NAVIENT

2Q 2023
Earnings Call Presentation

About Navient

We're a leader in helping people pay for college and meeting the needs of healthcare and government organizations. We apply our experience, technology, scale, and data insights to deliver better results for our customers and those they serve.

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Federal Education Loans

- Federal Family Education Loan Program (FFELP)

Federally guaranteed loans

Consumer Lending

- Private Education Refinance and In-School Loan Originations
- Seasoned Private Education Loan Portfolio

Business Processing Solutions

- Government Services
- Healthcare Services

Strategic Imperatives

Maximize the cash flows from our loan portfolios

Enhance the value of our growth businesses

Continuously simplify the business and increase efficiency

Maintain a strong balance sheet and distribute excess capital

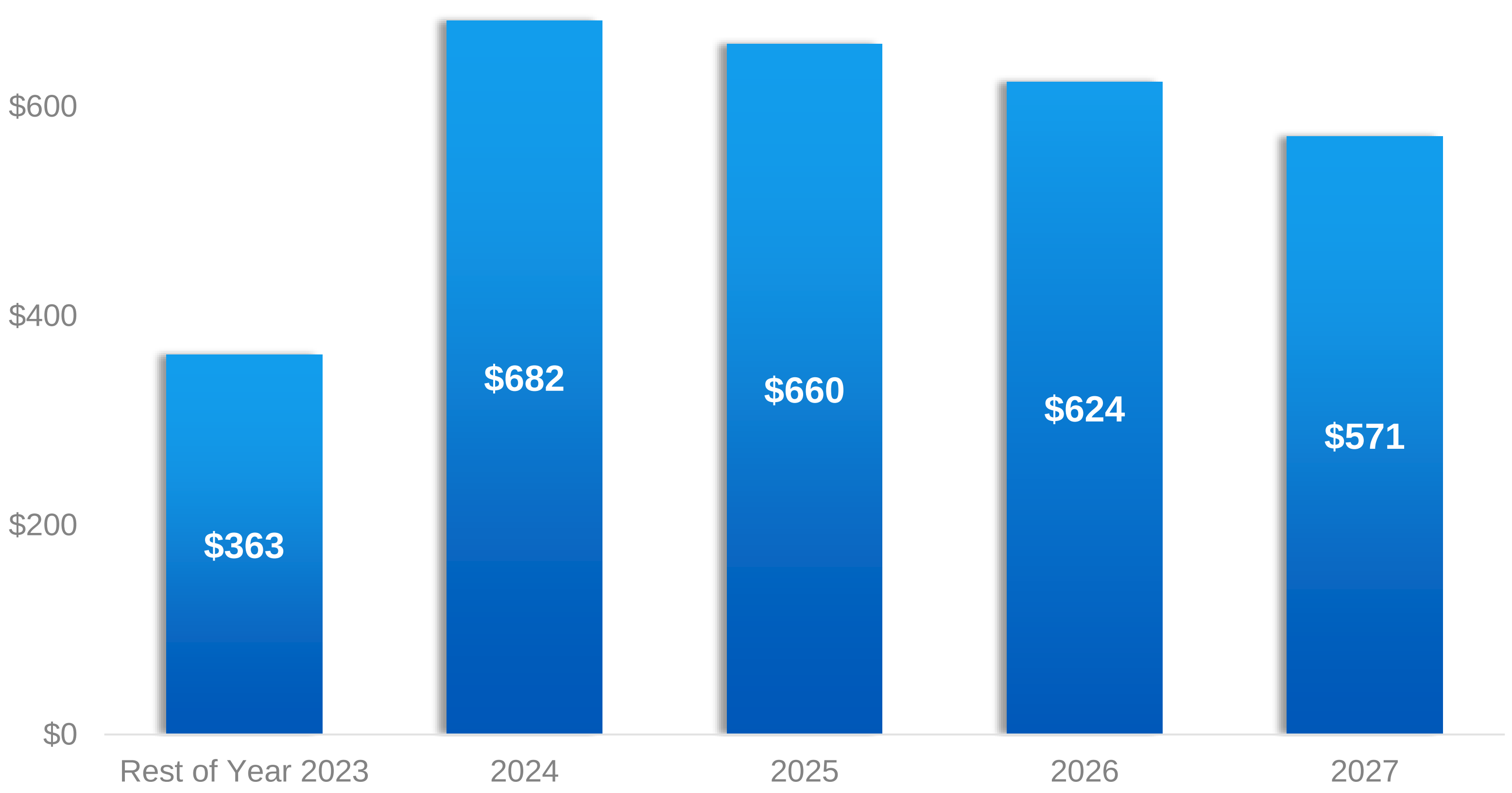
While focusing on…

- Conducting in-depth review
- Continuously strengthening our control environment
- Driving customer satisfaction and social responsibility

Federal Education Loans – Overview

($ in millions)

5-Year Projected Annual FFELP Cash Flows [1]

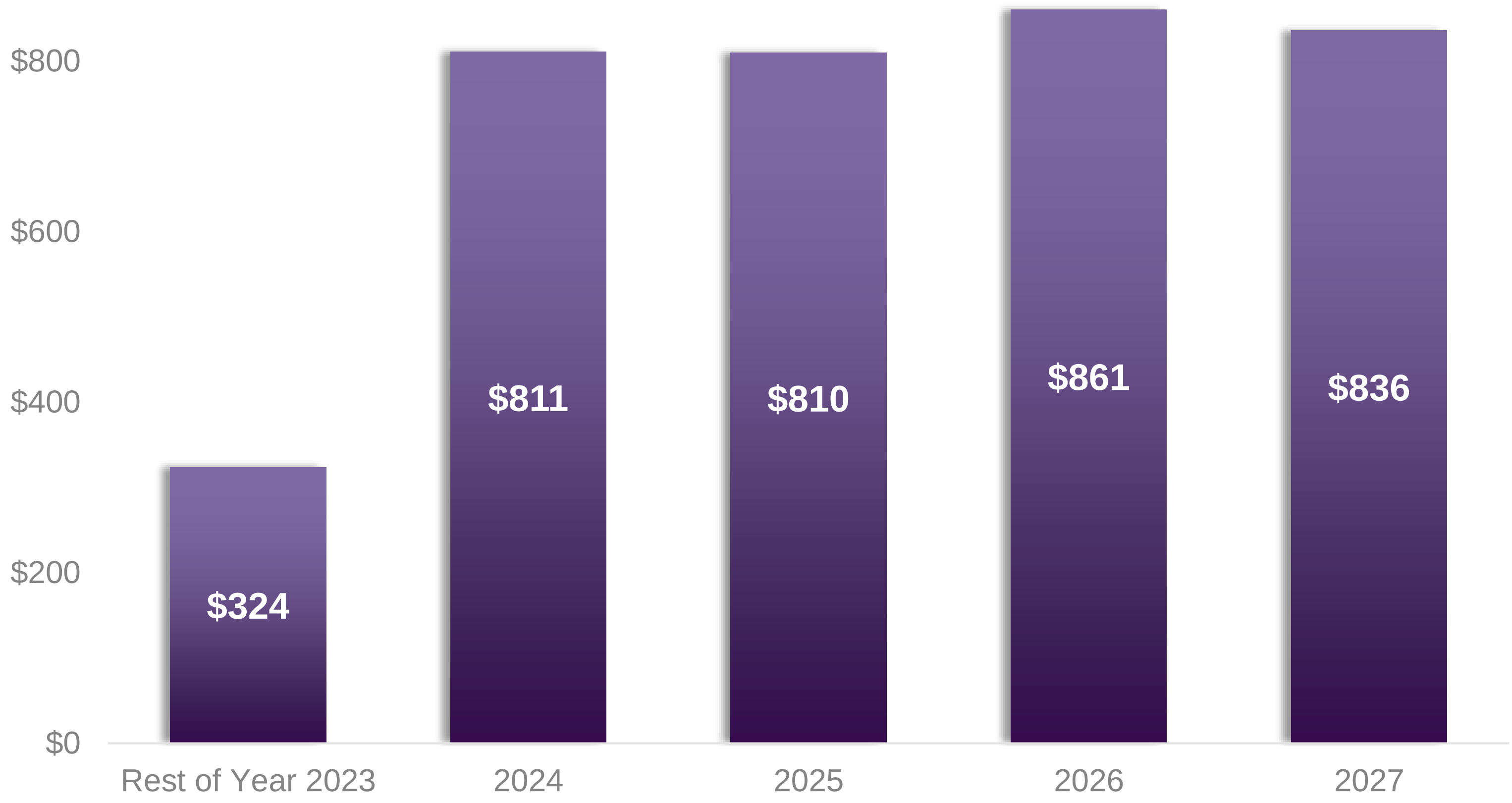


- FFELP portfolio of $41 billion
  - No newly originated FFELP loans since 2010
  - 97-100% of principal and interest guaranteed by U.S. government
- Holding 50 basis points of equity capital against portfolio
- Projected cash flows from this portfolio are based on:
  - Cash flows from loans net of secured financing costs
  - Assumed Constant Prepayment Rate of 8% for Stafford Loans and 5% for Consolidation Loans
- Undiscounted projected cash flows are:
  - $2.9 billion through end of 2027
  - $6.6 billion over next 20 years

Consumer Lending – Overview

($ in millions)

5-Year Projected Annual Private Education Cash Flows [1]

