PENNYMAC
FINANCIAL SERVICES

2Q22 EARNINGS REPORT

PennyMac Financial Services, Inc.

August 2022

FORWARD-LOOKING STATEMENTS

PENNYMAC FINANCIAL SERVICES

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections and assumptions with respect to, among other things, our financial results, future operations, business plans and investment strategies, as well as industry and market conditions, all of which are subject to change. Words like "believe," "expect," "anticipate," "promise," "project," "plan," and other expressions or words of similar meanings, as well as future or conditional verbs such as "will," "would," "should," "could," or "may" are generally intended to identify forward-looking statements. Actual results and operations for any future period may vary materially from those projected herein and from past results discussed herein. These forward-looking statements include, but are not limited to, statements regarding the future changes in interest rates and prepayment rates; the impact of the COVID- 19 pandemic; future loan origination, servicing and production, including future production and operating expenses; future loan delinquencies and forbearances; future early buyout loans; future custodial balance earnings; future earnings and return on equity as well as other business and financial expectations. Factors which could cause actual results to differ materially from historical results or those anticipated include, but are not limited to: changes in prevailing interest rates; our exposure to risks of loss and disruptions in operations resulting from adverse weather conditions, man-made or natural disasters, climate change and pandemics such as COVID-19; the continually changing federal, state and local laws and regulations applicable to the highly regulated industry in which we operate; lawsuits or governmental actions that may result from any noncompliance with the laws and regulations applicable to our businesses; the mortgage lending and servicing-related regulations promulgated by the Consumer Financial Protection Bureau and its enforcement of these regulations; our dependence on U.S. government-sponsored entities and changes in their current roles or their guarantees or guidelines; changes to government mortgage modification programs; the licensing and operational requirements of states and other jurisdictions applicable to our business, to which our bank competitors are not subject; foreclosure delays and changes in foreclosure practices; changes in macroeconomic and U.S. real estate market conditions; difficulties inherent in adjusting the size of our operations to reflect changes in business levels; purchase opportunities for mortgage servicing rights and our success in winning bids; our substantial amount of indebtedness; the discontinuation of LIBOR; increases in loan delinquencies and defaults; failure to modify, resell or refinance early buyout loans; our reliance on PennyMac Mortgage Investment Trust (NYSE: PMT) as a significant source of financing for, and revenue related to, our mortgage banking business; maintaining sufficient capital and liquidity and compliance with financial covenants; our obligation to indemnify third-party purchasers or repurchase loans if loans that we originate, acquire, service or assist in the fulfillment of, fail to meet certain criteria or characteristics or under other circumstances; our obligation to indemnify PMT if our services fail to meet certain criteria or characteristics or under other circumstances; decreases in the returns on the assets that we select and manage for our clients, and our resulting management and incentive fees; the extensive amount of regulation applicable to our investment management segment; conflicts of interest in allocating our services and investment opportunities among us and our advised entities; the effect of public opinion on our reputation; our ability to effectively identify, manage and hedge our credit, interest rate, prepayment, liquidity and climate risks; our initiation or expansion of new business activities or strategies; our ability to detect misconduct and fraud; our ability to mitigate cybersecurity risks and cyber incidents; our ability to pay dividends to our stockholders; and our organizational structure and certain requirements in our charter documents. You should not place undue reliance on any forward-looking statement and should consider all of the uncertainties and risks described above, as well as those more fully discussed in reports and other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, and the statements made in this presentation are current as of the date of this presentation only.

This presentation contains financial information calculated other than in accordance with U.S. generally accepted accounting principles ("GAAP"), such as pretax income excluding valuation-related items that provide a meaningful perspective on the Company's business results since the Company utilizes this information to evaluate and manage the business. Non-GAAP disclosure has limitations as an analytical tool and should not be viewed as a substitute for financial information determined in accordance with GAAP.

SECOND QUARTER HIGHLIGHTS

2Q22 Results

Net income	Diluted EPS[1]
$129mm	$2.28

Return on equity	Book value per share
15%	$65.38

Capital Return

Shares repurchased	Dividend per common share
2.4mm	$0.20

PRODUCTION

Pretax income	Total loan acquisitions and originations[2]	Consumer direct lock volume	Broker direct lock volume	Government correspondent lock volume
$10mm	$26.7bn	$4.3bn	$2.2bn	$11.3bn

SERVICING

Pretax income	MSR[1] fair value changes and hedging results	MSR fair value changes and hedging impact to EPS	Pretax income excluding valuation-related items[3]	Total servicing portfolio UPB[1][2]
$168mm	$58mm	$0.75	$88mm	$527bn

INVESTMENT MANAGEMENT

Pretax income	Assets under management	Revenue
$0.2mm	$2.1bn	$9.7mm

Note: All figures are for 2Q22 or as of 6/30/22

(1) EPS = earnings per share. MSR = mortgage servicing rights. UPB = unpaid principal balance

(2) Includes volume fulfilled or subserviced for PennyMac Mortgage Investment Trust (NYSE: PMT)

(3) Excludes $233.8 million in MSR fair value gains, $176.0 million in hedging losses and a $21.5 million reversal related to provisions for losses on active loans. See slide 13 for additional details.

ORIGINATION MARKET HAS DECLINED MEANINGFULLY

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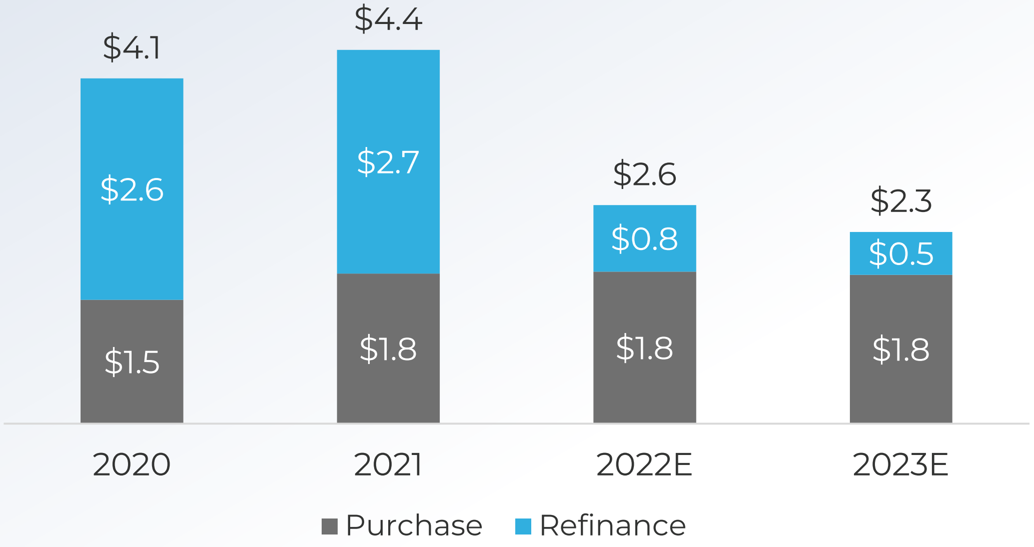
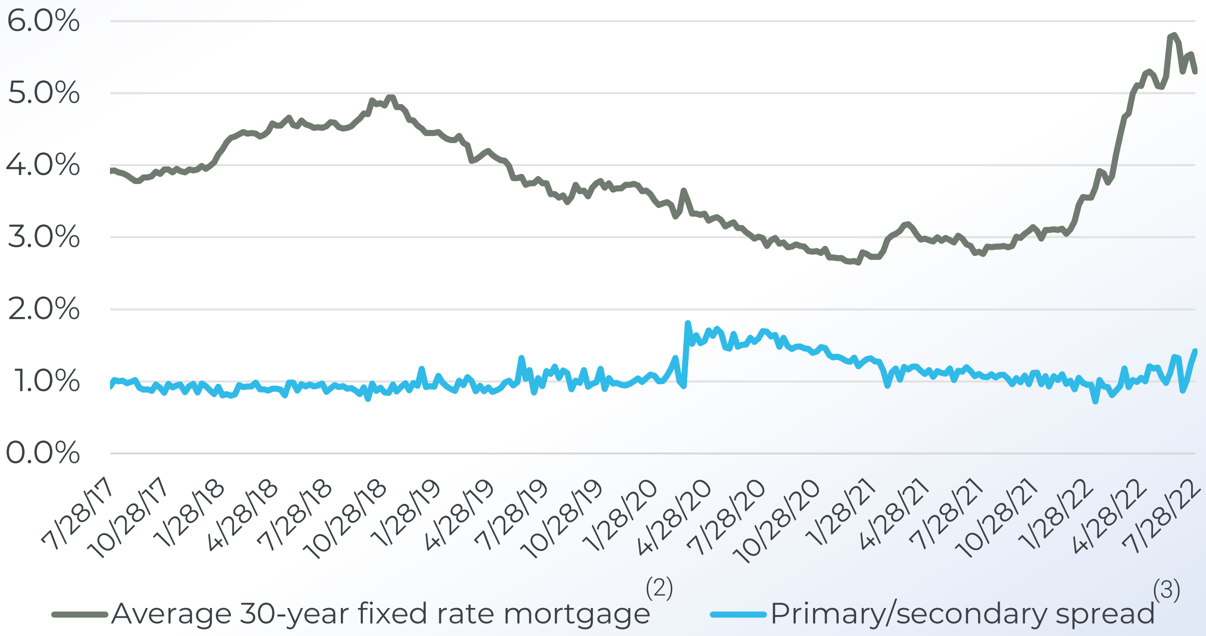
U.S. Mortgage Origination Market[1]
($ in trillions)



