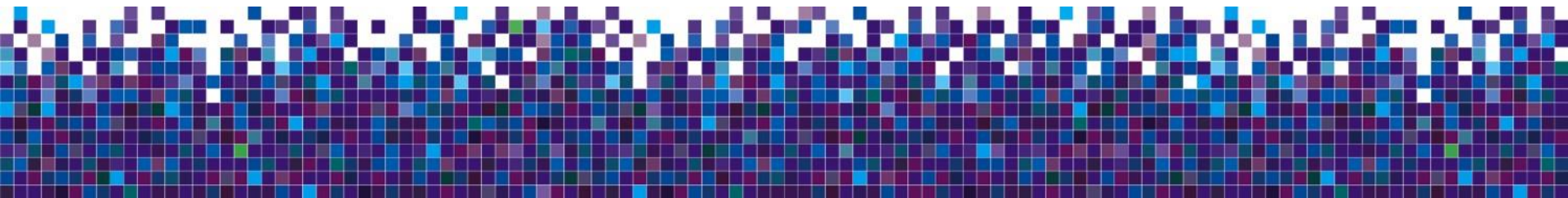


NAVIENT

---

# 2016 1<sup>st</sup> Quarter Earnings Call Presentation

April 20, 2016



# Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of April 20, 2016 (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, 2015 (the "2015 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 25, 2016 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in our 2015 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 report. 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;
- limits on liquidity resulting from disruptions in the capital markets or other factors;
- unanticipated increases in costs associated with compliance with 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 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;
- 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 potential disclosure of confidential customer information;
- damage to our reputation resulting from the politicization of student loan servicing;
- failures to successfully implement cost-cutting initiatives and adverse effects of such initiatives on our business;
- delays or errors in converting portfolio acquisitions to our servicing platform
- risks associated with restructuring initiatives;
- changes in law and regulations with respect to the student lending business and financial institutions generally;
- increased competition from banks and other consumer lenders who are not subject to the same level of regulation;
- 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 debt management services;
- changes in general economic conditions; and
- the other factors that are described in the "Risk Factors" section of the Annual Report on Form 10-K and in our future reports filed with the Securities and Exchange Commission ("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 document. 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) the financial results of the consumer banking business for historical periods prior to the April 30, 2014 spin-off as well as related restructuring and reorganization expenses incurred in connection with the spin-off, including the restructuring initiated in the second quarter of 2015; (2) unrealized, mark-to-market gains/losses on derivatives; and (3) 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.



# 1<sup>st</sup> Quarter Highlights

- Generated adjusted “Core Earnings” of \$0.44 per share<sup>1</sup>
- Acquired \$1.5 billion of FFELP loans
- Completed two FFELP ABS transactions year to date<sup>2</sup>
- Extended \$7.5 billion FFELP ABCP facility to 2018
- Private Education Loan charge-offs down 24% from year ago quarter

<sup>1</sup> Excludes \$0.01 per share related to expenses recorded for regulatory-related costs

<sup>2</sup> Through April 14<sup>th</sup>, 2016

# Operating Results

## “Core Earnings” Basis

| (In millions, except per share amounts)                        | Q1 16                | Q4 15                | Q1 15                |
|--|----------------------|----------------------|----------------------|
| <b>Adjusted Core EPS before regulatory-related costs</b>       | <b>\$0.44</b>        | <b>\$0.49</b>        | <b>\$0.48</b>        |
| Regulatory-related costs                                       | (\$0.01)             | (\$0.01)             | -                    |
| <b>Reported Core EPS</b>                                       | <b><u>\$0.43</u></b> | <b><u>\$0.48</u></b> | <b><u>\$0.48</u></b> |
| <b>Operating expenses (excluding regulatory-related costs)</b> | <b>\$243</b>         | <b>\$228</b>         | <b>\$230</b>         |
| Regulatory-related costs                                       | \$4                  | \$7                  | -                    |
| <b>Operating expenses</b>                                      | <b><u>\$247</u></b>  | <b><u>\$235</u></b>  | <b><u>\$230</u></b>  |
| <b>Provision</b>   | <b>\$111</b>         | <b>\$115</b>         | <b>\$125</b>         |
| <b>Average total education loans</b>                           | <b>\$122,298</b>     | <b>\$125,023</b>     | <b>\$133,722</b>     |

