



2Q23 EARNINGS REPORT

PennyMac Financial Services, Inc.

July 2023

FORWARD-LOOKING STATEMENTS

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 future changes in interest rates, prepayment rates and the housing market; future loan origination, servicing and production, including future production, operating and hedge expenses; future loan delinquencies and forbearances; 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: interest rate changes; declines in real estate or significant changes in U.S. housing prices or activity in the U.S. housing market; 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 business; 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; increases in loan delinquencies, defaults and forbearances; our reliance on PennyMac Mortgage Investment Trust (NYSE: PMT) as a significant contributor 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; investment management and incentive fees; 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 exposure to risks of loss and disruptions in operations resulting from adverse weather conditions, man-made or natural disasters, climate change and pandemics; 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

2Q23 Results

Net income	Diluted EPS ⁽¹⁾
\$58mm	\$1.11
Return on equity	Book value per share
7%	\$69.77
Shares repurchased	Dividend per common share
0.4mm	\$0.20

Capital Return

PRODUCTION

Pretax income	Total loan acquisitions and originations ⁽²⁾	PFSI correspondent lock volume	Broker direct lock volume	Consumer direct lock volume
\$24mm	\$24.9bn	\$18.3bn	\$2.8bn	\$2.2bn

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⁾
\$47mm	\$(36)mm	\$(0.51)	\$75mm	\$576bn

INVESTMENT MANAGEMENT

Pretax income	Assets under management	Revenue
\$2mm	\$1.9bn	\$9.5mm

Note: All figures are for 2Q23 or as of 6/30/23

⁽¹⁾ EPS = earnings per share; MSR = mortgage servicing rights; UPB = unpaid principal balance, includes loans held for sale at fair value

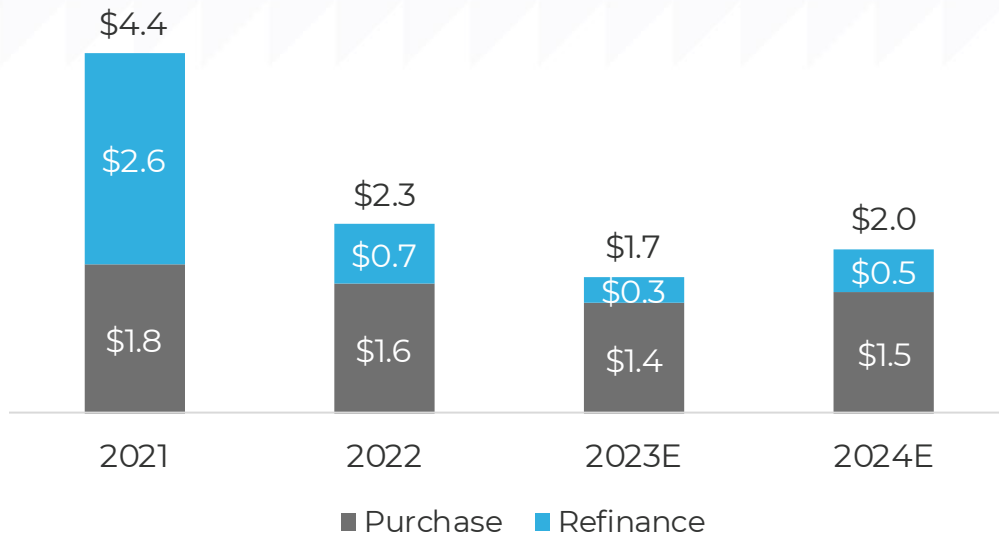
⁽²⁾ Includes volume fulfilled or subserviced for PennyMac Mortgage Investment Trust (NYSE: PMT)

⁽³⁾ Excludes \$118.9 million in MSR fair value gains, \$155.1 million in hedging losses and a \$7.5 million reversal related to provisions for losses on active loans; see slide 13 for additional details

ORIGINATION MARKET HAS DECLINED MEANINGFULLY

U.S. Mortgage Origination Market⁽¹⁾

(\$ in trillions)



Mortgage Rates Remain High



- Third party forecasts for 2023 originations range from \$1.6 to \$1.8 trillion in UPB, well below normalized levels
 - Higher mortgage rates are driving borrowers to remain in their homes, leading to low inventory levels and continued home price appreciation
 - Unit origination volume in 2023 is projected to be at the lowest level since 1990⁽⁴⁾, driving expectations for industry consolidation if market conditions persist
- Mortgage banking companies with large servicing portfolios and diversified business models are better positioned to offset the decline in profitability that has resulted from decreased origination volumes and margins

⁽¹⁾ Actual originations: Inside Mortgage Finance. Forecast originations: Average of Mortgage Bankers Association (7/20/23) and Fannie Mae (7/10/23) forecasts.