Mortgage Rates Have Rapidly Increased



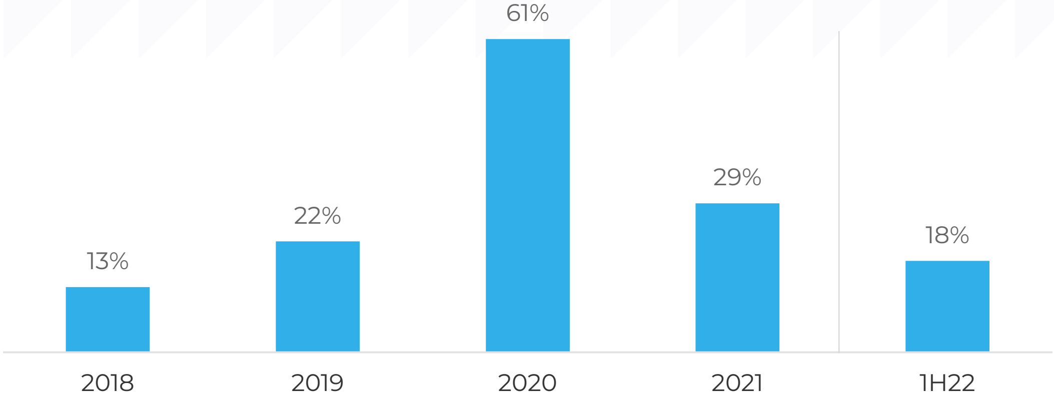
- Third party forecasts for 2022 total originations range from $2.4 trillion to $2.8 trillion, reflecting a substantial decline from 2021's all-time record
  - Excess industry capacity established in recent years is actively being reduced by market participants
- Purchase originations expected to comprise the majority of volume for the next few years
  - Pennymac has historically over-indexed the purchase money market and is one of the largest producers of purchase-money loans in the U.S.[4]

(1) Actual originations: Inside Mortgage Finance. Forecast originations: Average of Mortgage Bankers Association (7/18/22), Fannie Mae (7/11/22), and Freddie Mac (7/20/22) forecasts.
(2) Freddie Mac Primary Mortgage Market Survey 5.30% as of 7/28/22
(3) Bloomberg: Difference between Freddie Mac Primary Mortgage Market Survey and the 30-Year Fannie Mae or Freddie Mac Par Coupon (MTGEFNCL) Index
(4) Inside Mortgage Finance for the 12 months ended 3/31/22. Pennymac collectively refers to PFSI and PMT, a mortgage real estate investment trust listed on the New York Stock Exchange.

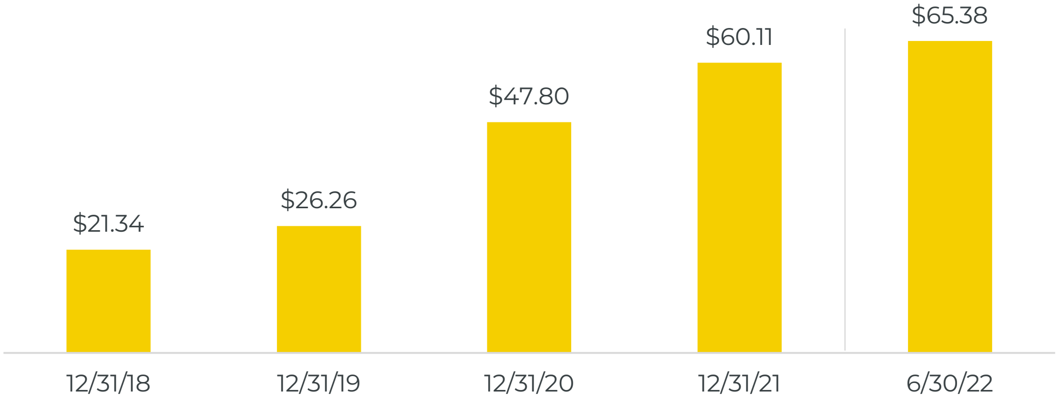
LONG TRACK RECORD OF VALUE CREATION AS A PUBLICLY TRADED COMPANY

- Balanced business model with leadership positions in production and servicing combined with robust risk management disciplines drive profitability in different market environments
- History of delivering strong returns to stockholders over the long-term as returns on equity drive growth in book value per share

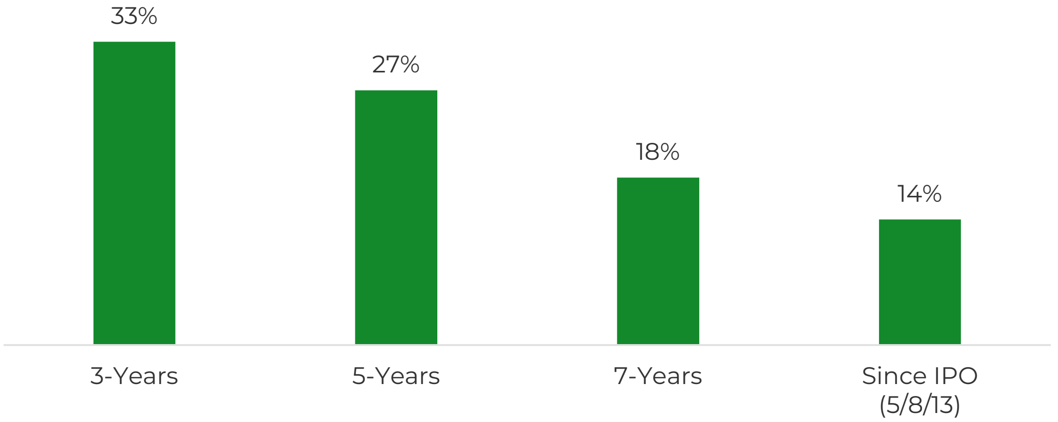
Return on Equity (ROE)



Book Value Per Share of PFSI



Total Annualized Stockholder Returns[1]



As industry capacity adjusts to the contracting mortgage market, PFSI's ROE is projected to trend lower before returning to its pre-COVID range over time

[1] Source: Bloomberg as of July 31, 2022

OPPORTUNITIES IN THE CURRENT MARKET ENVIRONMENT

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Servicing Portfolio Growth

- Continue to leverage Pennymac's low cost structure and position as the largest correspondent aggregator in the U.S. to profitably grow our servicing portfolio
- Greater opportunities to purchase bulk MSR expected to emerge as increased supply comes to market driven by continued pressure on profitability from originations

New Loan Products

- Addressing the changing demands of our 2.2 million servicing portfolio customers
- Introducing new loan products, enabling borrowers to access higher home equity values; recently launched closed-end second lien mortgage loans

Share Repurchases

- Driven by expectations for continued book value growth and return on equity over the medium-term
- Track record of successful capital management over PFSI's long history as a publicly-traded company; repurchased 38% of the outstanding shares since program inception(1)
- Accretive to book value at current price levels

(1) Through July 31, 2022

DISCIPLINED EXPENSE MANAGEMENT A KEY FOCUS FOR PFSI

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Proactive and meaningful steps taken to reduce expenses and capacity to align with lower levels of activity in the current market environment

Compensation

- Reduced production capacity to align with expected mortgage market size
- Identified and implemented additional efficiencies across the enterprise

Marketing

- Decreased spending due to lower expected returns and response in the current higher rate environment

Production

- Highly variable cost structure; production expenses projected to decline with volumes

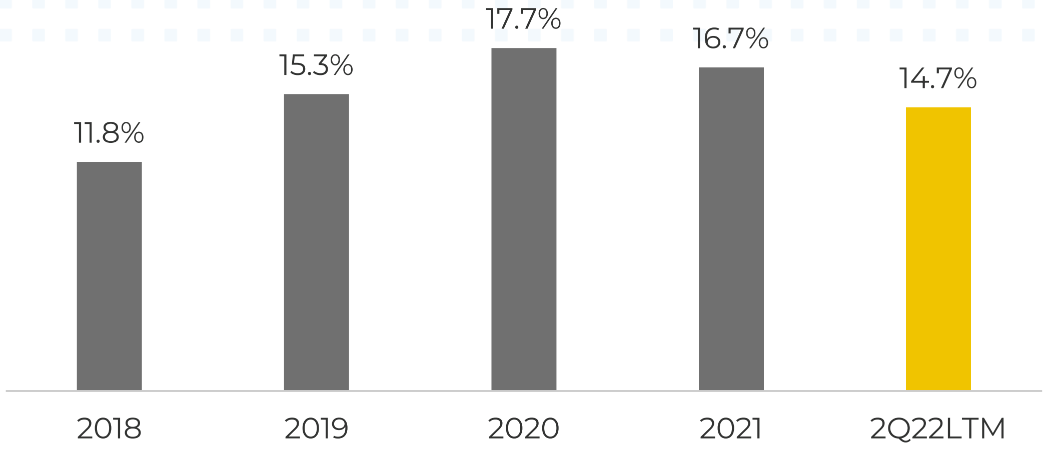
Continue to support long-term strategic initiatives with the deployment of new technologies to enhance the customer experience and drive efficiencies across the platform

Reduced operating expenses[1] by more than $100 million in the second quarter compared to average quarterly 2021 levels and we expect quarterly operating expenses to decline another $50 - $60 million in the second half of 2022

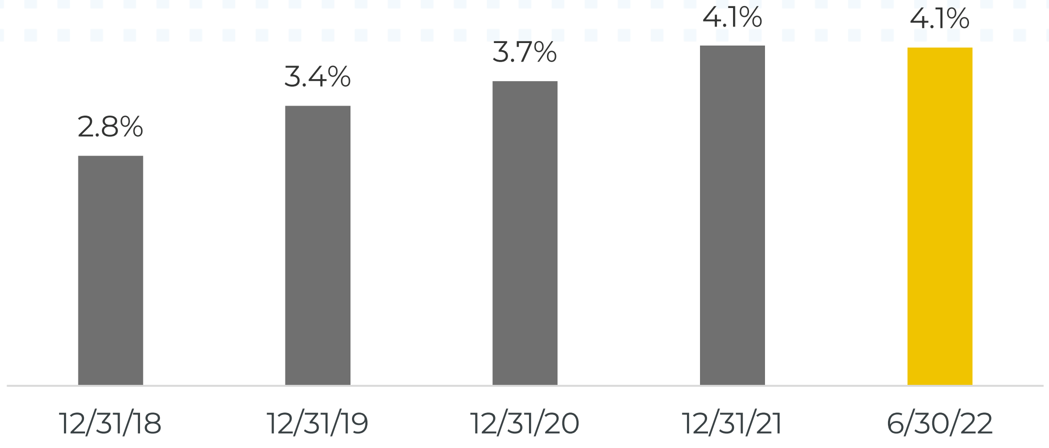
(1) Operating expenses excludes provision for losses on active loans – see slide 13

