



NAVIENT[®]

**4Q 2024
Earnings Call Presentation**

Delivering Value to Shareholders



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
- Eliminated the fixed cost of servicing



Continuously simplify the business and increase efficiency

- Align scale of platforms, processes and operations to scale of businesses
- Make cost structure more predictable and efficient
- Reduced employee headcount by approximately 50% from YE2023 to YE2024

INCREASED FREE CASH FLOWS



Enhance the value of our growth businesses

- Invest in capabilities to grow high-quality private education loan originations that generate targeted returns, and explore opportunities to deepen relationships through product extensions
- Sharpened focus on go-forward business while achieving significant reductions in corporate overhead by executing on our strategic actions



Maintain a strong balance sheet and distribute excess capital

- Maintain a strong and flexible balance sheet, stable credit ratings, and manage 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

4Q 2024 and Full Year 2024 Results

	4Q24 GAAP	4Q24 Core Earnings ¹	FY24 GAAP	FY24 Core Earnings ¹
Revenue (Before Provision)	\$223 million	\$163 million	\$1,152 million	\$1,119 million
Provision for Loan Losses	\$45 million	Same as GAAP	\$113 million	Same as GAAP
Operating Expense	\$146 million	Same as GAAP	\$680 million	Same as GAAP
Net Income (Loss)	\$24 million	\$(25) million	\$131 million	\$221 million
Average Common Stock Equivalent	107 million	106 million	111 million	Same as GAAP
Diluted Earnings (Loss) per Share	\$0.22	\$(0.24)	\$1.18	\$2.00

“A year ago, we announced three ambitious strategic actions – outsourcing servicing, divesting our business processing businesses, a non-strategic asset, and a more cost efficient and streamlined structure. We are pleased to say that we achieved our 2024 objectives against an aggressive timeline. These actions provide clear line of sight to our expense reduction targets, deliver value and position us for the future. We accomplished these steps while at the same time achieved strong loan origination growth, with full year 2024 refi originations 60% higher than last year.”

— David Yowan, CEO

2025 Outlook –
includes net expenses that will ultimately be eliminated related to transition agreements (est. \$0.26 per share)

Core EPS¹: \$1.00 - \$1.20

Federal Education Loans – Core Earnings Results

	4Q24	4Q23	FY24	FY23
Revenue (Before Provision)	\$40 million	\$105 million	\$211 million	\$546 million
Provision for Loan Losses	\$7 million	\$5 million	\$1 million	\$56 million
Operating Expense	\$20 million	\$17 million	\$74 million	\$72 million
Net Income	\$10 million	\$63 million	\$105 million	\$319 million

Discussion of Results – 4Q24 vs. 4Q23

- Net income was \$10 million compared to \$63 million
- Revenue
 - Net interest income decreased \$53 million primarily due to the maturity of Floor Income hedges, the impact of decreasing interest rates, and the paydown of the portfolio
 - Other revenue decreased \$12 million primarily as a result of lower late fees and third-party servicing fees
- Provision for loan losses increased \$2 million, primarily the result of an increase in delinquency balances
- Expenses were \$3 million higher primarily as a result of transitioning servicing of our portfolio to a third party, consistent with expectations

2025 Outlook

Net Interest Margin: 45 – 60 bps

Consumer Lending – Core Earnings Results

	4Q24	4Q23	FY24	FY23
Revenue (Before Provision)	\$118 million	\$137 million	\$509 million	\$594 million
Provision for Loan Losses	\$38 million	\$50 million	\$112 million	\$67 million
Operating Expense	\$33 million	\$27 million	\$143 million	\$151 million
Net Income	\$37 million	\$46 million	\$196 million	\$287 million

- Originated \$363 million of Private Education Loans in 4Q24, a 63% increase from the year-ago quarter
 - Refinance Loan originations were \$322 million vs \$191million in 4Q23
 - In-school Loan originations were \$41 million vs \$32 million in 4Q23
- For full year 2024 originated \$1.4 billion of Private Education Loans
 - Refinance Loan originations were \$1.034 billion vs \$647 million in 2023
 - In-school Loan originations were \$366 million vs \$324 million in 2023

Discussion of Results – 4Q24 vs. 4Q23

- Net income was \$37 million compared to \$46 million
- Expenses increased \$6 million primarily as a result of higher marketing spend associated with higher loan origination volume

2025 Outlook

Net Interest Margin: 270 – 280 bps

4Q 2024 Allowance for Loan Losses

(\$ in millions)



- Our total provision expense was \$45 million in 4Q24
- This consists of:
 - \$7 million for our FFELP portfolio
 - \$32 million of provision related to the Private Education portfolio, \$18 million of which was related to lowering the expected recovery rate on defaulted loans
 - \$6 million for new Private Education Loan originations
- Net charge-offs of \$80 million during 4Q24 compared to \$74 million during 4Q23

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

Business Processing – Core Earnings Results

	4Q24	4Q23	FY24	FY23
Total Fee Revenue	\$43 million	\$81 million	\$271 million	\$321 million
Total Revenue (includes gain/loss on sale of subsidiaries)	\$15 million	\$81 million	\$462 million	\$321 million
Operating Expense	\$40 million	\$70 million	\$228 million	\$285 million
EBITDA ¹	\$(25) million	\$12 million	\$237 million	\$39 million
EBITDA Margin ¹	(167)%	15%	51%	12%
Net Income (Loss)	\$(20) million	\$8 million	\$180 million	\$28 million

