

NAVIENT

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# SFVegas 2022 - Investor Presentation

July 2022





# Forward-Looking Statements; Non-GAAP Financial Measures

The following information is current as of March 31, 2022 (unless otherwise noted) and should be read in connection with Navient Corporation's "Navient" Annual Report on Form 10-K for the year ended 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 laws, about our business, 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 severity, magnitude and duration 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;
- 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 loans including prepayments or deferrals in our securitization trusts that could accelerate or delay repayment of the bonds;
- 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; and
- the other factors that are described in the "Risk Factors" section of the 2021 Form 10-K 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 fourth quarter earnings release and pages 20 - 22 of this presentation for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.



# NAVIENT®

**We are the leader in education loan management and business processing solutions for education, healthcare and government clients at the federal, state and local levels**

*We help our clients and millions of Americans achieve financial success through our services and support, leveraging our 45+ years of data, analytics and processing experience and excellence*

## 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





# Federal Education Loans Segment

## “Core Earnings” Basis

### Selected Financial Information and Ratios

(\$ In millions)	Q1 22	Q4 21	Q1 21
Segment net interest margin	1.04	0.99%	0.97%
FFELP Loans:			
Provision for loan losses	\$ -	\$ -	\$ -
Charge-offs	\$7	\$7	\$6
Annualized charge-off rate	0.07%	0.06%	0.06%
Greater than 30-days delinquency rate	13.5%	10.6%	8.3%
Greater than 90-days delinquency rate	6.4%	4.8%	3.5%
Forbearance rate	12.9%	12.4%	15.5%
Average FFELP Loans	52,258	53,960	\$58,078
Operating Expense	\$28	\$52	\$63
Net Income	\$107	\$108	\$112
Total federal loans serviced (billions) <sup>1</sup>	\$59	\$61	\$285

<sup>1</sup> As of March 31, 2022, we serviced \$59 billion in FFELP (federally guaranteed) loans.

### 1<sup>st</sup> Quarter 2022 Highlights

#### Federal Education

**Q1 22 Net Interest Margin: 104 basis points**  
**Q1 22 Annualized Charge-off Rate: 7 basis points**

- Successful risk management and hedging strategies reflected in Net Interest Margin that increased to 1.04% from 0.97%
- FFELP Loan delinquency rate increased to 13.5% from 8.3%, as borrowers return to repayment
- Forbearance rate decreased to 12.9% from 15.5%
- Annualized charge-off rate increased to 0.07% from 0.06%
- Operating expense declined to \$28 million from \$63 million





# Consumer Lending Segment “Core Earnings” Basis

## Selected Financial Information and Ratios

(\$ In millions)	Q1 22	Q4 21	Q1 21
Segment net interest margin	2.80%	2.76%	2.99%
Private Education Loans			
Provision for loan losses	\$16	\$5	\$(87)
Charge-offs	\$69	\$44	\$35
Annualized charge-off rate	1.38%	0.87%	0.68%
Greater than 30-days delinquency rate	4.0%	3.2%	2.3%
Greater than 90-days delinquency rate	1.6%	1.5%	0.9%
Forbearance rate	2.0%	2.6%	3.9%
Average Private Education Loans	\$21,157	\$21,106	\$22,143
Operating Expense	\$35	\$37	\$41
Net Income	\$79	\$89	\$234

## 1<sup>st</sup> Quarter 2022 Highlights

### Consumer Lending

**Q1 22 Net Interest Margin: 280 basis points**  
**Q1 22 Annualized Charge-off Rate : 138 basis points**

- Originated \$966 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 2.80% driven by lower interest reserves
- Delinquency rate remains below pre-pandemic levels
  - Delinquencies increased to 4.0% from 2.3%
- Charge-off rate remains below pre-pandemic levels
  - Annualized charge-off rate increased to 1.38% from 0.68%





# Business Processing Segment

## “Core Earnings” Basis

### Selected Financial Information and Ratios

(\$ In millions)	Q1 22	Q4 21	Q1 21
Government Services	\$49	\$54	\$63
Healthcare RCM Services	\$45	\$57	\$62
<b>Total Business Processing Revenue</b>	<b>\$94</b>	<b>\$111</b>	<b>\$125</b>
Operating Expenses	\$76	\$90	\$91
EBITDA <sup>1</sup>	\$19	\$23	\$36
EBITDA Margin <sup>1</sup>	20%	20%	29%
<b>Net Income</b>	<b>\$14</b>	<b>\$17</b>	<b>\$26</b>

### 1<sup>st</sup> Quarter 2022 Highlights

#### Business Processing

**Q1 22 EBITDA Margin <sup>1</sup>: 20%**

- Revenue of \$94 million, as pandemic related contracts continue to winddown and were partially offset by increased revenue from traditional services
- EBITDA <sup>1</sup> of 20% driven by an optimized cost structure and a company-wide commitment to efficiency

- **Capital-light strategy** leverages our data-driven platform, generating **durable risk-adjusted returns**
- **Technology enabled back-office infrastructure** allows Navient to **win new clients** in our areas of expertise
- **Consistent performance** on COVID-19 related contracts have **solidified or industry standing**

<sup>1</sup> Item is a non-GAAP financial measure. See pages 20 - 22 for a description and reconciliation.