PENNYMAC'S MARKET SHARE OVER TIME ACROSS ITS BUSINESSES

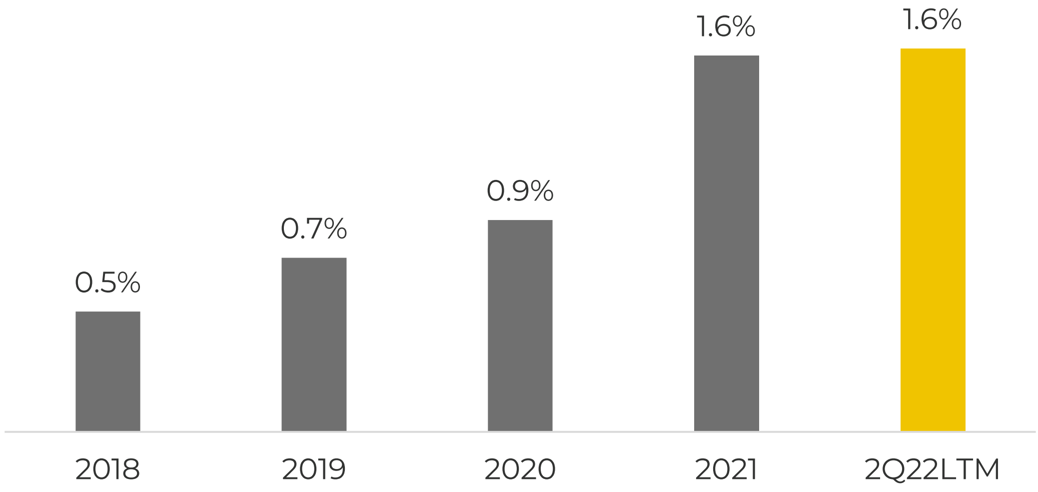
Correspondent Production Market Share[1]



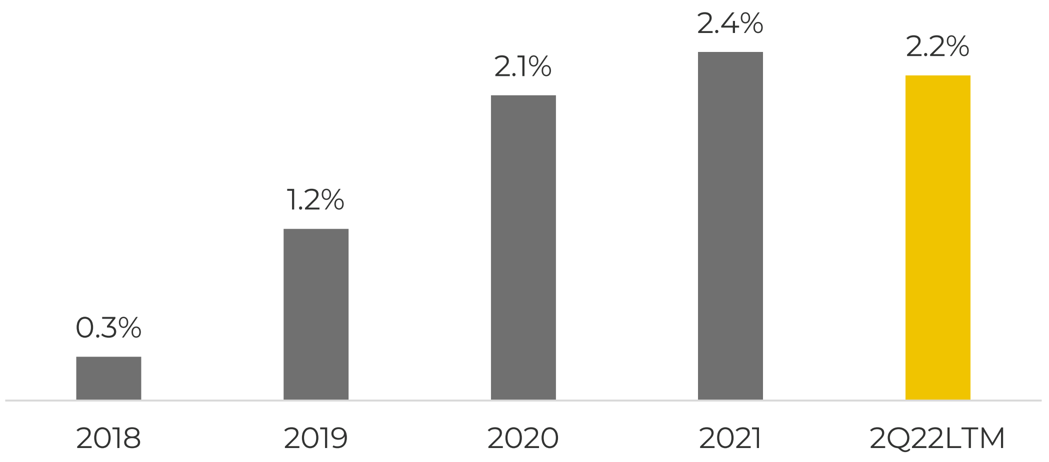
Loan Servicing Market Share[1]



Consumer Direct Market Share[1]



Broker Direct Market Share[1]



Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT

[1] Historical market share estimates based on Inside Mortgage Finance. Inside Mortgage Finance estimates $3.5 billion in total origination volume for 2Q22 LTM. For 2Q22, LTM, we estimate the correspondent channel represented 24% of the overall origination market, retail represented 60%, and broker represented 16%. Loan servicing market share is based on PFSI's servicing portfolio UPB of $527 billion divided by an estimated $13.0 trillion in mortgage debt outstanding.

PRODUCTION SEGMENT HIGHLIGHTS – VOLUME BY CHANNEL

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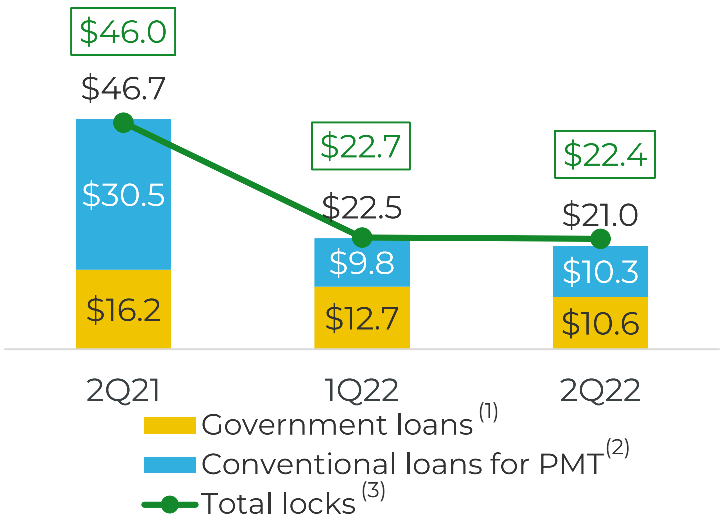
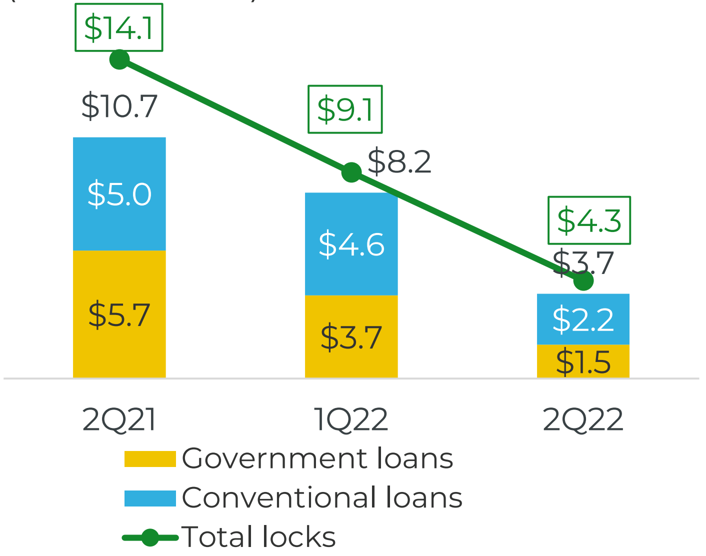
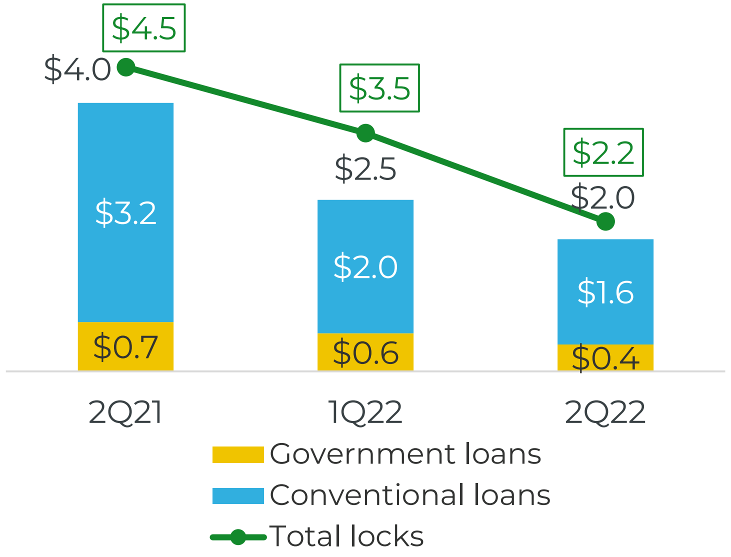
Correspondent
(UPB in billions)



Consumer Direct
(UPB in billions)



Broker Direct
(UPB in billions)



July 2022 — Correspondent

Locks: (UPB in billions)	$6.8
Acquisitions: (UPB in billions)	$7.0

July 2022 — Consumer Direct

Locks: (UPB in billions)	$1.4
Originations: (UPB in billions)	$0.8
Committed pipeline[4]: (UPB in billions)	$1.4

July 2022 — Broker Direct

Locks: (UPB in billions)	$0.7
Originations: (UPB in billions)	$0.4
Committed pipeline[4]: (UPB in billions)	$0.8

Note: Figures may not sum due to rounding

(1) For government-insured loans, PFSI earns income from holding and selling or securitizing the loans

(2) For conventional and jumbo loans, PFSI earns a fulfillment fee from PMT rather than income from holding and selling or securitizing the loans

(3) Includes locks related to PMT loan acquisitions, including conventional loans for which PFSI earns a fulfillment fee

(4) Commitments to originate mortgage loans at specified terms at period end

DRIVERS OF PRODUCTION SEGMENT RESULTS

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2Q21

	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps)[1]	Revenue Contribution (net of Loan origination expense)	% of Production Revenue
Government Correspondent	$ 15,022	30	$ 45.1	9%
Consumer Direct	9,713	343	333.1	68%
Broker Direct	3,560	71	25.4	5%
Other[2]	n/a	n/a	32.8	7%
Total PFSI account revenues (net of Loan origination expense)	**$ 28,296**	**154**	**$ 436.5**	**89%**
PMT Conventional Correspondent	29,279	18	54.0	11%
Total Production revenues (net of Loan origination expense)		**85**	**$ 490.5**	**100%**
Production expenses (less Loan origination expense)	**$ 57,575**	**43**	**$ 246.0**	**50%**
Production segment pretax income		**42**	**$ 244.4**	**50%**