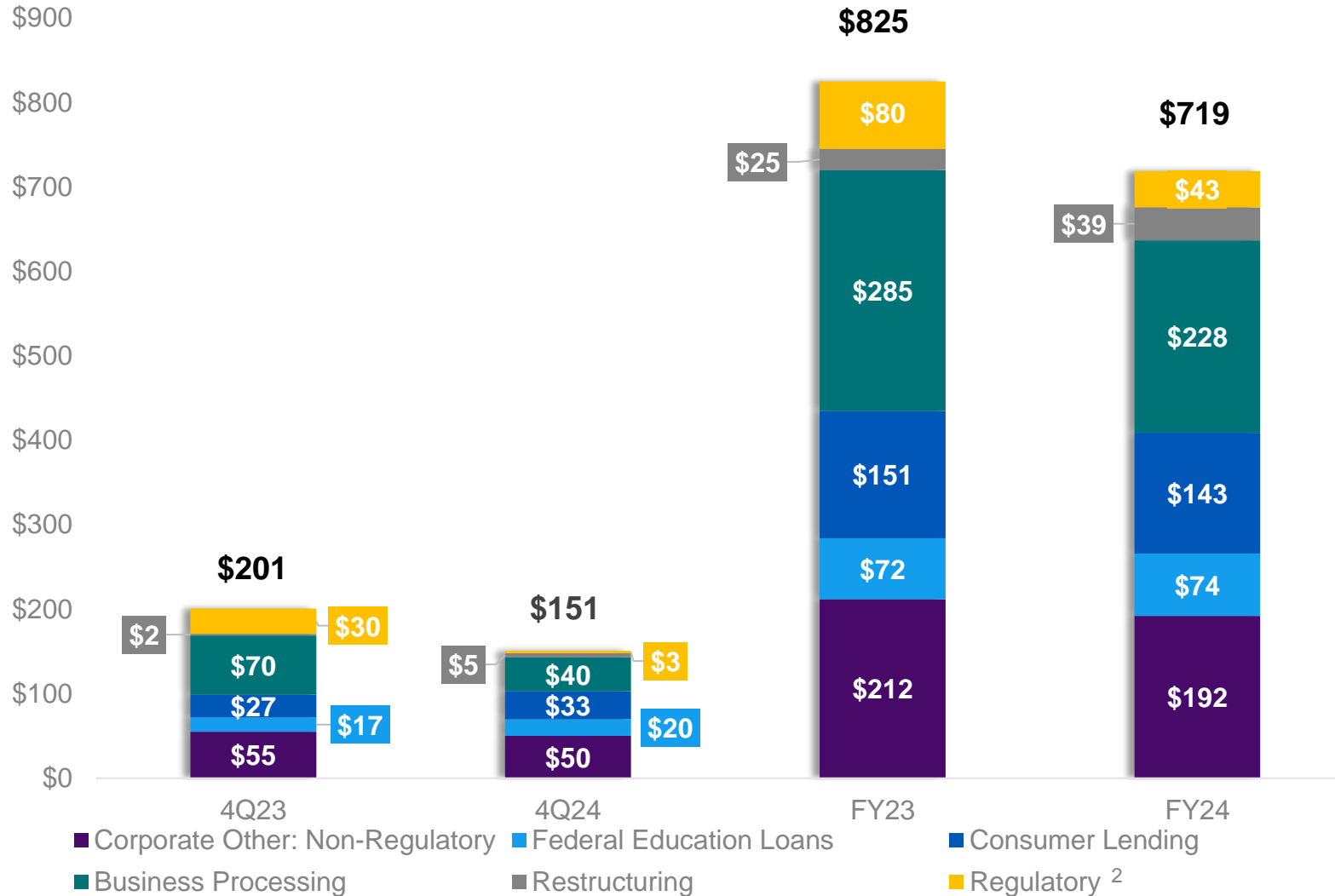
Discussion of Results – 4Q24 vs. 4Q23

- Net loss was \$20 million compared to net income of \$8 million, primarily driven by the \$28 million loss as a result of entering into an agreement to sell our government services business resulting in the classification of the business as held for sale and adjusting the basis to the expected sales price
- Fee revenue was \$43 million, \$38 million lower primarily due to the sale of our healthcare services business last quarter
- EBITDA ¹ of \$(25) million, down \$37 million primarily as a result of the transactions discussed above
- EBITDA Margin ¹ of (167)%, down from 15% primarily as a result of the transactions discussed above

On September 19, 2024, the sale of our healthcare business was completed. On December 19, 2024, we entered into an agreement to sell our government services business. Together, these transactions represent the entirety of our Business Processing segment.

