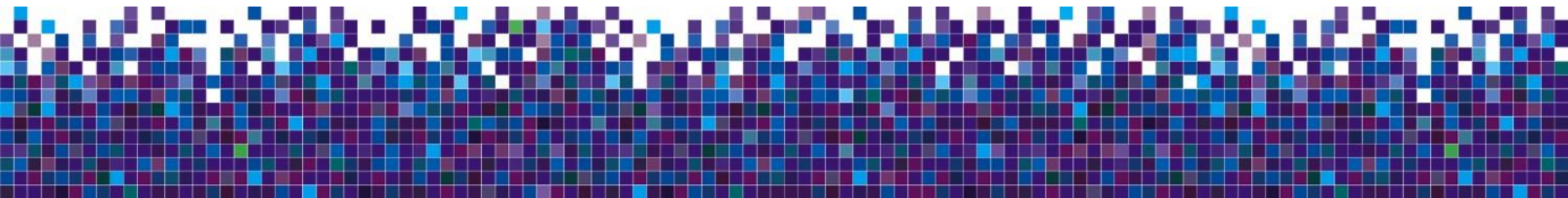


NAVIENT

Barclays Global Financial Services Conference

September 10, 2019



Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of June 30, 2019 (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, 2018 (the "2018 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 26, 2019 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2018 Form 10-K. This presentation contains "forward-looking statements," within the meaning of the federal securities laws, about our business, 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," "may," "could," "should," "goal," 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 hedging 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).

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;
- activities by shareholder activists, including a proxy contest or any unsolicited takeover proposal;
- changes in general economic conditions; and
- the other factors that are described in the "Risk Factors" section of the 2018 Form 10-K and in our other reports filed with the Securities and Exchange Commission.

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 release. 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 second quarter earnings release and pages 18 & 19 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.



NAVIENT®

- Navient is a leader in education 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 education loan manager supporting the economic success of our 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

Navient is Executing a Winning Strategy



1H 19 Adjusted Core
Net Income¹ **\$320 million**



Total Payout Ratio² **97%**



1st Half Cash
Generated **\$1.3 billion +**



1st Half Term
Financing **\$4.3 billion +**

- EPS guidance of \$2.43 - \$2.48, a **24% increase** from our original guidance³ of \$1.93 - \$2.03.
- Education loan origination guidance of at least \$3.8 billion, a **21% increase** from our original guidance³ of at least \$3.15 billion.

¹ Adjusted diluted Core Earnings excludes: \$10 million of restructuring and regulatory-related expenses in the first half of 2019.

² Based on first half share repurchases and dividends, divided by first half Adjusted Core Earnings. See note 1 on slide 18.

³ Original guidance was given on January 23rd, 2019.

Values are as of 6/30/2019, unless noted otherwise.

Education Loan Portfolio Projected to Generate ~\$21 Billion In Cash Flows Over Next ~20 Years

Projected Life of Loan Cash Flows over ~20 Years

(\$'s in Billions)	6/30/2019
Total FFELP Cash Flows	\$9.7
Total Private Education Cash Flows	<u>\$11.5</u>
Combined Cash Flows	<u>\$21.2</u>
Unsecured Debt (par value)	\$10.6