⁽²⁾ Freddie Mac Primary Mortgage Market Survey 6.78% as of 7/20/23

⁽³⁾ Bloomberg: Difference between Freddie Mac Primary Mortgage Market Survey and the 30-Year Fannie Mae or Freddie Mac Par Coupon (MTGEFNCL) Index.

⁽⁴⁾ Zelman & Associates 6/30/23

COMPREHENSIVE AND EFFICIENT MULTI-CHANNEL PLATFORM HAS ESTABLISHED PENNYMAC AS A LEADER IN MORTGAGE PRODUCTION

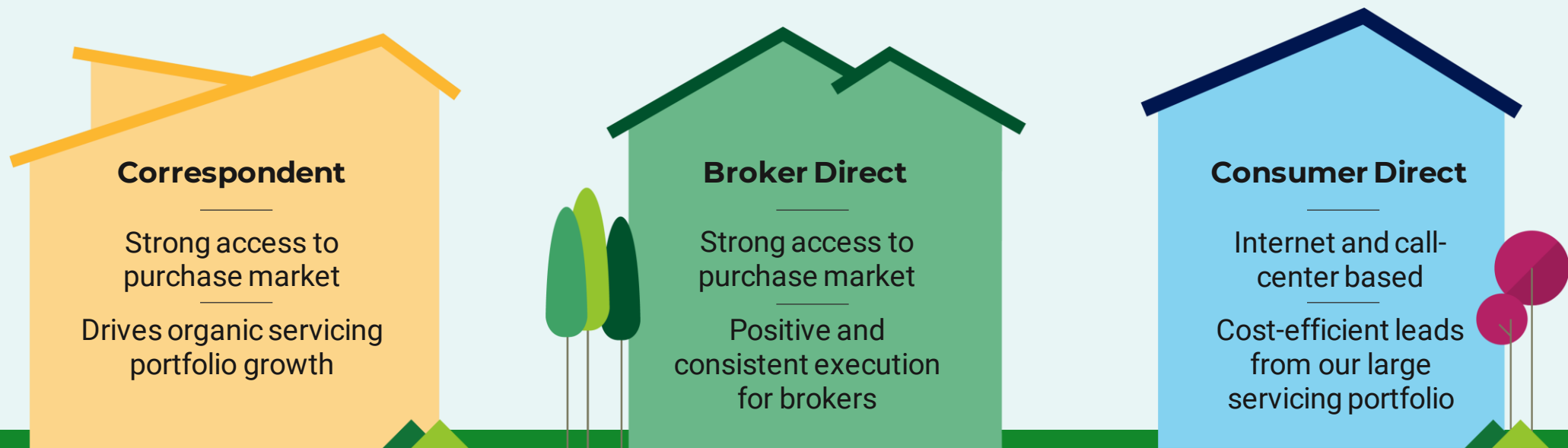
Significant and ongoing investments in mortgage-banking technology provide an exceptional loan origination experience for our customers and business partners



#1 producer of residential mortgage loans in 1Q23⁽¹⁾

Scalable technology platform providing our consumers, brokers and correspondent partners with the liquidity, tools and products they need to succeed

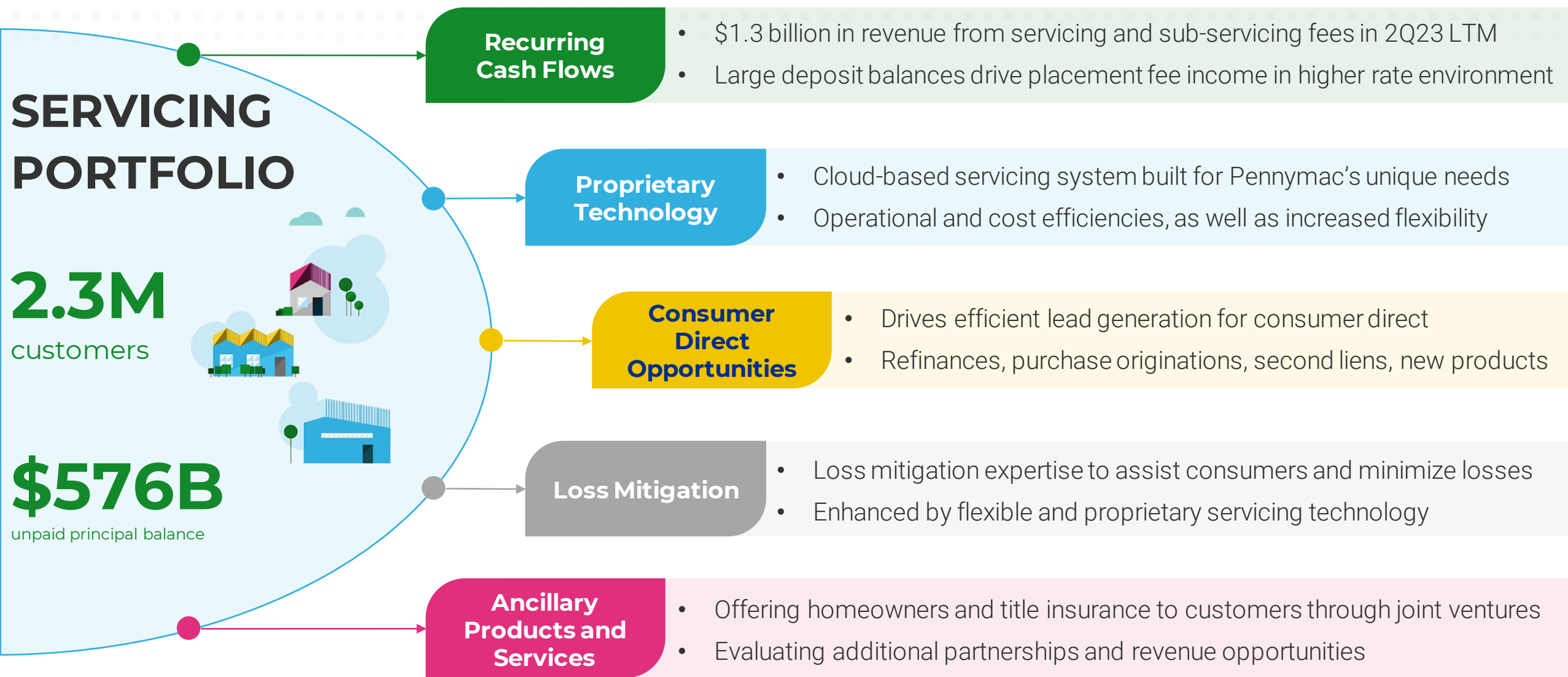
Multiple access points to the origination market with a proven ability to allocate resources towards channels with opportunity in the current environment



