2020 1st Quarter Earnings Call Presentation

April 21, 2020

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of March 31, 2020 (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, 2019 (the "2019 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 27, 2020 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2019 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:

- the severity, magnitude and duration of the COVID-19 pandemic, including changes in the macroeconomic environment, restrictions on business, individual or travel activities intended to slow the spread of the pandemic and volatility in market conditions resulting from the pandemic including interest rates, the value of equities and other financial assets;
- the risks and uncertainties associated with increases in financing costs;
- 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 the CARES Act or other 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 2019 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 first-quarter earnings release and pages 15 - 17 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

Response to COVID-19

Supporting our Employees and Communities

- Quickly transitioned 90% of workforce to work from home
- Extended flexible hours and emergency pay for impacted employees
- Reassigning experienced customer support staff to aid state efforts in processing unemployment claims
- Donated 10,000 N95 respirator masks to hospitals and first responders in 19 locations

Supporting Borrowers with Department of Education owned Loans

- Rapidly implemented CARES Act provisions
  - Waived interest and suspended payments for ED borrowers through September 2020

Supporting Borrowers with Navient Owned Loans

- Working with affected FFELP and private loan borrowers to access immediate payment relief options, such as disaster forbearance to suspend payments for up to three months, resolving past due amount

Launched comprehensive webpage to share borrower payment options: navient.com/covid-19

Operating Results
"Core Earnings[1]" Basis

Selected Financial Information and Ratios

(In millions, except per share amounts)	Q1 20	Q4 19	Q1 19
GAAP diluted EPS	**($0.53)**	**$0.78**	**$0.52**
Adjusted Core Earnings EPS [2]	**$0.51**	**$0.67**	**$0.58**
Restructuring and regulatory-related expenses	($0.05)	$0.02	($0.03)
Reported Core Earnings EPS [1]	**$0.46**	**$0.69**	**$0.55**
Average common stock equivalent	202	221	247
Ending total education loans, net	$84,830	$86,820	$$92,049
Average total education loans	$87,006	$88,266	$$93,987

1st Quarter Highlights

- Adjusted Core Earnings per share of $0.51 compared to $0.58 in the year-ago quarter [2]
- Provided payment relief to over 200,000 Navient borrowers impacted by COVID-19, as of April 15, 2020
- Originated $1.9 billion of Private Education Refinance Loans in the quarter
- Returned $366 million to shareholders through dividends and share repurchases in the quarter

[1] Item is a non-GAAP financial measure. See note 1 on slide 15.
[2] Adjusted diluted Core Earnings per share excludes: $12 million, $(7) million and $8 million of net restructuring and regulatory expenses in first-quarter 2020, fourth-quarter 2019, and first-quarter 2019, respectively.

Federal Education Loans Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q1 20	Q4 19	Q1 19
Segment net interest margin	0.81%	0.87%	0.80%
FFELP Loans:			
Provision for loan losses	$6	$8	$8
Charge-offs	$19	$9	$17
Charge-off rate	0.15%	0.06%	0.11%
Greater than 30-days delinquency rate	10.5%	11.7%	11.0%
Greater than 90-days delinquency rate	5.4%	5.8%	5.2%
Forbearance rate	15.1%	12.2%	12.7%
Average FFELP Loans	$63,894	$65,642	$71,226
Operating Expense	$83	$89	$91
Net Income	$119	$136	$127
Number of accounts serviced for ED (in millions)	5.6	5.6	5.9
Total federal loans serviced (in billions)	$285	$287	$293
Contingent collections receivables inventory - education loans (billions)	$13.6	$19.0	$26.8

1st Quarter Highlights

Federal Education

- **Q1 20** Net Interest Margin: 81 basis points
- **Q1 20** Charge-off Rate: 15 basis points