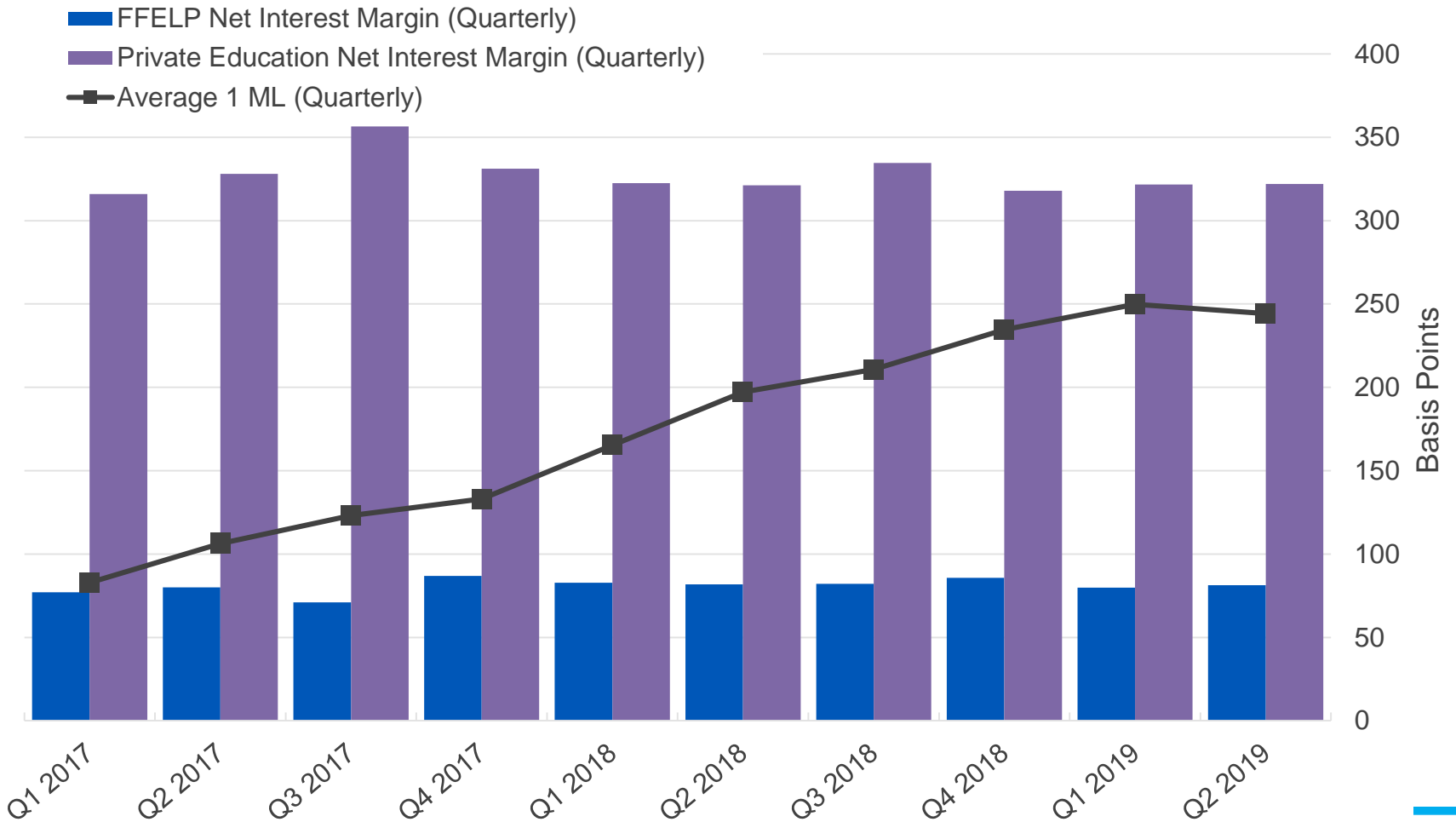
Enhancing Cash Flows

- ✓ Efficiencies have minimized the impact from the amortization of the portfolio:
 - Active optimization of facility financing capacity
 - Effective hedging strategies reduce LIBOR basis risk
 - Innovative financing structures
 - Generated meaningful gains through debt repurchases
- ✓ Originated **\$1.8 billion** of education loans in the 1st half of 2019
- ✓ Generated **\$1.3 billion** of cash flows in the 1st half of 2019

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

Hedging Strategy Designed to Mitigate Interest Rate Volatility

Net Interest Margin vs 1 Month LIBOR (Quarterly)



FFELP and Private Education Net Interest Margins are shown on a Core Earnings Basis.