# FFELP Loans Segment

## “Core Earnings” Basis

| (In millions)                        | Q1 16    | Q4 15    | Q1 15     |
|--------------------------------------|----------|----------|-----------|
| Net income                           | \$66     | \$74     | \$85      |
| Average FFELP Loans                  | \$95,721 | \$97,472 | \$103,617 |
| Net interest margin                  | 0.81%    | 0.84%    | 0.88%     |
| Annualized charge-off rate           | 0.08%    | 0.07%    | 0.03%     |
| Greater than 90-day delinquency rate | 7.0%     | 8.3%     | 8.4%      |

- Acquired \$1.5 billion of FFELP student loans
- Greater than 90-day delinquency rate declined by 17% from the prior year

# Private Education Loans Segment

## “Core Earnings” Basis

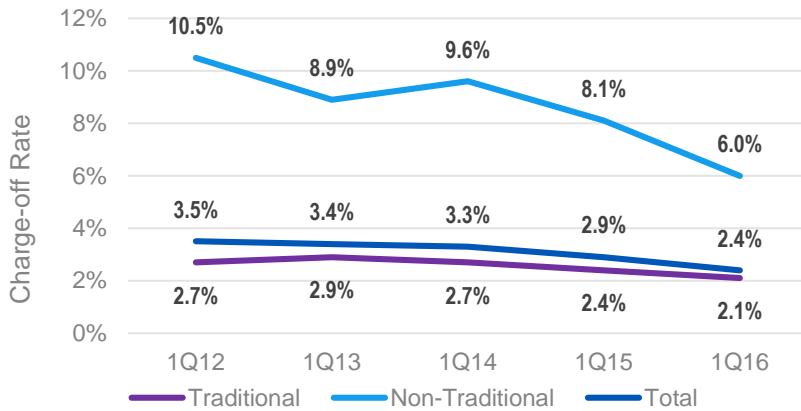
| (In millions)                        | Q1 16    | Q4 15    | Q1 15    |
|--------------------------------------|----------|----------|----------|
| Net income                           | \$61     | \$56     | \$77     |
| Average Private Education Loans      | \$26,577 | \$27,551 | \$30,105 |
| Net interest margin                  | 3.56%    | 3.61%    | 3.74%    |
| Provision for loan losses            | \$104    | \$110    | \$120    |
| Charge-offs                          | \$144    | \$141    | \$190    |
| Annualized charge-off rate           | 2.4%     | 2.3%     | 2.9%     |
| Total delinquency rate               | 6.2%     | 7.2%     | 6.9%     |
| Greater than 90-day delinquency rate | 3.2%     | 3.4%     | 3.6%     |
| Forbearance rate                     | 3.7%     | 3.8%     | 3.8%     |

