2022 2nd Quarter Earnings Call Presentation

July 27, 2022

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of June 30, 2022 (unless otherwise noted) and should be read in connection with Navient Corporation's "Navient" Annual Report on Form 10-K for the year end December 31, 2021 (the "2021 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 25, 2022 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2021 Form 10-K. This presentation contains "forward-looking statements," within the meaning of the federal securities law, about our business, and prospects 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 continuing impact 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;
- 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 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 education loans including prepayments or deferrals resulting from new interpretations of current laws, rules or regulations or future laws, executive orders or other policy initiatives which operate to encourage or require consolidation, abolish existing or create additional income-based repayment or debt forgiveness programs or establish other policies and programs which may increase the prepayment rates on education loans and accelerate repayment of the bonds in our securitization trusts;
- 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 or litigation;
- 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, including the potential impact of persistent inflation; and
- the other factors that are described in the "Risk Factors" section of Navient's Annual Report on Form 10-K for the year ended December 31, 2021, 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, Adjusted Tangible Equity 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 16 - 18 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

Delivering Long-term Value

Federal Education Loans

- ✓ **Successfully assisted** borrowers in returning to repayment
- ✓ Net interest margin of **111 bps** reflects our continued success in **managing interest rate risk**
- ✓ Annualized charge-off rate of **9 bps**, catalyzed by our data-driven risk management platform

111 bps NIM

Consumer Lending

- ✓ Originated **$420 million** of high-quality Private Education Loans, targeting **mid-teens ROE** return thresholds
- ✓ Continuing to leverage our capital markets expertise to produce **consistent risk adjusted margins**
- ✓ Private Education Loan delinquency & charge-off rates **continue to perform at historically low levels**

266 bps NIM

Business Processing

- ✓ Navient employees **continue to support** our state and municipal clients
- ✓ Broad array of solutions continue to drive opportunities for **organic revenue growth**
- ✓ Technology enabled platform and differentiated expertise **enhances the client experience** and allows for rapid implementation

16% EBITDA margin [1]

Note: Financial data is as of Q2 2022.
[1] Item is a non-GAAP financial measure. See pages 16 - 18 for a description and reconciliation.

Operating Results
"Core Earnings" Basis

Selected Financial Information and Ratios

(In millions, except per share amounts)	Q2 22	Q1 22	Q2 21
GAAP diluted EPS	**$1.22**	**$1.67**	**$1.05**
Adjusted Core Earnings EPS [1]	**$0.92**	**$0.90**	**$0.98**
Average common stock equivalent	147	153	176
Ending total education loans, net	$68,882	$71,101	$75,275
Average total education loans	$71,390	$73,415	$77,379

2nd Quarter 2022 Highlights

- **Adjusted Core Earnings** [1] **per share of $0.92**
  - Core Return on Equity [1] of 20%
- Increased FFELP Net Interest Margin to **111 bps**
- Originated **$420 million of high-quality private education loans** in the quarter
- Generated **$87 million** of Business Processing Services revenue
- **Increased** Adjusted Tangible Equity Ratio to 7.5% [1]
- **Returned $128 million to shareholders** through dividends and share repurchases

[1] Item is a non-GAAP financial measure. See pages 16 - 18 for a description and reconciliation.

Federal Education Loans Segment

“Core Earnings” Basis

Selected Financial Information and Ratios

($ In millions)	Q2 22	Q1 22	Q2 21
Segment net interest margin	1.11%	1.04%	0.97%
FFELP Loans:			
Provision for loan losses	$ -	$ -	$ -
Charge-offs	$10	$7	$5
Annualized charge-off rate	0.09%	0.07%	0.04%
Greater than 30-days delinquency rate	15.9%	13.5%	8.3%
Greater than 90-days delinquency rate	7.4%	6.4%	3.8%
Forbearance rate	13.1%	12.9%	13.9%
Average FFELP Loans	$50,534	$52,258	$56,649
Operating Expense	$25	$28	$55
Net Income	$110	$107	$113
Total federal loans serviced (billions) [1]	$57	$59	$283

[1] As of June 30, 2022, we serviced $57 billion in FFELP (federally guaranteed) loans.