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High Quality Education Loan Portfolio

1 FFELP Loans

- ~\$68 billion of loans
- 97% - 100% government guarantee
- Charge-off rate of 5 bps ¹

2 Legacy Private Education Loans

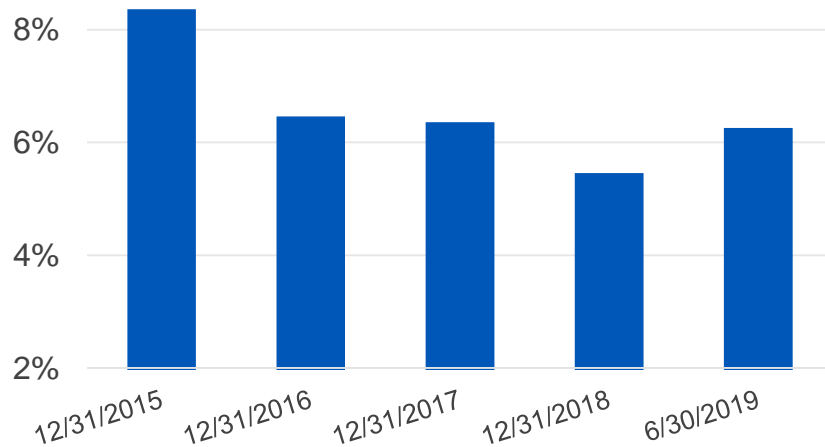
- ~\$17 billion of loans
- Highly seasoned portfolio
- Charge-off rate of 2.0% ¹

3 Refinance Education Loans

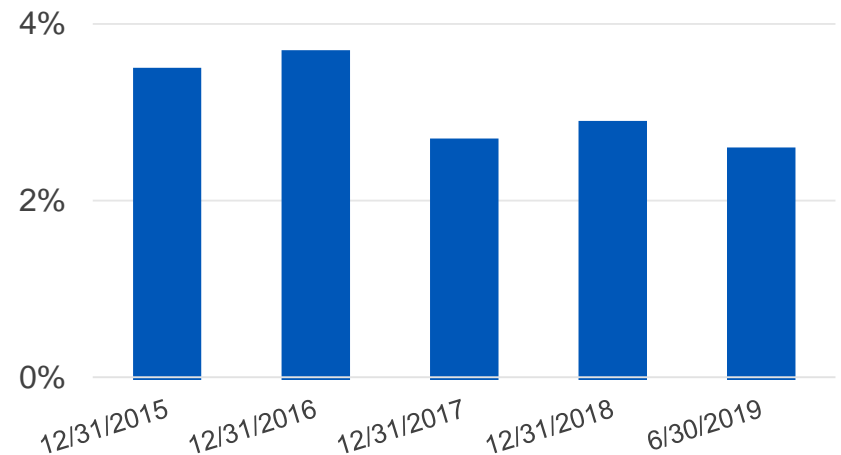
- ~\$4 billion of loans
- Typical borrower has income over \$130K and a FICO above 760
- Charge-off rate of 10 bps ¹