- Private Education Loan charge-offs down 24% from year ago quarter

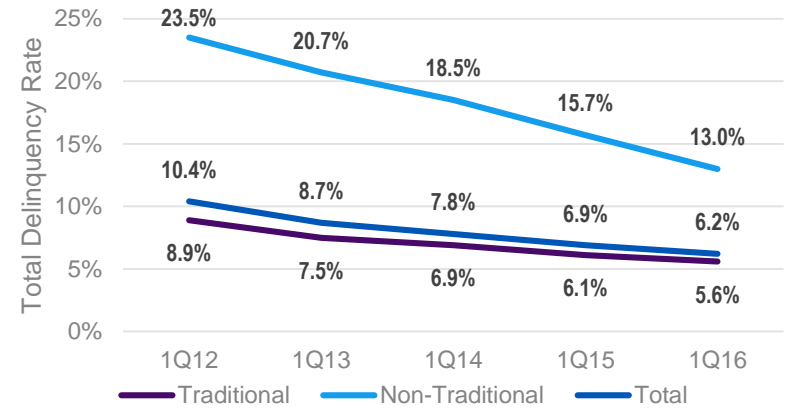
# Private Education Loans Segment

## Seasoning Drives Improved Credit Quality

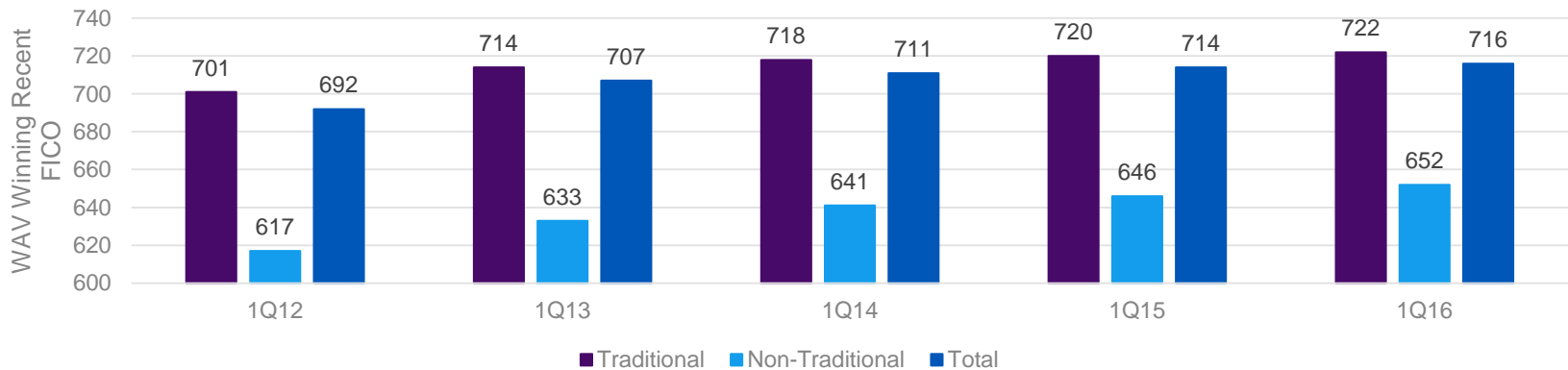
Private Education Loan Charge-Off Rate by Segment



Private Education Loan Total Delinquencies by Segment



Private Education Loan Recent FICO Score by Segment



# Business Services Segment

## “Core Earnings” Basis

| (In millions)   | Q1 16  | Q4 15  | Q1 15  |
|---|--------|--------|--------|
| Net income  | \$75   | \$81   | \$86   |
| Federal Loans serviced (\$'s in billions)                 | \$291  | \$288  | \$282  |
| Intercompany loan servicing revenue                       | \$101  | \$103  | \$111  |
| Third-Party Loan servicing revenue                        | \$54   | \$54   | \$44   |
| Asset recovery & business processing revenue              | \$90   | \$92   | \$89   |
| Department of Education accounts serviced                 | 6.3    | 6.3    | 6.2    |
| Contingency asset recovery receivables (\$'s in billions) | \$19.2 | \$20.2 | \$20.2 |





# Q1 2016 Capital Markets Summary

- Acquired \$1.5 billion of student loans
- Issued \$1.1 billion of FFELP ABS
  - On April 14, 2016 Navient issued an additional \$497 million of FFELP ABS
- Extended the legal final maturity date for 3 Navient-sponsored FFELP securitization trusts totaling \$2.2 billion of bonds
  - In April, Navient extended the legal final maturity dates for an additional \$1.5 billion of bonds
  - In total, Navient has extended the legal final maturity dates for \$4.8 billion of bonds<sup>1</sup>
- Extended FFELP ABCP facility to 2018
  - Current maximum financing capacity of \$7.5 billion in this facility
- Issued \$488 million of Private Education Loan ABS
- On April 15, we added 3 trusts to our existing Private Education Loan repurchase facility providing an additional \$478 million of financings
- Reduced outstanding unsecured debt maturities by \$1.0 billion and returned \$254 million to shareholders through share repurchases and dividends
- Maintained strong capital position

<sup>1</sup> As of April 19, 2016

# GAAP Results

| (In millions, except per share amounts) | Q1 16     | Q4 15     | Q1 15     |
|---|-----------|-----------|-----------|
| Net income                              | \$181     | \$286     | \$292     |
| EPS                                     | \$0.53    | \$0.79    | \$0.72    |
| Operating expenses                      | \$247     | \$235     | \$230     |
| Provision                               | \$111     | \$115     | \$125     |
| Average Student Loans                   | \$122,298 | \$125,023 | \$133,722 |



NAVIENT.