Centralized, cost-efficient fulfillment division supports all channels

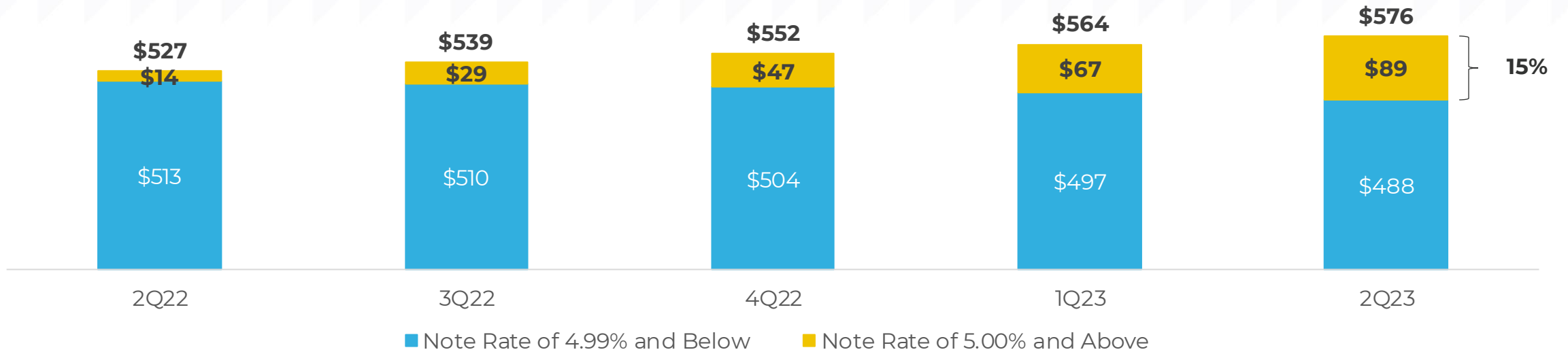
⁽¹⁾ Inside Mortgage Finance; includes volumes fulfilled for PMT

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



FUTURE RECAPTURE OPPORTUNITIES ENHANCED BY RECENT PRODUCTION AT HIGHER RATES

Pennymac's Total Servicing Portfolio⁽¹⁾
(UPB in billions)



- Pennymac, through its multi-channel production platform, has been one of the largest producers of mortgage loans over the last twelve months as interest rates increased⁽¹⁾
 - Pennymac retains MSR on nearly all mortgage loan production, driving continued organic servicing portfolio growth
 - Quarterly production adds approximately \$20-25 billion in UPB of loans at prevailing mortgage rates to the servicing portfolio each quarter
- The continued addition of higher interest rate loans to the servicing portfolio provides significant refinance opportunities for Consumer Direct if mortgage rates decline

