2019 2nd Quarter Earnings Call Presentation

July 24, 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 17 & 18 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

Operating Results
"Core Earnings[1]" Basis

Selected Financial Information and Ratios

(In millions, except per share amounts)	Q2 19	Q1 19	Q2 18
GAAP diluted EPS	**$0.64**	**$0.52**	**$0.31**
Adjusted Core Earnings EPS [2]	**$0.74**	**$0.58**	**$0.52**
Restructuring and regulatory-related expenses	($0.00)	($0.03)	($0.03)
Reported Core Earnings EPS	**$0.74**	**$0.55**	**$0.49**
Average common stock equivalent	238	247	269
Ending total education loans, net	$89,520	$92,049	$99,177
Average total education loans	$91,547	$93,987	$101,490

2nd Quarter Highlights

- Adjusted Core Earnings per share of $0.74 compared to $0.52 in the year-ago quarter [2]
  - Raising EPS guidance to a range of $2.43 - $2.48, a 24% increase from our original guidance [3]
- Originated $846 million of Private Education Refinance Loans in the quarter
- Continued significant improvement in credit quality
  - Private Education loan delinquency rate declined 15%
  - FFELP loan delinquency rate declined 19%
- Reduced unsecured debt by nearly $1 billion
- Returned $163 million to shareholders through dividends and share repurchases in the quarter
  - Repurchased 9.6 million shares for $126 million
  - TNA Ratio increased to 1.27x [4]

[1] Item is a non-GAAP financial measure. See note 1 on slide 17.
[2] Adjusted diluted Core Earnings per share excludes: $2 million, $8 million, and $10 million of restructuring and regulatory-related expenses in second-quarter 2019, first-quarter 2019, and second-quarter 2018, respectively.
[3] Adjusted Core Earnings guidance of $1.93 to $2.03 was first provided on January 23, 2019.
[4] Item is a non-GAAP financial measure. See note 4 on slide 17.

Federal Education Loans Segment "Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q2 19	Q1 19	Q2 18
Segment net interest margin	0.81%	0.80%	0.82%
FFELP Loans:			
Provision for loan losses	$8	$8	$40
Charge-offs	$7	$17	$17
Charge-off rate	0.05%	0.11%	0.11%
Greater than 30-days delinquency rate	10.5%	11.0%	13.0%
Greater than 90-days delinquency rate	6.1%	5.2%	7.5%
Forbearance rate	12.9%	12.7%	12.2%
Average FFELP Loans	$69,084	$71,226	$78,170
Operating Expense	$89	$91	$36
Net Income	$131	$127	$148
Number of accounts serviced for ED (in millions)	5.7	5.9	6.0
Total federal loans serviced (in billions)	$289	$293	$294
Contingent collections receivables inventory - education loans (billions)	$26.3	$26.8	$15.4

2nd Quarter Highlights

Federal Education
- Net Interest Margin: 81 basis points
- Charge-off Rate: 5 basis points

- FFELP loan credit continued its strong performance
  - Charge-offs declined 59% from the year-ago quarter
  - Delinquency rate decreased 19% from the year-ago quarter
- Asset recovery revenue increased $24 million
- Issued a $747 million FFELP ABS deal
  - Available capacity under FFELP secured facilities is $1.1 billion

Consumer Lending Segment "Core Earnings Basis"

Selected Financial Information and Ratios

($ In millions)	Q2 19	Q1 19	Q2 18
Segment net interest margin	3.22%	3.22%	3.21%
Private Education Loans (including Refinance Loans):			
Provision for loan losses	$60	$68	$72
Charge-offs	$87	$94	$75
Annualized charge-off rate	1.6%	1.7%	1.3%
Greater than 30-days delinquency rate	5.0%	5.2%	5.9%
Greater than 90-days delinquency rate	2.5%	2.6%	2.7%
Forbearance rate	2.9%	2.5%	3.8%
Average Private Education Loans	$22,463	$22,761	$23,320
Operating Expense	$34	$38	$39
Net Income	$85	$65	$66