Delinquency Rates Have Fallen Meaningfully Since Navient's Spin-off

FFELP 90+ Delinquency Rate



Consumer Lending 90+ Delinquency Rate



¹ Second quarter 2019 annualized charge-off rate. As of 6/30/2019



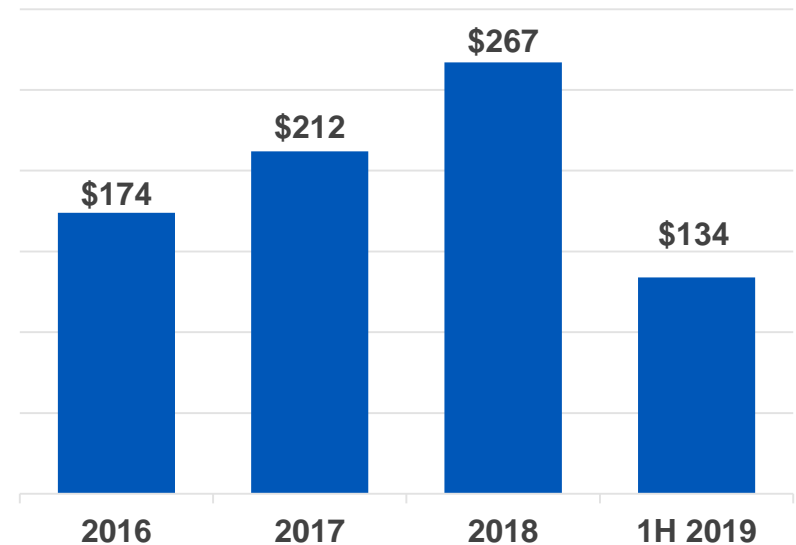
Business Processing Solutions

Well Positioned for Long-Term Growth

- Providing business processing services for over 600 clients in Government and Healthcare Services
 - Integrated solutions technology and superior data-driven approach allows governments to achieve efficiencies in processing and revenue cycle management capabilities
 - Full service provider of end-to-end revenue cycle solutions to U.S. based hospitals and healthcare systems
- Leveraging existing infrastructure along with 40 years of data, analytics and processing experience to deliver best-in-class performance and compliance

Growing Fee Revenues at Attractive Margins

Total Business Processing Fee Revenues
(\$ in millions)



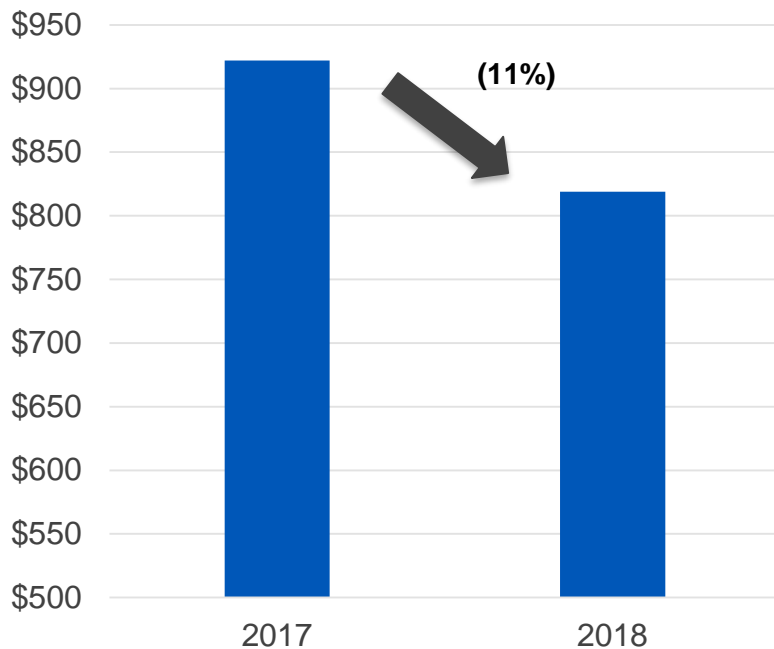
	2016	2017	2018	1H 2019
EBITDA Margin ¹	16%	13%	17%	19%

¹ Item is a non-GAAP financial measure. See note 5 on slide 18.