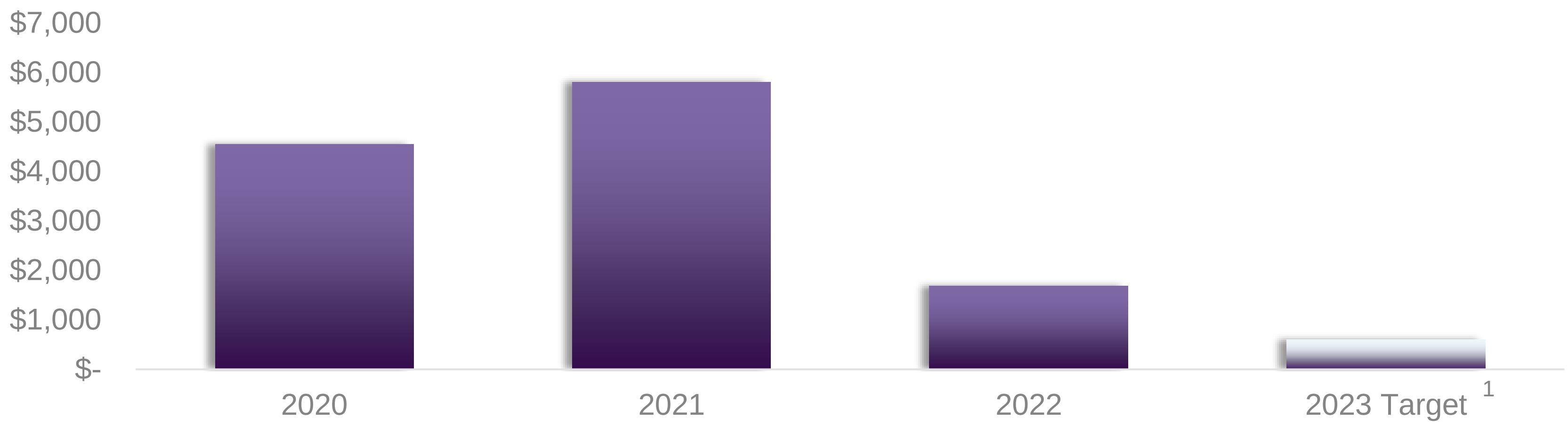


- Private Education Loan portfolio of $18 billion
  - Refinance education loan originations since 2017
  - In-school loan originations starting in 2019 and the seasoned loan portfolio
- Holding equity capital against portfolio:
  - 5% for refi loans
  - 10% for new in-school loans
  - 8% for seasoned loans
- Projected cash flows from this portfolio are based on:
  - Cash flows from loans net of secured financing costs
  - Assumed Constant Prepayment Rate of 15% for refi loans and 10% for in-school loans
  - Projections of future loan originations cash flows are not included
- Undiscounted projected cash flows are:
  - $3.6 billion through end of 2027
  - $6.7 billion over 20 years

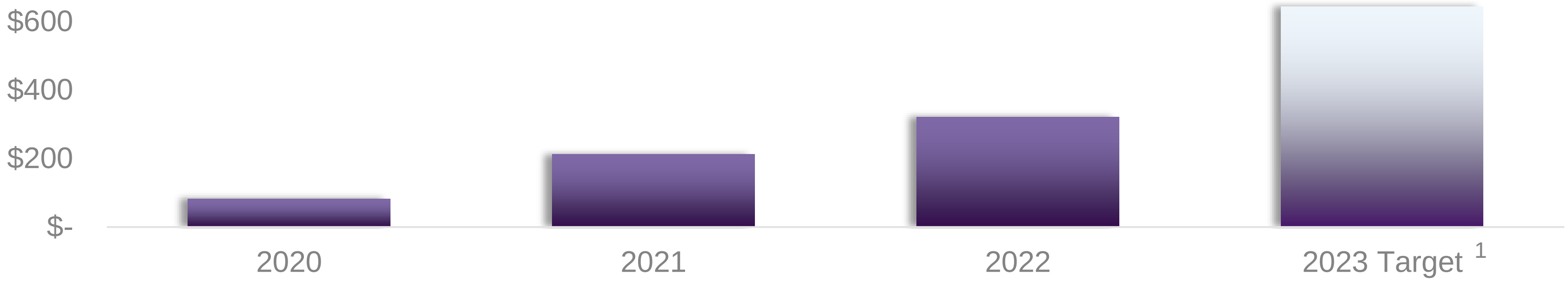
Consumer Lending – Loan Originations

($ in millions)

Refinance Loans Originations

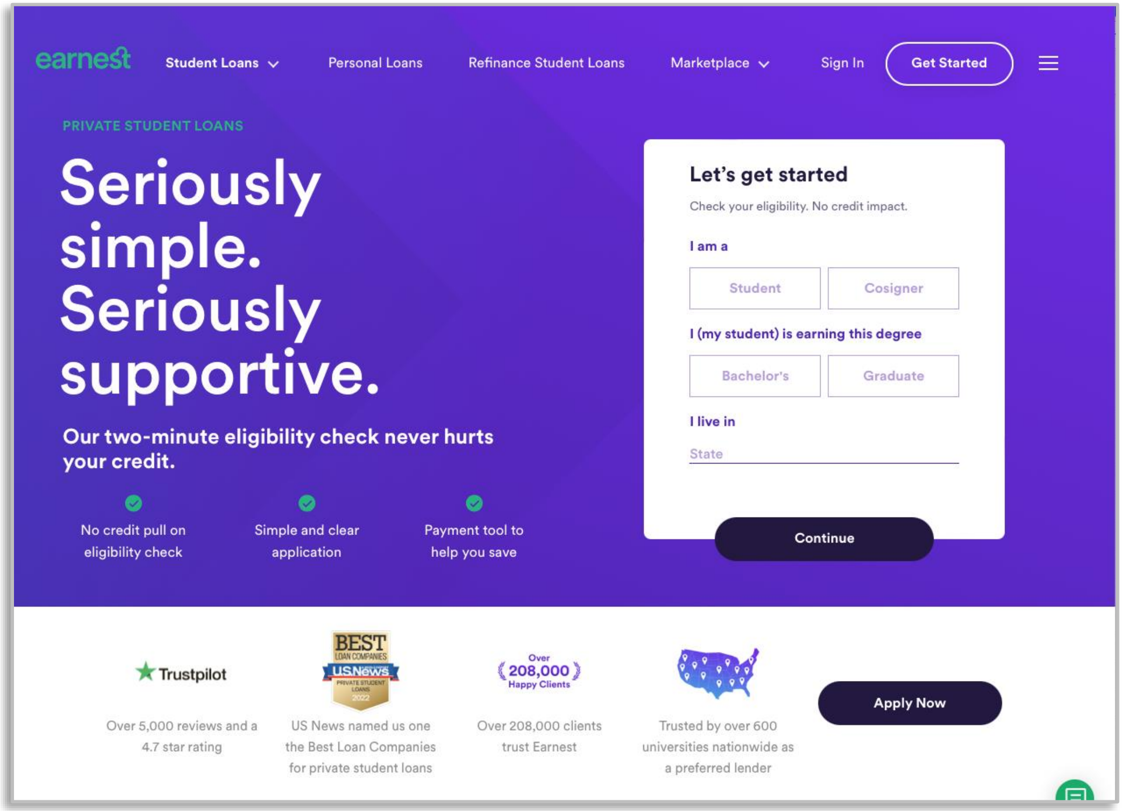


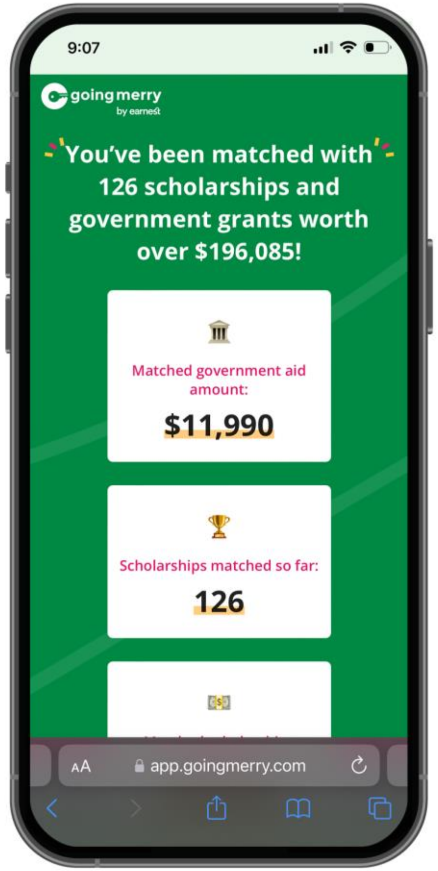
In-School Loan Originations



- Our Earnest subsidiary originates high-quality private education loan products
- Refi loans help student loan borrowers lower their interest rate and/or their monthly payment
  - Total addressable market for refi loans declined as interest rate environment has increased
- In-school loans supplement financial aid and federal loans
  - Title IV not-for-profit school certified with proceeds disbursed to the school
  - 83% borrowers choose to make interest or other payments while in school to minimize their total cost