# Appendix

# Education Loan Portfolio Generates Significant Cash Flows

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

\$'s in Billions

| <b>FFELP Cash Flows</b>                          | <b>3/31/16</b> | <b>12/31/15</b> |
|--|----------------|-----------------|
| <b>Secured</b>                                   |                |                 |
| Residual (including O/C)                         | \$7.1          | \$7.0           |
| Floor Income                                     | 2.2            | 2.1             |
| Servicing  | 3.4            | 3.5             |
| <b>Total Secured</b>                             | <b>\$12.7</b>  | <b>\$12.6</b>   |
| Unencumbered                                     | 0.9            | 1.1             |
| <b>Total FFELP Cash Flows</b>                    | <b>\$13.6</b>  | <b>\$13.7</b>   |
| <b>Private Credit Cash Flows</b>                 |                |                 |
| <b>Secured</b>                                   |                |                 |
| Residual (including O/C)                         | \$12.5         | \$12.6          |
| Servicing  | 1.1            | 1.2             |
| <b>Total Secured</b>                             | <b>\$13.6</b>  | <b>\$13.8</b>   |
| Unencumbered                                     | 4.0            | 4.2             |
| <b>Total Private Cash Flows</b>                  | <b>\$17.6</b>  | <b>\$18.0</b>   |
| <b>Combined Cash Flows before Unsecured Debt</b> | <b>\$31.2</b>  | <b>\$31.7</b>   |

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<sup>1</sup>

- Reduced unsecured debt by \$1.0 billion and returned \$0.3 billion to shareholders through share repurchases and dividends in the first quarter 2016
- Acquired \$1.5 billion of student loans in the first quarter 2016
- \$31 billion of estimated future cash flows over ~ 20 years
  - Includes over \$11 billion of overcollateralization (O/C) to be released from residuals
- \$3.8 billion of unencumbered student loans
- Decreasing FFELP CPR assumptions by 1% would increase projected FFELP cash flows by \$0.4 billion
- Over \$1 billion of hedged FFELP Loan embedded floor income

<sup>1</sup> As of March 31, 2016

# Private Education Loans Segment

## Allowance for Loan Loss – Core Earnings Basis

|                   | March 31, 2016 |                |                                  | March 31, 2015 |                |                                  |
|-------------------|----------------|----------------|----------------------------------|----------------|----------------|----------------------------------|
|                   | Allowance      | Ending Balance | Allowance as % of Ending Balance | Allowance      | Ending Balance | Allowance as % of Ending Balance |
| Non-TDR Loans     | \$ 249         | \$ 15,875      | 1.6%                             | \$ 392         | \$ 19,691      | 2.0%                             |
| TDR Loans         | 1,185          | 10,754         | 11.0%                            | 1,077          | 10,493         | 10.3%                            |
| Total before RPCO | 1,434          | 26,629         | 5.4%                             | 1,469          | 30,184         | 4.9%                             |
| RPCO              |                | 867            | 0.0%                             | 380            | 1,236          | 30.7%                            |
| Total             | \$ 1,434       | \$ 27,496      | 5.2%                             | \$ 1,849       | \$ 31,420      | 5.9%                             |

*Troubled Debt Restructurings (TDR)*

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

# Loan Seasoning – “Core Earnings” Basis

March 31, 2016

## Traditional Portfolio

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>1,756</b>     |             |
| Loans in Forbearance                            | 259                                 | 20.7%       | 108             | 7.2%        | 108             | 4.6%        | 100             | 3.0%        | 234                   | 1.6%        | <b>809</b>       | 3.6%        |
| Loans in Repayment- Current                     | 772                                 | 61.6%       | 1,223           | 81.6%       | 2,038           | 86.7%       | 3,007           | 91.4%       | 13,633                | 95.2%       | <b>20,673</b>    | 91.0%       |
| Loans in Repayment- Delinq 31-60 days           | 55                                  | 4.4%        | 43              | 2.9%        | 59              | 2.5%        | 54              | 1.6%        | 160                   | 1.1%        | <b>371</b>       | 1.6%        |
| Loans in Repayment- Delinq 61-90 days           | 43                                  | 3.4%        | 34              | 2.3%        | 40              | 1.7%        | 37              | 1.1%        | 91                    | 0.6%        | <b>245</b>       | 1.1%        |
| Loans in Repayment- Delinq 90 + days            | 125                                 | 10.0%       | 90              | 6.0%        | 106             | 4.5%        | 92              | 2.8%        | 199                   | 1.4%        | <b>612</b>       | 2.7%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 1,254</b>                     | <b>100%</b> | <b>\$ 1,498</b> | <b>100%</b> | <b>\$ 2,351</b> | <b>100%</b> | <b>\$ 3,290</b> | <b>100%</b> | <b>\$ 14,317</b>      | <b>100%</b> | <b>\$ 22,710</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>12.4%</b>                        |             | <b>4.7%</b>     |             | <b>3.1%</b>     |             | <b>1.8%</b>     |             | <b>0.9%</b>           |             | <b>2.1%</b>      |             |