1Q22

	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps)[1]	Revenue Contribution (net of Loan origination expense)	% of Production Revenue
Government Correspondent	$ 12,145	23	$ 28.2	12%
Consumer Direct	6,471	297	192.3	82%
Broker Direct	2,863	62	17.8	8%
Other[2]	n/a	n/a	(19.5)	-9%
Total PFSI account revenues (net of Loan origination expense)	**$ 21,479**	**102**	**$ 218.8**	**93%**
PMT Conventional Correspondent	9,720	17	16.8	7%
Total Production revenues (net of Loan origination expense)		**76**	**$ 235.6**	**100%**
Production expenses (less Loan origination expense)	**$ 31,199**	**73**	**$ 226.3**	**96%**
Production segment pretax income		**3**	**$ 9.3**	**4%**

2Q22

	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps)[1]	Revenue Contribution (net of Loan origination expense)	% of Production Revenue
Government Correspondent	$ 10,997	27	$ 29.4	16%
Consumer Direct	3,034	355	107.7	60%
Broker Direct	1,820	77	13.9	8%
Other[2]	n/a	n/a	6.7	4%
Total PFSI account revenues (net of Loan origination expense)	**$ 15,851**	**99**	**$ 157.7**	**88%**
PMT Conventional Correspondent	10,593	19	20.6	12%
Total Production revenues (net of Loan origination expense)		**67**	**$ 178.3**	**100%**
Production expenses (less Loan origination expense)	**$ 26,444**	**64**	**$ 168.7**	**95%**
Production segment pretax income		**4**	**$ 9.7**	**5%**

- Production revenue margins were higher across all three production channels – revenue per fallout adjusted lock for PFSI's own account was 99 basis points in 2Q22, down from 102 basis points in 1Q22 due to a higher percentage of volume in the correspondent channel
- Production expenses decreased significantly; expense reductions expected to drive continued improvement in the second half of this year

(1) Expected revenue net of direct origination costs at time of lock
(2) Reflects timing of revenue and loan origination expense recognition, hedging, pricing & execution changes, and other items

PRODUCTION SEGMENT HIGHLIGHTS – BUSINESS TRENDS BY CHANNEL

Multi-channel approach provides flexibility and has proven to be a competitive advantage, supporting profitability and pricing discipline while driving growth of the servicing portfolio

CORRESPONDENT

- Pennymac remains the largest correspondent aggregator in the U.S.
- 777 correspondent sellers as of June 30, up from 765 at March 31
- Volumes increased from the prior quarter despite a smaller origination market
- Purchase volume in 2Q22 was 82% of acquisitions, up from 69% in 1Q22
- Higher fulfillment fees Q/Q driven by increase in conventional acquisition volumes and a higher fulfillment fee rate
- Correspondent volume drives servicing portfolio growth while generating additional leads for consumer direct

CONSUMER DIRECT

- Focused on meeting the changing needs of the 2.2 million customers in our servicing portfolio in a higher interest rate environment
  - Introduced "Lock & Shop," allowing borrowers to lock in current mortgage rates for up to 90 days while searching for a home
  - Purchase lock volume in 2Q22 was $951 million, or 22% of total locks, up significantly from $791 million, or 9% of total locks in 1Q22
  - $802 million or approximately 85% of total purchase locks sourced from our large and growing servicing portfolio
  - Recently launched closed-end second lien mortgage loans

BROKER DIRECT

- Funding volumes were down from 1Q22 consistent with the overall market decline
- Approved brokers totaled 2,209 at June 30, 2022, or approximately 15% of the total population of brokers
  - Large opportunity with approximately 15,000 brokers and non-delegated sellers active in the market
- Though margins were higher than in the prior quarter, the channel remains highly competitive
- Positioned for market share growth over the long term supported by continued investments in technology and the introduction of new products

SERVICING SEGMENT HIGHLIGHTS

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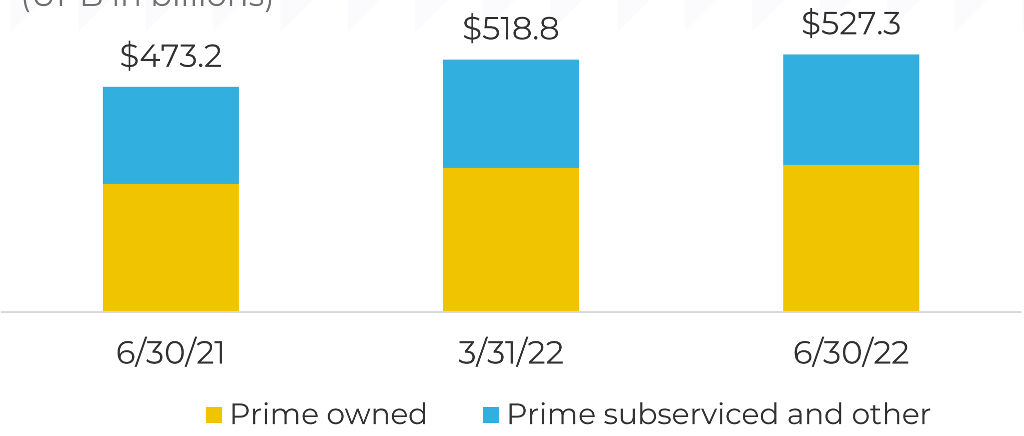
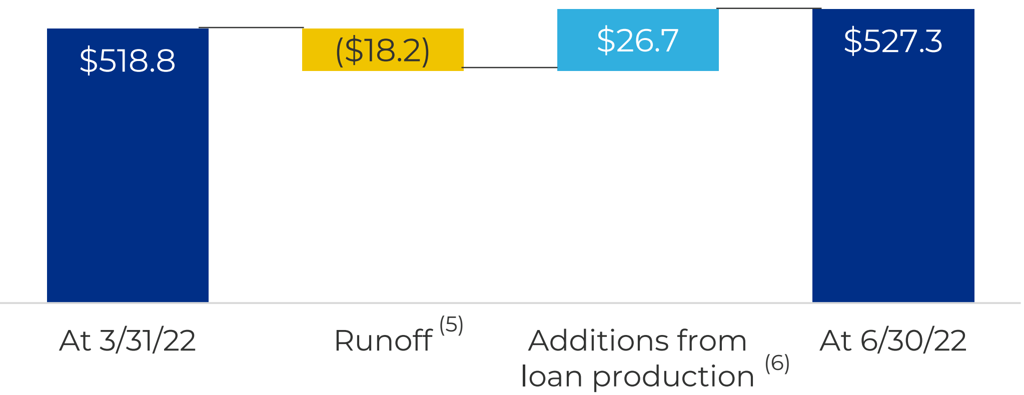
- Servicing portfolio totaled $527.3 billion in UPB at June 30, 2022, up 2% Q/Q and 11% Y/Y
- Production volumes more than offset prepayment activity, leading to continued portfolio growth
- Decrease in delinquency rates as borrowers continue to emerge from forbearance plans
- Decrease in EBO loan volume and modifications as a result of lower delinquency levels and higher mortgage rates

Selected Operational Metrics	1Q22	2Q22
Loans serviced (in thousands)	2,167	2,188
60+ day delinquency rate - owned portfolio(1)	3.9%	3.2%
60+ day delinquency rate - sub-serviced portfolio(2)	0.7%	0.5%
Actual CPR - owned portfolio(1)	17.1%	12.0%
Actual CPR - sub-serviced(2)	13.0%	9.3%
UPB of completed modifications ($ in millions)(3)	$5,096	$4,224
EBO loan volume ($ in millions)(4)	$2,092	$572

Loan Servicing Portfolio Composition
(UPB in billions)



Net Portfolio Growth
(UPB in billions)



(1) Owned portfolio is predominantly government-insured and guaranteed loans under the FHA (44%), VA (30%), and USDA (11%) programs. Delinquency data based on loan count (i.e., not UPB). CPR = Conditional Prepayment Rate.
(2) Represents PMT's MSRs. Excludes distressed loan investments.
(3) UPB of completed modifications includes loss mitigation efforts associated with partial claims programs
(4) Early buyouts of delinquent loans from Ginnie Mae pools during the period
(5) Also includes loans sold with servicing released in connection with any asset sales by PMT
(6) Includes consumer and broker direct production, government correspondent acquisitions, and conventional conforming and jumbo loan acquisitions subserviced for PMT