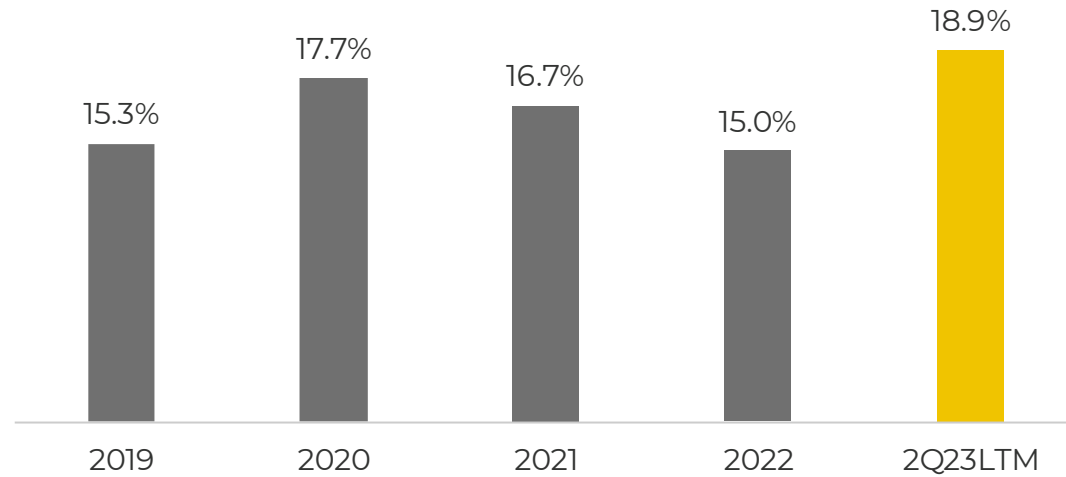
PFSI's ROE is projected to trend toward its pre-COVID range during 2023⁽²⁾

⁽¹⁾ Includes loans subserviced for PMT and loans held for sale at fair value; figures may not sum due to rounding

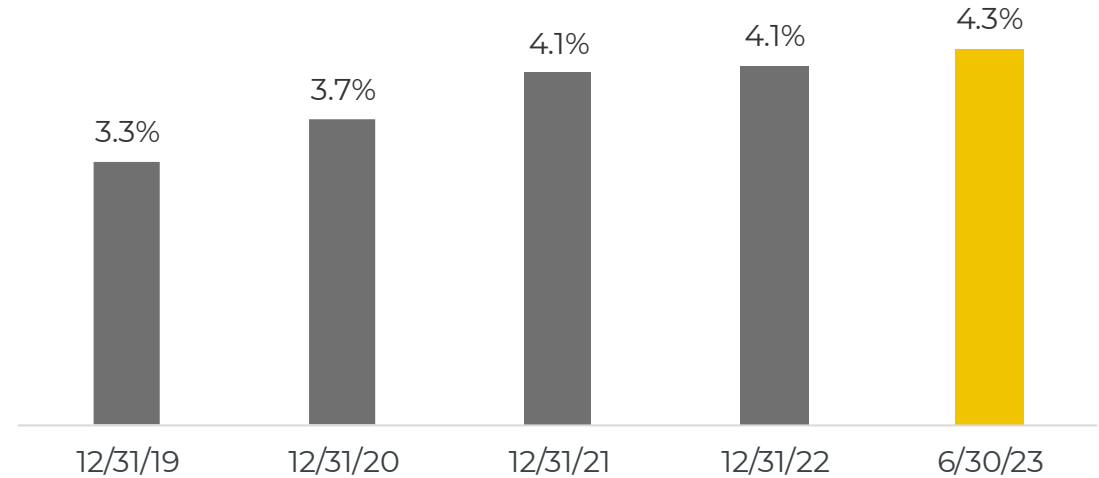
⁽²⁾ See slide 21

PENNYMAC'S MARKET SHARE OVER TIME ACROSS ITS BUSINESSES

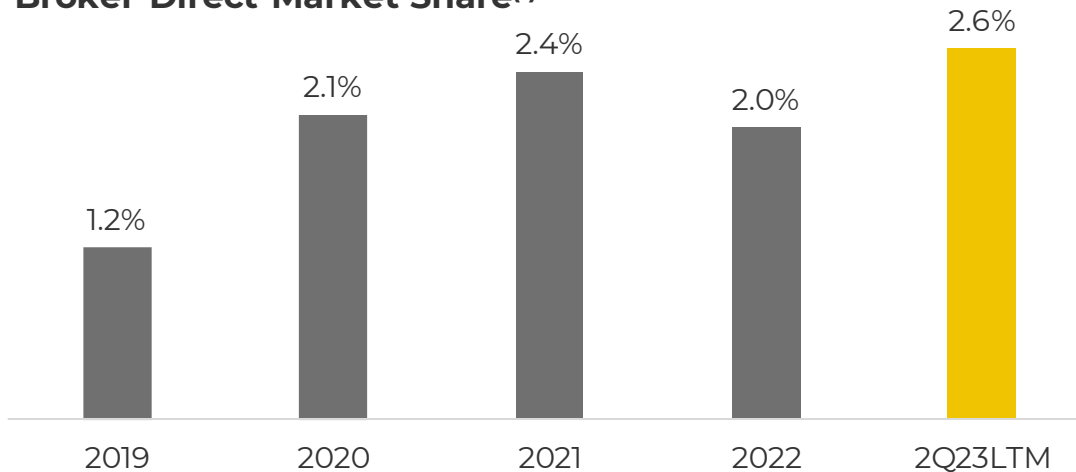
Correspondent Production Market Share⁽¹⁾