2nd Quarter 2022 Highlights

Federal Education

Q2 22 Net Interest Margin: 111 bps
Q2 22 Annualized Charge-off Rate: 9 bps

- Successful risk management and hedging strategies reflected in Net Interest Margin that increased to 1.11% from 0.97%
- FFELP Loan delinquency rate increased to 15.9% from 8.3%, as borrowers return to repayment
- Forbearance rate decreased to 13.1% from 13.9%
- Annualized charge-off rate increased to 0.09% from 0.04%
- Operating expense declined to $25 million from $55 million

Consumer Lending Segment
"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q2 22	Q1 22	Q2 21
Segment net interest margin	2.66%	2.80%	2.95%
Private Education Loans			
Provision for loan losses	$18	$16	($1)
Charge-offs	$70	$69	$35
Annualized charge-off rate	1.40%	1.38%	0.71%
Greater than 30-days delinquency rate	4.1%	4.0%	2.6%
Greater than 90-days delinquency rate	2.0%	1.6%	1.0%
Forbearance rate	1.5%	2.0%	3.0%
Average Private Education Loans	$20,856	$21,157	$20,730
Operating Expense	$35	$35	$39
Net Income	$71	$79	$96

2nd Quarter 2022 Highlights

Consumer Lending

Q2 22 Net Interest Margin: 266 bps
Q2 22 Annualized Charge-off Rate : 140 bps

- Originated $420 million of high-quality private education loans in the quarter
  - Continued a disciplined growth strategy through a challenging environment to drive long-term value
- Net interest margin of 2.66% driven by higher interest reserves and the increased proportion of higher quality private education refinance loans
- Delinquency rate remains below pre-pandemic levels
  - Delinquencies increased to 4.1% from 2.6%
- Charge-off rate remains below pre-pandemic levels
  - Annualized charge-off rate increased to 1.40% from 0.71%

Business Processing Segment

"Core Earnings" Basis

Selected Financial Information and Ratios

($ In millions)	Q2 22	Q1 22	Q2 21
Government Services	$53	$49	$66
Healthcare RCM Services	$34	$45	$64
Total Business Processing Revenue	**$87**	**$94**	**$130**
Operating Expenses	$74	$76	$92
EBITDA [1]	$14	$19	$40
EBITDA Margin [1]	16%	20%	30%
Net Income	**$10**	**$14**	**$29**

2nd Quarter 2022 Highlights

Business Processing

Q2 22 EBITDA Margin [1]: 16%

- Revenue of $87 million, as pandemic-related contracts continue to wind-down and were partially offset by increased revenue from traditional services
- EBITDA Margin [1] of 16%, reflecting trailing expenses incurred as pandemic-related contracts end, as well as start-up expenses for new contracts

[1] Item is a non-GAAP financial measure. See pages 16 - 18 for a description and reconciliation.

Q2 2022 Financing and Capital Management

Capital Management

- ✓ Returned **$128 million** through share repurchases and dividends
  - Paid dividends of **$23 million**
  - Repurchased **6.9 million shares for $105 million**
- ✓ $780 million of share repurchase authority remaining
- ✓ Adjusted Tangible Equity (ATE) ratio of **7.5%**[1]

Financing

- ✓ Issued **$715 million** of Term Education Loan ABS transactions
- ✓ No unsecured debt maturities until Q1 2023

[1] Item is a non-GAAP financial measure. See pages 16 - 18 for a description and reconciliation.

GAAP Results

(In millions, except per share amounts)	Q2 22	Q1 22	Q2 21
Net income (loss)	$180	$255	$185
Diluted earnings (loss) per common share	$1.22	$1.67	$1.05
Operating expenses	$190	$205	$252
Provision for loan losses	$18	$16	($1)
Average Education Loans	$71,390	$73,415	$77,379

2022 Guidance

Increased Full Year 2022
EPS Guidance:
$3.35 - $3.45[1]

	Original Full Year 2022 Guidance[2]	Year to Date 2022 Actuals
Core Earnings Return on Equity[1]	Mid to High Teens	✓ 20%
Core Earnings Efficiency Ratio[1]	~54%	✓ 50%
Adjusted Tangible Equity Ratio[1]	~6%	✓ 7.5%
Net Interest Margin – Federal Education Loan Segment	Mid 90's	✓ 1.08%
Charge-off Rate – Federal Education Loan Segment	Less than 0.10%	✓ 0.08%
Net Interest Margin – Consumer Lending Segment	2.55% - 2.65%	✓ 2.73%
Charge-off Rate – Consumer Lending Segment	1.5% - 2.0%	✓ 1.39%
EBITDA Margin – Business Processing Segment[1]	High Teens	✓ 18%

[1] Adjusted diluted Core Earnings per share excludes restructuring and regulatory expenses. Item is a non-GAAP financial measure. See pages 16 - 18 for a description and reconciliation.
[2] Original Full Year Guidance provided on January 26, 2022.