SERVICING PROFITABILITY EXCLUDING VALUATION-RELATED CHANGES

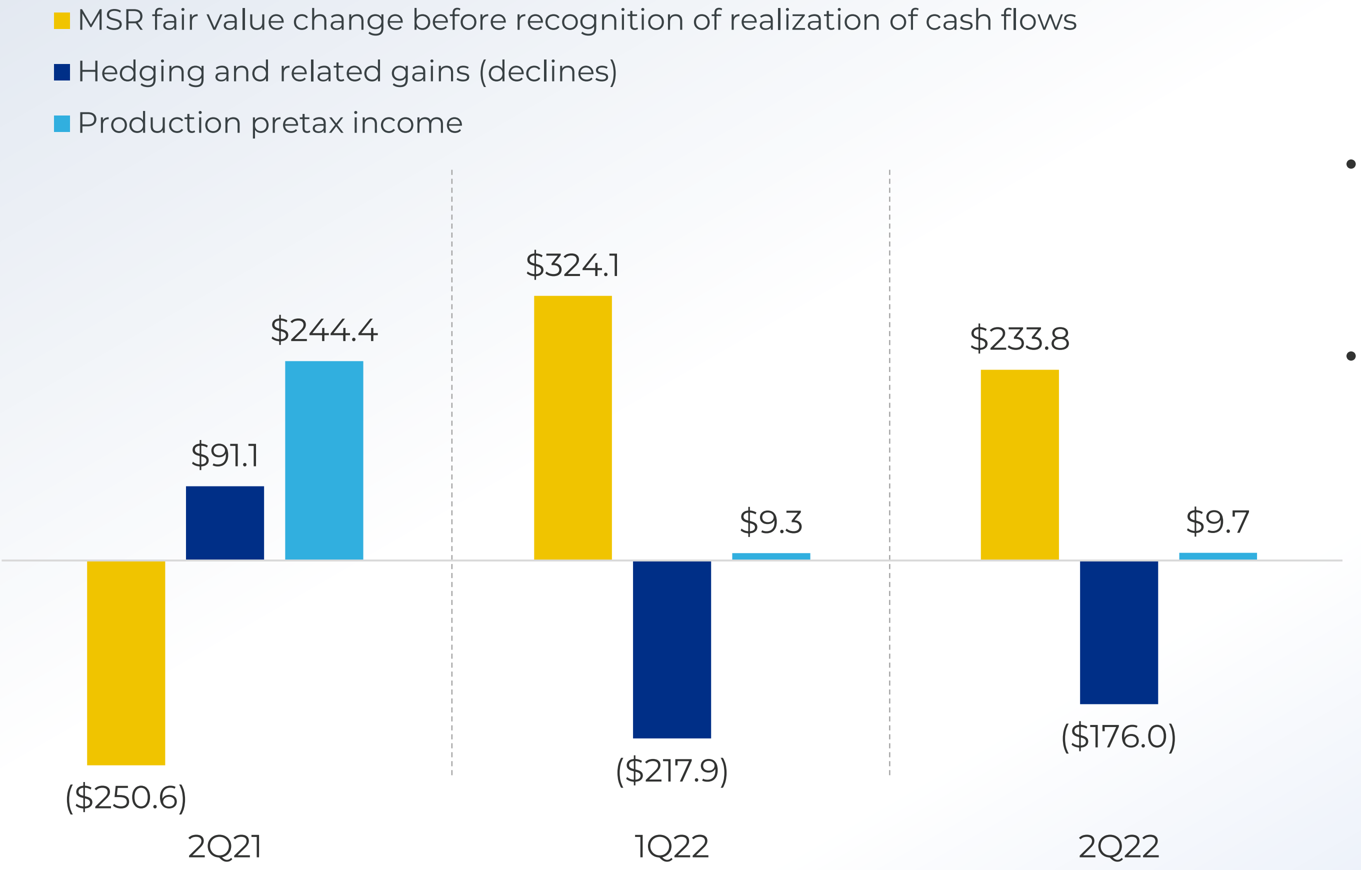
	2Q21		1Q22		2Q22	
	$ in millions	basis points[1]	$ in millions	basis points[1]	$ in millions	basis points[1]
Loan servicing fees	$ 260.4	22.6	$ 291.3	22.7	$ 302.4	23.1
Earnings on custodial balances and deposits	4.3	0.4	4.8	0.4	13.1	1.0
Realization of MSR cash flows	(85.7)	(7.4)	(111.2)	(8.6)	(121.7)	(9.3)
EBO loan-related revenue[2]	208.0	18.0	95.0	7.4	78.1	6.0
Servicing expenses:						
Operating expenses	(107.9)	(9.3)	(120.4)	(9.4)	(113.8)	(8.7)
Payoff-related expense[3]	(42.9)	(3.7)	(26.8)	(2.1)	(19.1)	(1.5)
Losses and provisions for defaulted loans	(16.5)	(1.4)	(13.5)	(1.0)	(11.4)	(0.9)
EBO loan transaction-related expense	(10.3)	(0.9)	(2.1)	(0.2)	(0.8)	(0.1)
Interest expense	(35.1)	(3.0)	(31.2)	(2.4)	(38.5)	(2.9)
Pretax income excluding valuation-related changes	**$ 174.4**	**15.1**	**$ 86.0**	**6.7**	**$ 88.3**	**6.8**
Valuation-related changes						
MSR fair value[4]	(250.6)		324.1		233.8	
Hedging derivatives gains (losses)	91.1		(217.9)		(176.0)	
Provision for losses on active loans[5]	16.0		32.9		21.5	
Servicing segment pretax income	**$ 30.9**		**$ 225.2**		**$ 167.6**	
Average servicing portfolio UPB	**$ 461,499**		**$ 514,077**		**$ 522,923**	

- Loan servicing fees increased from the prior quarter due to continued portfolio growth while operating expenses declined
- Earnings on custodial balances and deposits increased $8.3 million and are expected to become a more meaningful contributor to servicing revenues in a higher-rate environment
  - Custodial funds managed for PFSI's owned portfolio totaled $5.7 billion at June 30, 2022
  - Earnings rate generally fluctuates with changes in the Federal Funds rate
- EBO loan-related revenue decreased $16.9 million driven by lower volumes and redelivery gains due to higher interest rates and is expected to decline below pre-COVID levels in coming quarters due to limited gain on redelivery at current interest rate levels

(1) Of average portfolio UPB, annualized (2) Comprised of net gains on mortgage loans held for sale at fair value and interest income related to EBO loans (3) Consists of interest shortfall and recording and release fees
(4) Changes in fair value do not include realization of MSR cash flows (5) Considered in the assessment of MSR fair value changes

HEDGING APPROACH MODERATES THE VOLATILITY OF PFSI'S RESULTS

MSR Valuation Changes and Offsets
($ in millions)



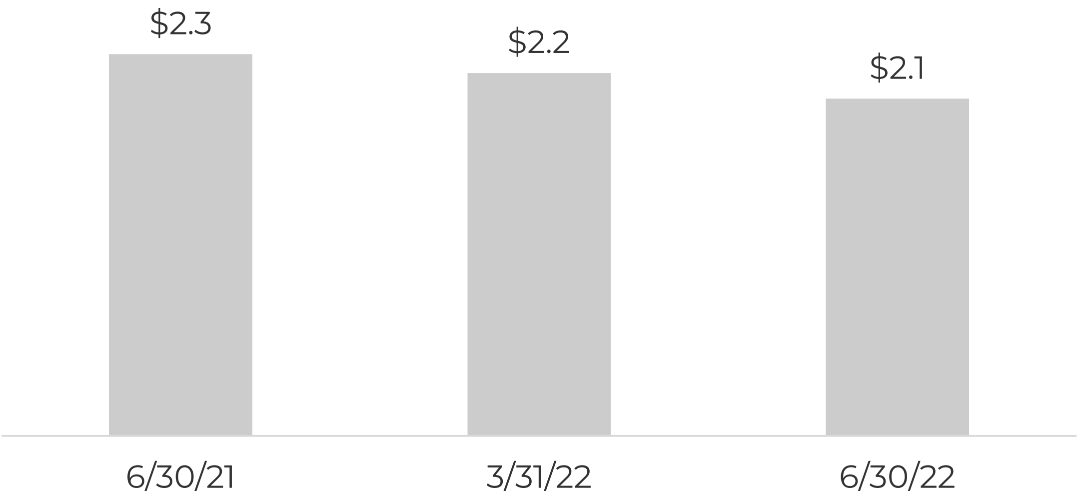
- PFSI seeks to moderate the impact of interest rate changes on the fair value of its MSR asset through a comprehensive hedge strategy that also considers production-related income
- In 2Q22, MSR fair value increased[(1)]
  - Driven by higher mortgage rates, resulting in expectations for lower prepayment activity in the future
- Partially offset by hedging and other losses
  - Primarily driven by higher interest rates

[(1)] Before recognition of realization of cash flows

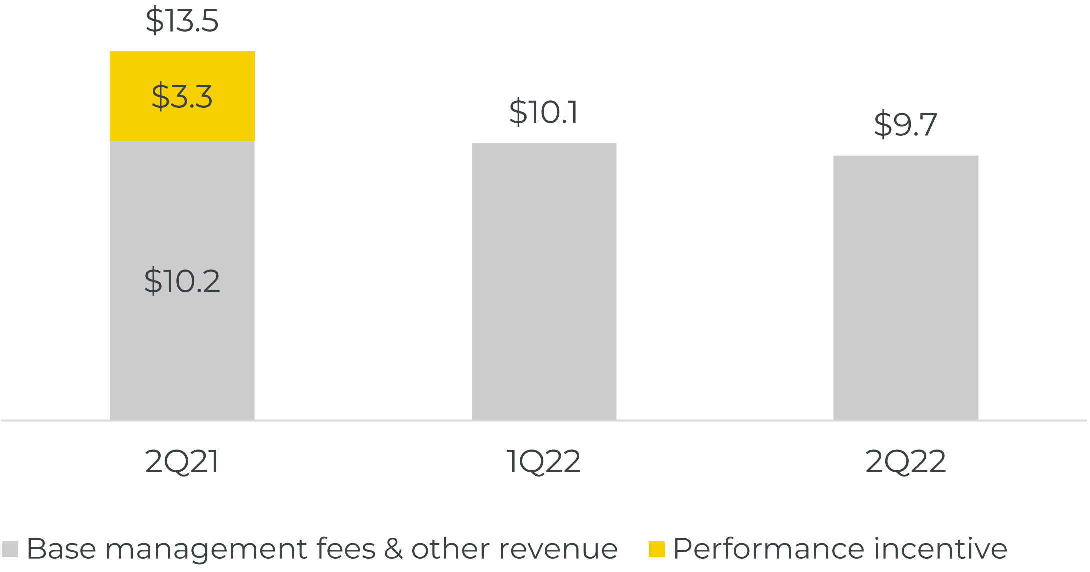
INVESTMENT MANAGEMENT SEGMENT HIGHLIGHTS

- Net AUM as of June 30, 2022 were $2.1 billion, down 7% from March 31, 2022 and 12% from June 30, 2021
  - Decrease in AUM primarily due to PMT's net losses
- Investment Management segment revenues were $9.7 million, down 5% from 1Q22 and down 28% from 2Q21

Investment Management AUM
($ in billions)



Investment Management Revenues
($ in millions)