# Originating Education Loans is an Attractive Opportunity

## Sizable Market With Attractive Yields <sup>1</sup>

Estimated Total Market Annual Originations <sup>2</sup> and Yields (\$'s in billions)

- Grad PLUS
- In-School Private Education Loans
- Private Education Refinance Loans



## Leveraging Our Existing Infrastructure to Generate Value

- **Private Education Refinance Loans:**
  - Using our data and expertise to deploy capital at mid-teens ROE
  - Life of loan loss expectation of 1.25% <sup>3</sup>
  - Weighted average life of ~3.5 years
- **In-School Private Education Loans:**
  - Using our data and expertise to deploy capital at high-teens ROE
  - Life of loan loss expectations of 6% <sup>3</sup>
  - Weighted average life of ~8 years

## Typical Refi Borrower Profile <sup>4</sup>

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

<sup>1</sup> Source: Navient estimates for total originations based on third party filings and "Jennifer Ma, Matea Pender, and CJ Libassi (2021), Trends in Student Aid 2021, New York: The College Board"; Navient estimates for average yields based on FSA Data Center and third-party company filings.

<sup>2</sup> Navient expects the refinance loan market to contract by approximately 50% in 2022, due to the extension of the cares act.

<sup>3</sup> Life of loan loss expectations are on a gross basis.

<sup>4</sup> Weighted average.



# Funding & Liquidity





# Secured Funding

Navient is an active ABS issuer.

- \$1.6B YTD ABS issuance in 2022

2020 YE ABS Issuance (\$'s in Millions)			
1	GM Financial	\$13,632	Auto
2	Ford	\$12,018	Auto
3	Santander	\$11,101	Auto
4	<b>Navient</b>	<b>\$7,859</b>	<b>Student Loan</b>
5	Toyota	\$7,359	Auto

2021 YE ABS Issuance (\$'s in millions)			
1	Santander	\$18,634	Auto
2	GM Financial	\$13,413	Auto
3	Toyota	\$10,832	Auto
4	<b>Navient</b>	<b>\$9,503</b>	<b>Student Loan</b>
5	Nelnet	\$7,714	Student Loan





# 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

# Private Education Loan ABS Transactions

	NAVSL 2022-B					NAVSL 2022-A				
<b>Pricing Date:</b> <b>Settlement Date:</b>	May 17, 2022 May 25, 2022					February 1, 2022 February 10, 2022				
<b>Issuance Amount:</b>	\$714,600,000					\$951,900,000				
<b>Collateral:</b>	Private Education Refi Loans					Private Education Refi Loans				
<b>Prepayment Speed <sup>1</sup>:</b>	20% CPR					20% CPR				
<b>Tranching:</b>	<b>Class</b>	<b>Ratings (D/M) <sup>2</sup></b>	<b>Amt (\$M)</b>	<b>WAL <sup>3</sup></b>	<b>Pricing <sup>3</sup></b>	<b>Class</b>	<b>Ratings (D/M) <sup>2</sup></b>	<b>Amt (\$M)</b>	<b>WAL <sup>3</sup></b>	<b>Pricing <sup>3</sup></b>
	A	AAA/Aaa	\$678	2.42	I-CRV + 1.45%	A	AAA/Aaa	\$913	2.49	Swaps + 0.83%
	B	AA/NR	\$37	6.72	I-CRV + 2.00%	B	AA/NR	\$39	6.51	Swaps + 1.30%

<sup>1</sup> Constant Repayment Rate (CPR) estimated based on a variety of assumptions concerning loan repayment behavior.

<sup>2</sup> Represents ratings by DBRS (D), Fitch (F) and Moody's (M).

<sup>3</sup> Weighted Average Life (WAL) to the expected call date. Pricing for Fixed Rate securities: pre-April 2022 indexed to LIBOR Swaps and post-April 2022 indexed to United States Treasuries.