Consumer Lending – Tools to Build Financial Futures



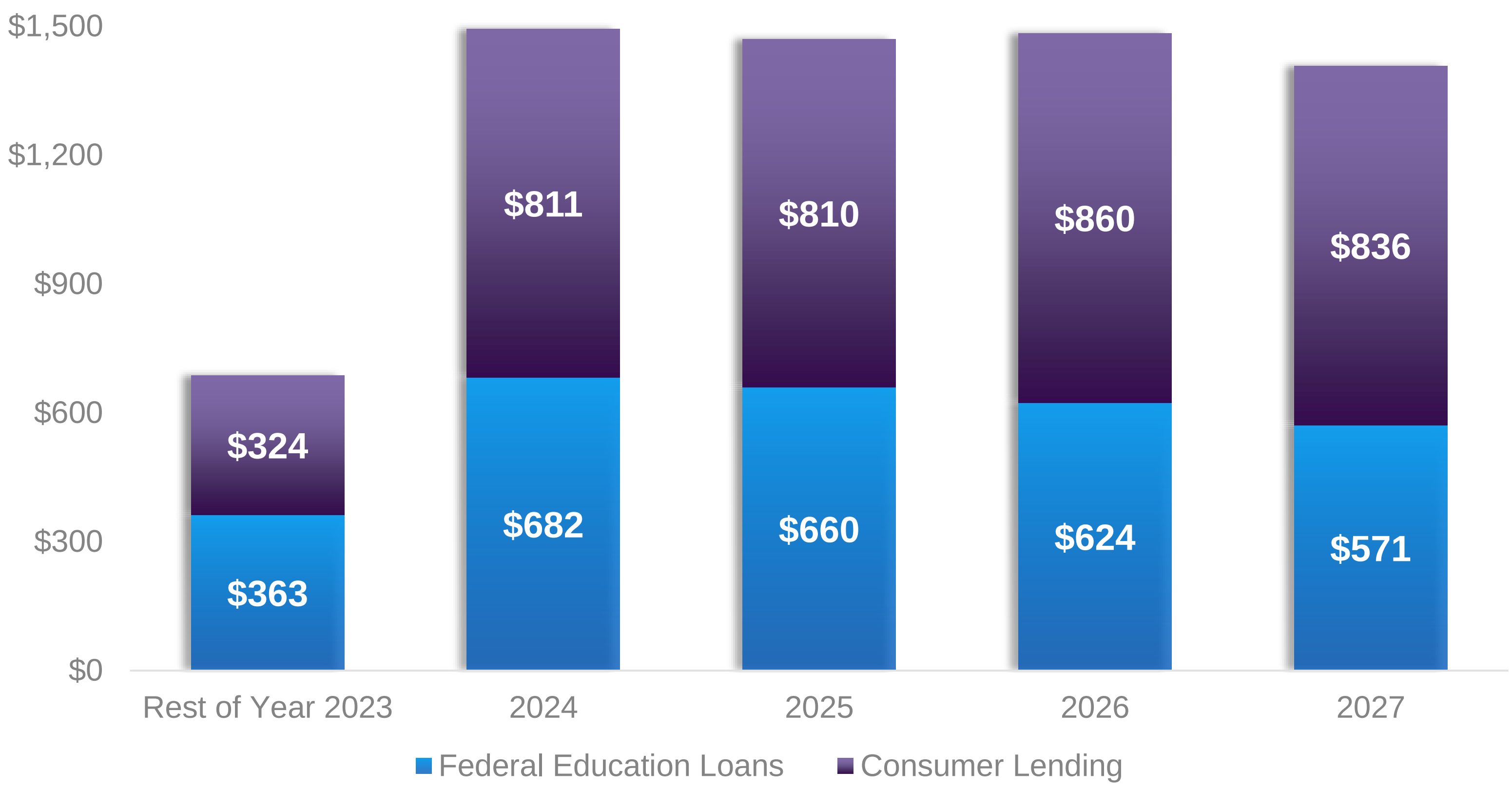


- Earnest's products help users manage the rising costs of higher education through all stages of their academic journey
- Going Merry by Earnest offers free digital tools that empower people to find grants, scholarships, and simplify the FAFSA application process
- In-school loans help students and/or parents finance degrees through a transparent application process leading to a lower total cost of their loan
- Student loan refinancing helps students consolidate and reduce the total cost of student debt
- Highly rated customer support over the life of the loan provided by in-house Client Happiness team

Total Education Loan Portfolio – Projected Cash Flows

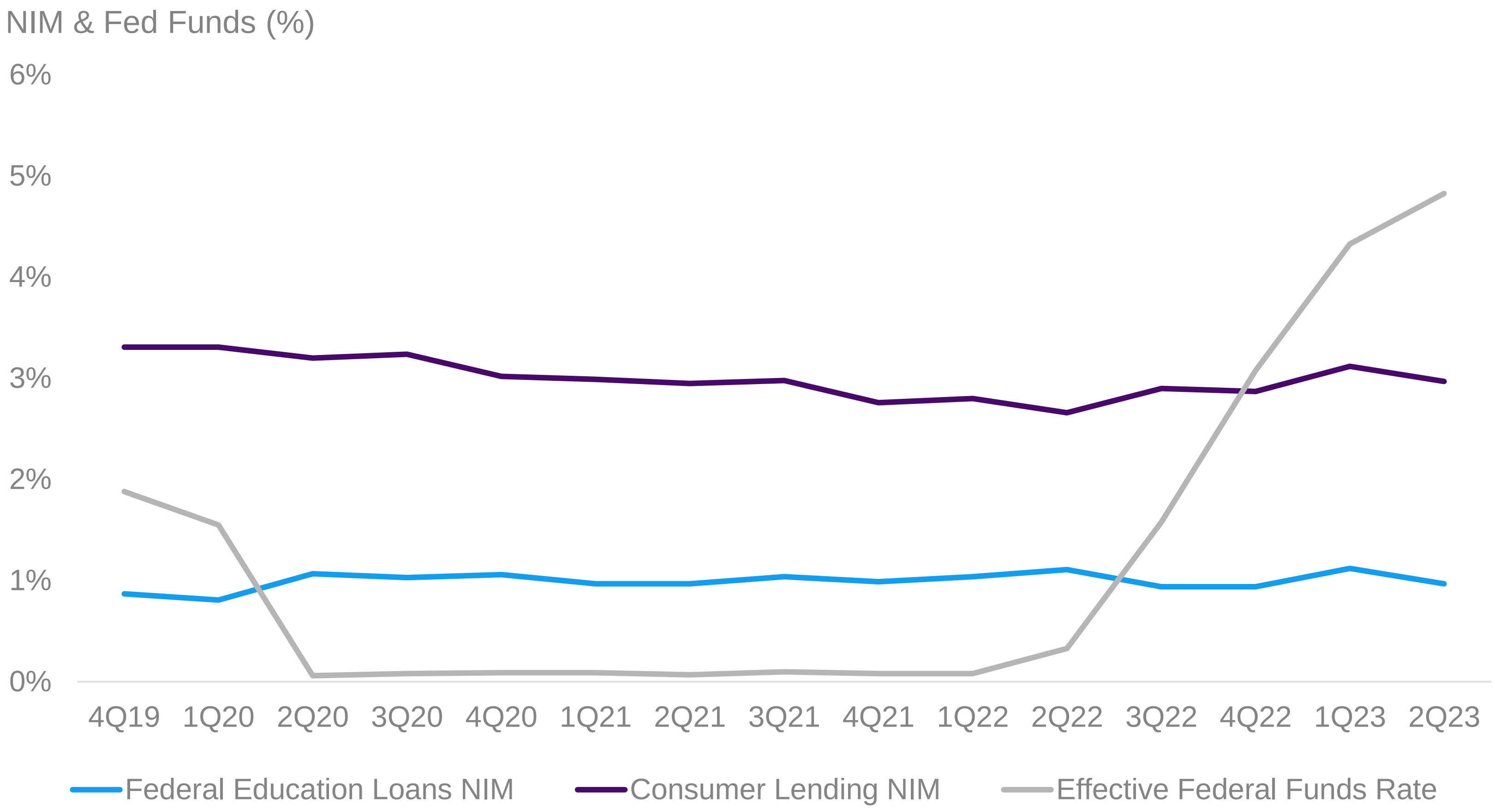
($ in millions)

5-Year Projected Annual Education Portfolio Cash Flows [1]



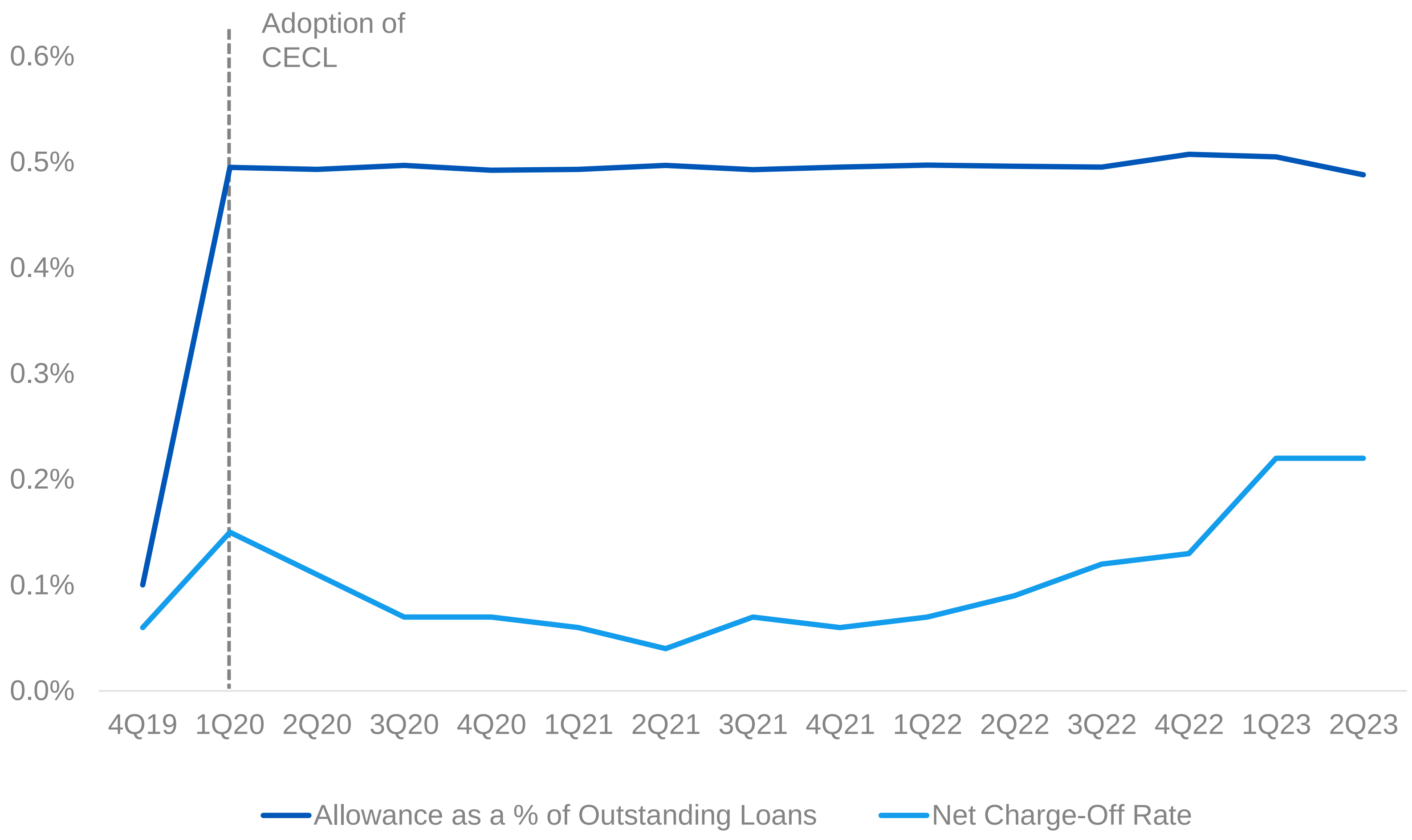
- Total Education Loan portfolio of $59 billion, undiscounted projected cash flows are:
  - $6.5 billion through end of 2027
  - $13.3 billion generated over 20 years
- We continue to maximize these cash flows through:
  - Helping borrowers manage their loans
  - Prudent interest rate risk management
  - Asset / liability management and match funding through securitization
  - Managing credit through economic cycles
  - Originating high-quality private refi and in-school loans with attractive economics