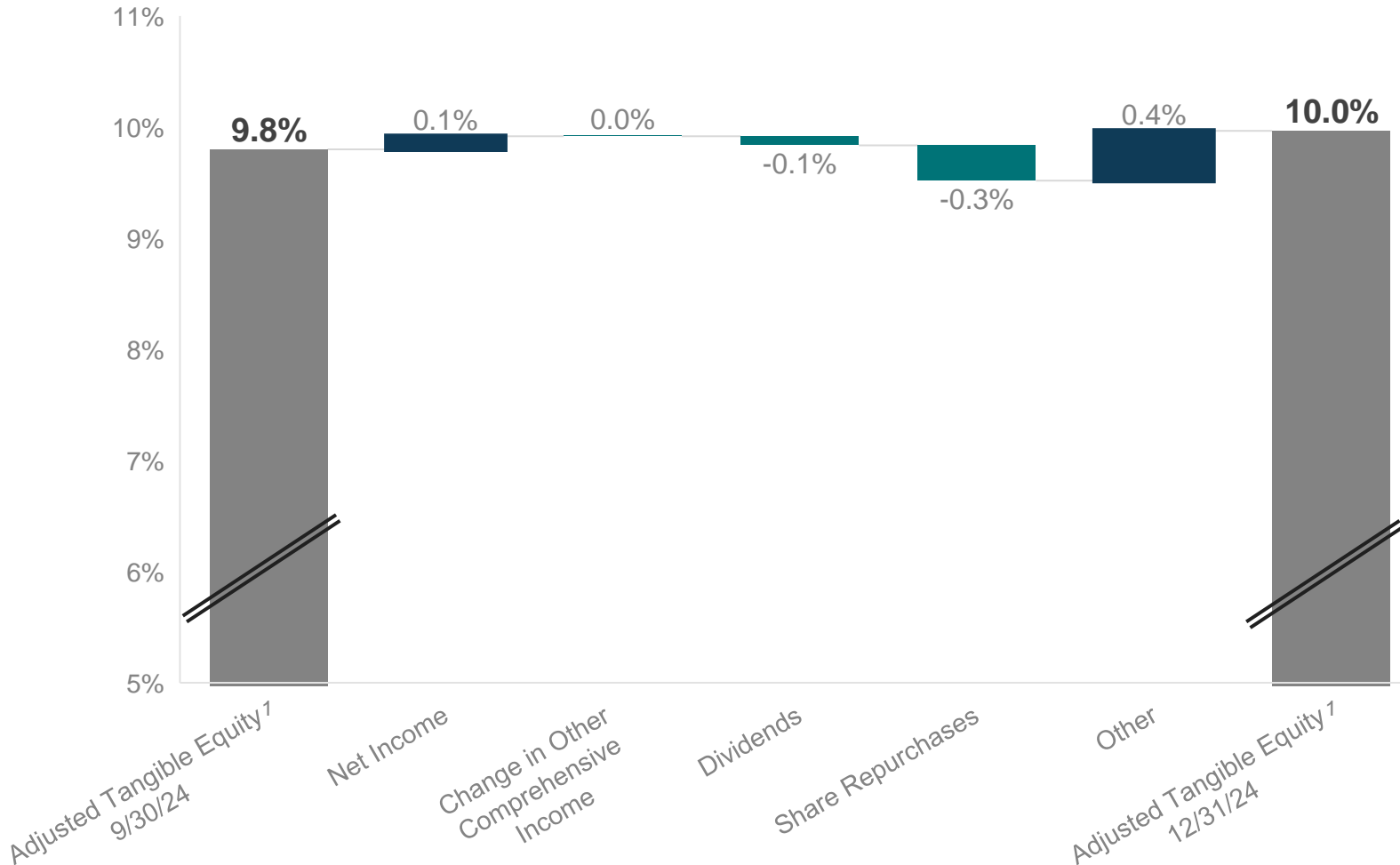
4Q 2024 and Full Year 2024 Total Expenses

(\$ in millions)



- We are focused on becoming more efficient across all segments
- Operating expenses for the quarter were \$146 million
- Total expenses for the quarter were \$151 million compared to \$201 million in 4Q23
- Total expenses for the year were \$719 million compared to \$825 million in 2023
- Excluding regulatory and restructuring costs, total expenses for the year were \$637 million

4Q 2024 Capital Allocation



- Adjusted Tangible Equity ¹ ratio of 10%
- We distributed \$82 million in 4Q24 to shareholders through dividends and share repurchases
- We ended the quarter with 82% of our Total Education Loan Portfolio funded to term
- We ended 2024 with \$5.4 billion in unsecured debt outstanding

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

Forward-Looking Statements and Non-GAAP Financial Measures

The following information is current as of December 31, 2024 (unless otherwise noted) and should be read in connection with Navient Corporation's "Navient" Annual Report on 2023 Form 10-K for the year end December 31, 2023 (the "2023 Form 10-K"), filed by Navient with the Securities and Exchange Commission (the "SEC") on February 26, 2024 and subsequent reports filed by Navient with the SEC. Definitions for capitalized terms in this presentation not defined herein can be found in the 2023 Form 10-K. This presentation contains "forward-looking statements," within the meaning of the federal securities law, about our business, and prospectus 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 our 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," "goals," or "target." Such statements are based on management's expectations as of the date of this release and involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements.

For Navient, these factors include, among other things:

- general economic conditions, including the potential impact of inflation and interest rates on Navient and its clients and customers and on the creditworthiness of third parties; and
- increased defaults on education loans held by us.

