



ABS East 2022 - Investor Presentation

October 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 17-19 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.



NAVIENT®

Navient provides technology-enabled education finance and business processing solutions that simplify complex programs and help millions of people achieve success

Our customer-focused, data-driven services deliver exceptional results for clients in education, health care and government

Originations Franchise and Existing Loan Portfolio Generate Significant Cash Flows

- ✓ Our originations platform with its low-cost to acquire model generates highly accretive loans
- ✓ Education loan portfolios will generate predictable and stable cash flows over 20+ years

Leveraging Our Scalable Technology Platform to Deliver Value

- ✓ Through our technology enhanced operating model, we continue to deliver solutions to our customers
- ✓ Optimized scale and infrastructure leave us well positioned for continued EBITDA growth

Disciplined Expense Management & Prudent Capital Allocation

- ✓ We drive efficiency through the continuous use of data and analytics to drive simplification and automation
- ✓ Focused on maintaining our dividend and returning excess capital to shareholders

Executing on our long-term value-creation strategy and utilizing our core strengths



Building Value and Driving Meaningful Returns

Since 2014 Separation ¹

<p>Loan Originations</p>	<p>✓ Our competitive franchise, with its highly attractive return profile, leverages our core expertise to drive profits and growth</p>	<p>Originated nearly \$20 billion Private Education Loans</p>
<p>Loan Portfolios and Corporate Acquisitions</p>	<p>✓ Accretive, high-return portfolio acquisitions, and capital-lite fee businesses generate organic income</p>	<p>Acquired \$50 billion of total Education Loans</p>
<p>Dividends</p>	<p>✓ Consistent quarterly distributions since separation</p>	<p>Paid \$1.4 billion in dividends</p>
<p>Share Repurchase</p>	<p>✓ Since separation, repurchased over 70% of outstanding shares, with \$780 million of repurchase authority remaining ²</p>	<p>Repurchased \$4.4 billion of Navient shares</p>
<p>Reduce Unsecured Debt</p>	<p>✓ Optimizing capital structure and return profile, ensuring ongoing access to unsecured debt markets</p>	<p>Reduced unsecured debt by nearly \$10.2 billion</p>

Total Payout Ratio nearly 115% since Separation

All data as of Q2 2022; Payout ratio shown on the basis of Adjusted Core Earnings, a non-GAAP financial measure.

¹ Separation values are as reported 6/30/2014.

² On December 10, 2021, Navient announced a new share repurchase program for up to \$1 billion of stock.



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 17 - 19 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

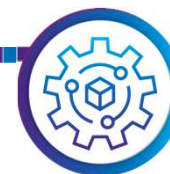
(\$ In millions)	Q2 22	Q1 22	Q2 21
Segment net interest margin	2.66%	2.80%	2.95%
Private Education Loans			
Provision for loan losses	\$18	\$16	(\$1)
Charge-offs	\$70	\$69	\$35
Annualized charge-off rate	1.40%	1.38%	0.71%
Greater than 30-days delinquency rate	4.1%	4.0%	2.6%
Greater than 90-days delinquency 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 17 - 19 for a description and reconciliation.





Federal Student Loan Forgiveness

- On August 24th, the Biden Administration and the U.S. Department of Education (“ED”) announced a three-part plan* to provide student debt relief to student loan borrowers. The plan continues to evolve since the announcement. Currently, final details have not been released and the plan remains a work in progress at ED. Multiple lawsuits have been filed against the plan.
- According to FSA.gov:
 - **Eligible loans:** Only Federal Direct Loans and Federal Family Education Loan Program Loans (“FFELP”) loans held by ED.
 - **Federal Direct Loans** - created by the Student Loan Reform Act of 1993 represents 100% of all federal loan originations since FFELP was terminated in 2010. Federal Direct Loans are funded directly by the government.
 - **FFELP** - created in 1965 and terminated in 2010, a public-private partnership program.
 - **Ineligible loans:** Commercially-held FFELP and private education loan.
- The three broad themes of the Administration's proposal are as follows:
 - **Loan Forgiveness**
 - Before 2023, ED will release the application form for borrowers to complete to benefit from the program
 - Eligible borrowers will be eligible to have up to \$10,000 of student loans forgiven if their income falls below the threshold level (\$125K for single and \$250K for married)
 - Borrowers with Pell Grants may have up to \$20,000 of student loans forgiven, subject to same income threshold
 - **Final extension of loan repayment pause (CARES Act)**
 - The Administration will extend the pause in payments initially instituted as part of the government's COVID relief response a final time through December 31, 2022, with payments resuming in January 2023
 - **Further expansion to income-based repayment program**
 - Require borrowers to pay no more than 5% (down from current 10%) of their discretionary income monthly on undergraduate loans
 - Raise the amount of income that is considered non-discretionary income and therefore is protected from repayment
 - Forgive loans after 10 years of payments (down from current 20) for borrowers with loan balances of \$12,000 or less
 - Cover the borrower's unpaid monthly interest, so that unlike existing income-driven repayment plans, no borrower's loan balance will grow (government will subsidize)