- We provide assistance to borrowers who have been negatively impacted by the COVID-19 emergency. As of April 15, 2020:
  - FFELP loan forbearance rate is 19.0%
  - FFELP loans greater than 30-days delinquency rate is 10.3%
- Charge-offs increased to $19 million from $17 million
  - $5 million of charge-offs in Q1 20 were the result of the inclusion of loan premiums, as required by CECL
- Implemented CARES Act provisions for all accounts serviced for the Department of Education

Consumer Lending Segment
"Core Earnings Basis"

Selected Financial Information and Ratios

($ In millions)	Q1 20	Q4 19	Q1 19
Segment net interest margin	3.31%	3.31%	3.22%
Private Education Loans (including Refinance Loans):			
Provision for loan losses	$89	$42	$68
Charge-offs	$68	$97	$94
Annualized charge-off rate	1.3%	1.7%	1.7%
Greater than 30-days delinquency rate	3.6%	4.6%	5.2%
Greater than 90-days delinquency rate	1.6%	2.0%	2.6%
Forbearance rate	6.9%	2.7%	2.5%
Average Private Education Loans	23,112	$22,624	$22,761
Operating Expense	$39	$40	$38
Net Income	$54	$89	$65

1st Quarter Highlights

Consumer Lending

- **Q1 20** Net Interest Margin: 3.31%
- **Q1 20** Charge-off Rate: 1.3%

- We provide assistance to borrowers who have been negatively impacted by the COVID-19 emergency. As of April 15, 2020:
  - Forbearance rate is 12.0%
  - Greater than 30-days delinquency rate is 3.9%
- Annualized charge-off rate declined 24% to 1.3%
- The provision for loan losses increased to $89 million due to the implementation of CECL and increased expectations for losses that are expected to occur primarily in 2021 as a result of COVID-19, bringing the total allowance to $1.7 billion [1]
- Originated $1.9 billion of Private Education Refinance Loans in the quarter

[1] Allowance excludes the $571 million of expected future recoveries on charged-off loans that is classified within the allowance for loan loss under CECL.

Business Processing Segment "Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q1 20	Q4 19	Q1 19
Government Services	$33	$34	$42
Healthcare RCM Services	$24	$25	$26
Total Business Processing Revenue	**$57**	**$59**	**$68**
Operating Expenses	$54	$49	$55
EBITDA [1]	$4	$11	$14
EBITDA Margin [1]	7%	18%	21%
Net Income	**$2**	**$8**	**$10**
Contingent collections receivables inventory (billions)	$15.1	$14.9	$15.0

1st Quarter Highlights

Business Processing

- **Q1 20** EBITDA Margin [1]: 7%

- Government services has been negatively impacted by the COVID-19 emergency. Through the first 15 days of April 2020:
  - New tolling inventory placements are ~50% lower
  - New parking placements are ~70% lower
  - New municipal placements are ~40% lower and federal contracts have significant collection restrictions
- Healthcare RCM services has been negatively impacted by the COVID-19 emergency. Through the first 15 days of April 2020:
  - New hospital inventory placements are ~15% lower
- Signed new BPS contracts in April related to municipal responses connected to the CARES Act
- The increase in expenses in the first quarter is related to planned operating efficiency investments and the impact of COVID-19

[1] Item is a non-GAAP financial measure. See note 4 on slide 16.

Q1 2020 Financing and Capital Management

Financing

- ✓ Issued 3 Private Education Loan ABS transactions for $1.9 billion
- ✓ Refinanced 2 Credit Facilities for $472 million, extending terms and reducing costs
- ✓ On April 1, 2020:
  - ✓ Extended FFELP Facility for two years, to April 1, 2022, with a capacity of $1.0 billion
  - ✓ Increased the capacity in our Private Education Refinance Loan Facility to $2.6 billion
- ✓ Issued $700 million of unsecured debt maturing in January of 2027

Capital Management

- ✓ Primary liquidity of $1.7 billion
- ✓ Repurchased 23 million common shares for $335 million in the quarter
- ✓ Paid $31 million in dividends to shareholders
- ✓ Adjusted Tangible Equity Ratio (ATE) [1] of 3.2%

[1] Item is a non-GAAP financial measure. See note 5 on slide 16.