The company could also be affected by, among other things:

- unanticipated repayment trends on education loans including prepayments or deferrals resulting from new interpretations or the timing of the execution and implementation 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 or extensions of previously announced deadlines which may increase or decrease the prepayment rates on education loans and accelerate or slow down the repayment of the bonds in our securitization trusts;
- a reduction in our credit ratings;
- changes to applicable laws, rules, regulations and government policies and expanded regulatory and governmental oversight;
- changes in the general interest rate environment, including the availability of any relevant money-market index rate or the relationship between the relevant money-market index rate and the rate at which our assets are priced;
- the interest rate characteristics of our assets do not always match those of our funding arrangements;
- adverse market conditions or an inability to effectively manage our liquidity risk or access liquidity could negatively impact us;
- the cost and availability of funding in the capital markets; our ability to earn Floor Income and our ability to enter into hedges relative to that Floor Income are dependent on the future interest rate environment and therefore is variable;
- our use of derivatives exposes us to credit and market risk;
- our ability to continually and effectively align our cost structure with our business operations;
- a failure or breach of our operating systems, infrastructure or information technology systems;
- failure by any third party providing us material services or products or a breach or violation of law by one of these third parties;
- our work with government clients exposes us to additional risks inherent in the government contracting environment;
- acquisitions, strategic initiatives and investments or divestitures that we pursue;
- shareholder activism; reputational risk and social factors; 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, 2023, and in our other reports filed with the SEC.

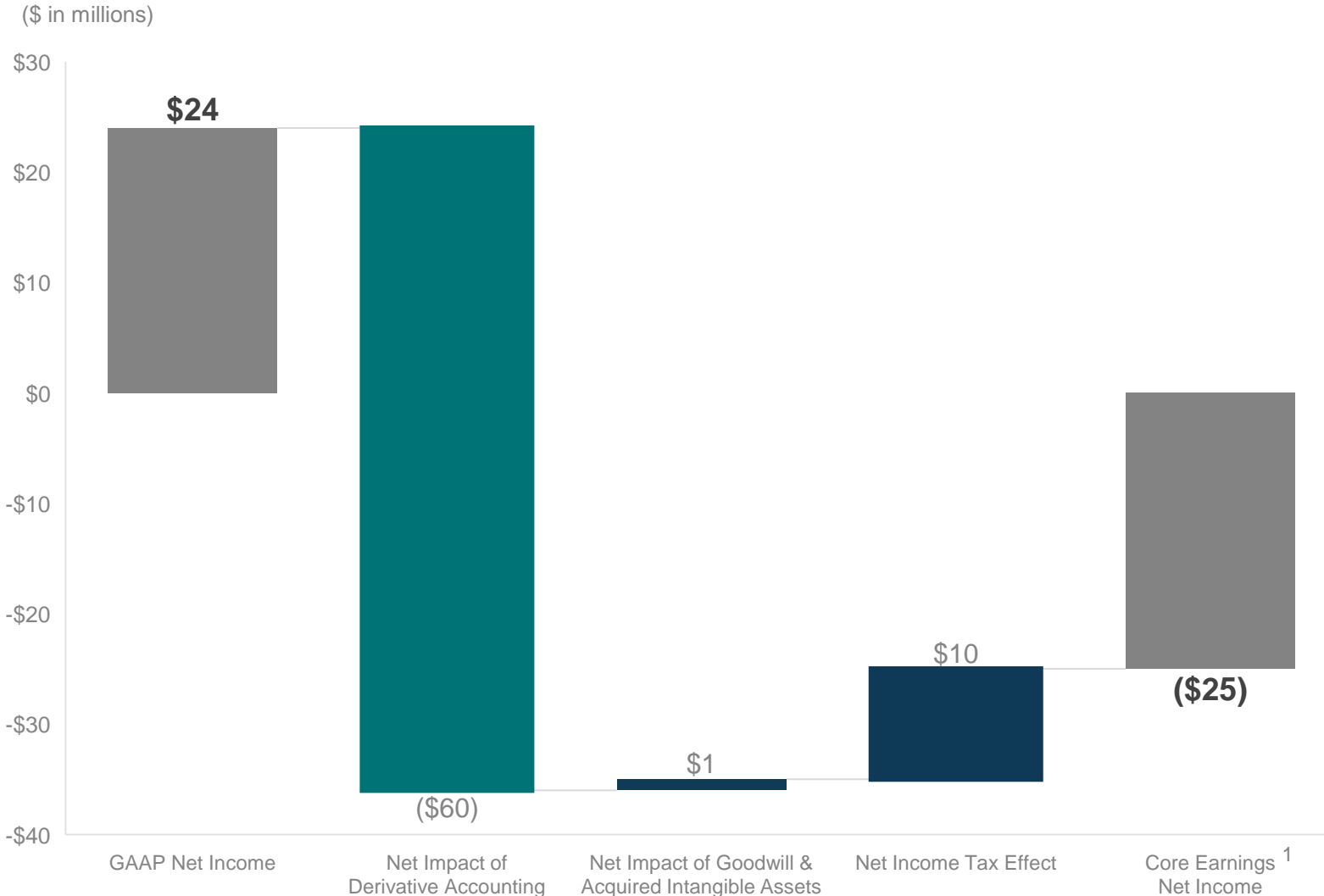
The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect and actual results could differ materially. All forward-looking 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 fourth quarter 2024 earnings release and pages 11 – 12 of this presentation for a complete reconciliation between GAAP net income and Core Earnings.