Appendix

Education Loan Portfolio Generates Significant Cash Flows

Projected Life of Loan Cash Flows over ~20 Years

$'s in Billions	
FFELP Cash Flows	**06/30/2022**
Secured	
Residual (including O/C)	$4.5
Floor Income	0.9
Servicing	1.6
Total Secured	$7.0
Unencumbered	0.3
Total FFELP Cash Flows	**$7.3**
Private Credit Cash Flows	
Secured	
Residual (including O/C)	$4.6
Servicing	0.5
Total Secured	$5.1
Unencumbered	2.3
Total Private Cash Flows	**$7.4**
Combined Cash Flows before Unsecured Debt	**$14.6**
Unsecured Debt (par value)	**$7.0**

Enhancing Cash Flows

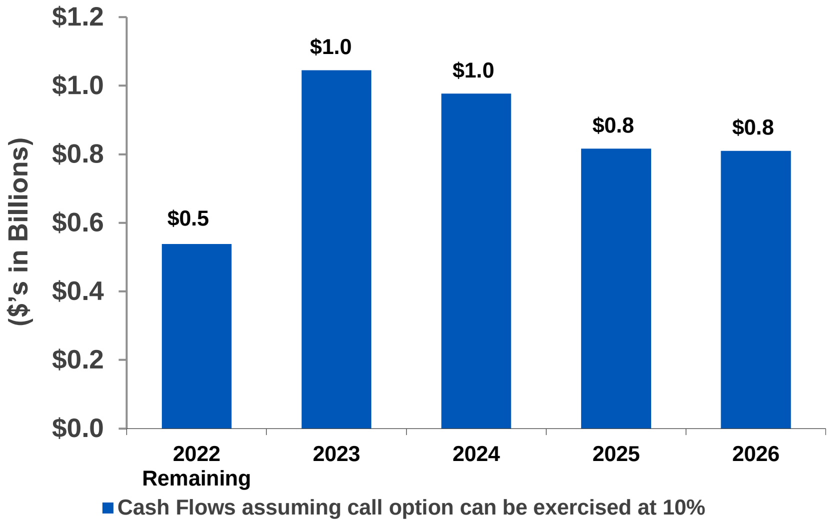
- Generated $1.1 billion of cash flows in YTD 2022
- Returned $0.3 billion to shareholders through share repurchase and dividends in YTD 2022
- Acquired $1.5 billion of student loans in YTD 2022
- $14.6 billion of estimated future cash flows remain over ~ 20 years
  - Includes ~$6 billion of overcollateralization[1] (O/C) to be released from residuals
- $1.7 billion of unencumbered student loans
- $0.3 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

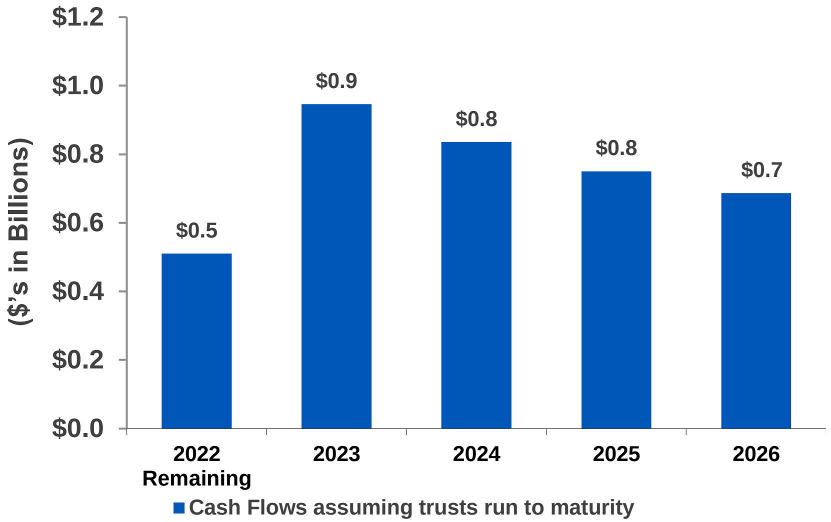
[1]Includes the PC Turbo Repurchase Facility Debt totaling $0.3B as of 06/30/2022.

