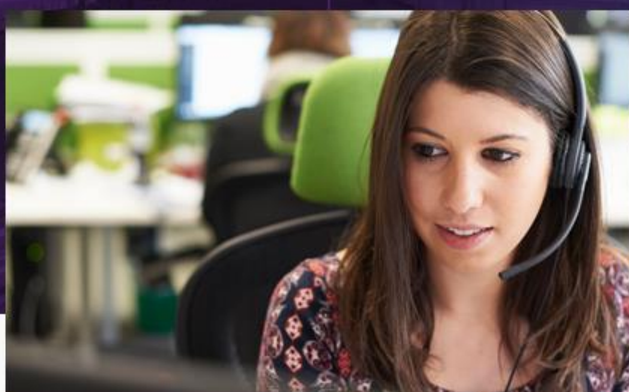
NAVIENT

2022 3rd Quarter Earnings Call Presentation



October 26, 2022

Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of September 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 SEC.

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 third 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.

Federal Education Loans

- Total revenue of **$148 million** reflects our continued success in managing interest rate risk
- Segment operating expenses **reduced by over 50%[1]** demonstrates the variability of expenses
- **Supporting borrowers** as they navigate evolving student loan policy

94 bps NIM

Consumer Lending

- Originated **$447 million** of high-quality Private Education Loans
- In-School originations **increased by more than 40%[1]**
- Committed to a **disciplined growth strategy** to drive long-term value

290 bps NIM

Business Processing

- Technology enabled platform & differentiated expertise **enhances the client experience** and allows for rapid implementation
- Broad array of solutions continue to drive opportunities for **organic revenue growth**

16% EBITDA margin[2]

Navient Delivers Diversified, Long-term Value

Note: Financial data is as of Q3 2022.
[1] Compared to Q3 2021.
[2] 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)	Q3 22	Q2 22	Q3 21
GAAP diluted EPS	**$0.75**	**$1.22**	**$1.04**
Adjusted Core Earnings EPS [1]	**$0.75**	**$0.92**	**$0.92**
Average common stock equivalent	141	147	167
Ending total education loans, net	$66,042	$68,882	$74,368
Average total education loans	$68,751	$71,390	$76,373
Federal Loan Segment Net Interest Margin	0.94%	1.11%	1.04%
Consumer Loan Segment Net Interest Margin	2.90%	2.66%	2.98%

3rd Quarter 2022 Highlights

- **Adjusted Core Earnings[1] per share of $0.75**
  - Core Earnings Return on Equity [1] of 15%
  - Inclusive of a 5-cent reduction in EPS as a result of the incremental FFELP consolidation activity
- Originated **$447 million of high-quality private education loans** in the quarter
  - In-School originations increased 41% from the year-ago quarter to $216 million
- Generated **$79 million** in revenue within our Business Processing Services segment
- **Increased Adjusted Tangible Equity Ratio** to 7.8% [1]
- **Returned $117 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)	Q3 22	Q2 22	Q3 21
Segment net interest margin	0.94%	1.11%	1.04%
FFELP Loans:			
Provision for loan losses	$ -	$ -	$ -
Net Charge-offs	$12	$10	$8
Annualized Net Charge-off rate	0.12%	0.09%	0.07%
Greater than 30-days delinquency rate	18.6%	15.9%	8.5%
Greater than 90-days delinquency rate	10.1%	7.4%	4.3%
Forbearance rate	16.4%	13.1%	15.4%
Average FFELP Loans	$48,443	$50,534	$55,435
Operating Expense	$25	$25	$53
Net Income	$94	$110	$122
Total federal loans serviced (billions) [1]	$54	$57	$284

[1] As of September 30, 2022, we serviced $54 billion in FFELP (federally guaranteed) loans.