Differences Between GAAP and Core Earnings

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended		Years Ended	
	Dec. 31, 2024	Dec. 31, 2023	2024	2023
GAAP net income (loss)	\$24	\$(28)	\$131	\$228
Net impact of derivative accounting	(60)	66	(33)	73
Net impact of goodwill and acquired intangible assets	1	3	146	10
Net income tax effect	10	(17)	(23)	(8)
Total Core Earnings adjustments to GAAP	(49)	52	90	75
Core Earnings net income (loss) ¹	\$(25)	\$24	\$221	\$303

4Q 2024 GAAP to Core Earnings

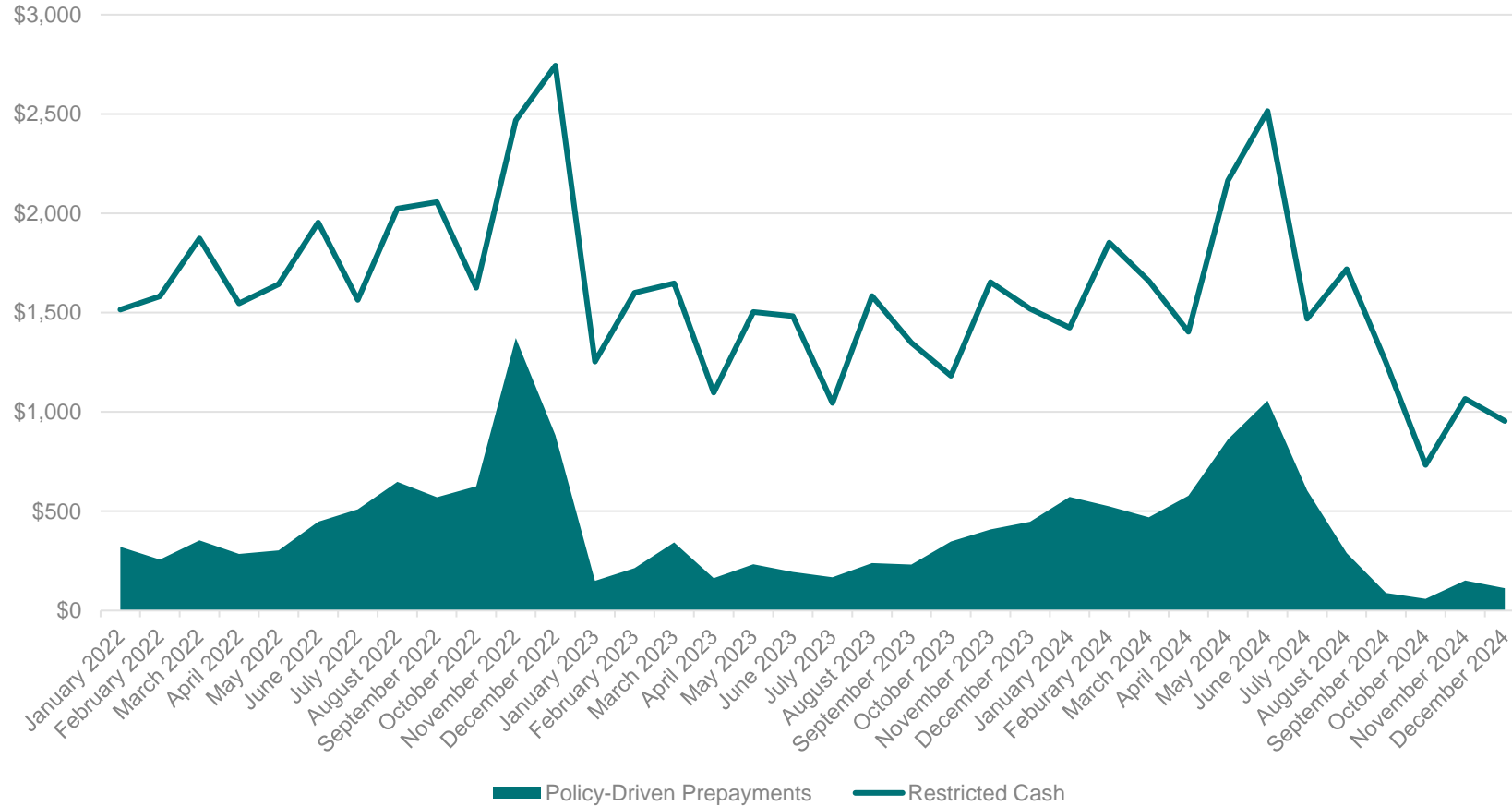


- We evaluate our business segments on a basis that differs from GAAP
- We refer to this different basis as Core Earnings¹
- The two items we remove to result in Core Earnings are:
 - mark-to-market gains/losses from our use of derivative instruments that:
 - hedge economic risks that do not qualify for hedge accounting treatment, or
 - do qualify for hedge accounting treatment but result in ineffectiveness
 - the accounting for goodwill and acquired intangible assets

Appendix

FFELP Prepayments Accelerate Cash Flow

There is a short term lag between when loan prepayments occur and when the cash received is applied to Asset Backed Securitization debt paydowns.



Policy-Driven Prepayments represent the loan prepayments that are believed to have been catalyzed by Department of Education programs and/or other government policy. Policy-Driven Prepayments represent loans that have consolidated to the Direct Consolidation Loan program as well as non-defaulted loans repaid by guarantors by direction of the Department of Education. Policy-Driven Prepayments exclude defaulted loans repaid by guarantors, full and partial voluntary prepayments, and other activity. Restricted Cash represents the month-end balance of restricted cash related to the FFELP portfolio; periodic balance fluctuations result from trust distributions.