Net Interest Margin



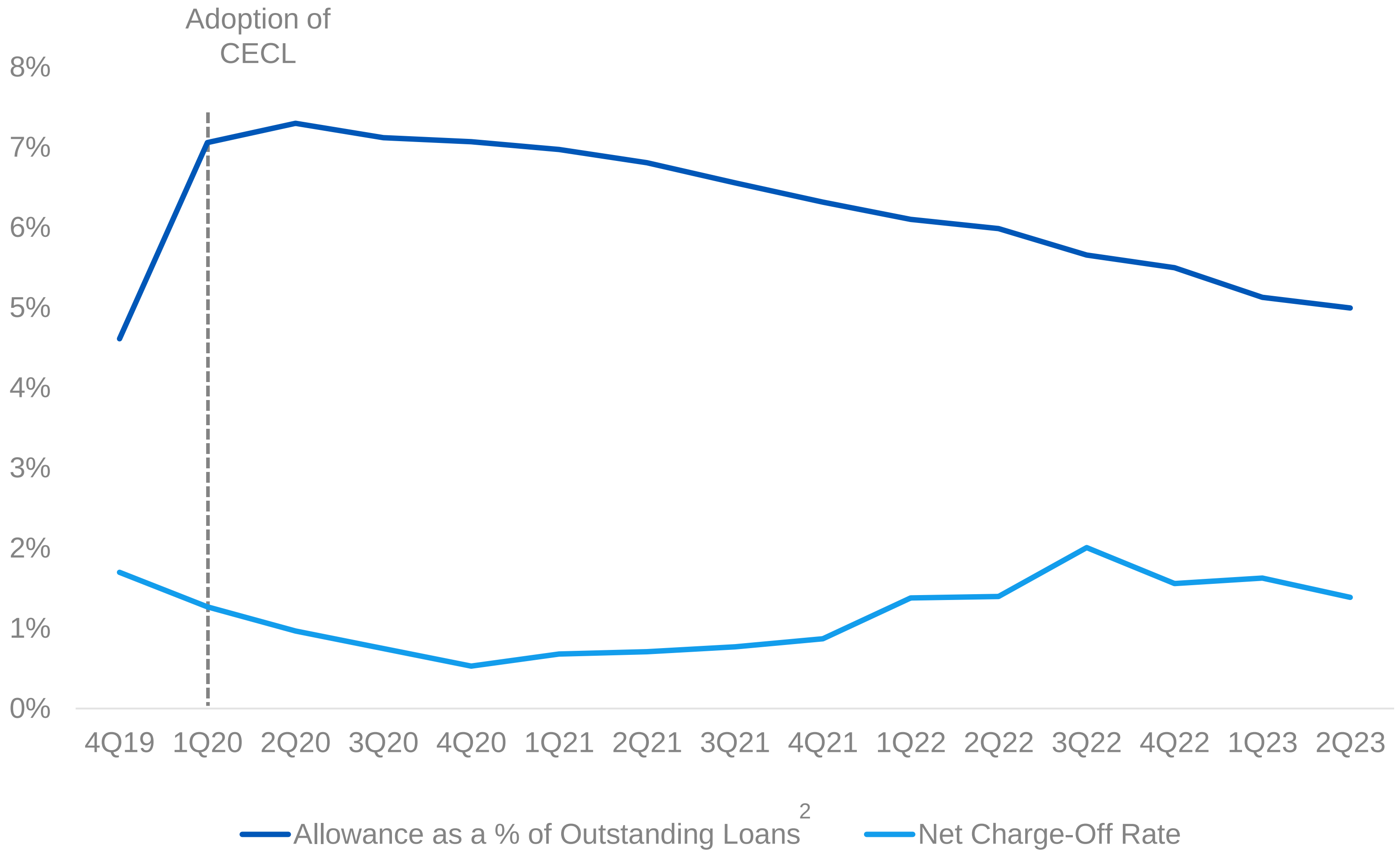
- Net interest margin (NIM) has remained stable in a narrow range across an interest rate cycle. Our asset liability management strategy actively seeks, through our funding and hedging activities, to match to the extent possible the term and repricing characteristics of our loans.
- Consumer Lending NIM has migrated lower over time as refi loans make up a bigger percentage of Consumer Lending portfolio.

Federal Education Loans – Allowance Coverage



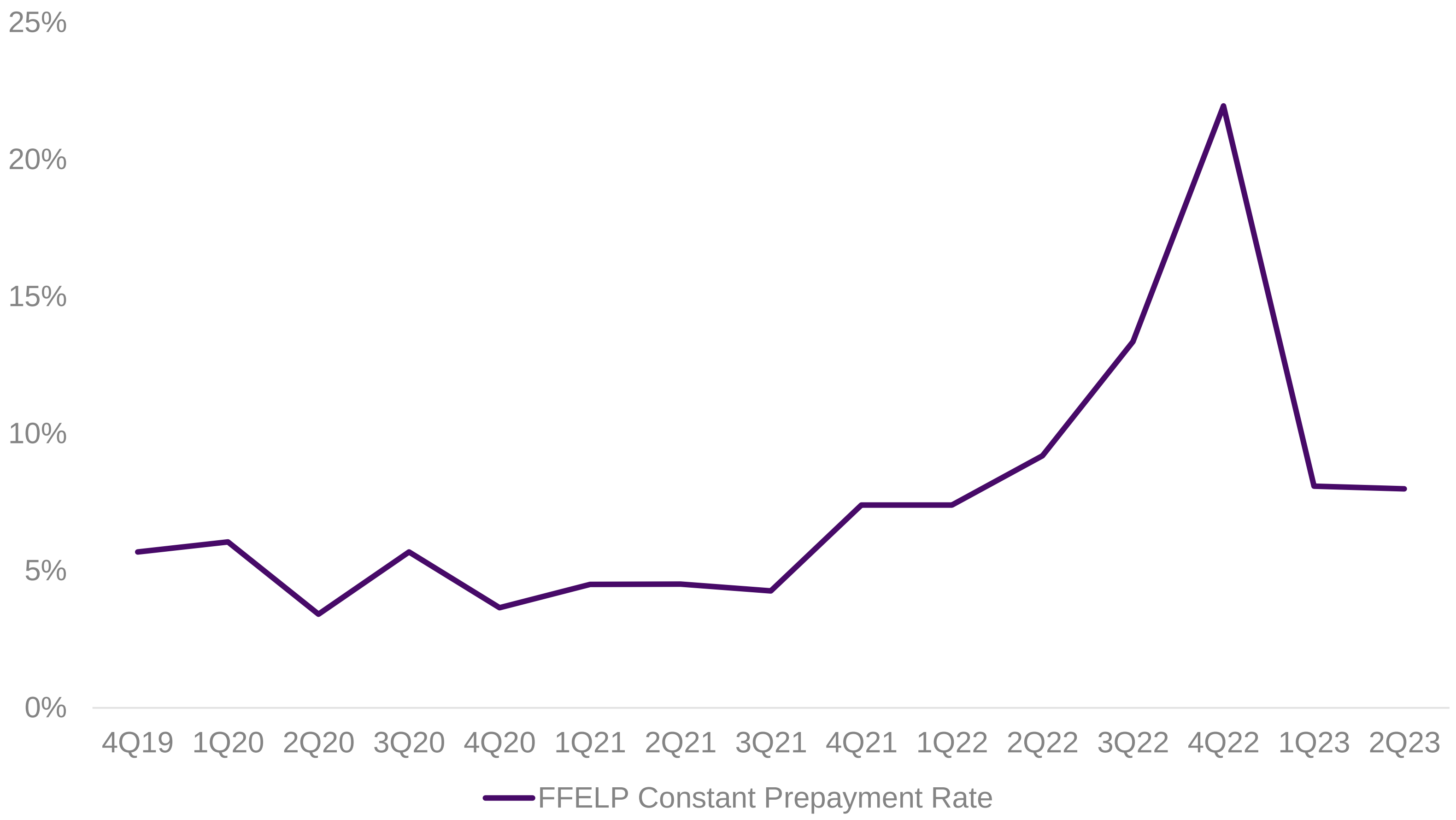
- Allowance as a percentage of outstanding loans has been stable, reflecting low and stable FFELP loss severity
- Net charge-offs have increased temporarily as borrowers exited our pandemic relief programs by early 2022
- We expect net charge-offs to return to historical levels as we get further from the pandemic, absent other variables