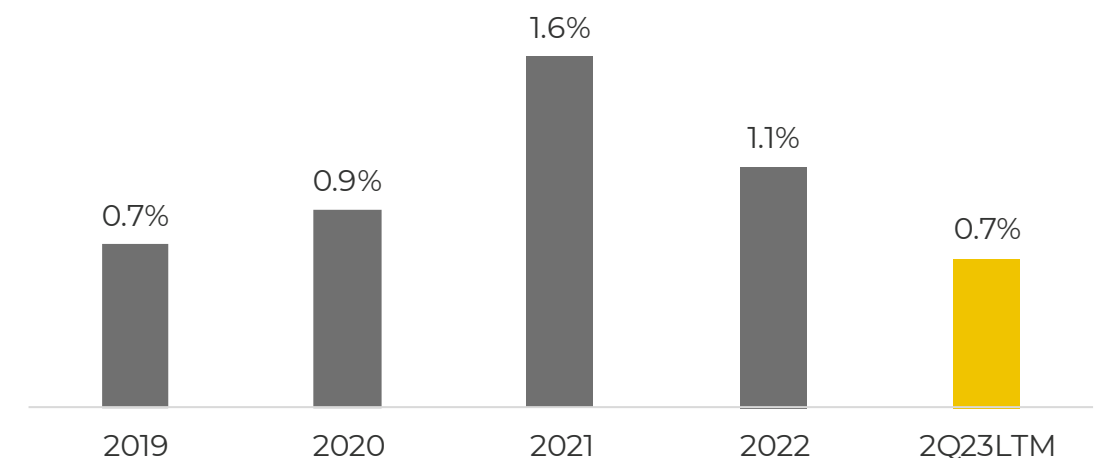
Loan Servicing Market Share⁽¹⁾



Broker Direct Market Share⁽¹⁾



Consumer Direct Market Share⁽¹⁾

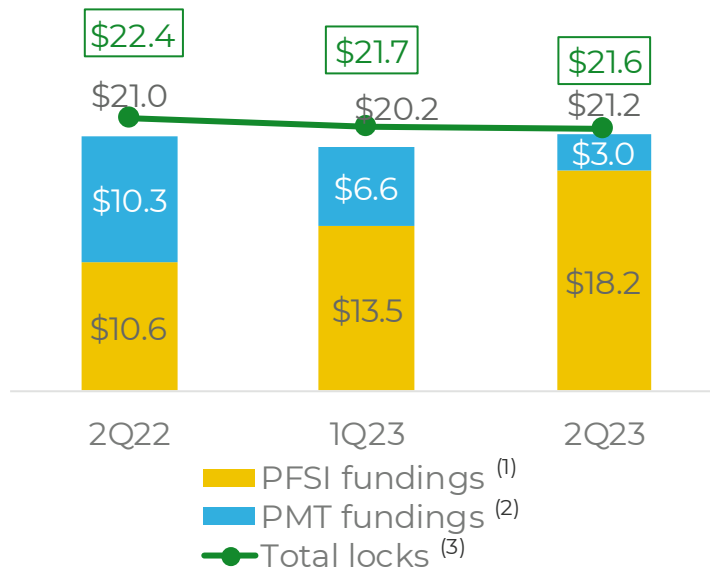


Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT

⁽¹⁾ Historical market share estimates based on Inside Mortgage Finance. Inside Mortgage Finance estimates \$1.6 trillion in total origination volume for 2Q23 LTM. For 2Q23 LTM, we estimate the correspondent channel represented 29% of the overall origination market, retail represented 56%, and broker represented 15%. Loan servicing market share is based on PFSI's servicing portfolio UPB of \$576 billion divided by an estimated \$13.5 trillion in mortgage debt outstanding