## Non-Traditional Portfolio

| Loan Status                                     | Monthly Scheduled Payments Received |             |                |             |                |             |                |             |                       |             |                 |             |
|---|-------------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------------|-------------|-----------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments |             | 25-36 payments |             | 37-48 payments |             | More than 48 payments |             | Total           |             |
| Not Yet in Repayment                            |                                     |             |                |             |                |             |                |             |                       |             | <b>171</b>      |             |
| Loans in Forbearance                            | 42                                  | 23.3%       | 17             | 8.7%        | 15             | 5.5%        | 11             | 3.9%        | 22                    | 2.0%        | <b>107</b>      | 5.4%        |
| Loans in Repayment- Current                     | 87                                  | 48.7%       | 137            | 70.8%       | 204            | 76.8%       | 240            | 84.3%       | 972                   | 91.0%       | <b>1,640</b>    | 82.3%       |
| Loans in Repayment- Delinq 31-60 days           | 12                                  | 6.9%        | 8              | 3.9%        | 11             | 4.3%        | 9              | 3.2%        | 23                    | 2.2%        | <b>63</b>       | 3.2%        |
| Loans in Repayment- Delinq 61-90 days           | 9                                   | 4.8%        | 8              | 4.3%        | 9              | 3.3%        | 5              | 1.9%        | 14                    | 1.3%        | <b>45</b>       | 2.3%        |
| Loans in Repayment- Delinq 90 + days            | 30                                  | 16.8%       | 24             | 12.3%       | 27             | 10.1%       | 19             | 6.8%        | 37                    | 3.4%        | <b>137</b>      | 6.9%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 180</b>                       | <b>100%</b> | <b>\$ 194</b>  | <b>100%</b> | <b>\$ 266</b>  | <b>100%</b> | <b>\$ 284</b>  | <b>100%</b> | <b>\$ 1,068</b>       | <b>100%</b> | <b>\$ 1,992</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>25.9%</b>                        |             | <b>9.8%</b>    |             | <b>6.9%</b>    |             | <b>4.7%</b>    |             | <b>2.4%</b>           |             | <b>6.0%</b>     |             |

## Total

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>1,927</b>     |             |
| Loans in Forbearance                            | 301                                 | 21.0%       | 125             | 7.4%        | 123             | 4.7%        | 111             | 3.1%        | 256                   | 1.7%        | <b>916</b>       | 3.7%        |
| Loans in Repayment- Current                     | 859                                 | 59.9%       | 1,360           | 80.4%       | 2,242           | 85.6%       | 3,247           | 90.8%       | 14,605                | 94.9%       | <b>22,313</b>    | 90.3%       |
| Loans in Repayment- Delinq 31-60 days           | 67                                  | 4.7%        | 51              | 3.0%        | 70              | 2.7%        | 63              | 1.8%        | 183                   | 1.2%        | <b>434</b>       | 1.8%        |
| Loans in Repayment- Delinq 61-90 days           | 52                                  | 3.7%        | 42              | 2.5%        | 49              | 1.9%        | 42              | 1.2%        | 105                   | 0.7%        | <b>290</b>       | 1.2%        |
| Loans in Repayment- Delinq 90 + days            | 155                                 | 10.8%       | 114             | 6.7%        | 133             | 5.1%        | 111             | 3.1%        | 236                   | 1.5%        | <b>749</b>       | 3.0%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 1,434</b>                     | <b>100%</b> | <b>\$ 1,692</b> | <b>100%</b> | <b>\$ 2,617</b> | <b>100%</b> | <b>\$ 3,574</b> | <b>100%</b> | <b>\$ 15,385</b>      | <b>100%</b> | <b>\$ 24,702</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>14.0%</b>                        |             | <b>5.2%</b>     |             | <b>3.4%</b>     |             | <b>2.0%</b>     |             | <b>1.0%</b>           |             | <b>2.4%</b>      |             |