3rd Quarter 2022 Highlights

Federal Education

Q3 22 Net Interest Margin: 94 bps
Q3 22 Annualized Net Charge-off Rate: 12 bps

- **53% decline in segment operating expense** from the year-ago quarter to $25 million
- **Impact of incremental consolidation activity:**
  - Net reduction to pre-tax income of $10 million
- Approximately **40% of YTD defaults were late-stage delinquency borrowers pre-COVID**
- **Increasing loan loss provision by $13 million** in anticipation of a deteriorating economy

Consumer Lending Segment

Core Earnings Basis

Selected Financial Information and Ratios

($ In millions)	Q3 22	Q2 22	Q3 21
Segment net interest margin	2.90%	2.66%	2.98%
Private Education Loans			
Provision for loan losses	$28	$18	$22
Net Charge-offs [1]	$99	$70	$39
Annualized Net Charge-off rate[1]	2.01%	1.40%	0.77%
Greater than 30-days delinquency rate	4.4%	4.1%	3.0%
Greater than 90-days delinquency rate	2.0%	2.0%	1.1%
Forbearance rate	1.9%	1.5%	3.9%
Average Private Education Loans	$20,308	$20,856	$20,938
Operating Expense	$43	$35	$45
Net Income	$65	$71	$73

[1] Excluding the $30 million and $16 million of charge-offs on the expected future recoveries of previously fully charged-off loans in third-quarters 2022 and 2021, respectively, that occurred as a result of changing the net charge-off rate on defaulted loans from 81.7% to 81.9% in third-quarter 2022 and from 81.4% to 81.7% in third-quarter 2021.

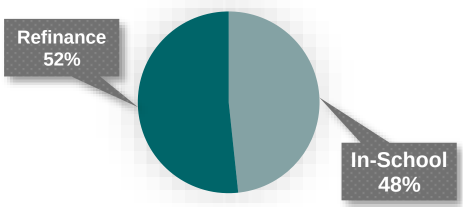
3rd Quarter 2022 Highlights

Consumer Lending

Q3 22 Net Interest Margin: 290 bps
Q3 22 Annualized Net Charge-off Rate : 201 bps

- **Originated $447 million** of high-quality education loans
- **In-School originations grew 41%** from the year-age quarter

Q3 2022 Originations



Refinance	$ 231
In-School	$ 216
Total Q3 Originations	**$ 447**

- **Net interest margin reached 2.90%**
- **Forbearances declined over 50%** from the year-ago quarter as borrowers return to repayment after pandemic relief
  - **More than 40% of YTD defaults were late-stage delinquency borrowers pre-COVID**
- **Loan loss provision of $28 million**
  - $15 million due in anticipation of a deteriorating economy
  - $13 million from loan originations

Business Processing Segment

Core Earnings Basis

Selected Financial Information and Ratios

($ In millions)	Q3 22	Q2 22	Q3 21
Government Services	$47	$53	$75
Healthcare RCM Services	$32	$34	$47
Total Business Processing Revenue	**$79**	**$87**	**$122**
Operating Expenses	$67	$74	$87
EBITDA [1]	$13	$14	$38
EBITDA Margin [1]	16%	16%	31%
Net Income	**$9**	**$10**	**$27**

3rd Quarter 2022 Highlights

Business Processing

Q3 22 EBITDA Margin [1]: 16%

- **Total revenue of $79 million** even with the winding-down of pandemic-related contracts
- **$8 million – or 14% – increase in revenue** from traditional government and healthcare services from the year-ago quarter

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

Financing and Capital Management

Third Quarter Results & Upcoming Items

Capital Management

Returned **$ 117 million**
through share repurchases and dividends

- ✓ Paid dividends of **$22 million**
- ✓ Repurchased **6.3 million shares** for **$95 million**
- ✓ **$685 million** common share repurchase Board authority remains outstanding

Adjusted Tangible Equity (ATE) ratio: **7.8%** [1]

[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)	Q3 22	Q2 22	Q3 21
Net income	$105	$180	$173
Diluted earnings per common share	$0.75	$1.22	$1.04
Operating expenses	$194	$190	$248
Provision for loan losses	$28	$18	$22
Average Education Loans	$68,751	$71,390	$76,373

