<tr>
<th>Core Earnings adjustments to GAAP: (Dollars in Millions)</th>
<th>Quarters Ended</th>
<th>Years Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net income (loss)</td>
<td>$72</td>
<td>($84)</td>
</tr>
<tr>
<td>Net impact of derivative accounting</td>
<td>59</td>
<td>(47)</td>
</tr>
<tr>
<td>Net impact of goodwill and acquired intangible assets</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Net income tax effect</td>
<td>1</td>
<td>(5)</td>
</tr>
<tr>
<td>Total Core Earnings adjustments to GAAP</td>
<td>68</td>
<td>(47)</td>
</tr>
<tr>
<td>Core Earnings net income (loss)</td>
<td>$140</td>
<td>$(131)</td>
</tr>
</tbody>
</table>