Q1 Impacts on Loan Loss Reserve and Capital

Primary Drivers of Change in Equity

1. **Adoption of CECL - Increase in allowance resulted in a reduction of equity equal to $620 million.**
2. **Marks on Derivatives – Cumulative marks on interest rate hedges reduced equity by $629 million[1], which will reverse to zero as contracts mature. Excluding this amount would result in an ATE ratio of 5.3%.[2]**
3. **Capital Return - Returned $366 million of capital to shareholders**

Equity - 12/31/19	**Allowance - 12/31/19**	**Equity + Allowance - 12/31/19**
$3,336 million	$1,112 million	$4,448 million
Change in Equity	**Change in Allowance**	**Change in Equity + Allowance**
($1,301 million)	$853 million	($448 million)
Equity - 3/31/20	**Allowance[3] - 3/31/20**	**Equity + Allowance[3] - 3/31/20**
$2,035 million	$1,965 million	$4,000 million

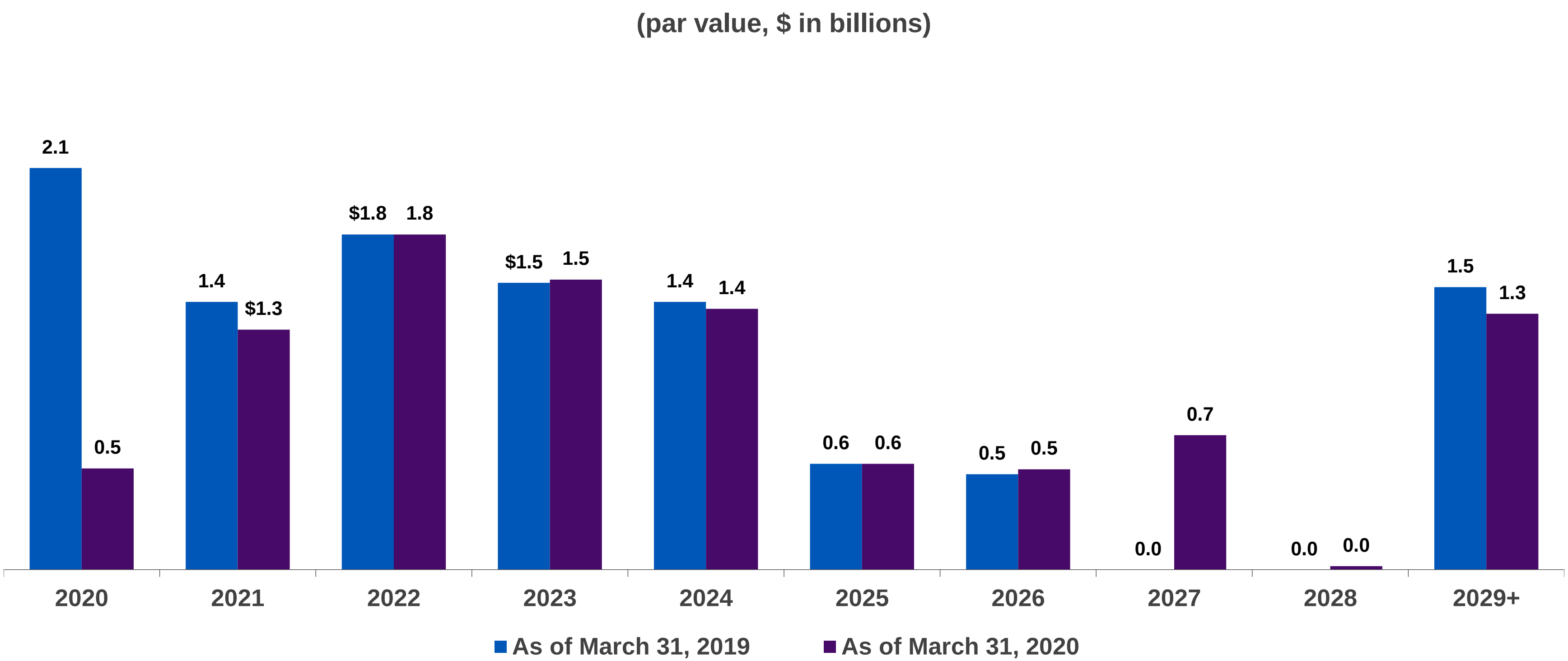
[1] As of 3/31/2020.
[2] Item is a non-GAAP financial measure. See note 5 on slide 16.
[3] Allowance excludes the $571 million of expected future recoveries on charged-off loans that is classified within the allowance for loan loss under CECL.