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

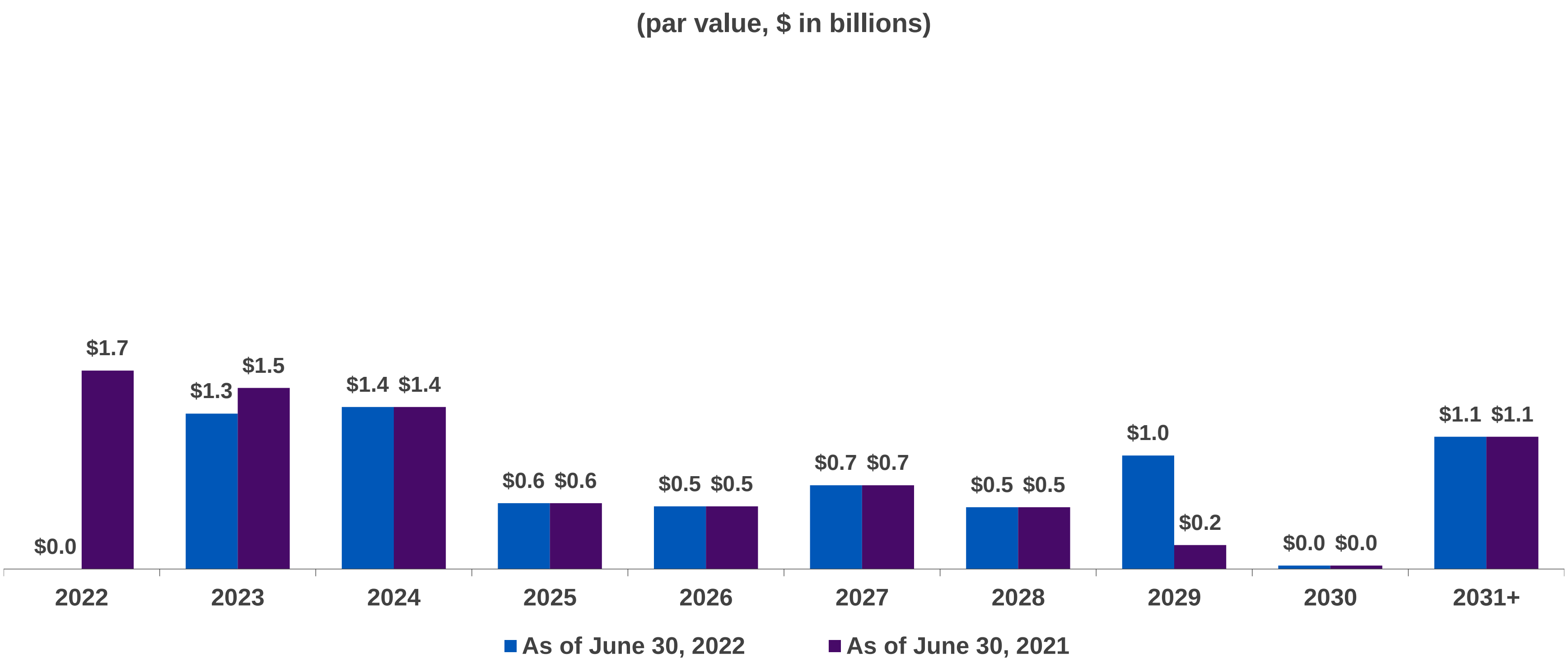
- The Private Education Loan portfolio is projected to generate $4.2 billion in cash flows through 2026 excluding operating expenses, taxes and unsecured debt principal and interest payments
- Future loan originations are not included
- Unencumbered loans of $1.6 billion are not securitized to term
- 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 $3.7 billion in cash flows through 2026 excluding operating expenses, taxes and unsecured debt principal and interest payments
- Unencumbered loans of $0.1 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