- **The Impacts of FFELP Loan Prepayments**
 - Loan prepayments accelerate loan principal cash flows
 - The immediate impact is to increase restricted cash
 - Restricted cash from loan prepayments is generally applied with a short time lag to pay down ABS debt with excess distributed to Navient, typically
 - FFELP loan prepayments accelerate loan premium amortization. Loan premium amortization is a non-cash expense that does not impact current period or future life-of-loan cash flows.

Loan Portfolio Cash Flows Greater than Debt Outstanding

- Projected loan portfolio cash flows as of December 31, 2024
 - Principally securitization trust distributions
 - Net interest income
 - Servicing fees
 - Return of initial equity

Cash Flow Projections ²

(\$ in millions)

	Total	2025	2026	2027	2028	2029	2030 - 2043
Loan Cash Flows Net of Secured Financing	\$ 11,881	\$ 1,112	\$ 1,351	\$ 1,271	\$ 1,187	\$ 1,074	\$ 6,182
Maturities of Unsecured Debt Principal	(5,387)	(553)	(525)	(703)	(517)	(951)	(2,138)
Cash Flow After Debt Repayment	\$ 6,494	\$ 559	\$ 826	\$ 568	\$ 670	\$ 123	\$ 4,044

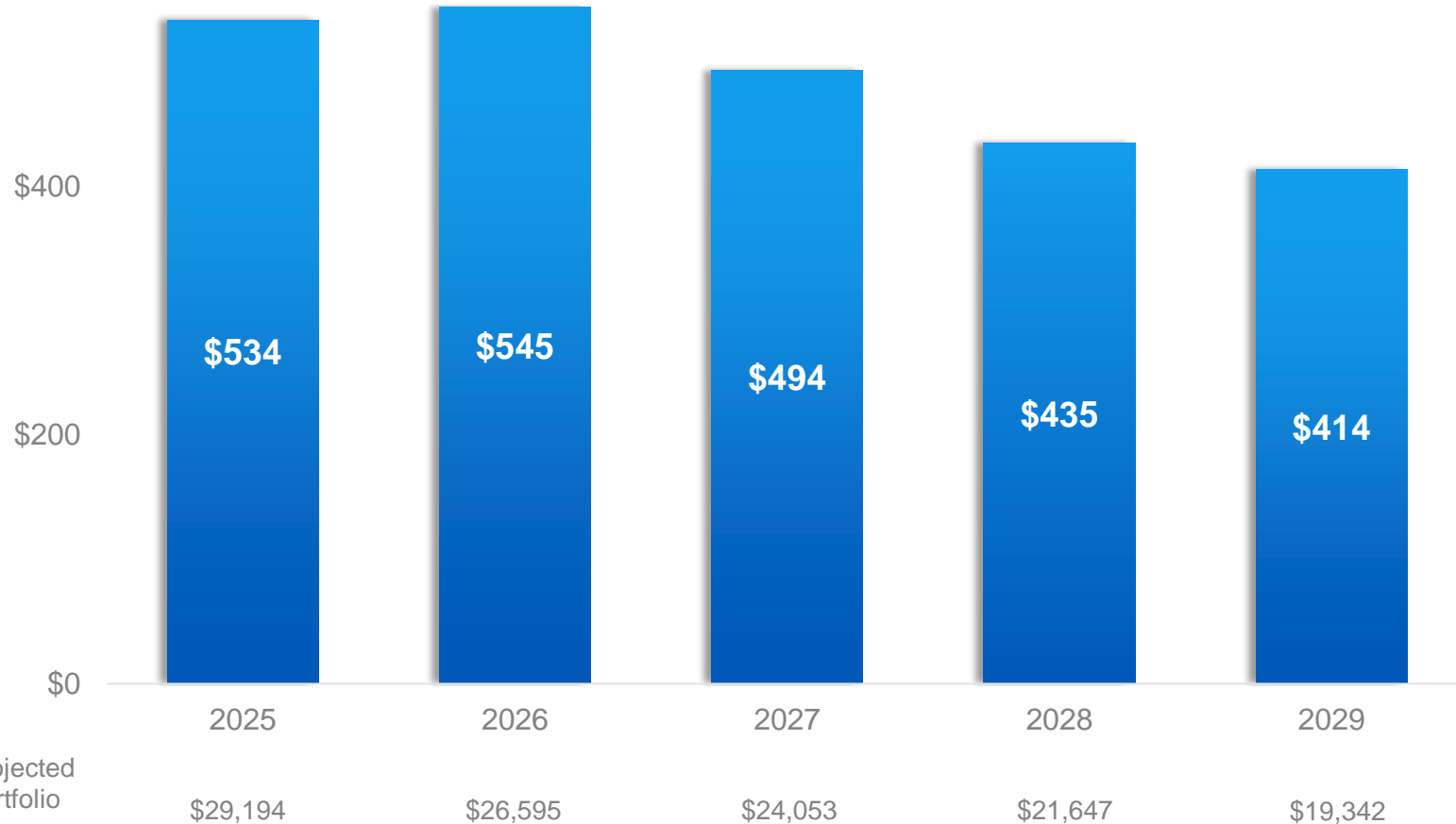
- Total projected loan portfolio undiscounted cash flows after repayment of secured financings are \$11.9 billion over next 20 years
- Secured financings include asset backed securities and secured funding facilities
- Total unsecured debt principal outstanding is \$5.4 billion as end of 4Q24
- Approximately 50% of lifetime loan cash flows net of secured financing expected to be received in next 5 years

As of December 31, 2024, Navient held \$722 million of unrestricted corporate cash which is not reflected in the table above. Unsecured debt interest and overhead costs are not reflected in the table above. Cash flow projections assume the CPRs disclosed on pages 16 – 17 of this presentation.