2022 Guidance

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	✓ 18%
Core Earnings Efficiency Ratio [1]	~54%	✓ 51%
Adjusted Tangible Equity Ratio [1]	~6%	✓ 7.8%
Net Interest Margin – Federal Education Loan Segment	Mid 90's	✓ 103 bps
Net Charge-off Rate – Federal Education Loan Segment	Less than 0.10%	✓ 0.09%
Net Interest Margin – Consumer Lending Segment	2.55% - 2.65%	✓ 2.78%
Net Charge-off Rate – Consumer Lending Segment [3]	1.5% - 2.0%	✓ 1.59%
EBITDA Margin – Business Processing Segment [1]	High Teens	✓ 18%

[1] Adjusted diluted Core Earnings per share excludes restructuring and regulatory expenses and is as of October 25, 2022. 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 included Full Year EPS guidance of $3.00-$3.15.
[3] Excluding the $30 million and $16 million of charge-offs on the expected future recoveries of previously fully charged-off loans in third-quarters 2022 and 2021, respectively, that occurred as a result of changing the net charge-off rate on defaulted loans from 81.7% to 81.9% in third-quarter 2022 and from 81.4% to 81.7% in third-quarter 2021.

Appendix

Education Loan Portfolio Generates Significant Cash Flows

Projected Life of Loan Cash Flows over ~20 Years

$'s in Billions

FFELP Cash Flows	**09/30/2022**
Secured	
Residual (including O/C)	$4.4
Floor Income	0.7
Servicing	1.5
Total Secured	$6.6
Unencumbered	0.4
Total FFELP Cash Flows	**$7.0**
Private Credit Cash Flows	
Secured	
Residual (including O/C)	$4.0
Servicing	0.5
Total Secured	$4.5
Unencumbered	2.7
Total Private Cash Flows	**$7.1**
Combined Cash Flows before Unsecured Debt	**$14.2**
Unsecured Debt (par value)	**$7.0**

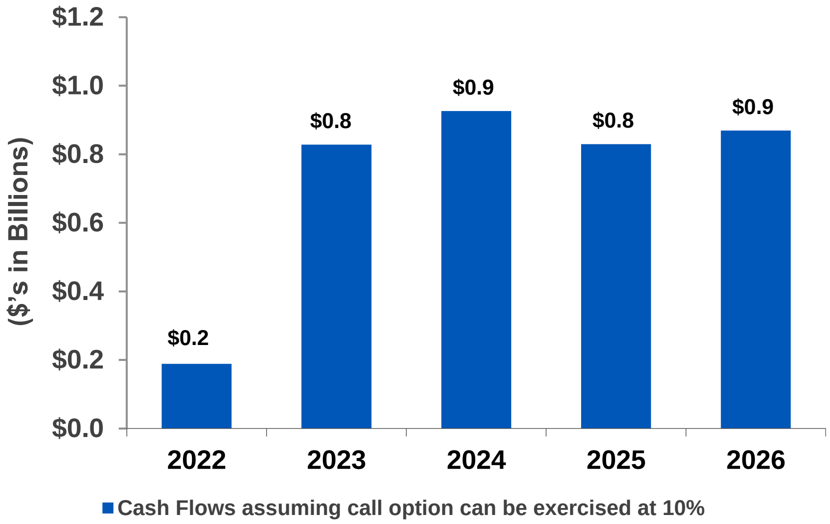
Enhancing Cash Flows

- **Generated $1.5 billion** of cash flows in YTD 2022
- **Returned $0.4 billion** to shareholders through share repurchase and dividends in YTD 2022
- Acquired $1.7 billion of student loans in YTD 2022
- $14.2 billion of estimated future cash flows remain over ~ 20 years
  - Includes ~$5.1 billion of overcollateralization[1] (O/C) to be released from residuals
- $2.0 billion of unencumbered student loans
- $0.3 billion of hedged FFELP Loan embedded floor income