PRODUCTION SEGMENT HIGHLIGHTS – VOLUME BY CHANNEL

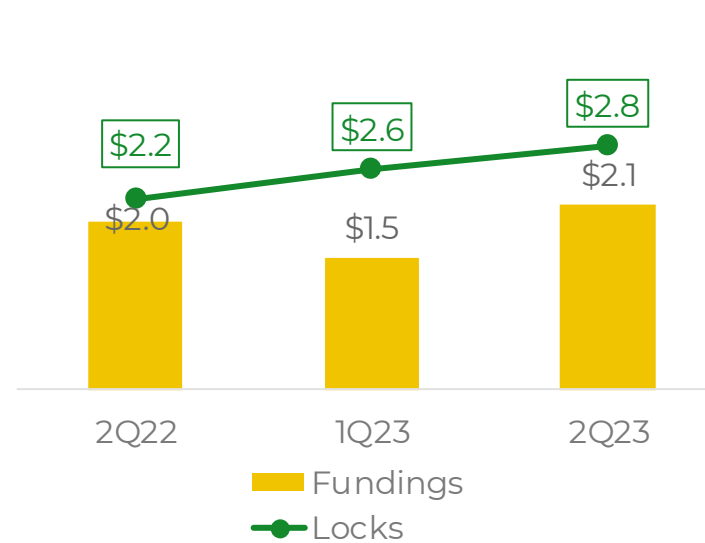
Correspondent (UPB in billions)



July 2023 (Estimated)

Locks: (UPB in billions)	\$6.4
Acquisitions: (UPB in billions)	\$5.9

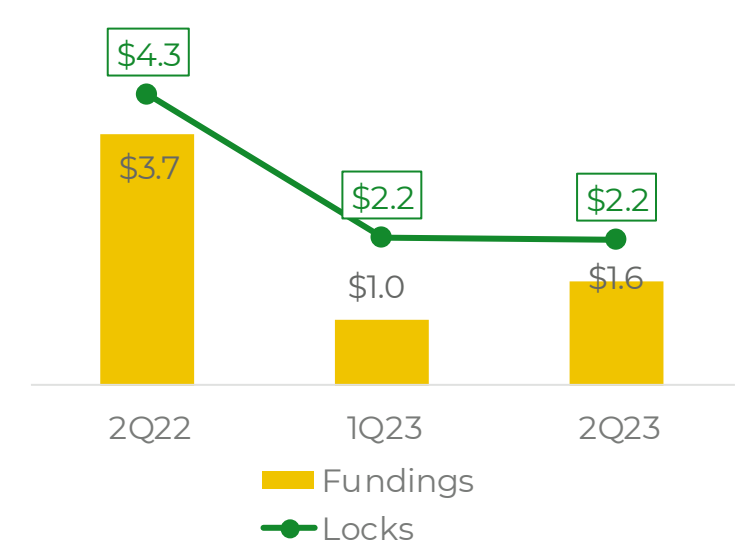
Broker Direct (UPB in billions)



July 2023 (Estimated)

Locks: (UPB in billions)	\$1.0
Originations: (UPB in billions)	\$0.7
Committed pipeline ⁽⁴⁾ : (UPB in billions)	\$1.0

Consumer Direct (UPB in billions)



July 2023 (Estimated)

Locks: (UPB in billions)	\$0.7
Originations: (UPB in billions)	\$0.5
Committed pipeline ⁽⁴⁾ : (UPB in billions)	\$0.8

Note: Figures may not sum due to rounding

(1) Includes all government-insured or guaranteed loans and certain conventional loans PMT acquires through its correspondent production business; PFSI earns income from holding and selling or securitizing the loans

(2) Loans fulfilled for PMT; for these loans, PFSI earns a fulfillment fee from PMT rather than income from holding and selling or securitizing the loans

(3) Includes locks related to both PFSI and PMT loan acquisitions

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

DRIVERS OF PRODUCTION SEGMENT RESULTS

	2Q22				1Q23				2Q23			
	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) ⁽¹⁾	Revenue Contribution (net of Loan origination expense)	% of Production Revenue	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) ⁽¹⁾	Revenue Contribution (net of Loan origination expense)	% of Production Revenue	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) ⁽¹⁾	Revenue Contribution (net of Loan origination expense)	% of Production Revenue
PFSI Correspondent ⁽²⁾	\$ 10,997	27	\$ 29.4	16%	\$ 13,521	25	\$ 33.7	36%	\$ 17,803	33	\$ 59.2	43%
Broker Direct	1,820	77	13.9	8%	1,814	76	13.8	15%	2,038	84	17.1	12%
Consumer Direct	3,034	355	107.7	60%	1,398	323	45.2	48%	1,369	366	50.1	36%
Other ⁽³⁾	n/a	n/a	6.7	4%	n/a	n/a	(10.2)	-11%	n/a	n/a	7.2	5%
Total PFSI account revenues (net of Loan origination expense)	\$ 15,851	99	\$ 157.7	88%	\$ 16,733	49	\$ 82.5	87%	\$ 21,210	63	\$ 133.6	96%
PMT Conventional Correspondent	10,593	19	20.6	12%	6,929	17	11.9	13%	2,501	22	5.4	4%
Total Production revenues (net of Loan origination expense)		67	\$ 178.3	100%		40	\$ 94.4	100%		59	\$ 139.0	100%
Production expenses (less Loan origination expense)	\$ 26,444	64	\$ 168.7	95%	\$ 23,662	48	\$ 114.1	121%	\$ 23,711	48	\$ 114.6	82%
Production segment pretax income		4	\$ 9.7	5%		(8)	\$ (19.6)	-21%		10	\$ 24.4	18%