# Navient Private Education Loan Programs

	Smart Option	Undergrad/Grad/ Med/Law/MBA	Direct-to-Consumer (DTC)
Origination Channel	School	School	Direct-to-Consumer
Typical Borrower	Student	Student	Student
Typical Co-signer	Parent	Parent	Parent
Typical Loan	\$10k avg orig bal, 10 yr avg term, in-school payments of interest only, \$25 or fully deferred	\$10k avg orig bal, 15 yr term, deferred payments	\$12k avg orig bal, 15 yr term, deferred payments
Origination Period	March 2009 to April 2014	All history through 2014	2004 through 2008
Certification and Disbursement	School certified and disbursed	School certified and disbursed	Borrower self-certified, disbursed to borrower
Borrower Underwriting	FICO, custom credit score model, and judgmental underwriting	Primarily FICO	Primarily FICO
Borrowing Limits	\$200,000	\$100,000 Undergraduate, \$150,000 Graduate	\$130,000
Additional Characteristics	<ul style="list-style-type: none"> <li>▶ Made to students and parents primarily through college financial aid offices to fund 2-year, 4-year and graduate school college tuition, room and board</li> <li>▶ Also available on a limited basis to students and parents to fund non-degree granting secondary education, including community college, part time, technical and trade school programs</li> <li>▶ Both Title IV and non-Title IV schools <sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▶ Made to students and parents through college financial aid offices to fund 2-year, 4-year and graduate school college tuition, room and board</li> <li>▶ Signature, Excel, Law, Med and MBA Loan brands</li> <li>▶ Title IV schools only <sup>1</sup></li> <li>▶ Freshmen must have a cosigner with limited exceptions</li> <li>▶ Co-signer stability test (minimum 3 year repayment history)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Terms and underwriting criteria similar to Undergraduate, Graduate, Med/Law/MBA with primary differences being:                             <ul style="list-style-type: none"> <li>- Marketing channel</li> <li>- No school certification</li> <li>- Disbursement of proceeds directly to borrower</li> </ul> </li> <li>▶ Title IV schools only <sup>1</sup></li> <li>▶ Freshmen must have a co-signer with limited exceptions</li> <li>▶ Co-signer stability test (minimum 3 year repayment history)</li> </ul>

<sup>1</sup> Title IV Institutions are post-secondary institutions that have a written agreement with the Secretary of Education that allows the institution to participate in any of the Title IV federal student financial assistance programs and the National Early Intervention Scholarship and Partnership (NEISP) programs.

# Navient Private Education Loan Programs

	Consolidation (Legacy)	Private Education Refi	Private Education Origination (In-School)
Origination Channel	Lender	Lender	School
Typical Borrower	College Graduates	College Graduates & Select Non-Graduates	Student
Typical Co-signer	Parent	Parent	Parent
Typical Loan	\$43k avg orig bal, 15-30 year term depending on balance, immediate repayment	\$50k-75k avg orig bal, 5-20 year term depending on balance, immediate repayment	\$15k avg orig bal, 5-15 year term, in-school payments of immediate repayment, interest only, \$25 or fully deferred
Origination Period	2006 through 2008	2014 through current	April 2019 through current
Certification and Disbursement	Proceeds to lender to pay off loans being consolidated	Proceeds to lender to pay off loans being consolidated	School certified and disbursed
Borrower Underwriting	FICO and Debt-to-Income	FICO, Debt-to-Income, Income, Free Cash Flow (as applicable)	FICO, Debt-to-Income, Income, Free Cash Flow (as applicable)
Borrowing Limits	\$400,000	Maximum \$550,000	Up to total cost of attendance Private Aggregate Loan Limit of \$250,000
Additional Characteristics	<ul style="list-style-type: none"> <li>▶ Loans made to students and parents to refinance one or more private education loans</li> <li>▶ Student must provide proof of graduation in order to obtain loan</li> </ul>	<ul style="list-style-type: none"> <li>▶ Loans made to high FICO / high income customers with positive free cash flow and/or established credit profiles</li> </ul>	<ul style="list-style-type: none"> <li>▶ Made to students/cosigners with high FICO / high income / positive free cash flow and/or established credit profiles, to fund 4-year and graduate school college tuition, room and board</li> <li>▶ 9-month grace period after graduation</li> <li>▶ Title IV and non-profit schools only</li> </ul>

<sup>1</sup> Title IV Institutions are post-secondary institutions that have a written agreement with the Secretary of Education that allows the institution to participate in any of the Title IV federal student financial assistance programs and the National Early Intervention Scholarship and Partnership (NEISP) programs.



# 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 <sup>1</sup>
- Typically non-dischargeable in bankruptcy

<sup>1</sup> 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.