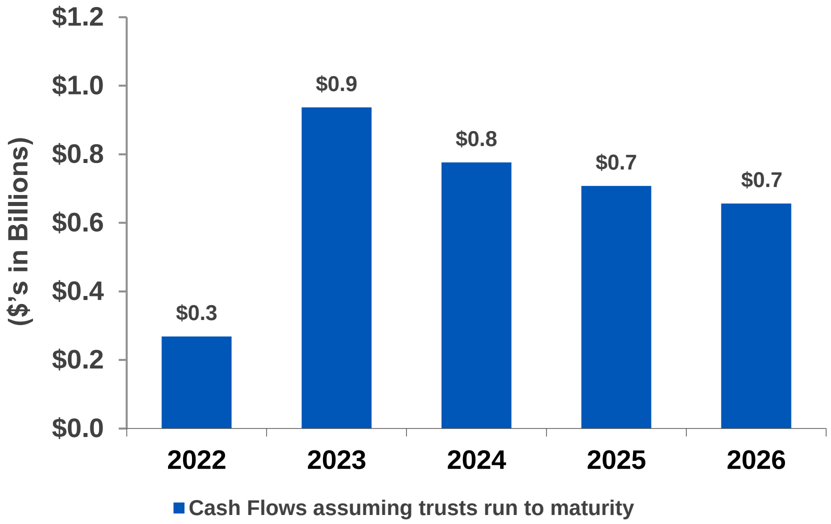
These projections are based on internal estimates and assumptions and are subject to ongoing review and modification.
These projections assume commercially-held FFELP to be ineligible for loan forgiveness based on the program information as of 10/15/2022.
These projections may prove to be incorrect
[1]Includes the PC Turbo Repurchase Facility Debt totaling $0.8B as of 09/30/2022.

Education Loan Portfolio Five Year Cash Flow

Projected Annual Private Education Loan Cash Flows



Projected Annual FFELP Loan Cash Flows



Private Education Loan Portfolio Assumptions

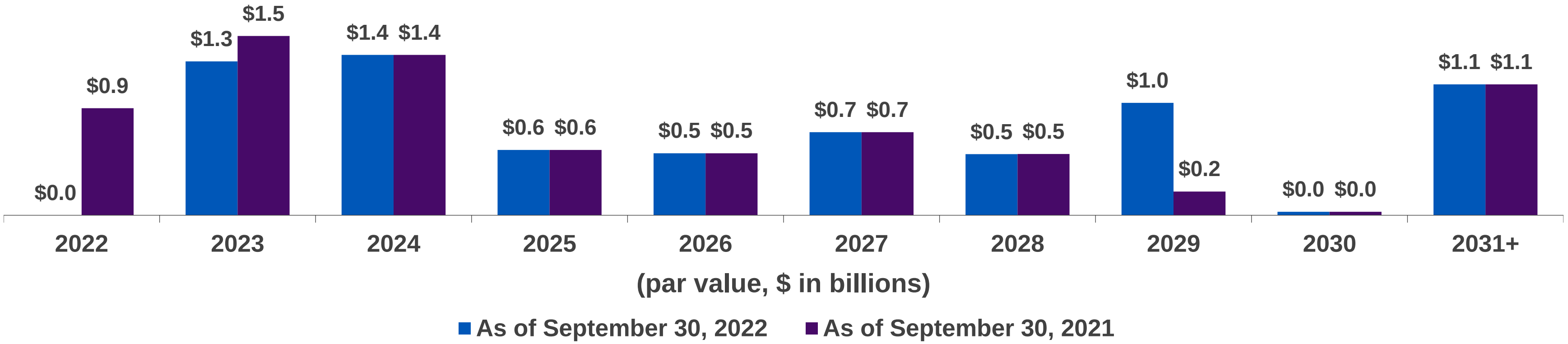
- The Private Education Loan portfolio is projected to generate $3.6 billion in cash flows through 2026 excluding operating expenses, taxes and unsecured debt principal and interest payments
- Future loan originations are not included
- Unencumbered loans of $1.8 billion are not securitized to term
- 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 $3.3 billion in cash flows through 2026 excluding operating expenses, taxes and unsecured debt principal and interest payments
- Unencumbered loans of $0.2 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 assume commercially-held FFELP to be ineligible for loan forgiveness based on the program information as of 10/15/2022.
These projections may prove to be incorrect..