Consumer Lending – Allowance Coverage



- Allowance as a percentage of loans outstanding has been migrating lower, primarily reflecting the changing mix between seasoned loans and newer, high-quality refinance loan originations
- Net charge-offs increased temporarily, as expected, as borrowers exited our pandemic relief programs in early 2022
- Allowance coverage and net charge-off rates going forward will be in large part a function of the changing mix of the portfolio among seasoned loans, refinance loans and in-school loans

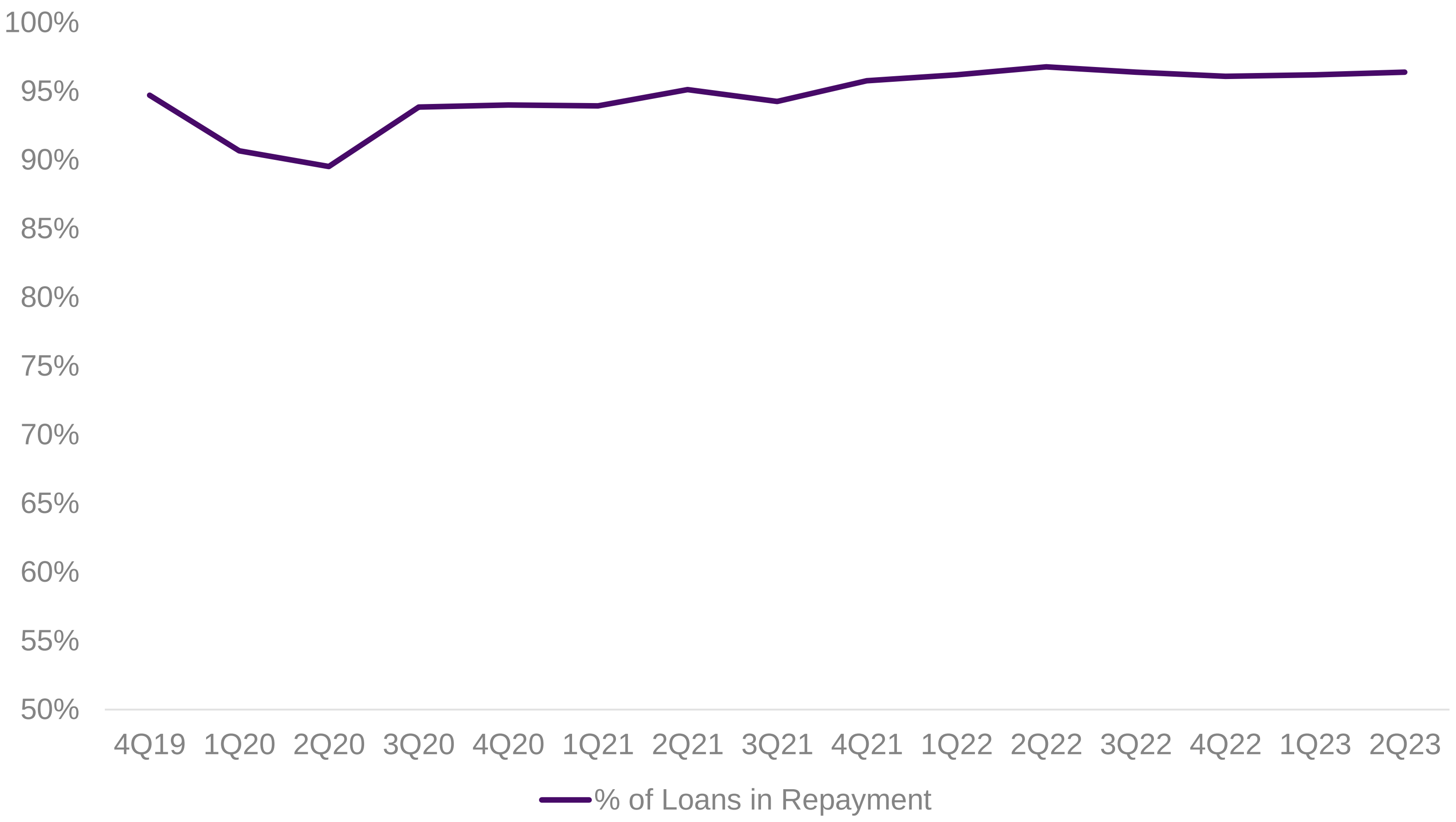
Federal Education Loans – Constant Prepayment Rate



- Prepayment activity declined during the first half of this year toward historical levels
- Prepayments increased in the second half of last year after the August 2022 announcement of federal student loan debt reduction proposals
- Prepayment rates may be impacted by new federal policy proposals and actions

Note: Constant Prepayment Rate activity represents weighted average prepayment performance of Navient-sponsored FFELP Trusts reporting as of 6/30/2023. [3]

Consumer Lending Loans – In Repayment



- A high percentage of Consumer Lending loans remained in repayment during the pandemic
- Borrowers who entered our pandemic relief programs have returned to repayment status in early 2022

Business Processing Solutions – Overview

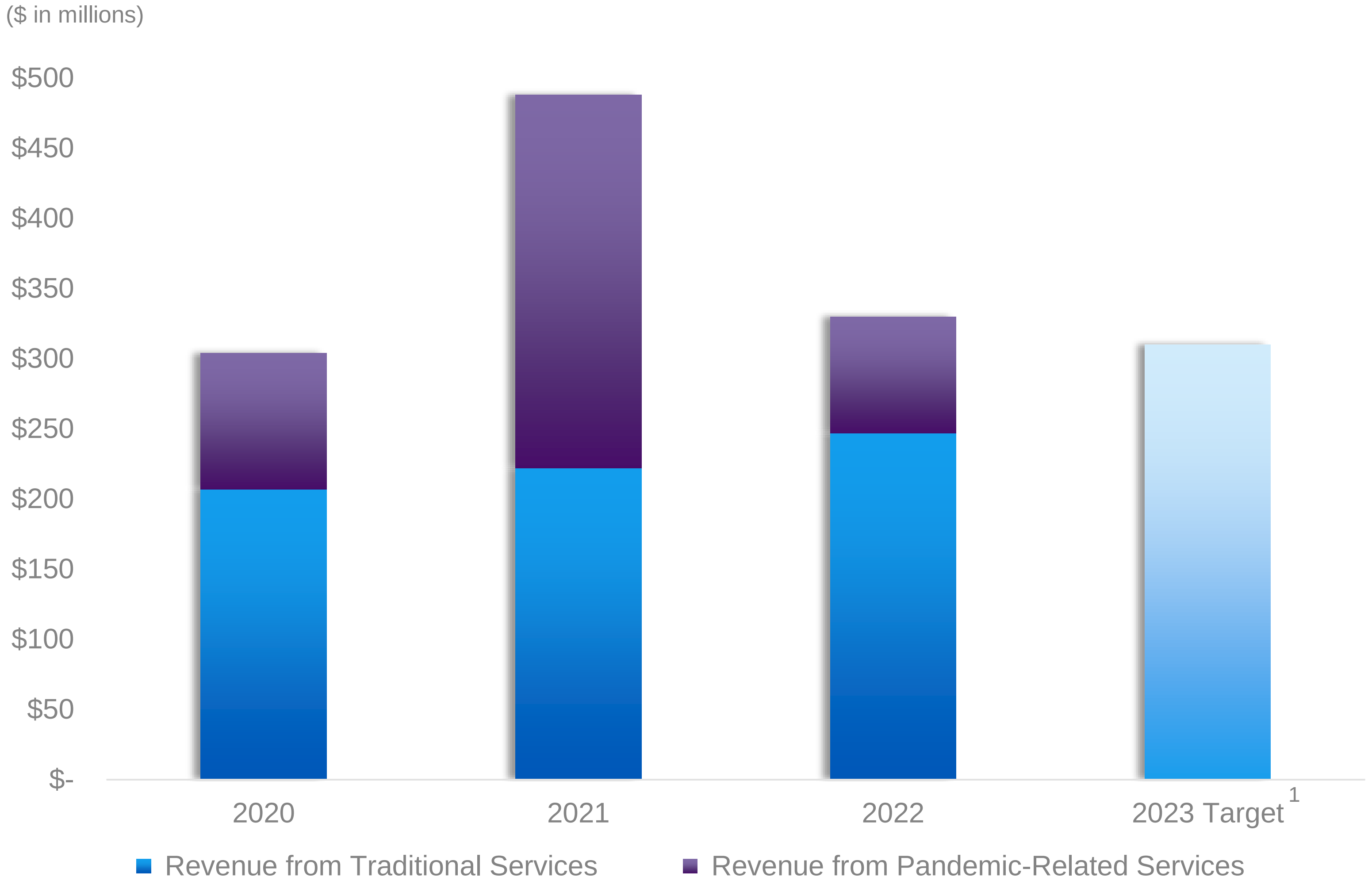
Supporting Government and Healthcare Clients

Serving 500+ clients and tens of millions of people through:

- Omnichannel customer experience contact centers
- Healthcare revenue cycle management
- Transportation and mobility solutions
- State and local asset recovery and tax amnesty programs
- Payment processing
- Public health solutions
- Disaster relief outreach

- Helping clients achieve their missions and support their communities
- Leveraging skills and best practices from our education business
- Achieving high rates of performance and revenue return
- Focus on customer experience, cost-effectiveness, flexible services, and data analytics