Federal Education Loans – Overview

(\$ in millions)

5-Year Projected Annual FFELP Cash Flows ²



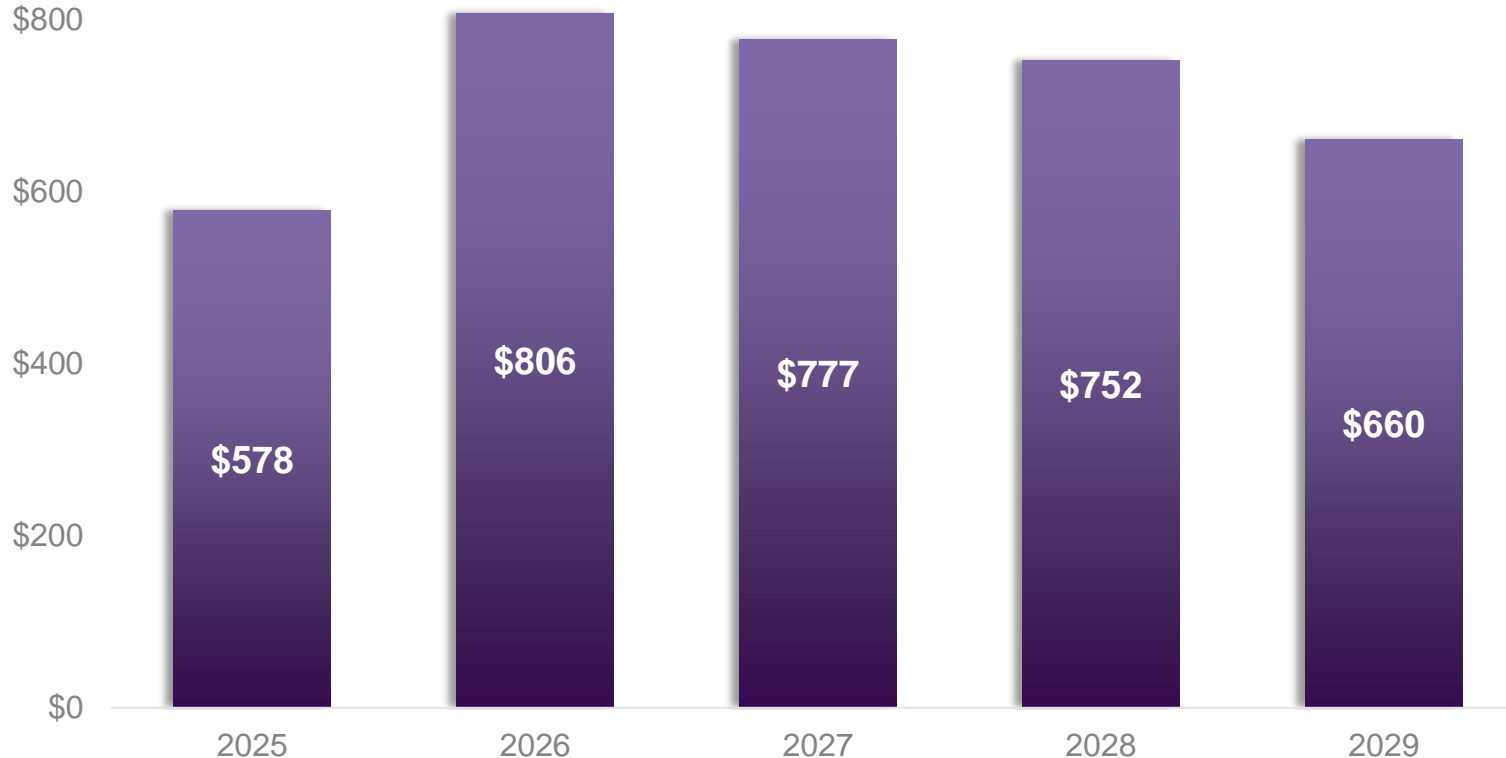
The cash flows reported above include revenue from excess spread and servicing from secured financings. Such servicing revenue is projected to be \$129 million in 2025, \$119 million in 2026, \$109 million in 2027, \$100 million in 2028, and \$92 million in 2029.³

- FFELP portfolio of \$31 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 7% for Stafford Loans and 5% for Consolidation Loans
- Undiscounted projected cash flows are:
 - \$2.4 billion through end of 2029
 - \$5.7 billion over next 20 years

Consumer Lending – Overview

(\$ in millions)