- Production revenue margins were higher in all three channels
- Increase in PFSI correspondent volumes and related decrease in PMT correspondent volumes from the prior quarter due to a higher proportion of conventional loans sold to PFSI by PMT
- Revenue per fallout adjusted lock for PFSI's own account was 63 basis points in 2Q23, up from 49 bps in 1Q23 driven primarily by higher volumes and margins

⁽¹⁾ Expected revenue net of direct origination costs at time of lock

⁽²⁾ Includes government-insured or guaranteed loans, as well as certain conventional loans for PFSI's own account in 1Q23 and 2Q23

⁽³⁾ 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.
- Margins increased as channel capacity has been reduced
- 800 correspondent sellers as of June 30, 2023, up from 771 at March 31, 2023, driven by the addition of smaller sellers who previously maintained relationships with commercial banks that have pulled back from or recently exited the channel
- Purchase volume in 2Q23 was 93% of acquisitions
- Potential for U.S. bank regulators to increase capital requirements for residential mortgages provides additional opportunities for Pennymac
- Lower fulfillment fees Q/Q due to increased percentage of conventional loans purchased from PMT
 - PFSI is expected to continue such purchases in 3Q23

Broker Direct

- Funding volumes were up 37% from 1Q23
- Margins were higher than in the prior quarter though the channel remains highly competitive
- Approved brokers totaled 3,262 at June 30, 2023, up from 2,988 at March 31, 2023 and representing approximately 22% of the total population of brokers
 - Announced integration with ARIVE, a leading origination platform for independent mortgage brokers
- Purchase loans were 90% of total originations

Consumer Direct

- Funding volumes were up 47% from 1Q23
- Margins were higher than in the prior quarter due to a lower mix of streamlined refinance volumes
- Focused on meeting the changing needs of the 2.3 million customers in our servicing portfolio in a higher interest rate environment
 - Purchase lock volume in 2Q23 was \$490 million, or 23% of total locks, compared to \$477 million, or 22% of total locks in 1Q23
 - \$416 million or approximately 85% of total purchase locks sourced from our large and growing servicing portfolio
 - \$122 million of closed-end second lien mortgage loans funded in 2Q23, up from \$81 million in 1Q23

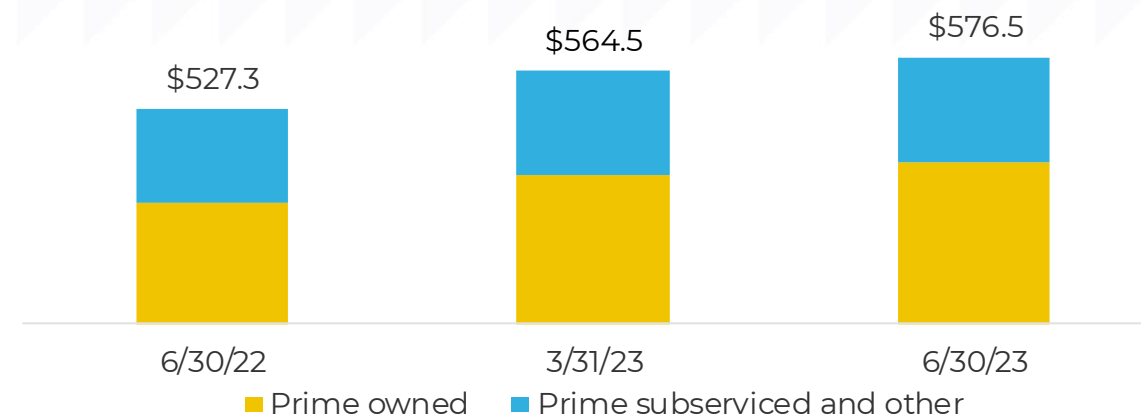
SERVICING SEGMENT HIGHLIGHTS

- Servicing portfolio totaled \$576.5 billion in UPB at June 30, 2023, up 2% Q/Q and 9% Y/Y
- Production volumes more than offset prepayment activity, leading to continued portfolio growth
- Slight decrease in the 60+ day delinquency rate from March 31, 2023
- Modifications and EBO loan volume were up slightly from the prior quarter

Selected Operational Metrics		
	1Q23	2Q23
Loans serviced (in thousands)	2,303	2,340
60+ day delinquency rate - owned portfolio ⁽¹⁾	3.4%	3.2%
60+ day delinquency rate - sub-serviced portfolio ⁽²⁾	0.5%	0.5%
Actual CPR - owned portfolio ⁽¹⁾	4.8%	6.8%
Actual CPR - sub-serviced ⁽²⁾	3.9%	5.5%
UPB of completed modifications (\$ in millions) ⁽³⁾	\$2,292	\$2,670
EBO loan volume (\$ in millions) ⁽⁴⁾	\$350	\$481