Business Processing – Revenue



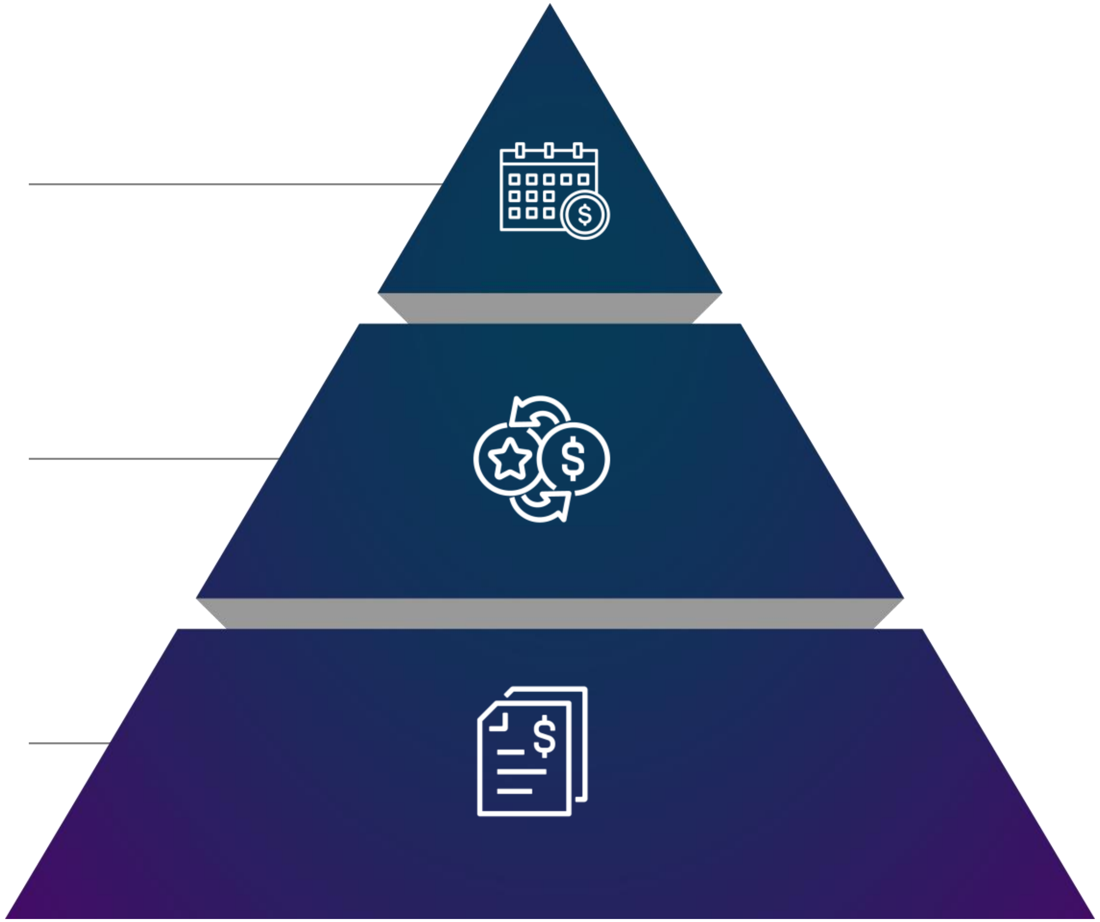
- Revenues from our traditional BPS services are growing
- BPS organic growth can be supported with light capital
- Total BPS revenues have declined from their 2021 peak as we emerged from the pandemic

Capital Allocation Framework

Reliably distribute excess capital to shareholders in form of dividends and share repurchases

Deploy capital to support planned business growth and plan and prepare for a range of economic environments

Continuously maintain a strong, flexible, cost-effective and liquid balance sheet



Consistently balance capital adequacy with capital allocation opportunities, including dividends, share repurchases, organic growth, acquisitions, and reducing unsecured debt

Delivering Value to Shareholders

INCREASED FREE CASH FLOWS

Maximize the cash flows from our loan portfolios

- Manage credit and interest rate risk and help borrowers manage loans
- Originate high-quality private education loans with attractive economics

Continuously simplify the business and increase efficiency

- Align scale of platforms, processes and operations to scale of businesses
- Make cost structure more efficient and variable
- Model and build on prior actions such as the sale of the servicing platform, exiting ED servicing, reducing real estate footprint

Enhance the value of our growth businesses

- Invest in capabilities to grow high-quality private education loan originations that generate targeted returns
- Invest in automation and other technology to attract BPS customers, broaden our services to additional addressable healthcare and government services markets, and take full advantage of market opportunities

Maintain a strong balance sheet and distribute excess capital

- Maintain a strong and flexible balance sheet, stable credit ratings, and reduce unsecured debt footprint
- Deploy capital to support planned business growth and prepare for a range of economic environments
- Reliably distribute excess capital to shareholders in form of dividends and share repurchases

2Q 2023 Earnings Results

2Q 2023 Results

	GAAP	Core Earnings [2]
Revenue (Before Provision)	$307 million	$324 million
Provision for Loan Losses	$11 million	Same as GAAP
Operating Expense	$182 million	Same as GAAP
Net Income	$66 million	$88 million
Average Common Stock Equivalent	125 million	Same as GAAP
Diluted Earnings per Share	**$0.52**	**$0.70**

"Over my first 10 weeks, my priority has been to undertake an in-depth review of our businesses. We are evaluating a broad range of alternative impactful strategies that deliver value to our shareholders. In the meantime, we remain focused on our efforts to maximize cash flows from our loan portfolios, enhance the value of our growth businesses, maintain a strong balance sheet, distribute excess capital, and continuously simplify the business and increase efficiency. Our strong second-quarter results reflect the solid foundation of our assets, capabilities and people."

— David Yowan

Updating Full Year Core EPS [2] Guidance – now includes regulatory & restructuring expense
(per-share impact $0.13 YTD [4]):

$3.15 - $3.30

Federal Education Loans – 2Q 2023 Core Earnings Results

	2Q23	2Q22
Revenue (Before Provision)	$121 million	$169 million
Provision for Loan Losses	$5 million	$0 million
Operating Expense	$18 million	$25 million
Net Income	$76 million	$110 million

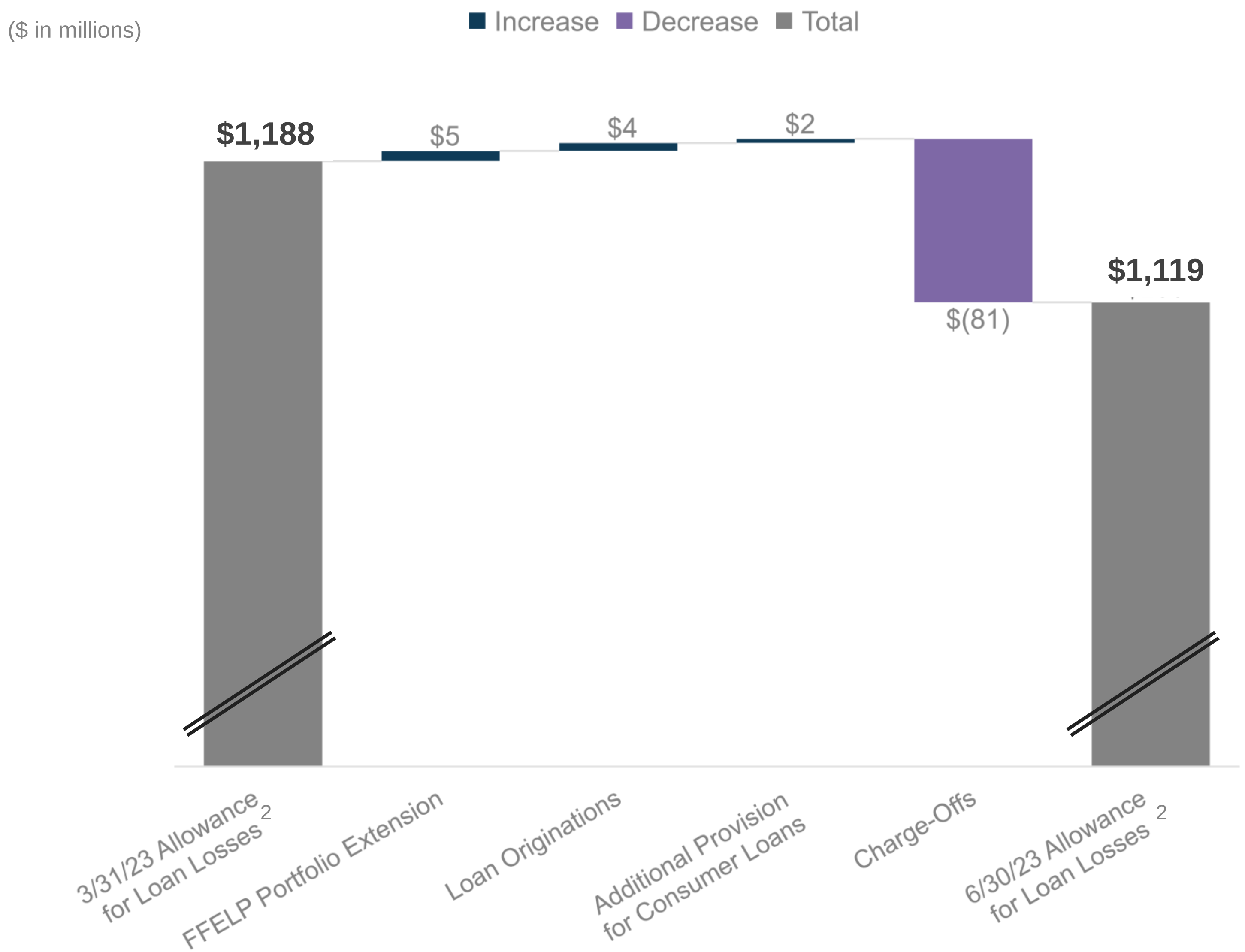
- Net income was $76 million compared to $110 million
- Revenue (before provision) declined $48 million compared to 2Q22
  - Net interest income decreased $40 million primarily as loan balances declined
  - Other revenue decreased $8 million primarily due to lower contract-exit transition services and lower loan balances
- Provision for loan losses increased $5 million, related primarily to an extension in the estimated remaining life of the portfolio and the resulting increase in expected future defaults
- Expenses were $7 million lower as a result of lower loan balances as well as the decrease in the other revenue discussed above

Consumer Lending – 2Q 2023 Core Earnings Results

	2Q23	2Q22
Revenue (Before Provision)	$148 million	$146 million
Provision for Loan Losses	$6 million	$18 million
Operating Expense	$42 million	$35 million
Net Income	$75 million	$71 million

- Net income was $75 million compared to $71 million
- Revenue (before provision) increased $2 million compared to 2Q22
  - Net interest income increased $1 million
  - Other revenue increased $1 million
- Provision for loan losses decreased $12 million primarily due to the adoption of a new accounting standard
- Expenses increased $7 million primarily as a result of marketing for upcoming peak in-school loan origination season
- Originated $197 million of Private Education Loans compared to $420 million
  - Refinance Loan originations were $142 million compared to $374 million
  - In-school loan originations were $55 million compared to $46 million

2Q 2023 Allowance for Loan Losses



For illustrative purposes only, total bars shown not to scale. Numbers may not total due to rounding.