2nd Quarter Highlights

Consumer Lending
- Net Interest Margin: 3.22%
- Charge-off Rate: 1.6%

- Originated $846 million of Private Education Refinance Loans in the quarter, an increase from $629 million in the year-ago quarter
- Credit continues its strong performance
  - Delinquency rate continues to decline, falling 15% from the year ago quarter
  - Forbearance rate fell 24%
- Issued three new Private Education Finance transactions at attractive terms
  - Issued two Private Education ABS transactions for $1.2 billion
  - Sold $412 million of Refinance Loans resulting in a $16 million pre-tax gain
  - Available capacity under Private Education Loan secured facilities is $1.3 billion

Business Processing Segment "Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q2 19	Q1 19	Q2 18
Government Services	$40	$42	$41
Healthcare RCM Services	$25	$26	$24
Total Business Processing Revenue	**$65**	**$68**	**$65**
Operating Expenses	$56	$55	$54
EBITDA [1]	$11	$14	$12
EBITDA Margin [1]	17%	21%	18%
Net Income	**$7**	**$10**	**$8**
Contingent collections receivables inventory (billions)	$15.0	$15.0	$11.6

2nd Quarter Highlights

Business Processing

- EBITDA Margin: 17%

- Contingent collections receivables inventory increased 29% to $15.0 billion from the year-ago quarter as a result of new placements
- Won and implemented new RCO engagements in 2Q 19
- Delivering high-teen margins through reductions in fixed costs and disciplined growth

[1] Item is a non-GAAP financial measure. See note 5 on slide 17.

Q2 2019 Capital Management

- ✓ Capital Return
  - ☑ Repurchased 9.6 million common shares for $126 million, $207 million in remaining authority
  - ☑ Paid $37 million in dividends to shareholders
  - ☑ The tangible net asset ratio [1] increased to 1.27x

- ✓ ABS Financing
  - ☑ Issued FFELP ABS transaction totaling $747 million, with a weighted average life of 5.7 years
  - ☑ Issued two Private Education Loan ABS transactions totaling $1.2 billion, with a blended weighted average life of 4.3 years
  - ☑ Executed a pass-through transaction, selling $412 million of securities backed by Private Education Refinance Loans
    - ☑ Navient retained 5% vertical risk retention—the structure contains no overcollateralization

- ✓ Unsecured Financing
  - ☑ Reduced unsecured debt by nearly $1.0 billion
    - ☑ Opportunistically repurchased longer-dated bonds
  - ☑ Navient has extinguished all 2019 maturities
    - ☑ Well positioned to retire 2020 maturities

[1] See note 4 on slide 17.

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
Net Interest Margin – Federal Education Loan Segment	0.83%	Low to Mid 80's
Charge-off Rate – Federal Education Loan Segment	0.09%	0.08% - 0.10%
Net Interest Margin – Consumer Lending Segment	3.24%	3.10% - 3.20%
Charge-off Rate – Consumer Lending Segment	1.7%	1.6% - 1.8%
EBITDA Margin – Business Processing Segment	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 17.
[3] Item is a non-GAAP financial measure. See note 3 on slide 17.
[4] Item is a non-GAAP financial measure. See note 4 on slide 17.

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

Appendix

Education Loan Portfolio Generates Significant Cash Flows

Projected Life of Loan Cash Flows over ~20 Years

$'s in Billions	
FFELP Cash Flows	**6/30/19**
Secured	
Residual (including O/C)	$5.5
Floor Income	1.5
Servicing	2.3
Total Secured	$9.3
Unencumbered	0.4
Total FFELP Cash Flows	**$9.7**
Private Credit Cash Flows	
Secured	
Residual (including O/C)	$7.8
Servicing	0.5
Total Secured	$8.3
Unencumbered	3.2
Total Private Cash Flows	**$11.5**
Combined Cash Flows before Unsecured Debt	**$21.2**
Unsecured Debt (par value)	$10.6