Managing Unsecured Debt Maturities



Long-term Conservative Funding Approach

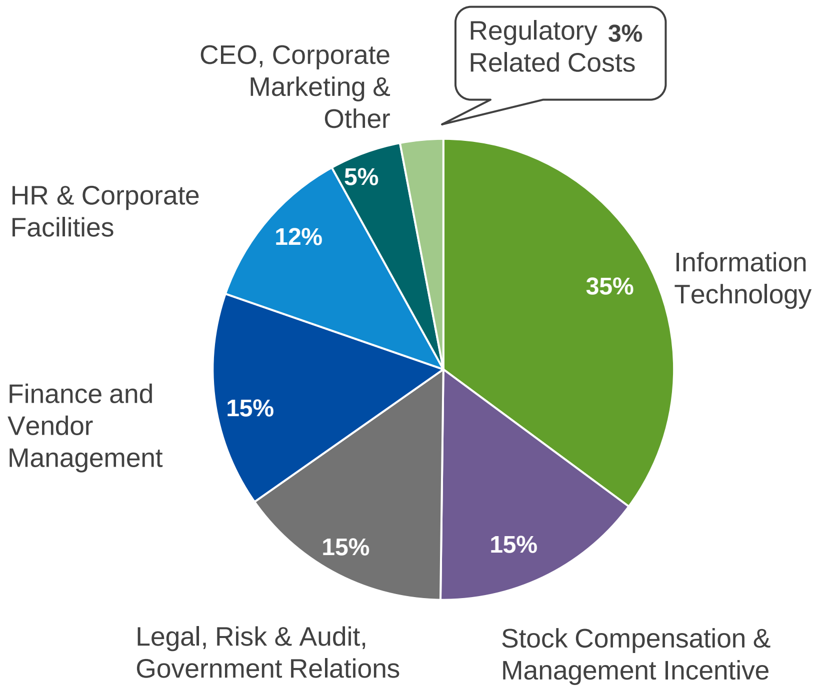
Navient has a demonstrated track record of taking a conservative approach to unsecured debt.

We manage unsecured debt maturities strategically and prioritize continued access to the unsecured debt market as an important component in our capital structure.

Other Segment

Core Earnings Basis

YTD 2022 Unallocated Shared Services Expense $180 million



Shared Services Overview

Shared services are related to the management of the entire company or shared by multiple reporting segments

- **Centralization creates cost efficiencies and includes certain costs related to:**
  - Executive Management,
  - Board,
  - Accounting,
  - Finance,
  - HR,
  - Legal,
  - Audit,
  - Insurance and Risk & Compliance,
  - Corporate Facilities

- **Information Technology expense** includes infrastructure, operations, and IT security, together with regulatory costs
  These 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 - 29 of Navient's third 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 Q3 2022 is as follows:

$$\text{Q3 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$105^{(1)}}{(\$2{,}973 + \$2{,}927 + 2{,}824 + \$2{,}596) / 4} = 15\%^{(2)}$$

$$\text{Q3 YTD 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$379^{(1)}}{(\$2{,}973 + \$2{,}927 + 2{,}824 + \$2{,}596) / 4} = 18\%^{(2)}$$

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 Q3 2022 is as follows:

$$\text{Q3 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$191^{(1)}}{\$357} = 54\%$$

$$\text{Q3 YTD 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$583^{(1)}}{\$1{,}141} = 51\%$$

[1] Excludes $24 million and $30 million of net restructuring and regulatory-related expenses in the third quarter and year to date 2022, respectively.
[2] Return on Equity has been annualized.

Notes on Non-GAAP Financial Measures

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 third 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 third quarter 2022 earnings release.

Differences Between Core Earnings and GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended Sept. 30, 2022	 June 30, 2022	 Sept. 30, 2021
GAAP net income (loss)	$105	$180	$173
Net impact of derivative accounting	(33)	(72)	(30)
Net impact of goodwill and acquired intangible assets	10	3	4
Net income tax effect	5	23	2
Total Core Earnings adjustments to GAAP	(18)	(46)	(24)
Core Earnings net income (loss)	$87	$134	$149

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