PFSI'S STRONG BALANCE SHEET AND DIVERSE CAPITAL STRUCTURE

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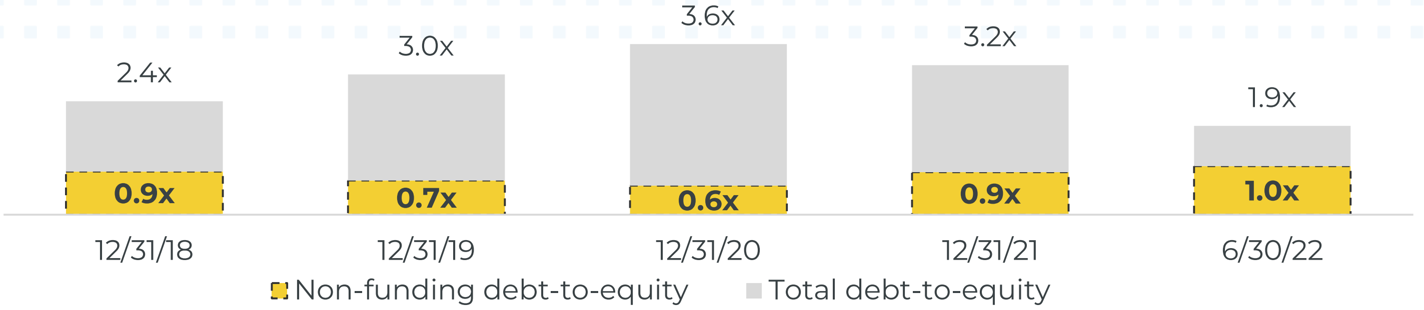
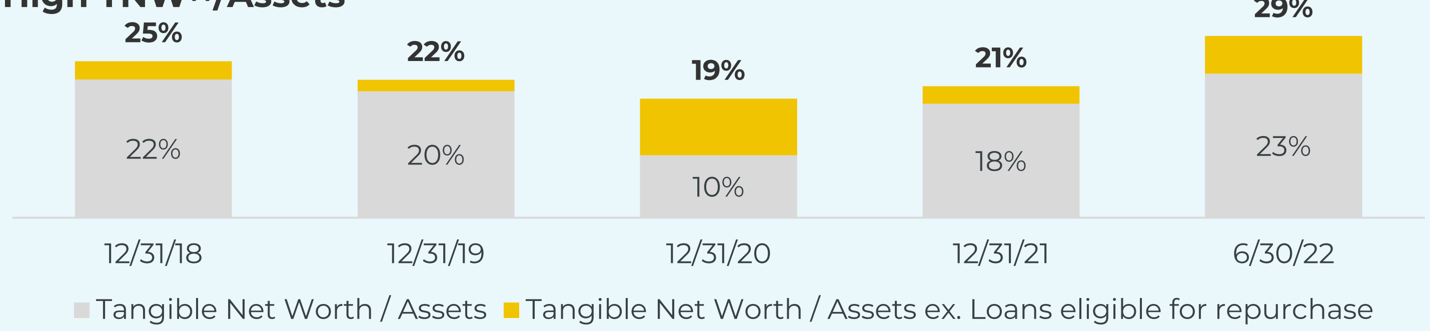
Low Debt-to-Equity Ratio



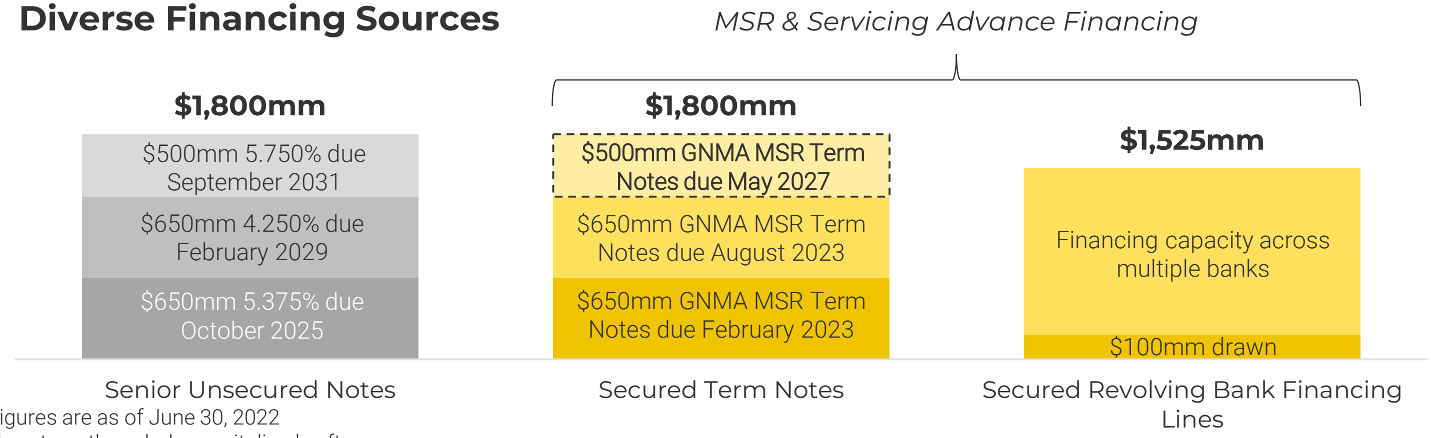
- Targeted debt-to-equity ratio near or below 3.5x with fluctuations largely driven by the origination environment or other market opportunities
- Non-funding debt-to-equity has historically remained near or below 1.0x

High TNW(1)/Assets



- Tangible net worth / assets excluding loans eligible for repurchase has increased due to growth in stockholders' equity and a reduction in balances of loans held for sale at fair value from peak levels

Diverse Financing Sources



- Senior unsecured notes provide low, fixed interest rates; more than 3-years until first maturity
- Issued $500 million in new 5-year term notes secured by GNMA MSR
- Secured term notes due in 2023 contain the ability to extend the maturity for 2-years at PFSI's discretion
- Secured revolving bank financing lines provide flexibility to finance fluctuating MSR and advance balances

Note: All figures are as of June 30, 2022

(1) Tangible net worth excludes capitalized software

APPENDIX

PENNYMAC IS AN ESTABLISHED LEADER IN THE U.S. MORTGAGE MARKET WITH SUBSTANTIAL LONG-TERM GROWTH POTENTIAL

PENNYMAC FINANCIAL SERVICES

$2.1 billion in assets under management

13-year track record

$166 billion LTM 2Q22

#4

IN PRODUCTION[(1)]

- CORRESPONDENT PRODUCTION
- CONSUMER DIRECT
- BROKER DIRECT

PMT

IS A LEADING RESIDENTIAL MORTGAGE REIT

#7

IN SERVICING[(2)]

$527 billion outstanding

2+ million customers

15 YEARS OF OPERATIONS

9 YEARS FOR PFSI AS A PUBLIC COMPANY

Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT. All figures are as of 6/30/22 unless otherwise noted.
(1) Inside Mortgage Finance for the 12 months ended 6/30/22
(2) Inside Mortgage Finance as of 3/31/22

OVERVIEW OF PENNYMAC FINANCIAL'S BUSINESSES

PENNYMAC FINANCIAL SERVICES

LOAN PRODUCTION

Correspondent aggregation of newly originated loans from third-party sellers

- PFSI earns gains on delegated government-insured and non-delegated loans
- Fulfillment fees for PMT's delegated conventional loans

Consumer direct origination of conventional and government-insured loans

Broker direct origination launched in 2018

LOAN SERVICING

Servicing for owned MSRs and subservicing for MSRs owned by PMT

Major loan servicer for Fannie Mae, Freddie Mac and Ginnie Mae

Industry-leading capabilities in special servicing

Organic growth results from loan production, supplemented by MSR acquisitions and PMT investment activity

INVESTMENT MANAGEMENT

External manager of PMT, which invests in mortgage-related assets:

- GSE credit risk transfer investments
- MSR investments
- Investments in prime non-agency MBS and asset-backed securities

Synergistic partnership with PMT

Complex and highly regulated mortgage industry requires effective governance, compliance and operating systems

Operating platform has been developed organically and is highly scalable

Commitment to strong corporate governance, compliance and risk management since inception

PFSI is well-positioned to navigate the current market and regulatory environment

PFSI'S BALANCED BUSINESS MODEL IS A FLYWHEEL

PENNYMAC FINANCIAL SERVICES

Large volumes of production grow servicing portfolio

Loan Production

4th largest in the U.S.[1]

- Diversified business through correspondent, consumer direct and broker direct channels
- Correspondent and broker direct channels in particular allow PFSI to access purchase-money volume
- Lacks the fixed overhead of the traditional, retail origination model

Loan Servicing

7th largest in the U.S.[2]

- Recurring fee income business captured over the life of the loan
- With higher interest rates, expected life of the loan increases resulting in a more valuable MSR asset
- Creates a natural hedge to production income

Customer base of over 2 million drives leads for consumer direct

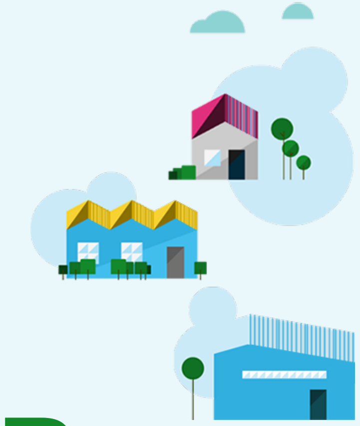
In both businesses, scale and efficiency are critical for success

Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT
[1] Inside Mortgage Finance for the 12 months ended 6/30/22
[2] Inside Mortgage Finance as of 3/31/22

BENEFITS AND POTENTIAL VALUE FROM PENNYMAC'S LARGE AND GROWING SERVICING PORTFOLIO

PENNYMAC
FINANCIAL SERVICES

SERVICING PORTFOLIO



2.2M
customers

$527B
unpaid principal balance

Recurring Cash Flows
- $1.1 billion in revenue from servicing and sub-servicing fees in 2021
- Higher short-term rates expected to drive increased placement fee income

Proprietary Technology
- Cloud-based servicing system built for Pennymac's unique needs
- Operational and cost efficiencies, as well as increased flexibility

New Marketing Opportunities
- Data-based analytics and insights from servicing system
- Purchase originations, new products (second liens, HELOCs)

Loss Mitigation
- Loss mitigation expertise to assist consumers and minimize losses
- Enhanced by flexible and proprietary servicing technology

Ancillary Products and Services
- Offering homeowners insurance to servicing customers through a joint venture
- Evaluating additional partnerships and revenue opportunities

ROBUST LIQUIDITY RISK MANAGEMENT DISCIPLINE

PENNYMAC FINANCIAL SERVICES

$2.8 billion in available liquidity at June 30, 2022[1], significantly in excess of minimum requirements and internally established reserve levels

Reserves maintained for:

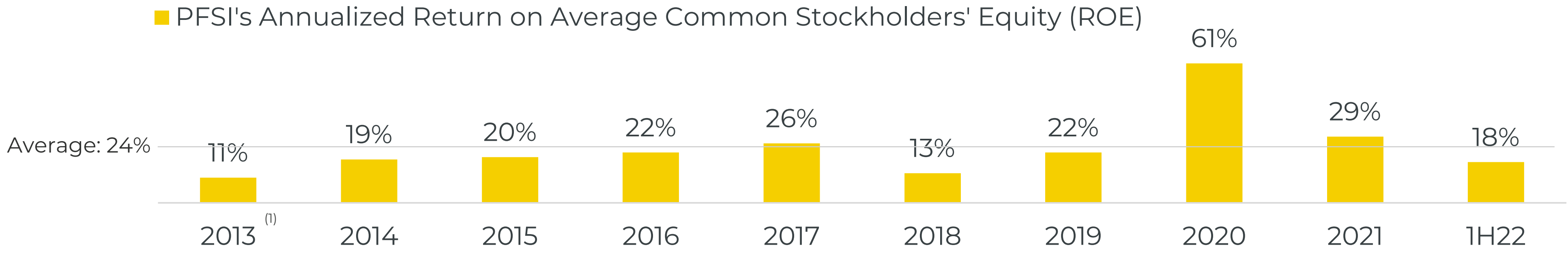
Minimum Regulatory and Counterparty Requirements	• Financing covenants and other requirements of counterparties, regulators and rating agencies • Well-positioned to meet the additional eligibility standards recently proposed by FHFA for non-bank, Agency seller/servicers
Ongoing Operations	• Fulfillment of known financial commitments and obligations • Operating expenses, expected income tax payments, principal and interest payments on outstanding debt, dividend payments and other • Expected cash needs for business activities and corporate overhead
Unexpected Environmental Shocks	• Potential margin calls related to sudden interest rate changes; also considers potential timing difference between margin calls and ability to draw on certain liquidity sources • Servicing advances in a severe loan delinquency and prepayment rate scenario

[1] Includes $1.4 billion in cash and short-term investments plus $1.4 billion in amounts that can be immediately borrowed on facilities with pledged collateral

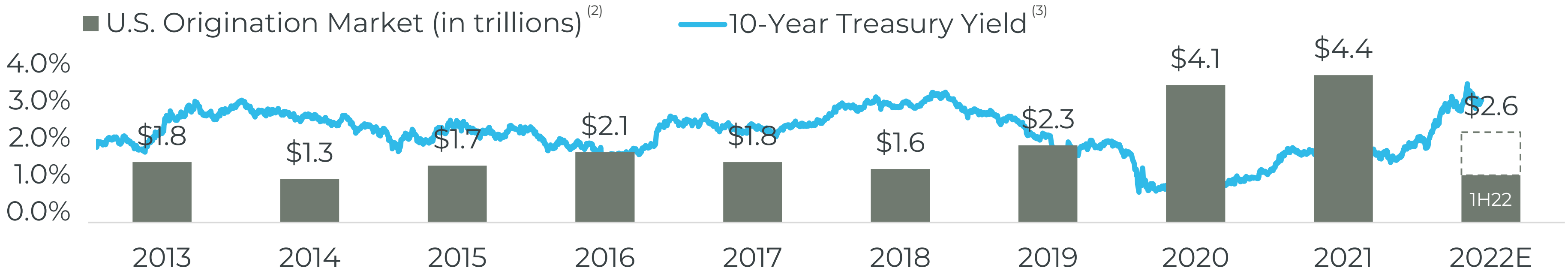
PFSI'S TRACK RECORD ACROSS VARIOUS MARKET ENVIRONMENTS IS UNIQUE AMONG INDEPENDENT MORTGAGE BANKS

PENNYMAC FINANCIAL SERVICES

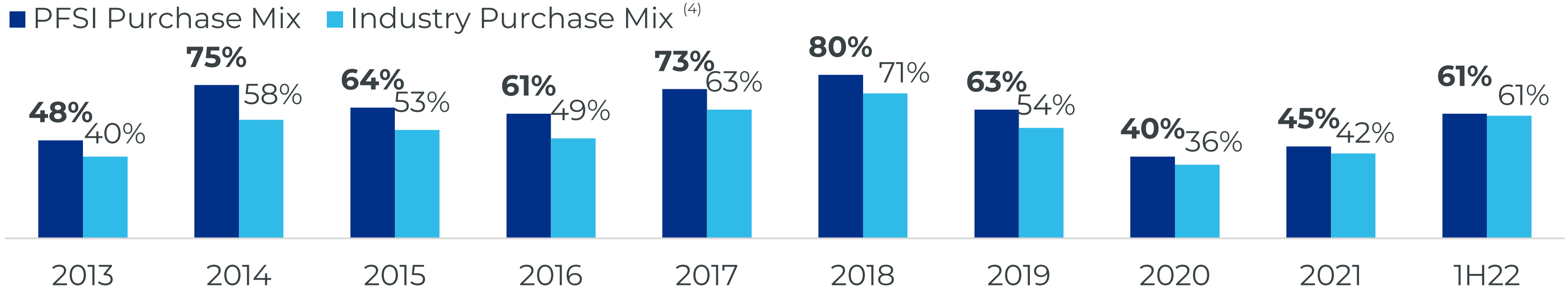
Proven ability to generate attractive ROEs…



…across different market environments…



…with a strong orientation towards purchase money mortgages.



(1) Represents partial year. Initial Public Offering was May 8, 2013.
(2) Inside Mortgage Finance
(3) Bloomberg
(4) Inside Mortgage Finance for historical data. Industry purchase mix for 2Q22 represents the average of Mortgage Bankers Association (7/18/22), Fannie Mae (7/11/22), and Freddie Mac (7/20/22) estimates.

PENNYMAC HAS DEVELOPED IN A SUSTAINABLE MANNER FOR LONG-TERM SUCCESS

2008
Operations launched; de novo build of legacy-free mortgage servicer

Raised $500 million of capital in private opportunity funds

2009
PMT formed in an initial public offering raising $320 million

Correspondent group established with a focus on operations development and process design

2010
Added servicing leadership for prime portfolio and to drive scalable growth

Correspondent system launches

2011
Expanded infrastructure with flagship operations facility in Moorpark, CA

Correspondent leadership team expands

2012
Expanded infrastructure in Tampa, FL

Became largest non-bank correspondent aggregator

2013
PFSI completed initial public offering

Expanded infrastructure in Fort Worth, TX

2014
Continued organic growth and servicing portfolio UPB reaches $100 billion(1)

2015
PFSI stockholders' equity surpasses $1 billion

2016
Substantial growth in PFSI's consumer direct capacity

2017
PFSI issued MSR-backed term notes

2018
PFSI launched broker-direct lending channel

PFSI completes corporate reorganization

2019
Achieved position as the largest correspondent aggregator in the U.S.

PFSI launched proprietary, cloud-based Servicing Systems Environment (SSE)

2020
Record production volumes across all channels; nearly $200 billion in UPB(1)

PFSI issued inaugural $650 million of unsecured Senior Notes

2021
PFSI issued an additional $1.15 billion of unsecured Senior Notes

Servicing portfolio surpasses 2 million customers(1)

2022
Launched "Greatness Lives Here" brand marketing campaign celebrating home as the foundation for achieving life's aspirations

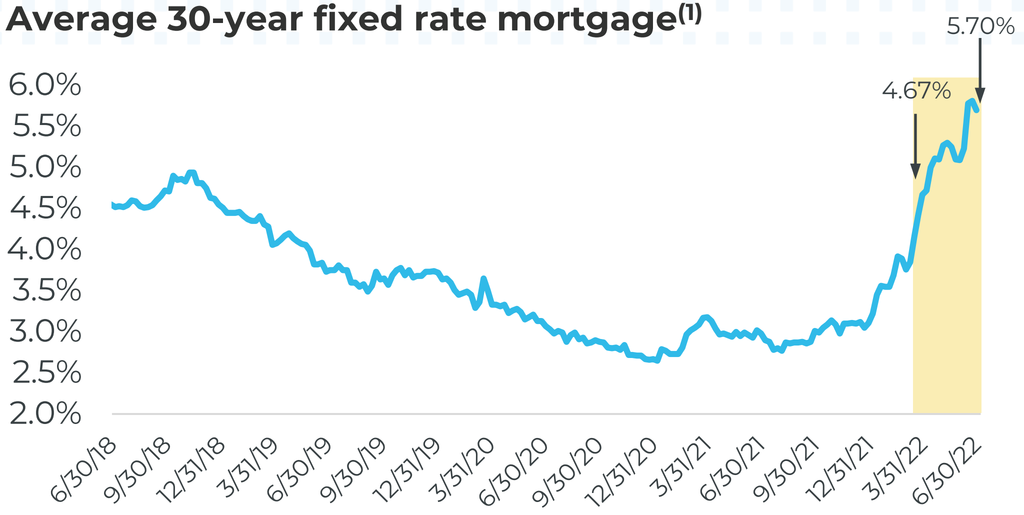
- Disciplined growth to address the demands of the GSEs, Agencies, regulators and our financing partners
  - Since inception, PennyMac has focused on building and testing processes and systems before adding significant transaction volumes
- Highly experienced management team has created a robust corporate governance system centered on compliance, risk management and quality control