GAAP Results

(In millions, except per share amounts)	Q1 20	Q4 19	Q1 19
Net income (loss)	($106)	$171	$128
Diluted earnings (loss) per common share	($0.53)	$0.78	$0.52
Operating expenses	$251	$235	$256
Provision for loan losses	$95	$50	$76
Average Education Loans	$87,006	$88,266	$93,987

Appendix

Managing Unsecured Debt Maturities

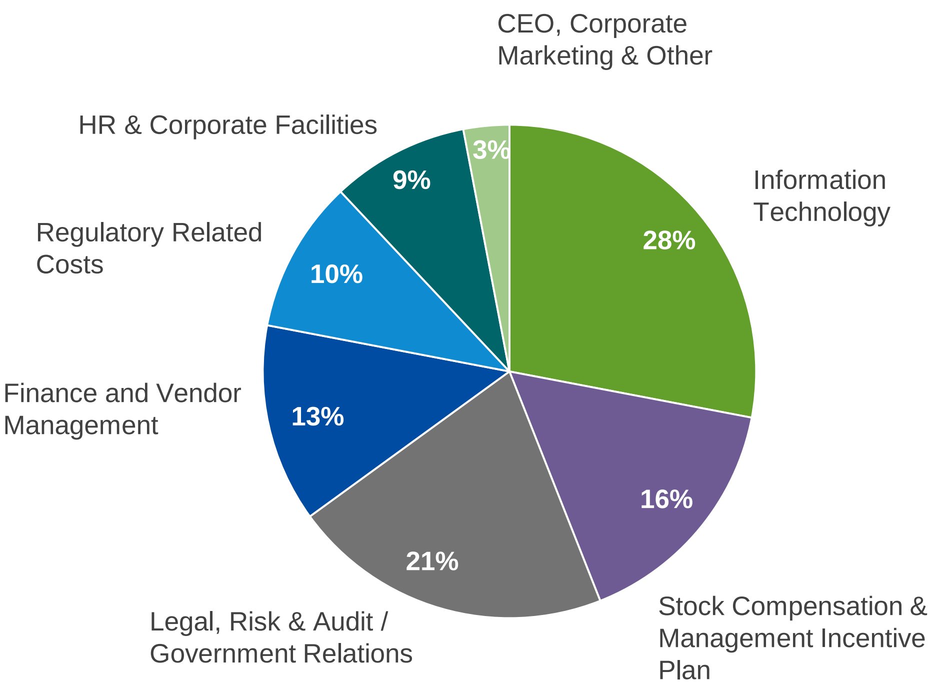


Long-term Conservative Funding Approach

- Issued $700 million unsecured debt maturing in 2027
  - Exchanged $190 million of unsecured debt, maturing in 2021, for new issuance
- We continue a conservative approach to unsecured debt
  - Navient's total unsecured debt has declined $2.0 billion or 17%, since the year-ago quarter