**Subject to change – Terms of the program are still being developed and finalized. The information presented on this slide is as of 9/30/2022.*

FFELP vs. In-School Private Education vs. ReFi Private Education Student Loan Comparison⁽¹⁾

	FFELP	In-School Private Education Student Loans	ReFi Private Education Student Loans
Borrower	Student or Parent	Student or Parent	Student or Parent
Co-Signer	None	Typical	Not Typical
Lender	Eligible banks and private lenders	Banks and other private sector lenders	Banks and other private sector lenders
Loan Interest Rate	Variable ⁽²⁾	Fixed or Variable	Fixed or Variable
Loan Interest Index	LIBOR ⁽²⁾	PRIME, LIBOR or SOFR	LIBOR or SOFR
Guarantee	97-100% of principal and interest by the U.S. Dept. of Education	Not guaranteed by the U.S. Government	Not guaranteed by the U.S. Government
Interest Subsidy/Special Allowance Payments	Paid by the U.S. Dept. of Education	N/A	N/A
Underwriting	Borrower must have no outstanding student loan defaults/bankruptcy	Consumer loan underwriting	Consumer loan underwriting
Pricing	Set by the Higher Education Act	Risk-based	Risk-based
Maximum Amount per Year	\$5,500-\$7,500 for dependent student, based on year in school	Up to the full cost of education, less grants and federal loans	Up to the outstanding principal balance and accrued interest of eligible education debt
Loan Types	Subsidized Stafford/Un-Subsidized Stafford/PLUS/Consol/Rehab	In-School	Refinance
Repayment Term	Up to 30 years, with repayment deferred until after graduation	15 years or more, typically deferred until after graduation	Up to 20 years
Collections	Based on U.S. Dept. of Education regulations	Typical consumer loan collections activities	Typical consumer loan collections activities
Deferment	Permitted	Granted only to students who return to school	Granted only to students who return to school
Forbearance	Permitted	Typically granted for economic hardship, up to maximum of 24 months ⁽³⁾	Typically granted for economic hardship, up to maximum of 12 months ⁽³⁾
Dischargeable in Bankruptcy	Under certain circumstances ⁽⁴⁾	Under certain circumstances ⁽⁴⁾	Under certain circumstances ⁽⁴⁾

(1) Does not include Federal Direct Loan Program.

(2) Loan yield to holder indexed to 91-day T-bill or 1-month LIBOR; loan yield based on LIBOR is expected to transition to SOFR by June 30th, 2023.

(3) Exceptions to forbearance policies are permitted when such exceptions are judged to increase the likelihood of collection of the loan. Forbearance beyond 12 months is granted only in limited circumstances.

(4) Typically non-dischargeable in bankruptcy except under certain circumstances, including a showing of undue hardship.

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FFELP ABS Issuance Characteristics

FFELP ABS Transaction Features

- Issue size of \$500M+
- Senior and subordinate notes
- Amortizing tranches with 1 to 10(+) year average lives
- Fixed rate and floating rate securities
- Compliant with U.S. risk retention regulations
- Navient Solutions, LLC is master servicer

Collateral Characteristics

- Guarantee of underlying collateral insulates bondholders from most risk of loss of principal ¹
- Typically non-dischargeable in bankruptcy except under certain circumstances, including a showing of undue hardship

¹ Principal and accrued interest on underlying FFELP loan collateral carry insurance or guarantee of 97%-100% dependent on origination year and on meeting the servicing requirements of the U.S. Department of Education.