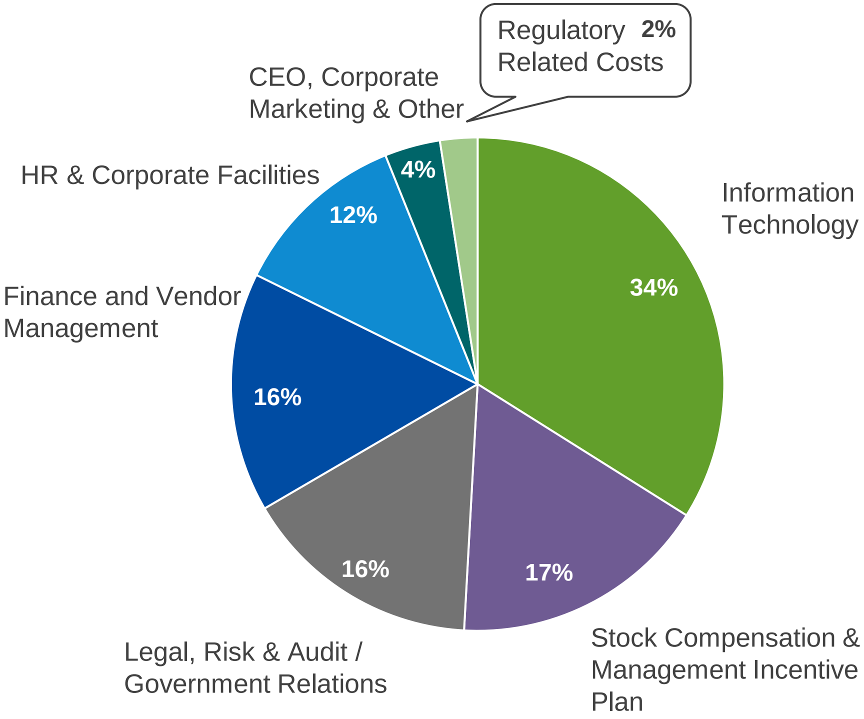
Long-term Conservative Funding Approach

- Navient prioritizes continued access to the unsecured debt market as an important component in our capital structure

- We continue a conservative approach to unsecured debt
  - No unsecured debt maturities until January 2023

Other Segment
"Core Earnings" Basis

YTD 2022 Unallocated Shared Services Expense
$122 million



Shared Services Overview

- 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

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 18 - 28 of Navient's second quarter 2022 earnings release.

2. **Core Earnings Return on Equity (CEROE)** – Core Earnings Return on Equity is calculated as Adjusted 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 2022 is as follows:

$$\text{Q2 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$136^{(1)}}{(\$2{,}927 + 2{,}824 + \$2{,}596 + \$2{,}723)\ /\ 4} = 20\%^{(2)}$$

$$\text{Q2 YTD 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$274^{(1)}}{(\$2{,}927 + 2{,}824 + \$2{,}596 + \$2{,}723)\ /\ 4} = 20\%^{(2)}$$

3. **Core Earnings Efficiency Ratio** – The Core Earnings Efficiency Ratio measures the company's Core Earnings Expenses, which excludes 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 calculations for Q2 2022 is as follows:

$$\text{Q2 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$188^{(1)}}{\$384} = 49\%$$

$$\text{Q2 YTD 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$392^{(1)}}{\$784} = 50\%$$

[1] Excludes $2 million and $6 million of net restructuring and regulatory-related expenses in the second quarter and year to date 2022, respectively.
[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 28 of Navient's second quarter 2022 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 and reconciliation, see page 28 of Navient's second quarter 2022 earnings release.

Differences Between Core Earnings and GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended June 30, 2022	Mar. 31, 2022	June 30, 2021
GAAP net income (loss)	$180	$255	$185
Net impact of derivative accounting	(72)	(159)	(30)
Net impact of goodwill and acquired intangible assets	3	4	5
Net income tax effect	23	35	5
Total Core Earnings adjustments to GAAP	(46)	(120)	(20)
Core Earnings net income (loss)	$134	$135	$165

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