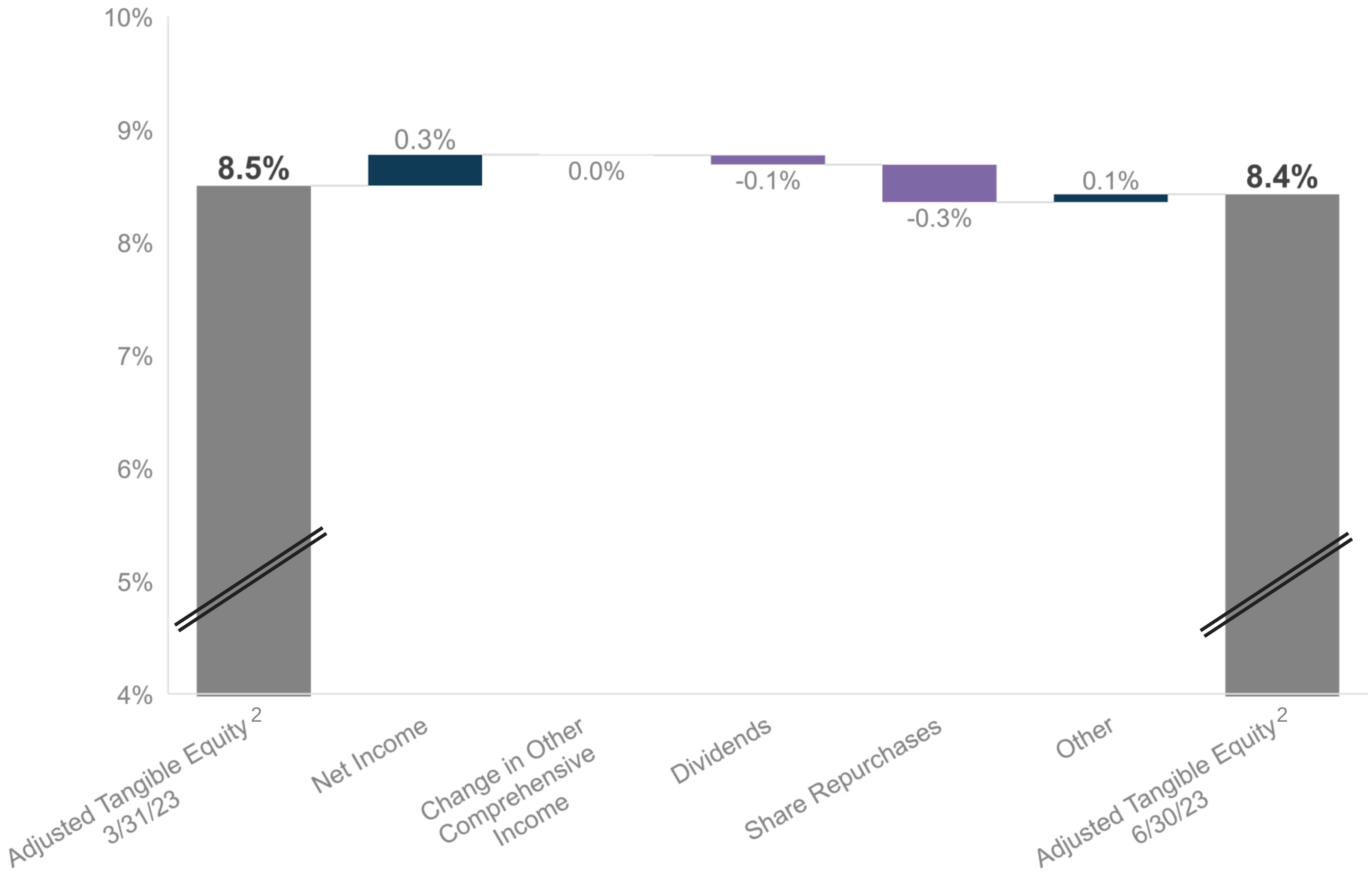
- Our total provision expense was $11 million during 2Q23
- This primarily consists of:
  - $5 million for our FEELP portfolio related to an extension of the portfolio
  - $4 million for new Private Education Loan originations
  - $2 million of additional provision related to the consumer lending portfolio
- Charge-offs of $81 million during 2Q23

Business Processing – 2Q 2023 Core Earnings Results

	2Q 23	2Q 22
Revenue	$83 million	$87 million
Operating Expense	$75 million	$74 million
EBITDA [2]	$8 million	$14 million
EBITDA Margin [2]	10%	16%
Net Income	$6 million	$10 million

- Net income was $6 million compared to $10 million
- Revenue was $83 million, $4 million lower than the year ago period as:
  - Revenue from pandemic-related contracts declined $27 million, as expected
  - Revenue from ongoing government and healthcare services grew by 38% or $23 million
- EBITDA [2] of $8 million was $6 million lower, primarily the result of the revenue decrease discussed above

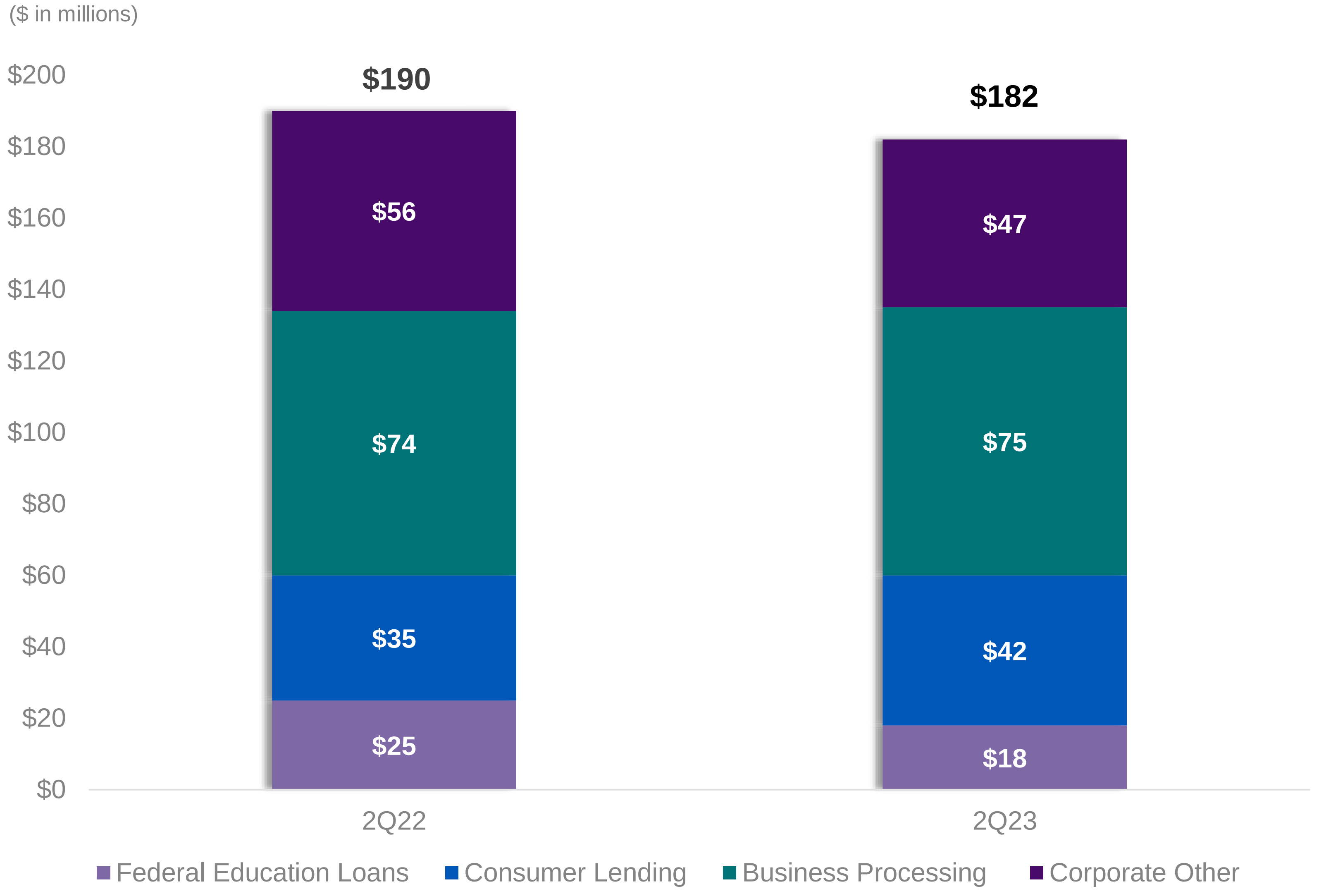
2Q 2023 Capital Allocation



For illustrative purposes only, total bars shown not to scale. Numbers may not total due to rounding.