Private Education Loan ABS Issuance Characteristics

Private Education Loan ABS Transaction Features

- Issue size of \$500M+
- Senior and subordinate notes
- Amortizing tranches with 1 to 10 year average lives
- Fixed rate and floating rate securities
- Compliant with U.S. risk retention and, depending on the transaction, with European risk retention
- Navient Solutions, LLC is master servicer

Collateral Characteristics

- Collateralized by loans made to students and parents to fund college tuition, room and board
 - Seasoned assets benefiting from proven payment history
 - Refi assets with strong credit factors including high FICO scores, income, and ability to pay
- Underwritten using a combination of FICO, custom scorecard & judgmental criteria with risk based pricing, debt-to-income, household income, and free cash flow, as applicable
- Typically non-dischargeable in bankruptcy except under certain circumstances, including a showing of undue hardship



Private Education Borrowers

- **Refinance Loans:**

- Using our data and expertise to deploy capital at mid-teens ROE
- Life of loan loss expectation of 1.25% ¹
- Weighted average life of ~3.5 years

Typical Refi Borrower Profile ²

Borrower Age	32
Months since Graduation	71
Education	56% advanced degrees
FICO	762
Income	\$126,936
Monthly Real Free Cash Flow	\$4,133
Original Loan Amount	\$68,464

- **In-School Loans:**

- Using our data and expertise to deploy capital at high-teens ROE
- Life of loan loss expectations of 6% ¹
- Weighted average life of ~8 years

¹ Life of loan loss expectations are on a gross basis.

² Weighted average.



Navient Private Education Trusts

As of the respective cutoff dates for each transaction

2020-2022YTD Issuance Program	Navient																	
	NAV 20-A	NAV 20-B	NAV 20-C	NAV 20-D	NAV 20-E	NAV 20-F	NAV 20-G	NAV 20-H	NAV 20-I	NAV 21-A	NAV 21-B	NAV 21-C	NAV 21-D	NAV 21-E	NAV 21-F	NAV 21-G	NAV 22-A	NAV 22-B
Bond Amount (\$mil)	620	712	546	808	499	781	786	955	604	818	1,007	1,093	558	1,019	991	1,011	952	715
Initial AAA Enhancement (%)	23%	10%	24%	10%	10%	10%	8%	11%	18%	8%	9%	9%	26%	8%	7%	9%	9%	16%
Initial Enhancement (%)	13%	4%	12%	3%	3%	3%	3%	4%	10%	3%	2%	2%	3%	2%	2%	4%	5%	11%
Loan Program (%)																		
Signature/Law/MBA/Med	36%	0%	84%	0%	0%	0%	0%	0%	53%	0%	0%	0%	30%	0%	0%	0%	0%	0%
Smart Option	52%	0%	0%	0%	0%	0%	0%	0%	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Consolidation	3%	0%	1%	0%	0%	0%	0%	0%	9%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Private Education Refi	0%	100%	0%	100%	100%	100%	100%	100%	0%	100%	100%	100%	0%	100%	100%	100%	100%	100%
Direct to Consumer	9%	0%	11%	0%	0%	0%	0%	0%	7%	0%	0%	0%	68%	0%	0%	0%	0%	0%
Career Training	0%	0%	4%	0%	0%	0%	0%	0%	*	0%	0%	0%	1%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Payment Status																		
School, Grace, Deferment	10%	*	6%	*	1%	*	*	*	7%	*	*	*	5%	*	*	*	*	*
Repayment	88%	100%	92%	97%	95%	96%	97%	100%	89%	100%	100%	100%	89%	100%	100%	100%	100%	100%
Forbearance	2%	*	2%	3%	4%	4%	3%	*	4%	*	*	*	6%	*	*	*	*	*
WA Term to Maturity (Mo.)	148	145	166	140	135	141	141	132	161	136	139	141	186	144	150	151	155	153
WA Months in Repayment (Mo.)	86	-	81	-	135	-	-	-	95	-	-	-	-	-	-	-	-	-
% Loans with Cosigner	79%	0%	76%	0%	0%	0%	0%	0%	77%	0%	0%	0%	53%	0%	0%	0%	0%	0%
% Loans with No Cosigner	21%	100%	24%	100%	100%	100%	100%	100%	23%	100%	100%	100%	47%	100%	100%	100%	100%	100%
WA FICO at Origination	735	760	737	763	781	763	764	777	733	774	773	771	660	768	767	766	763	758
WA Recent FICO at Issuance	741	-	741	-	-	-	-	-	741	-	-	-	706	-	-	-	-	-
WA FICO (Cosigner at Origination)	744	-	746	-	-	-	-	-	743	-	-	-	672	-	-	-	-	-
WA FICO (Cosigner at Rescored)	749	-	751	-	-	-	-	-	751	-	-	-	714	-	-	-	-	-
WA FICO (Borrower at Origination)	701	760	709	763	781	763	764	777	701	774	773	771	647	768	767	766	763	758
WA FICO (Borrower at Rescored)	710	-	709	-	-	-	-	-	710	-	-	-	698	-	-	-	-	-
WA Gross Borrower Coupon ⁽¹⁾	5.18%	4.84%	6.69%	4.75%	5.23%	4.78%	4.82%	3.62%	6.21%	4.08%	2.84%	2.97%	8.41%	3.90%	3.93%	3.81%	3.92%	4.19%