5-Year Projected Annual Private Education Cash Flows ²

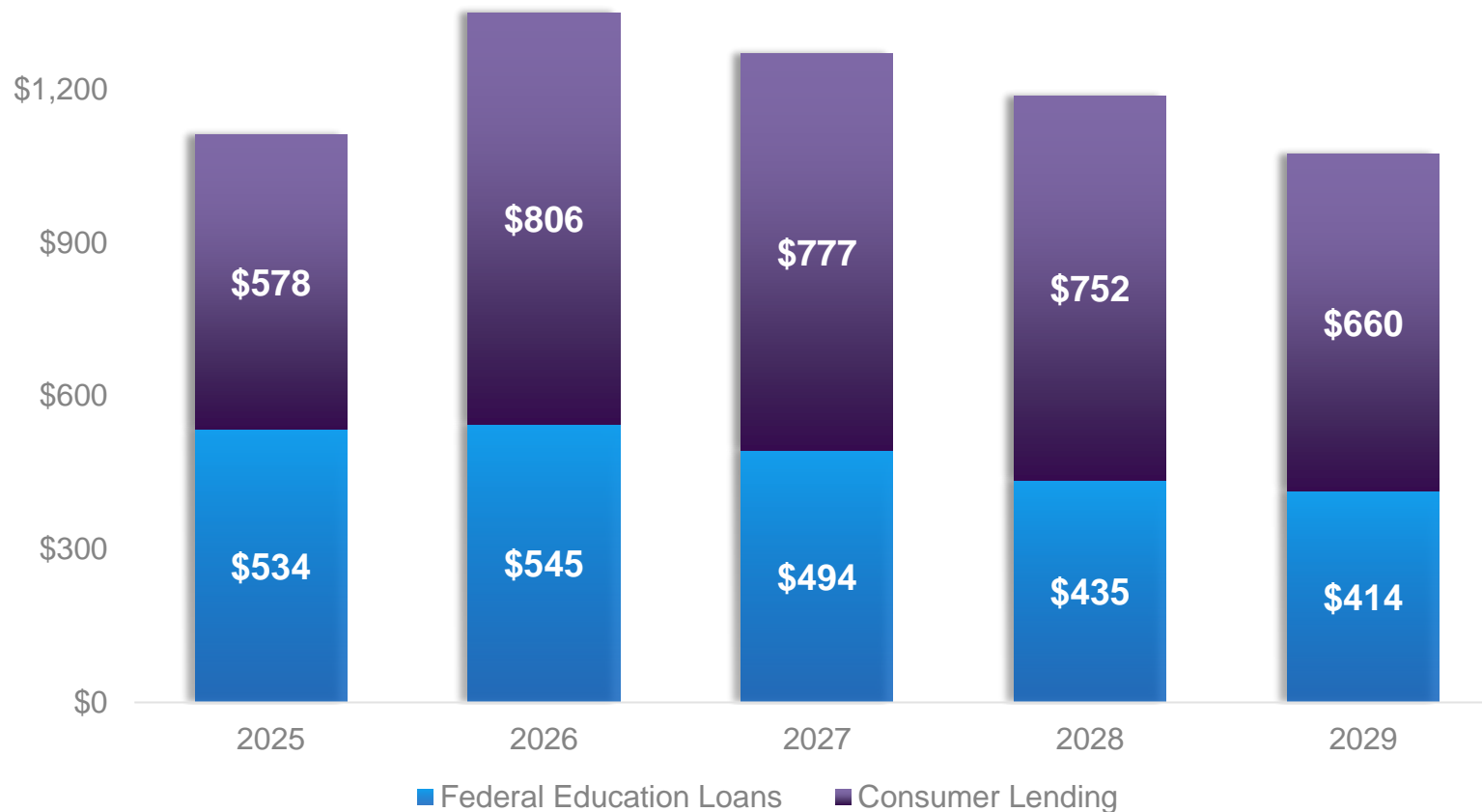


- Private Education Loan portfolio of \$16 billion
 - Refinance education loan originations since 2017
 - In-school loan originations starting in 2019 and the seasoned loan portfolio
- Holding equity capital against portfolio:
 - 5% for refi loans
 - 10% for new in-school loans
 - 8% for seasoned loans
- Projected cash flows from this portfolio are based on:
 - cash flows from loans net of secured financing costs
 - assumed Constant Prepayment Rate of 10%
 - projections of future loan originations cash flows are not included
- Undiscounted projected cash flows are:
 - \$3.6 billion through end of 2029
 - \$6.3 billion over 20 years

Total Education Loan Portfolio – Projected Cash Flows

(\$ in millions)

5-Year Projected Annual Education Portfolio Cash Flows ²



- Total Education Loan portfolio of \$47 billion, undiscounted projected cash flows are:
 - \$6.0 billion through end of 2029
 - \$11.9 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

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.

- Refinanced more than \$23 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 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](https://www.navient.com/social-responsibility).

Team engagement, development and inclusion

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

- 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**

- Details of the strategic update announced January 2024
- For a primer on Navient, refer to the 2nd Quarter 2023 Earnings Presentation
- Archived webcasts, transcripts and investor presentations

Footnotes

1. Item is a Non-GAAP Financial Measure. 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; for further detail and reconciliations, see pages 11 – 12 of this presentation and pages 18 – 28 of Navient's fourth quarter 2024 earnings release:

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.

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).

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.

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.

2. Projections are based on internal estimates and assumptions and are subject to ongoing review and modification. Education loan portfolio projections are forecasted as of the end of the quarter using a SOFR forward curve, are agnostic to timing discrepancies, and assume funding spreads remain static. These projections may prove to be incorrect.
3. Projections of servicing revenue are of secured FFELP on a go-forward basis. These projections are based on internal estimates and assumptions and are subject to ongoing review and modification. These projections may prove to be incorrect.



NAVIENT®