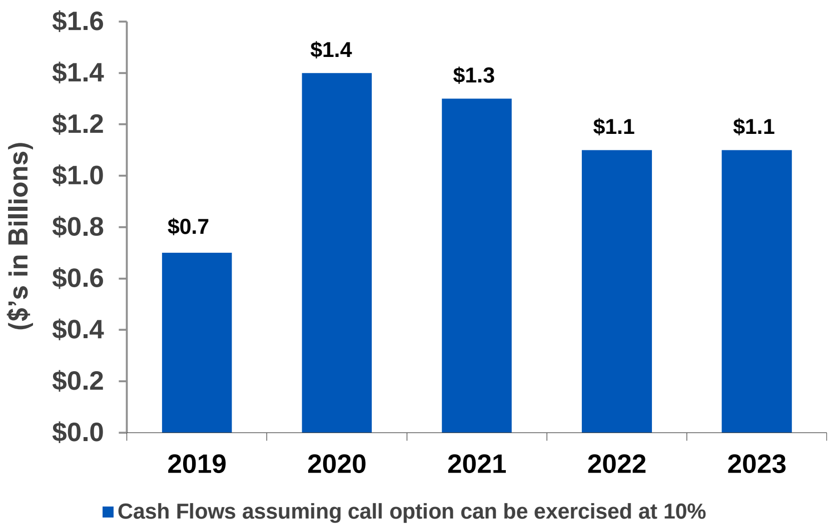
Enhancing Cash Flows

- Generated $1.3 billion of cash flows in YTD 2019
- Paid down unsecured debt of nearly $1.0 billion in YTD 2019
- Returned $0.3 billion to shareholders through share repurchase and dividends in YTD 2019
- Acquired $2.0 billion of student loans in YTD 2019
- $21.2 billion of estimated future cash flows remain over ~ 20 years
  - Includes ~$8 billion of overcollateralization[1] (O/C) to be released from residuals
- $2.8 billion of unencumbered student loans
- $0.9 billion of hedged FFELP Loan embedded floor income

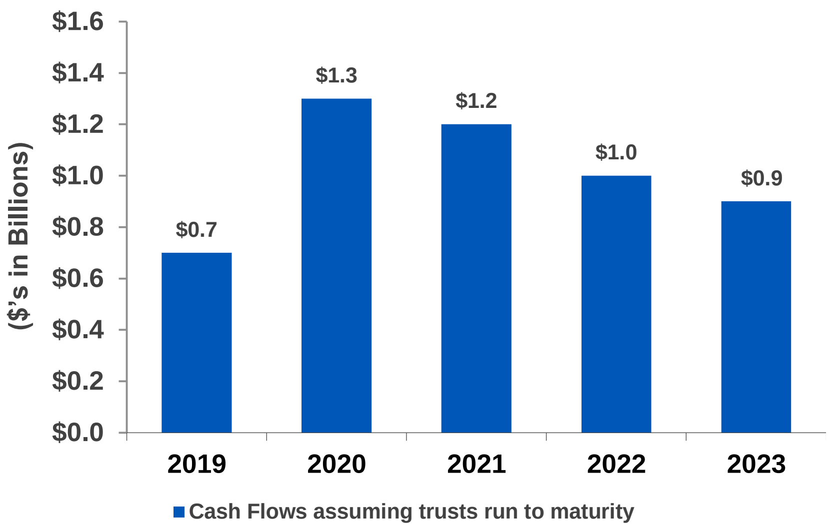
These projections are based on internal estimates and assumptions and are subject to ongoing review and modification. These projections may prove to be incorrect.
[1]Includes the PC Turbo Repurchase Facility Debt totaling $2.8B as of 6/30/2019.

Education Loan Portfolio Generates Meaningful Cash Flows Over the Next Five Years