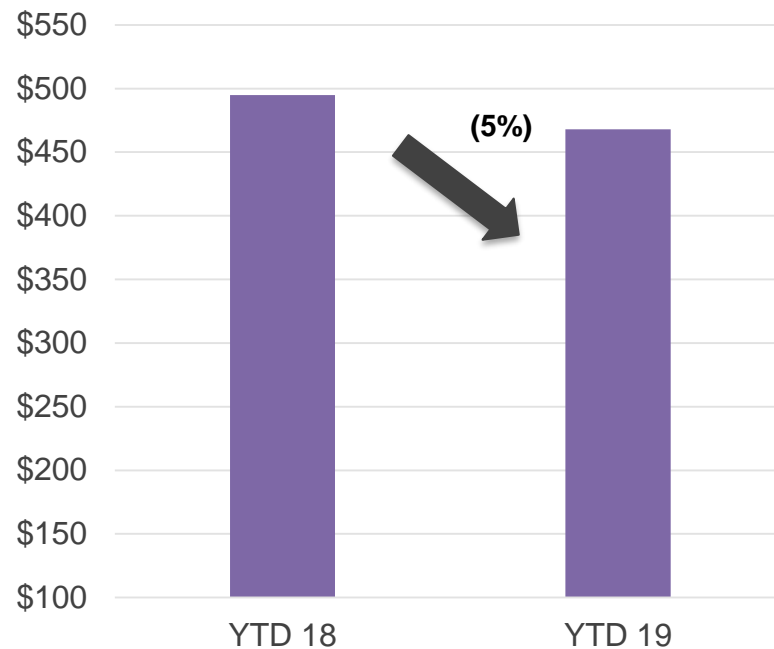


Delivering on Operating Efficiency Goals

Full-Year 2018 Comparable Core Earnings Total Expenses (\$'s in Millions)



YTD 2019 Comparable Core Earnings Total Expenses (\$'s in Millions)



Year-to-date Core Earnings Efficiency Ratio ¹ of 49% compares favorably to our peers

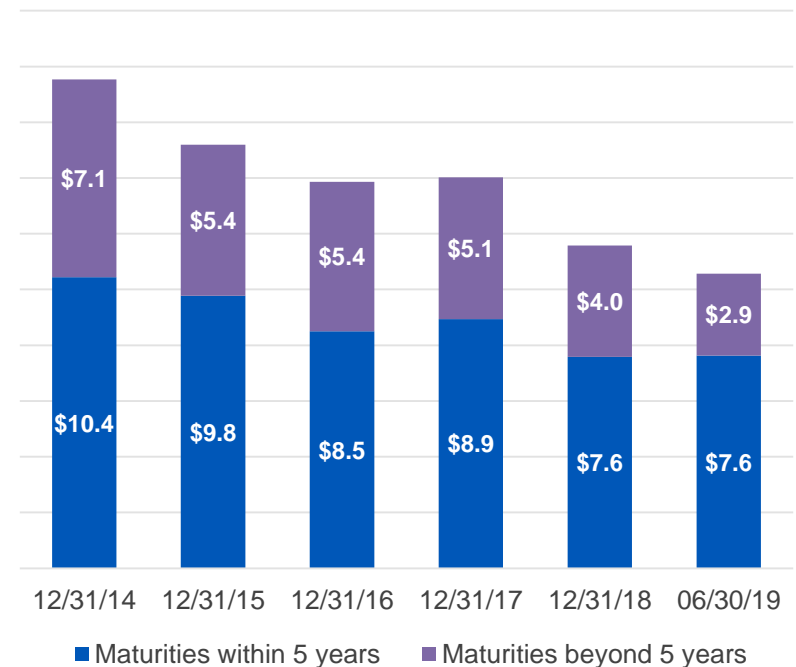
Note: See slides 15 and 16 for additional detail.

¹ Item is a non-GAAP financial measure. See note 3 on slide 18.

Capital Structure Allows for Stable Credit Rating and Access to Funding

- Long-term conservative funding approach
 - 83% of our education loan portfolio is funded to term
- Important to maintain our credit ratings which support ongoing access to the unsecured debt markets
 - Continue to opportunistically repurchase debt in the open market
- Consistent capital return
 - Returned \$309 million to shareholders through dividends and share repurchases in 1H 19 and over \$4 billion since spin-off
- Generating high return on equity
 - High quality portfolio generating mid-teen's ROE's

Unsecured Debt Maturities
(par value, \$ in billions)



¹ As of 6/30/2019.

There are Solutions to Many of the Challenges Faced by Borrowers

5 recommendations to improve student loan program success:

1 Provide more front-end resources to improve decision making.

Students and their families need tools to understand how much they'll need to borrow to earn the degree—not simply the current semester—and to assess the likely economic benefits of a chosen field. This kind of information will help students and parents make a more informed assessment about what they can afford.

2 Improve the college completion rate

Just 6 out of 10 bachelor's degree students graduate in six years. Borrowers who struggle the most are often non-completers with low levels of debt. Schools should have some skin in the game when students do not complete and are unable to repay. Many colleges are experimenting with novel approaches to improve graduation rates and should be encouraged and rewarded.