# Loan Seasoning – “Core Earnings” Basis

December 31, 2015

## Traditional Portfolio

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>1,859</b>     |             |
| Loans in Forbearance                            | 292                                 | 18.8%       | 118             | 6.7%        | 122             | 4.5%        | 109             | 3.1%        | 222                   | 1.6%        | <b>863</b>       | 3.7%        |
| Loans in Repayment- Current                     | 980                                 | 63.0%       | 1,423           | 81.0%       | 2,320           | 86.2%       | 3,164           | 90.6%       | 13,198                | 94.8%       | <b>21,085</b>    | 90.0%       |
| Loans in Repayment- Delinq 31-60 days           | 79                                  | 5.1%        | 63              | 3.6%        | 77              | 2.9%        | 76              | 2.2%        | 196                   | 1.4%        | <b>491</b>       | 2.1%        |
| Loans in Repayment- Delinq 61-90 days           | 54                                  | 3.5%        | 42              | 2.4%        | 45              | 1.7%        | 43              | 1.2%        | 108                   | 0.8%        | <b>292</b>       | 1.2%        |
| Loans in Repayment- Delinq 90 + days            | 149                                 | 9.6%        | 111             | 6.3%        | 126             | 4.7%        | 102             | 2.9%        | 202                   | 1.5%        | <b>690</b>       | 2.9%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 1,554</b>                     | <b>100%</b> | <b>\$ 1,757</b> | <b>100%</b> | <b>\$ 2,690</b> | <b>100%</b> | <b>\$ 3,494</b> | <b>100%</b> | <b>\$ 13,926</b>      | <b>100%</b> | <b>\$ 23,421</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>10.3%</b>                        |             | <b>4.1%</b>     |             | <b>2.4%</b>     |             | <b>1.4%</b>     |             | <b>0.8%</b>           |             | <b>1.9%</b>      |             |

## Non-Traditional Portfolio

| Loan Status                                     | Monthly Scheduled Payments Received |             |                |             |                |             |                |             |                       |             |                 |             |
|---|-------------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------------|-------------|-----------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments |             | 25-36 payments |             | 37-48 payments |             | More than 48 payments |             | Total           |             |
| Not Yet in Repayment                            |                                     |             |                |             |                |             |                |             |                       |             | <b>181</b>      |             |
| Loans in Forbearance                            | 49                                  | 22.0%       | 16             | 7.4%        | 14             | 4.8%        | 10             | 3.6%        | 21                    | 2.0%        | <b>110</b>      | 5.4%        |
| Loans in Repayment- Current                     | 108                                 | 48.4%       | 153            | 69.5%       | 223            | 76.3%       | 243            | 82.9%       | 919                   | 89.5%       | <b>1,646</b>    | 80.1%       |
| Loans in Repayment- Delinq 31-60 days           | 18                                  | 7.9%        | 13             | 5.7%        | 15             | 5.2%        | 11             | 3.9%        | 29                    | 2.8%        | <b>86</b>       | 4.2%        |
| Loans in Repayment- Delinq 61-90 days           | 10                                  | 4.6%        | 10             | 4.5%        | 11             | 3.6%        | 8              | 2.7%        | 17                    | 1.7%        | <b>56</b>       | 2.7%        |
| Loans in Repayment- Delinq 90 + days            | 37                                  | 16.6%       | 28             | 12.9%       | 29             | 10.1%       | 21             | 7.3%        | 41                    | 4.0%        | <b>156</b>      | 7.6%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 222</b>                       | <b>100%</b> | <b>\$ 220</b>  | <b>100%</b> | <b>\$ 292</b>  | <b>100%</b> | <b>\$ 293</b>  | <b>100%</b> | <b>\$ 1,027</b>       | <b>100%</b> | <b>\$ 2,054</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>21.8%</b>                        |             | <b>11.6%</b>   |             | <b>7.6%</b>    |             | <b>4.2%</b>    |             | <b>2.2%</b>           |             | <b>6.1%</b>     |             |

## Total

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>2,040</b>     |             |
| Loans in Forbearance                            | 341                                 | 19.2%       | 134             | 6.8%        | 136             | 4.6%        | 119             | 3.1%        | 243                   | 1.6%        | <b>973</b>       | 3.8%        |
| Loans in Repayment- Current                     | 1,088                               | 61.3%       | 1,576           | 79.7%       | 2,543           | 85.3%       | 3,407           | 90.0%       | 14,117                | 94.4%       | <b>22,731</b>    | 89.2%       |
| Loans in Repayment- Delinq 31-60 days           | 97                                  | 5.4%        | 76              | 3.8%        | 92              | 3.1%        | 87              | 2.3%        | 225                   | 1.5%        | <b>577</b>       | 2.3%        |
| Loans in Repayment- Delinq 61-90 days           | 64                                  | 3.6%        | 52              | 2.6%        | 56              | 1.9%        | 51              | 1.4%        | 125                   | 0.8%        | <b>348</b>       | 1.4%        |
| Loans in Repayment- Delinq 90 + days            | 186                                 | 10.5%       | 139             | 7.0%        | 155             | 5.2%        | 123             | 3.2%        | 243                   | 1.6%        | <b>846</b>       | 3.3%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 1,776</b>                     | <b>100%</b> | <b>\$ 1,977</b> | <b>100%</b> | <b>\$ 2,982</b> | <b>100%</b> | <b>\$ 3,787</b> | <b>100%</b> | <b>\$ 14,953</b>      | <b>100%</b> | <b>\$ 25,475</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>12.0%</b>                        |             | <b>5.0%</b>     |             | <b>3.0%</b>     |             | <b>1.7%</b>     |             | <b>0.9%</b>           |             | <b>2.3%</b>      |             |