Projected Annual Private Education Loan Cash Flows



Projected Annual FFELP Loan Cash Flows



Private Education Loan Portfolio Assumptions

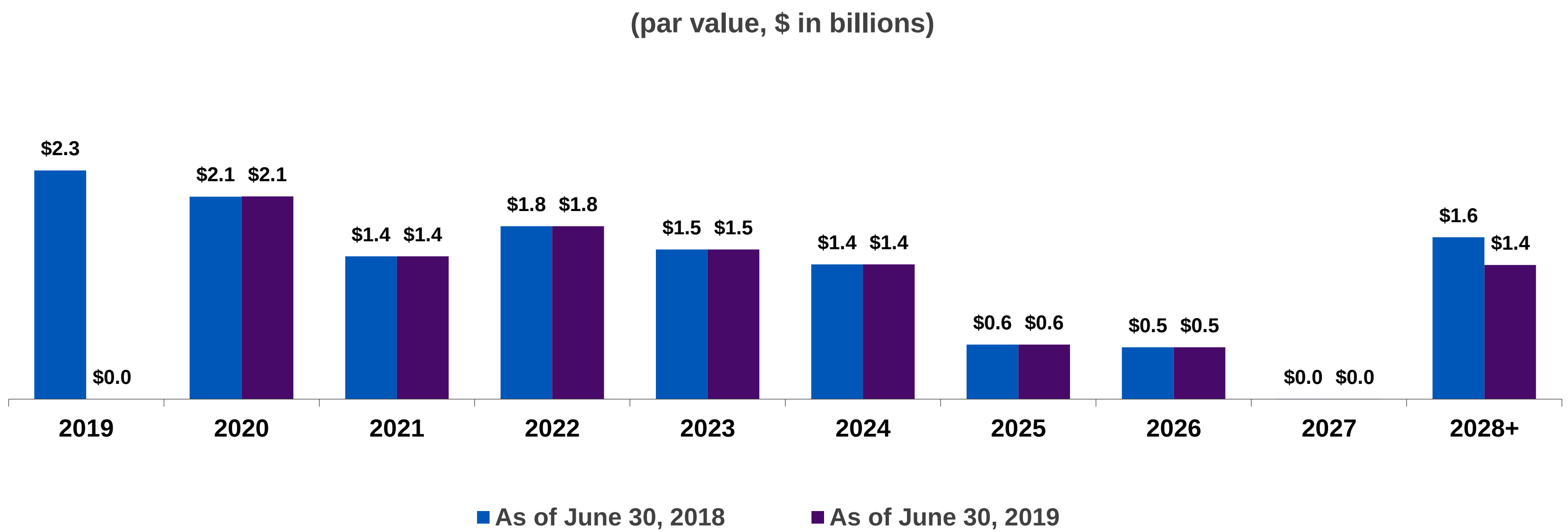
- The Private Education Loan portfolio is projected to generate $5.6 billion in cash flows over the next five years excluding operating expenses, taxes and unsecured debt principal and interest payments
- Future loan originations are not included
- Unencumbered loans of $2.5 billion are not securitized to term
- Includes the repayment of debt related to asset-backed securitization repurchase facilities when the call option is exercised

FFELP Loan Portfolio Assumptions

- The FFELP loan portfolio is projected to generate $5.1 billion in cash flows over the next five years excluding operating expenses, taxes and unsecured debt principal and interest payments
- Unencumbered loans of $0.3 billion are not securitized to term
- Includes projected floor income

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

Managing Unsecured Debt Maturities



Long-term Conservative Funding Approach

- Unsecured debt is a critical part of Navient's capital structure
  - Focused on maintaining our credit ratings to support access to capital markets
- We continue to proactively manage our unsecured debt issues
  - Retired $819 million of unsecured debt, leaving no additional maturities in the year
- Navient continues to opportunistically repurchase debt in the open market
  - Repurchased $138 million of long-dated unsecured debt

Consumer Loan Segment Credit Detail

Credit Metrics

TDR Loans ($ in millions)	2Q 19	1Q 19	2Q 18
Total delinquencies	$944	$1,014	$1,116
Total delinquency rate as a % of loans in repayment	10.8%	11.3%	12.2%
Loans delinquent greater than 90 days	$477	$512	$531
Greater than 90 days delinquency rate	5.4%	5.7%	5.8%
Forbearance	$505	$448	$690
Forbearance rate	5.4%	4.8%	7.0%
Charge-off rate as a % of loans in repayment	3.4%	3.6%	2.6%

Non-TDR Loans ($ in millions)	2Q 19	1Q 19	2Q 18
Total delinquencies	$126	$127	$191
Total delinquency rate as a % of loans in repayment	1.0%	1.0%	1.5%
Loans delinquent greater than 90 days	$47	$47	$71
Greater than 90 days delinquency rate	0.4%	0.4%	0.6%
Forbearance	$136	$127	$195
Forbearance rate	1.1%	1.0%	1.5%
Charge-off rate as a % of loans in repayment	0.4%	0.4%	0.5%