3 Simplify repayment.

Currently, the government offers 16 repayment plans, 9 forgiveness programs, and 33 deferment and forbearance options—each with its own nuances, payment schedules, qualifications, and complex enrollment criteria.

They should be and can be simplified. For example, collapsing the multiple income-driven repayment options into one plan with the most appropriate borrower-friendly terms would be a good start.

4 Help borrowers pay off early.

In the rush to help student borrowers, too many have trumpeted lower payments over longer periods as the universal solution despite the higher interest costs many borrowers will pay. We need programs that help struggling borrowers through short-term and long-term challenges, but anyone enrolling should understand the trade-offs to be able to make the right choice for their financial circumstances.

5 Encourage borrowers to engage with their loan servicers.

Default is avoidable, but borrower contact is key. As a servicer, we've found that nine times out of 10, when we reach struggling federal loan borrowers we are able to help them avoid default by getting them into a repayment plan that works for them. Contact works; let's encourage it.

navient.com/views

On Track to Meet or Exceed Original ¹ Target Financial Metrics

	Key Company & Business Segment Metrics	
	2018 Actual	2019 Original ¹ Target
Core Earnings Return on Equity ²	15%	Mid-teens
Core Earnings Efficiency Ratio ³	47%	~50%
Tangible Net Asset Ratio ⁴	1.25x	1.23x - 1.25x
<i>Net Interest Margin – Federal Education Loan Segment</i>	0.83%	Low to Mid 80's
<i>Charge-off Rate – Federal Education Loan Segment</i>	0.09%	0.08% - 0.10%
<i>Net Interest Margin – Consumer Lending Segment</i>	3.24%	3.10% - 3.20%
<i>Charge-off Rate – Consumer Lending Segment</i>	1.7%	1.6% - 1.8%
<i>EBITDA Margin – Business Processing Segment</i>	17%	High Teens

¹ Key Company & Business Segment Metrics were first provided on January 23, 2019.

² Item is a non-GAAP financial measure. See note 2 on slide 18.

³ Item is a non-GAAP financial measure. See note 3 on slide 18.

⁴ Item is a non-GAAP financial measure. See note 4 on slide 18.



Summary

- ✓ *Positive earnings momentum*
- ✓ *Consistent return of capital*
- ✓ *Well-seasoned, high quality education loan portfolio*
- ✓ *Stable net interest margins*
- ✓ *Increasing education loan originations at attractive ROE's*



Appendix

Notable Items Impacting Total Expenses Compared to Prior Period

Compared to Prior Period				
(\$ In millions)	Q2 19	Q2 18	YTD Q2 19	YTD Q2 18
Reported Core Earnings Expenses	<u>\$242</u>	<u>\$203</u>	<u>\$499</u>	<u>\$485</u>
Year over Year Change in Reported Core Earnings Expenses	19%		3%	
Restructuring & Reorganization Expenses	\$1	\$2	\$2	\$9
Regulatory-Related Expenses	\$1	\$8	\$8	\$12
Adjusted Core Earnings Expenses¹	<u>\$240</u>	<u>\$193</u>	<u>\$489</u>	<u>\$464</u>
Year over Year Change in Adjusted Core Earnings Expenses	24%		5%	
Contingency Reserve Release	-	(\$40)	-	(\$40)
3 rd Party Transfer Fee	-	-	-	\$9
Transition Services Agreement	\$5	-	\$12	-
Costs Associated with Proxy Contest Matters	\$6	-	\$9	-
Comparable Core Earnings Total Expenses¹	<u>\$229</u>	<u>\$233</u>	<u>\$468</u>	<u>\$495</u>
Year over Year Change in Comparable Core Earnings Total Expenses	(2%)		(5%)	

¹ "Adjusted" and "Comparable" expenses 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.