Other Segment
"Core Earnings" Basis

Total Unallocated Shared Services Expenses
Q1 2020 $75 million



Shared Services Overview

- Nearly 75% of total expenses are allocated
- Shared services are related to the management of the entire company or shared by multiple reporting segments
  - Centralization of related functions creates cost efficiencies
  - These costs include certain executive management, Board, Accounting, Finance, HR, Legal, Audit, insurance and Risk & Compliance, as well as other corporate-related facilities
- Information Technology expense, which includes infrastructure, operations, and IT security, together with regulatory costs, are primarily shared between the Federal Education and Consumer Lending segments

Navient Is Focused On Expense Efficiency

Notable Items Impacting Total Expenses Compared to Prior Periods		
($ In millions)	**Q1 20**	**Q1 19**
Reported Core Earnings Expenses	**$256**	**$257**
Year over Year Change in Reported Core Earnings Expenses	**(0%)**	
Restructuring & Reorganization Expenses	$5	$1
Regulatory-Related Expenses	$7	$7
Adjusted Core Earnings Expenses [1]	**$244**	**$249**
Year over Year Change in Adjusted Core Earnings Expenses	**(2%)**	
Transition Services Agreement	$4	$7
Costs Associated with Proxy Contest Matters	-	$3
Comparable Core Earnings Total Expenses [1]	**$240**	**$239**
Year over Year Change in Comparable Core Earnings Total Expenses	**0%**	

[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.

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 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 17 of this presentation and pages 12 - 16 of Navient's first-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 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 Q1 2020 is as follows:

$$\text{Q1 2020} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$102^{(1)}}{(\$3{,}301 + \$3{,}240 + 3{,}336 + 2{,}035)\ /\ 4} = 14\%^{(2)}$$

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 Q1 2020 is as follows:

$$\text{Q1 2020} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$244^{(1)}}{\$472} = 52\%$$

[1] Excludes $12 million of restructuring and regulatory-related expenses in first-quarter 2020.
[2] Return on Equity has been annualized.

Notes on Non-GAAP Financial Measures

(Dollars in Millions)

4. **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 19 of Navient’s first-quarter earnings release.

5. **Adjusted Tangible Equity Ratio (ATE)** – The Adjusted Tangible Equity Ratio measures Navient’s tangible equity, relative to its tangible assets. We adjust this ratio to exclude the assets and equity associated with our FFELP portfolio because FFELP Loans are no longer originated and the FFELP portfolio bears a 3% maximum loss exposure under the terms of the federal guaranty. Management believes that excluding this portfolio from the ratio enhances its usefulness to investors. To determine Adjusted Tangible Equity Ratios, we calculate the Adjusted Tangible Equity, (GAAP Total Equity less Goodwill & Acquired Intangible Assets less Equity held for FFELP Loans), and divide by Adjusted Tangible Assets (Total Assets less Goodwill & Acquired Intangible Assets less FFELP Loans). For further detail, see page 19 of Navient’s first-quarter earnings release. The calculation for Q1 2020 is as follows:

Adjusted Tangible Equity = (Equity - Goodwill & Intangibles) - Equity held for FFELP Loans
Adjusted Tangible Assets = Total Assets - Goodwill & Intangibles - FFELP Loans

Adjusted Tangible Equity = ($2,035 - $752) - (0.005*$62,492) = $971
Adjusted Tangible Assets = ($93,245 - $752) - $62,492 = $30,001

$$\frac{\text{Adjusted Tangible Equity}}{\text{Adjusted Tangible Assets}} = \frac{\$971}{\$30,001} = 3.2\%$$

Differences Between Core Earnings And GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2019
GAAP net income (loss)	($106)	$171	$128
Net impact of derivative accounting	247	(27)	6
Net impact of goodwill and acquired intangible assets	5	6	7
Net income tax effect	(53)	3	(5)
Total Core Earnings adjustments to GAAP	199	(18)	8
Core Earnings net income (loss)	$93	$153	$136

NAVIENT®