Allowance for Loan Loss

	June 30, 2019		
($ in millions)	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 111	$ 13,130	0.8%
TDR Loans	1,040	9,636	10.8%
Total before RPCO	1,151	22,766	5.1%
RPCO		640	0.0%
Total	$ 1,151	$ 23,406	4.9%

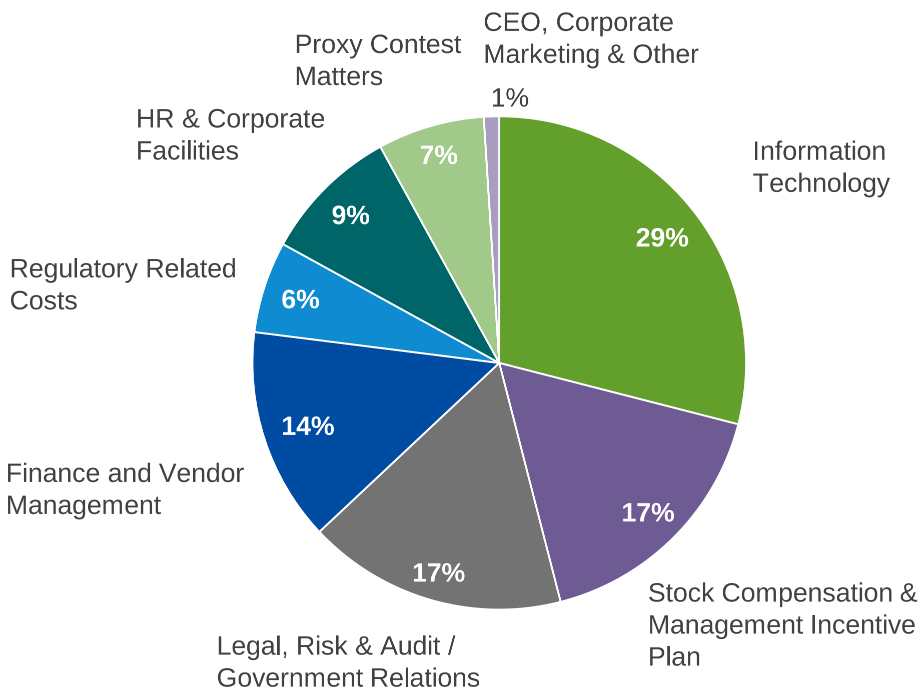
	June 30, 2018		
($ in millions)	Allowance	Ending Balance	Allowance as % of Ending Balance
Non-TDR Loans	$ 155	$ 13,692	1.1%
TDR Loans	1,142	10,296	11.1%
Total before RPCO	1,297	23,988	5.4%
RPCO		724	0.0%
Total	$ 1,297	$ 24,712	5.2%

[1] Purchased Credit Impaired Loans' losses are not provided for by the allowance for loan losses in the above table as these loans are separately reserved for, if needed. Related to the Purchased Non-Credit Impaired Loans acquired at a discount, no allowance for loan losses has been established for these loans as of June 30, 2019.

Other Segment
"Core Earnings" Basis

YTD shared services expenses declined 12% from the year ago period

YTD 2019 Total Unallocated Shared Services Expenses
$134 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
- The first quarter is impacted by seasonal factors including the recognition of certain stock-based compensation

Navient Is Focused On Expense Efficiency

Notable Items Impacting Total Expenses Compared to Prior Periods

($ In millions)	Q2 19	Q2 18	YTD Q2 19	YTD Q2 18
Reported Core Earnings Expenses	**$242**	**$203**	**$499**	**$485**
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 Expenses [1]	**$240**	**$193**	**$489**	**$464**
Year over Year Change in Adjusted Core Earnings Expenses	**24%**		**5%**	
Contingency Reserve Release	-	($40)	-	($40)
3rd Party Transfer Fee	-	-	-	$9
Transition Services Agreement	$5	-	$12	-
Costs Associated with Proxy Contest Matters	$6	-	$9	-
Comparable Core Earnings Total Expenses [1]	**$229**	**$233**	**$468**	**$495**
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.

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 18 of this presentation and pages 13-21 of Navient's second-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 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.

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 Q2 2019 is as follows:

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

   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.

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 22 of Navient's second-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 22 of Navient's second-quarter earnings release.

[1] Excludes $2 million of restructuring and regulatory costs.
[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

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