- Our Adjusted Tangible Equity[2] ratio of 8.4% is within our targeted range of 8-9%
- We distributed $100 million, or 152% of net income, to shareholders through dividends and share repurchases
- We ended the quarter with 84% of our Total Education Loan Portfolio funded to term
  - We issued $718 million of ABS via NAVSL 2023-A in the quarter
- We have $6.5 billion in unsecured debt outstanding
  - We issued $500 million in unsecured debt in the quarter

2Q 2023 Operating Expenses



- We are focused on becoming more efficient across all segments
- Operating expenses for the quarter were $182 million compared to $190 million a year ago quarter
- This quarter's results include $2 million of regulatory expenses compared to $2 million a year ago quarter

Forward-Looking Statements and Non-GAAP Financial Measures

The following information is current as of June 30, 2023 (unless otherwise noted) and should be read in connection with Navient Corporation's "Navient" Annual Report on 2022 Form 10-K for the year end December 31, 2022 (the "2022 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 24, 2023 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2022 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;
• changes in the macroeconomic environment, including interest rates and 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 education finance 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 that 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 SOFR, 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, 2022, 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 second quarter earnings release and pages 27 – 29 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

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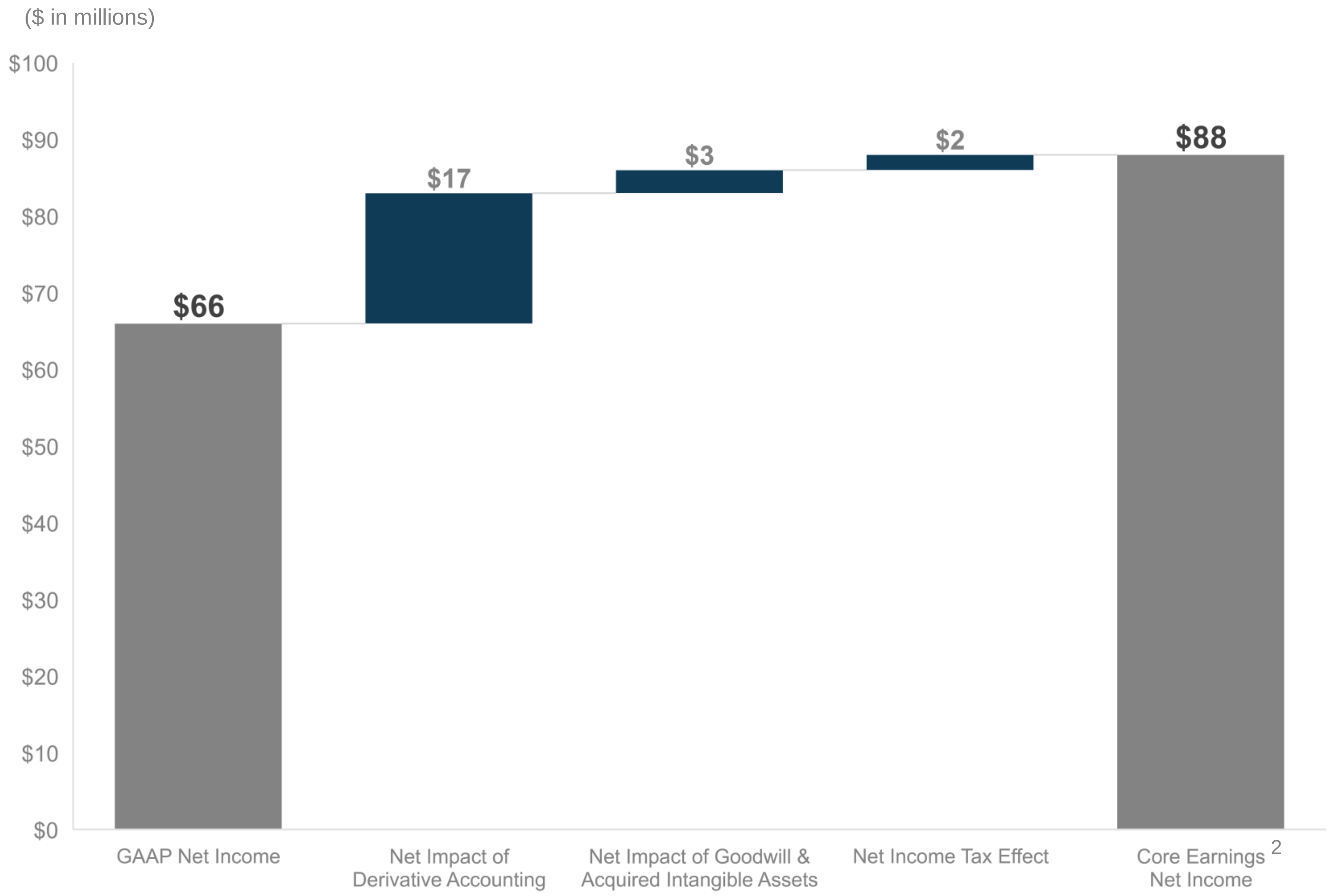
Differences Between Core Earnings and GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended Jun. 30, 2023	Mar. 31, 2023	Jun. 30, 2022
GAAP net income	$66	$111	$180
Net impact of derivative accounting	17	27	(72)
Net impact of goodwill and acquired intangible assets	3	3	3
Net income tax effect	2	(8)	23
Total Core Earnings adjustments to GAAP	22	22	(46)
Core Earnings net income [2]	$88	$133	$134

2Q 2023 GAAP to Core Earnings



- We evaluate our business segments on a basis that differs from GAAP
- We refer to this different basis as Core Earnings [2]
- The two items we remove to result in Core Earnings are:
  - Mark-to-market gains/losses from our use of derivative instruments that:
    - hedge economic risks that do not qualify for hedge accounting treatment, or
    - do qualify for hedge accounting treatment but result in ineffectiveness
  - The accounting for goodwill and acquired tangible assets

Notes on Non-GAAP Financial Measures

In addition to financial results reported on a GAAP basis, Navient also provides certain performance measures which are non-GAAP financial measures. Definitions for the non-GAAP financial measures and reconciliations are provided below and in the body of the company's quarterly earnings release, except that reconciliations of forward-looking non-GAAP financial measures are not provided because the company is unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of certain items, including, but not limited to, the impact of any mark-to-market gains/losses resulting from our use of derivative instruments to hedge our economic risks. The following non-GAAP financial measures are presented within this Presentation:

- **Core Earnings** – The difference between the company's Core Earnings and its GAAP results is that Core Earnings excludes the impacts of: (1) mark-to-market gains/losses on derivatives and (2) goodwill and acquired intangible asset amortization and impairment. Management uses Core Earnings in making decisions regarding the company's performance and the allocation of corporate resources and, as a result, our segment results are presented using Core Earnings. In addition, Navient's equity investors, credit rating agencies and debt capital investors use these Core Earnings measures to monitor the company's business performance. For further detail and reconciliation, see page 27 of this presentation and pages 18 – 28 of Navient's second quarter 2023 earnings release.

- **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 27 of Navient's second quarter 2023 earnings release.

- **Earnings before Interest, Taxes, Depreciation and Amortization Expense ("EBITDA")** – This metric measures the operating performance of the Business Processing segment and is used by management and our equity investors to monitor operating performance and determine the value of those businesses. For further detail and reconciliation, see page 27 of Navient's second quarter 2023 earnings release.

- **Allowance for Loan Losses Excluding Expected Future Recoveries on Previously Fully Charged-off Loans** – This metric excludes the expected future recoveries on previously fully charged-off loans to better reflect the current expected credit losses remaining in connection with the loans on balance sheet that have not charged off. For further detail, see page 28 of Navient's second quarter 2023 earnings release.

Appendix

Responsibility to Our Customers and Communities

Supporting education and economic opportunity
Our education finance solutions help people pursue higher education and successfully manage their finances.

- Helped over 8 million borrowers pay off their student loans in the past decade
- Refinanced more than $22 billion in student loans since 2014, helping borrowers save money and accelerate their journey to successful repayment

Strong corporate governance and compliance culture
Navient's Board of Directors shares a strong commitment to principles of accountability to shareholders, customers, employees and other stakeholders.

- Board brings diverse industry backgrounds, skills, and experiences, and more than half of directors are women and minorities
- Adopted governance best practices, board refreshment policies, annual board and committee assessments

Learn more about Navient's Environmental, Social, and Governance (ESG) practices in our Corporate Social Responsibility report at Navient.com/social-responsibility.

Team engagement, development and inclusion

We are committed to creating a workplace where employees are welcomed and grow.

- Award-winning employee training and career development opportunities
- Inclusion, Diversity & Equity Council and Employee Resource Groups
- Our employees engage in a variety of community building activities

For More Information

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

- **Environmental Social Governance (ESG) information**
  - Navient Corporate Social Responsibility report

- **Student loan asset-backed security (ABS) trust data**
  - Static pool information – detailed portfolio stratifications by trust as of the cutoff date
  - Accrued interest factors
  - Quarterly distribution factors
  - Historical trust performance – monthly charge-off, delinquency, loan status, CPR, etc. by trust
  - Since issued CPR – monthly CPR data by trust since issuance

- **Student loan performance by ABS trust**
  - Current and historical monthly distribution reports
  - Distribution factors
  - Current rates
  - Prospectus for public transactions and Rule 144A transactions are available through underwriters

- **Webcasts, presentations & additional information**
  - Archived webcasts, transcripts and investor presentations

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Footnotes

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

2. Item is a Non-GAAP Financial Measure. See page 29 of this presentation and pages 18 – 28 of Navient's second quarter 2023 earnings release for descriptions and reconciliation.

3. The Constant Prepayment Rate (CPR) activity represents weighted average prepayment performance of Navient-sponsored FFELP trusts. The CPR is an annualized rate of prepayment speed measuring the reduction in the principal balance of a pool of loans in excess of the scheduled quarterly pool amortization. The CPR assumes all loans in Deferment, Forbearance and Repayment are scheduled to make payments.

4. After rounding, year to date regulatory and restructuring costs of $22 million. After rounding, regulatory costs were $2 million in each of the first and second quarters of 2023, and restructuring costs were $4 million in the first quarter of 2023 and $15 million in the second quarter of 2023.

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