Notable Items Impacting Total Expenses Compared to Prior Year

Compared to Prior Year		
(\$ In millions)	2018	2017
Reported Core Earnings Expenses	<u>\$997</u>	<u>\$995</u>
Year over Year Change in Reported Core Earnings Expenses	–%	
Restructuring & Reorganization Expenses	\$13	\$29
Regulatory-Related Expenses	\$29	\$14
Adjusted Core Earnings Expenses	\$955	\$952
Year over Year Change in Adjusted Core Earnings Expenses	–%	
Duncan & Earnest Operating Expenses	\$100	\$30
3 rd Party Transfer Fee	\$9	–
Transition Services Agreement	\$16	–
Impact of ASC 606	\$51	–
Contingency Reserve Release	(\$40)	–
Comparable Core Earnings Total Expenses ¹	\$819	\$922
Year over Year Change in Comparable Core Earnings Total Expenses	(11%)	

¹ "Adjusted" and "Comparable" expenses 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.

GAAP Results

(In millions, except per share amounts)	Q2 19	Q1 19	Q2 18
Net income (loss)	\$153	\$128	\$83
Diluted earnings (loss) per common share	\$0.64	\$0.52	\$0.31
Operating expenses	\$241	\$256	\$201
Provision for loan losses	\$68	\$76	\$112
Average Education Loans	\$91,547	\$93,987	\$101,490

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:

- Core Earnings** – The difference between the company's Core Earnings and its GAAP results is that Core Earnings excludes 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 19 of this presentation and pages 13-21 of Navient's second-quarter earnings release.
- 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 trailing four quarters. This measure allows management, as well as investors and analysts, to measure the company's use of its equity. The calculation for Q2 2019 is as follows:

$$\frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$177^{(1)}}{(\$3,301 + \$3,430 + \$3,519 + \$3,724) / 4} = 20\%^{(2)}$$

i. For a reconciliation to the full year 2018 Core Earnings Return on Equity, see slide 18 of the full year 2018 earnings presentation, dated January 23, 2019.

- 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 Q2 2019 and 1H 2019, respectively, is as follows:

$$\frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$240^{(1)}}{\$470 + \$68 - \$32} = 47\% \qquad \frac{\$489^{(1)}}{\$904 + \$144 - \$47} = 49\%$$

i. For a reconciliation to the full year 2018 Core Earnings Efficiency Ratio, see slide 18 of the full year 2018 earnings presentation, dated January 23, 2019.

- 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 22 of Navient's second-quarter earnings release.
- 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 22 of Navient's second-quarter earnings release, and for reconciliations to 2016, 2017, and 2018, see page 48 of our 2018 10-K.

¹ Excludes \$2 million and \$10 million of restructuring and regulatory costs in 2Q 2019 and 1H 2019, respectively.

² Return on Equity has been annualized.

Differences Between Core Earnings And GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended		
	Jun. 30, 2019	Mar. 31, 2019	Jun. 30, 2018
GAAP net income (loss)	\$153	\$128	\$83
Net impact of derivative accounting	23	6	51
Net impact of goodwill and acquired intangible assets	11	7	6
Net income tax effect	(12)	(5)	(9)
Total Core Earnings adjustments to GAAP	22	8	48
Core Earnings net income (loss)	\$175	\$136	\$131



Investor Relations Website

www.navient.com/investors
www.navient.com/abs

- **NAVI / SLM student loan trust data (Debt/asset backed securities – NAVI / SLM Student Loan Trusts)**
 - Static pool information – detailed portfolio stratifications by trust as of the cutoff date
 - Accrued interest factors
 - Quarterly distribution factors
 - Historical trust performance – monthly charge-off, delinquency, loan status, CPR, etc. by trust
 - Since issued CPR – monthly CPR data by trust since issuance
- **NAVI / SLM student loan performance by trust – Issue details**
 - Current and historical monthly distribution reports
 - Distribution factors
 - Current rates
 - Prospectus for public transactions and Rule 144A transactions are available through underwriters
- **Additional information (Webcasts and presentations)**
 - Archived and historical webcasts, transcripts and investor presentations



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