# Loan Seasoning – “Core Earnings” Basis

March 31, 2015

## Traditional Portfolio

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>2,630</b>     |             |
| Loans in Forbearance                            | 361                                 | 17.5%       | 138             | 5.5%        | 127             | 3.4%        | 109             | 2.8%        | 174                   | 1.4%        | <b>909</b>       | 3.6%        |
| Loans in Repayment- Current                     | 1,336                               | 64.9%       | 2,103           | 84.0%       | 3,319           | 89.5%       | 3,597           | 91.8%       | 12,351                | 95.6%       | <b>22,706</b>    | 90.5%       |
| Loans in Repayment- Delinq 31-60 days           | 90                                  | 4.4%        | 69              | 2.8%        | 80              | 2.1%        | 69              | 1.8%        | 136                   | 1.1%        | <b>444</b>       | 1.8%        |
| Loans in Repayment- Delinq 61-90 days           | 71                                  | 3.4%        | 49              | 1.9%        | 48              | 1.3%        | 40              | 1.0%        | 78                    | 0.6%        | <b>286</b>       | 1.1%        |
| Loans in Repayment- Delinq 90 + days            | 202                                 | 9.8%        | 146             | 5.8%        | 136             | 3.7%        | 102             | 2.6%        | 168                   | 1.3%        | <b>754</b>       | 3.0%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 2,060</b>                     | <b>100%</b> | <b>\$ 2,505</b> | <b>100%</b> | <b>\$ 3,710</b> | <b>100%</b> | <b>\$ 3,917</b> | <b>100%</b> | <b>\$ 12,907</b>      | <b>100%</b> | <b>\$ 25,099</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>12.7%</b>                        |             | <b>4.3%</b>     |             | <b>2.3%</b>     |             | <b>1.6%</b>     |             | <b>0.8%</b>           |             | <b>2.4%</b>      |             |

## Non-Traditional Portfolio

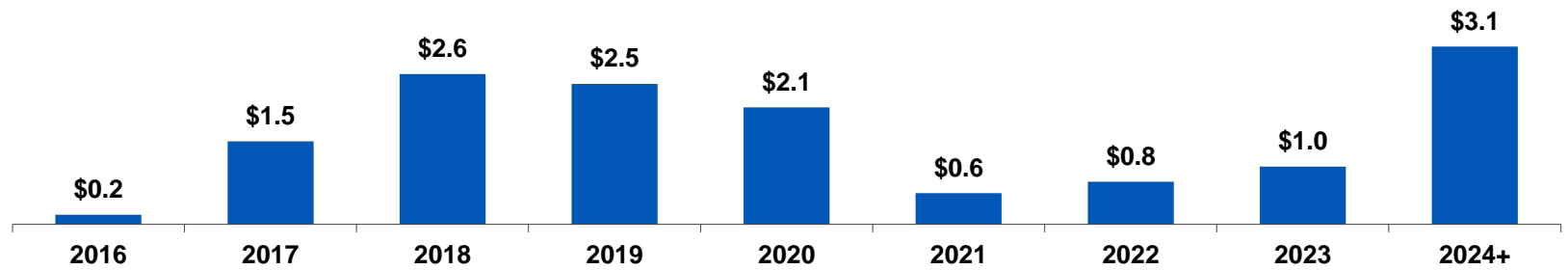
| Loan Status                                     | Monthly Scheduled Payments Received |             |                |             |                |             |                |             |                       |             |                 |             |
|---|-------------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------------|-------------|-----------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments |             | 25-36 payments |             | 37-48 payments |             | More than 48 payments |             | Total           |             |
| Not Yet in Repayment                            |                                     |             |                |             |                |             |                |             |                       |             | <b>264</b>      |             |
| Loans in Forbearance                            | 58                                  | 19.8%       | 19             | 6.4%        | 14             | 4.4%        | 12             | 3.9%        | 18                    | 1.9%        | <b>121</b>      | 5.5%        |
| Loans in Repayment- Current                     | 146                                 | 49.4%       | 212            | 71.6%       | 265            | 79.6%       | 249            | 82.9%       | 873                   | 90.3%       | <b>1,745</b>    | 79.7%       |
| Loans in Repayment- Delinq 31-60 days           | 21                                  | 7.1%        | 16             | 5.3%        | 14             | 4.2%        | 10             | 3.4%        | 23                    | 2.4%        | <b>84</b>       | 3.8%        |
| Loans in Repayment- Delinq 61-90 days           | 15                                  | 5.1%        | 11             | 3.7%        | 9              | 2.6%        | 7              | 2.2%        | 13                    | 1.4%        | <b>55</b>       | 2.5%        |
| Loans in Repayment- Delinq 90 + days            | 55                                  | 18.6%       | 38             | 13.0%       | 31             | 9.2%        | 23             | 7.6%        | 39                    | 4.0%        | <b>186</b>      | 8.5%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 295</b>                       | <b>100%</b> | <b>\$ 296</b>  | <b>100%</b> | <b>\$ 333</b>  | <b>100%</b> | <b>\$ 301</b>  | <b>100%</b> | <b>\$ 966</b>         | <b>100%</b> | <b>\$ 2,191</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>30.3%</b>                        |             | <b>11.0%</b>   |             | <b>6.5%</b>    |             | <b>5.0%</b>    |             | <b>2.6%</b>           |             | <b>8.1%</b>     |             |