(1) Represents the WA Libor Equivalent Margin for legacy collateral transactions. Assumes Prime / 1 month LIBOR spread of 3.00% for transactions with Prime collateral.

* Represents a percentage greater than 0% but less than 0.5%.

Navient Continues to Advance Environmental, Social and Governance Initiatives

Social Initiatives

Community partnerships

- National partnership with Boys & Girls Clubs of America to bring career and college planning resources to support equity for youth, including those from under-resourced communities

Customer initiatives

- Advocacy to improve the education finance system in America
- Tools and resources to help people successfully manage their student loans and develop healthy credit habits
- Supported 4.6 million people to become student loan debt free over the last decade.

Philanthropy

- Giving in our communities through employee-led fundraising and the Navient Community Fund
- Up to four hours of paid time off per month for employees to volunteer in their communities

Employee programs

- Inclusion, Diversity & Equity Council
- Employee Resource Groups
- Award-winning employee training and development opportunities such as Leadership Development Program

Environmental Initiatives

- Ongoing efforts to reduce already low carbon footprint
- Enterprise-wide emphasis on electronic communications to support enhanced customer experience and reduce environmental impact and cost
- Energy-efficient buildings and systems
- Flexible work options and use of technology that can reduce commuting, travel and office footprint
- Participant in the Carbon Disclosure Project (CDP)

Governance Initiatives

- Strong focus on shareholder rights, including majority voting, proxy access and annual election for board members
- Adoption of governance best practices, board refreshment policies, annual board and committee assessments
- Emphasis on board diversity—Navient’s Board of Directors has been recognized for board diversity by Women’s Forum of New York, Forum of Executive Women and New York Stock Exchange Governance Services
- Long-term compensation incentive metrics designed to promote growth and sustainable profitability
- Robust risk and compliance oversight framework

Learn more in our Corporate Social Responsibility Report at about.navient.com/Social-Responsibility



Navient Corporation Appendix



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:

- 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 39 of this presentation and pages 18 - 28 of Navient's second quarter 2022 earnings release.
- 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:

$$\begin{array}{l}
 \text{Q2 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$136^{(1)}}{(\$2,927 + 2,824 + \$2,596 + \$2,723) / 4} = 20\%^{(2)} \\
 \\
 \text{Q2 YTD 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$274^{(1)}}{(\$2,927 + 2,824 + \$2,596 + \$2,723) / 4} = 20\%^{(2)}
 \end{array}$$

- 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:

$$\begin{array}{l}
 \text{Q2 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$188^{(1)}}{\$384} = 49\% \\
 \\
 \text{Q2 YTD 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$392^{(1)}}{\$784} = 50\%
 \end{array}$$

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



Investor Relations Website

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- **NAVI / SLM student loan trust data (Debt/asset backed securities – NAVI / SLM Student Loan Trusts)**
 - 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
- **NAVI / SLM student loan performance by trust – Issue details**
 - Current and historical monthly distribution reports
 - Distribution factors
 - Current rates
 - Prospectus for public transactions and Rule 144A transactions are available through underwriters
- **Additional information (Webcasts and presentations)**
 - Archived and historical webcasts, transcripts and investor presentations
- **Environmental Social Governance (ESG) Information**