(1) All figures are for PFSI and include volume fulfilled or subserviced for PMT

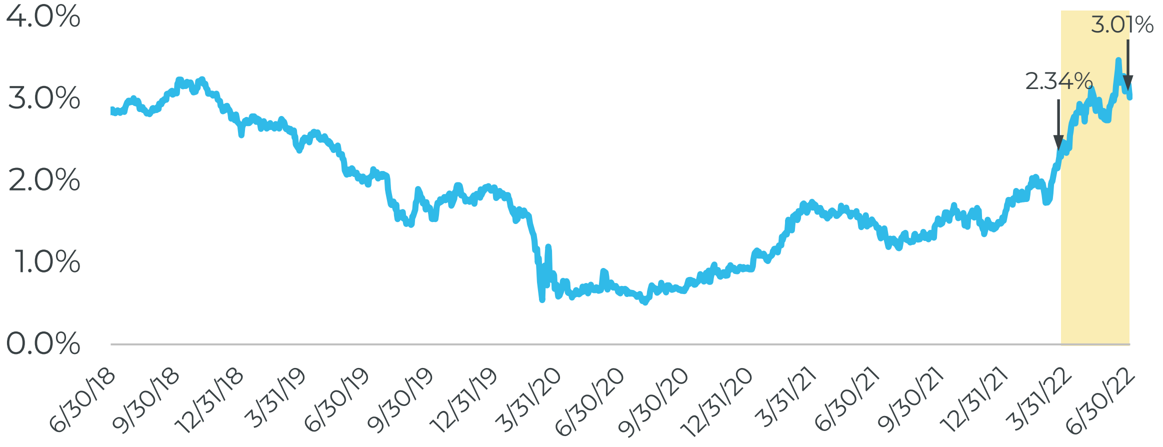
CURRENT MARKET ENVIRONMENT AND MACROECONOMIC TRENDS

PENNYMAC FINANCIAL SERVICES

Average 30-year fixed rate mortgage[1]



10-year Treasury Bond Yield[2]



Macroeconomic Metrics[3]

	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
10-year Treasury bond yield	1.5%	1.5%	1.5%	2.3%	3.0%
2/10 year Treasury yield spread	1.2%	1.2%	0.8%	0.0%	0.1%
30-year fixed rate mortgage	3.0%	3.0%	3.1%	4.7%	5.7%
Secondary mortgage rate	1.9%	2.0%	2.1%	3.5%	4.4%
U.S. home price appreciation (Y/Y % change)	18.7%	19.7%	18.8%	20.6%	19.7%
Residential mortgage originations (in billions)	$1,125	$1,090	$995	$725	$650

Footnotes

(1) Freddie Mac Primary Mortgage Market Survey. 5.30% as of 7/28/22

(2) U.S. Department of the Treasury. 2.68% as of 7/28/22

(3) 10-year Treasury bond yield and 2/10 year Treasury yield spread: Bloomberg.
Average 30-year fixed rate mortgage: Freddie Mac Primary Mortgage Market Survey.
Average secondary mortgage rate: 30-Year FNCL Par Coupon Index (MTGEFNCL), Bloomberg.
U.S. home price appreciation: S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index (SPCSUSA). Data is as of 5/31/22.
Residential mortgage originations are for the quarterly period ended. Source: Inside Mortgage Finance.

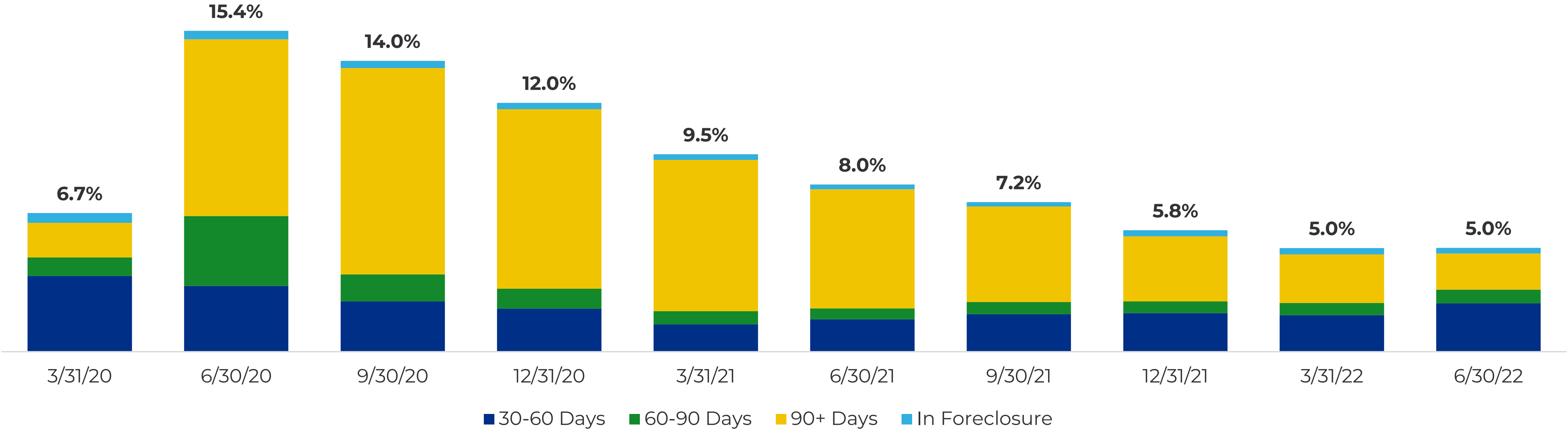
MSR ASSET VALUATION

June 30, 2022 Unaudited ($ in millions)	Mortgage Servicing Rights
Pool UPB	$297,270
Coupon[1]	3.2%
Servicing fee/spread[1]	0.35%
Prepayment speed assumption (CPR)[1]	8.2%
Fair value	$5,217.2
As a multiple of servicing fee	5.00

[1] Weighted average

HISTORICAL TRENDS IN DELINQUENCIES AND ADVANCES

Historical Trends in Delinquency and Foreclosure Rates[1]



- Overall mortgage delinquency rates have returned to pre-pandemic levels; however, delinquency rates of seriously delinquent loans (90+ days) remain elevated
- Servicing advances outstanding decreased to approximately $506 million at June 30, 2022 from $525 million at March 31, 2022
  - No P&I advances are outstanding, as prepayment activity continues to sufficiently cover remittance obligations

(1) Owned MSR portfolio. Delinquency and foreclosure rates based on UPB. As of 6/30/22, the UPB of mortgage servicing rights owned totaled $301 billion.

ACQUISITIONS AND ORIGINATIONS BY PRODUCT

PENNYMAC FINANCIAL SERVICES

First Lien Acquisitions/Originations

Unaudited ($ in millions)	2Q21	3Q21	4Q21	1Q22	2Q22
Correspondent Acquisitions					
Conventional Conforming	$ 30,479	$ 28,605	$ 17,157	$ 9,768	$ 10,320
Government	16,175	15,375	15,651	12,730	10,649
Jumbo	-	-	-	1	3
Total	**$ 46,654**	**$ 43,980**	**$ 32,808**	**$ 22,500**	**$ 20,973**
Consumer Direct Originations					
Conventional Conforming	$ 5,012	$ 6,200	$ 6,311	$ 4,553	$ 2,246
Government	5,661	4,932	4,289	3,669	1,492
Jumbo	-	-	-	-	5
Total	**$ 10,672**	**$ 11,131**	**$ 10,600**	**$ 8,222**	**$ 3,744**
Broker Direct Originations					
Conventional Conforming	$ 3,246	$ 3,086	$ 2,823	$ 1,979	$ 1,556
Government	728	902	860	560	396
Jumbo	-	-	-	2	24
Total	**$ 3,974**	**$ 3,988**	**$ 3,684**	**$ 2,541**	**$ 1,976**
Total acquisitions/originations	**$ 61,300**	**$ 59,099**	**$ 47,092**	**$ 33,262**	**$ 26,693**

UPB of loans fulfilled for PMT (included in correspondent acquisitions)	**$ 30,479**	**$ 28,605**	**$ 17,157**	**$ 9,768**	**$ 10,324**

Note: Figures may not sum exactly due to rounding

INTEREST RATE LOCKS BY PRODUCT

First Lien Locks

Unaudited ($ in millions)	2Q21	3Q21	4Q21	1Q22	2Q22
Correspondent Locks					
Conventional Conforming	$ 30,332	$ 29,411	$ 14,717	$ 10,194	$ 11,080
Government	15,657	16,230	15,544	12,487	11,326
Jumbo	-	-	-	-	3
Total	**$ 45,990**	**$ 45,641**	**$ 30,261**	**$ 22,682**	**$ 22,410**
Consumer Direct Locks					
Conventional Conforming	$ 7,486	$ 9,625	$ 8,264	$ 5,242	$ 2,511
Government	6,621	6,701	5,937	3,861	1,804
Jumbo	-	-	-	8	11
Total	**$ 14,108**	**$ 16,326**	**$ 14,200**	**$ 9,112**	**$ 4,326**
Broker Direct Locks					
Conventional Conforming	$ 3,387	$ 3,745	$ 2,884	$ 2,732	$ 1,663
Government	1,119	1,131	984	784	535
Jumbo	-	-	-	10	21
Total	**$ 4,506**	**$ 4,876**	**$ 3,867**	**$ 3,527**	**$ 2,220**
Total locks	**$ 64,604**	**$ 66,843**	**$ 48,329**	**$ 35,320**	**$ 28,956**

Note: Figures may not sum exactly due to rounding

CREDIT CHARACTERISTICS BY ACQUISITION/ORIGINATION PERIOD

Correspondent

Weighted Average FICO					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	702	700	693	691	682
Conventional	757	755	750	750	753

Weighted Average DTI					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	42	42	42	43	43
Conventional	34	35	36	36	37

Consumer Direct

Weighted Average FICO					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	708	706	704	708	700
Conventional	748	744	742	738	727

Weighted Average DTI					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	39	40	40	40	42
Conventional	33	33	34	35	37

Broker Direct

Weighted Average FICO					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	726	731	720	702	694
Conventional	760	760	755	754	757

Weighted Average DTI					
	2Q21	3Q21	4Q21	1Q22	2Q22
Government-insured	43	42	44	43	44
Conventional	34	34	35	36	37

ADJUSTED EBITDA RECONCILED TO NET INCOME

($ in millions)	2Q21	1Q22	2Q22
Net income	$ 204.2	$ 173.6	$ 129.2
Provision for income taxes	75.3	60.9	48.4
Income before provisions for income taxes	279.5	234.5	177.5
Depreciation and amortization	7.3	7.0	7.4
(Increase) decrease in fair value of MSRs and MSLs due to changes in valuation inputs used in the valuation model	250.6	(324.1)	(233.8)
Hedging losses (gains) associated with MSRs	(91.1)	217.9	176.0
Stock-based compensation	8.9	9.3	14.9
Interest expense on corporate debt and capital base	16.2	23.4	23.7
Adjusted EBITDA	**$ 471.4**	**$ 168.0**	**$ 165.7**

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