## Total

| Loan Status                                     | Monthly Scheduled Payments Received |             |                 |             |                 |             |                 |             |                       |             |                  |             |
|---|-------------------------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------------|-------------|------------------|-------------|
|   | 0-12 payments                       |             | 13-24 payments  |             | 25-36 payments  |             | 37-48 payments  |             | More than 48 payments |             | Total            |             |
| Not Yet in Repayment                            |                                     |             |                 |             |                 |             |                 |             |                       |             | <b>2,894</b>     |             |
| Loans in Forbearance                            | 419                                 | 17.8%       | 157             | 5.6%        | 141             | 3.5%        | 121             | 2.8%        | 192                   | 1.4%        | <b>1,030</b>     | 3.8%        |
| Loans in Repayment- Current                     | 1,482                               | 62.9%       | 2,315           | 82.7%       | 3,584           | 88.7%       | 3,846           | 91.2%       | 13,224                | 95.3%       | <b>24,451</b>    | 89.6%       |
| Loans in Repayment- Delinq 31-60 days           | 111                                 | 4.7%        | 85              | 3.0%        | 94              | 2.3%        | 79              | 1.9%        | 159                   | 1.1%        | <b>528</b>       | 1.9%        |
| Loans in Repayment- Delinq 61-90 days           | 86                                  | 3.7%        | 60              | 2.1%        | 57              | 1.4%        | 47              | 1.1%        | 91                    | 0.7%        | <b>341</b>       | 1.3%        |
| Loans in Repayment- Delinq 90 + days            | 257                                 | 10.9%       | 184             | 6.6%        | 167             | 4.1%        | 125             | 3.0%        | 207                   | 1.5%        | <b>940</b>       | 3.4%        |
| <b>Total Loans in Repayment or Forbearance</b>  | <b>\$ 2,355</b>                     | <b>100%</b> | <b>\$ 2,801</b> | <b>100%</b> | <b>\$ 4,043</b> | <b>100%</b> | <b>\$ 4,218</b> | <b>100%</b> | <b>\$ 13,873</b>      | <b>100%</b> | <b>\$ 27,290</b> | <b>100%</b> |
| <b>Charge-offs as a % of loans in repayment</b> | <b>15.2%</b>                        |             | <b>5.0%</b>     |             | <b>2.7%</b>     |             | <b>1.9%</b>     |             | <b>0.9%</b>           |             | <b>2.9%</b>      |             |

# Unsecured Debt Maturities

As of March 31, 2016  
(par value, \$ in billions)



# Differences between “Core Earnings” and GAAP

Quarter ended March 31, 2016  
(\$ in millions)

---

**“Core Earnings” adjustments to GAAP:**

|   |                     |
|---|---------------------|
| GAAP net income                                       | \$ 181              |
| Net impact of derivative accounting                   | (54)                |
| Net impact of goodwill and acquired intangible assets | 4                   |
| Net income tax effect                                 | 16                  |
| Total “Core Earnings” adjustments to GAAP             | <u>(34)</u>         |
| “Core Earnings” net income                            | <u><u>\$147</u></u> |

---