# FFELP ABS Transactions

	NAVSL 2021-3					NAVSL 2021-2				
<b>Pricing Date: Settlement Date:</b>	October 14, 2021 October 28, 2021					April 12, 2021 April 22, 2021				
<b>Issuance Amount:</b>	\$978,500,000					\$1,011,600,000				
<b>Collateral:</b>	U.S. Government Guaranteed FFELP Consolidation and FFELP Non-Consolidation Loans					U.S. Government Guaranteed FFELP Consolidation and FFELP Non-Consolidation Loans				
<b>Prepayment Speed 1:</b>	4% CPR Consolidation / 6% CPR Non-Consolidation					4% CPR Consolidation / 6% CPR Non-Consolidation				
<b>Tranching:</b>	<b>Class</b>	<b>Ratings (D/M/S) 2</b>	<b>Amt. (\$M)</b>	<b>WAL<sup>3</sup></b>	<b>Pricing 3</b>	<b>Class</b>	<b>Ratings (D/M/S) 2</b>	<b>Amt. (\$M)</b>	<b>WAL<sup>3</sup></b>	<b>Pricing 3</b>
	A-1A	AAA/Aaa/AA+	\$600	5.81	Swaps + 0.55%	A-1A	AAA/Aaa/AA+	\$300	5.72	Swaps + 0.55%
	A-1B	AAA/Aaa/AA+	\$365	5.81	1ML + 0.50%	A-1B	AAA/Aaa/AA+	\$697	5.72	1ML + 0.55%
	B	AAA/Aaa/NR	\$14	13.24	1ML + 1.05%	B	AAA/Aaa/NR	\$14	12.76	1ML + 1.35%

<sup>1</sup> Constant Repayment Rate (CPR) estimated based on a variety of assumptions concerning loan repayment behavior.

<sup>2</sup> Represents ratings by DBRS (D), Moody's (M) and S&P (S).

<sup>3</sup> Weighted Average Life (WAL) to the expected call date. Pricing for Fixed Rate securities: pre-April 2022 indexed to LIBOR Swaps and post-April 2022 indexed to United States Treasuries.



# FFELP Loan Program Characteristics

Parameter	Subsidized Stafford	Unsubsidized Stafford	PLUS/Grad PLUS	Consolidation
Borrower	Student	Student	Parents or Graduate Students	Student or Parents
Needs Based	Yes	No	No	N/A
Federal Guarantee of Principal and Accrued Interest	97 - 100%	97 - 100%	97 - 100%	97 - 100%
Interest Subsidy Payments	Yes	No	No	Yes
Special Allowance Payments (SAP)	Yes	Yes	Yes <sup>1</sup>	Yes
Original Repayment Term <sup>2</sup>	120 months	120 months	120 months	Up to 360 months
Aggregate Loan Limit	Undergraduate: \$23,000 Graduate: \$65,500	Undergraduate <sup>3</sup> : \$57,500 Graduate: \$138,500	None	None

<sup>1</sup> Only applies for loans made between July 1, 1987 through January 1, 2000 if cap is reached.

<sup>2</sup> Repayment Term may be extended through various repayment options including Income Driven Repayment plans and Extended Repayment.

<sup>3</sup> Aggregate loan limit for a Dependent Undergraduate is \$31,000.

Note: As of July 1, 2011.





# 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%
<b>Loan Program (%)</b>																		
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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Payment Status</b>																		
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 <sup>(1)</sup>	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 shareholder rights, including majority voting, proxy access and annual election for all 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 its leadership in gender parity by Women’s Forum of New York, 2020 Women on Boards, 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](https://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 40 of this presentation and pages 15 - 23 of Navient’s first 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 Q1 2022 is as follows:

$$\text{Q1 2022} = \frac{\text{Adjusted Core Earnings Net income}}{\text{Average Equity}} = \frac{\$138^{(1)}}{(2,824 + \$2,596 + 2,723 + \$2,701) / 4} = 21\%^{(2)}$$

- 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 Q1 2022 is as follows:

$$\text{Q1 2022} = \frac{\text{Adjusted Core Earnings Expense}}{\text{Adjusted Core Earnings Revenue}} = \frac{\$204^{(1)}}{\$400} = 51\%$$

<sup>1</sup> Excludes \$3 million and \$1 million of net restructuring and regulatory related expenses, respectively, in the first quarter 2022.

<sup>2</sup> 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 of Navient’s first 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 23 of Navient’s first quarter 2022 earnings release.

# Differences Between Core Earnings and GAAP

Core Earnings adjustments to GAAP: (Dollars in Millions)	Quarters Ended		
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
GAAP net income (loss)	\$255	(\$11)	\$370
Net impact of derivative accounting	(159)	(85)	(91)
Net impact of goodwill and acquired intangible assets	4	16	5
Net income tax effect	35	13	21
Total Core Earnings adjustments to GAAP	(120)	(56)	(65)
Core Earnings net income (loss)	\$135	(\$67)	\$305



# Investor Relations Website

**[www.navient.com/investors](http://www.navient.com/investors)**

**[www.navient.com/abs](http://www.navient.com/abs)**

- **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**