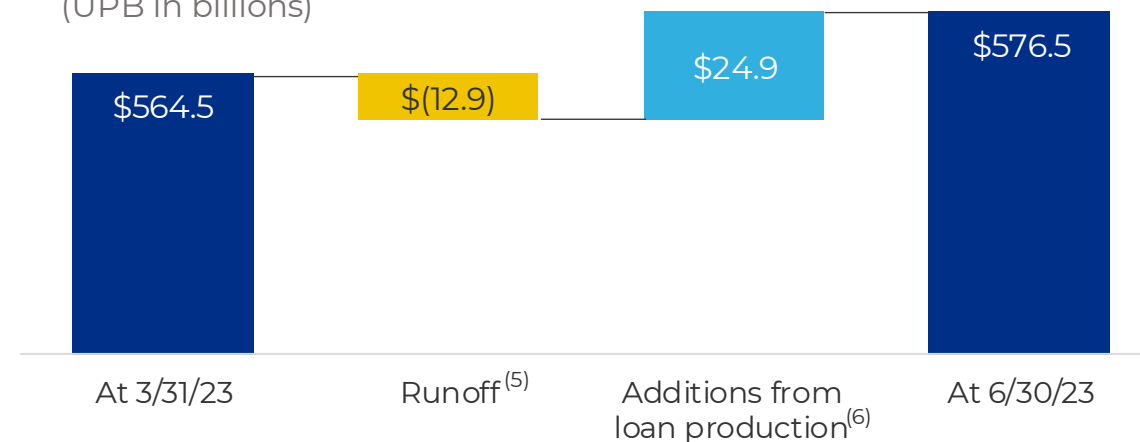
Loan Servicing Portfolio Composition

(UPB in billions)



Net Portfolio Growth

(UPB in billions)



⁽¹⁾ Owned portfolio is predominantly government-insured and guaranteed loans – see Appendix slide 27 for additional details; delinquency data based on loan count (i.e., not UPB); CPR = Conditional Prepayment Rate

⁽²⁾ Represents PMT's MSR that we service and 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 and conventional correspondent acquisitions, and conventional conforming and jumbo loan acquisitions subserviced for PMT

SERVICING PROFITABILITY EXCLUDING VALUATION-RELATED CHANGES

	2Q22		1Q23		2Q23	
	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾
Loan servicing fees	\$ 302.4	23.1	\$ 338.1	24.2	\$ 356.5	25.0
Earnings on custodial balances and deposits and other income	13.1	1.0	65.9	4.7	92.8	6.5
Realization of MSR cash flows	(121.7)	(9.3)	(146.2)	(10.5)	(174.2)	(12.2)
EBO loan-related revenue ⁽²⁾	78.1	6.0	34.9	2.5	20.0	1.4
Servicing expenses:						
Operating expenses	(113.8)	(8.7)	(109.8)	(7.9)	(103.4)	(7.2)
Payoff-related expense ⁽³⁾	(19.1)	(1.5)	(5.3)	(0.4)	(9.0)	(0.6)
Losses and provisions for defaulted loans	(11.4)	(0.9)	(10.5)	(0.8)	(13.3)	(0.9)
EBO loan transaction-related expense	(0.8)	(0.1)	(0.2)	(0.0)	(0.4)	(0.0)
Interest expense	(38.5)	(2.9)	(72.5)	(5.2)	(93.7)	(6.6)
Pretax income excluding valuation-related changes	\$ 88.3	6.8	\$ 94.4	6.8	\$ 75.3	5.3
Valuation-related changes						
MSR fair value ⁽⁴⁾	233.8		(90.3)		118.9	
Hedging derivatives gains (losses)	(176.0)		47.2		(155.1)	
Provision for losses on active loans ⁽⁵⁾	21.5		6.1		7.5	
Servicing segment pretax income	\$ 167.6		\$ 57.4		\$ 46.5	
Average servicing portfolio UPB	\$ 522,923		\$ 557,757		\$ 570,619	

- Loan servicing fees increased from the prior quarter due to continued portfolio growth while operating expenses decreased
- Realization of MSR cash flows increased \$28 million from the prior quarter due to increased cash flow generated by the MSR asset from servicing and placement fees
 - Reduction in MSR value calculated on the basis on of principal payments during the quarter was \$135 million
- Earnings on custodial balances and deposits increased significantly from the prior quarter due to higher average balances and short term rates
 - Custodial funds managed for PFSI's owned servicing portfolio totaled \$5.4 billion at June 30, 2023
 - Earnings rate generally fluctuates with changes in the Federal Funds rate
- EBO loan-related revenue decreased \$15 million from the prior quarter and is expected to remain low for a period of time
- Interest expense increased \$21 million from the prior quarter due to greater outstanding secured debt and the impact of higher short-term rates

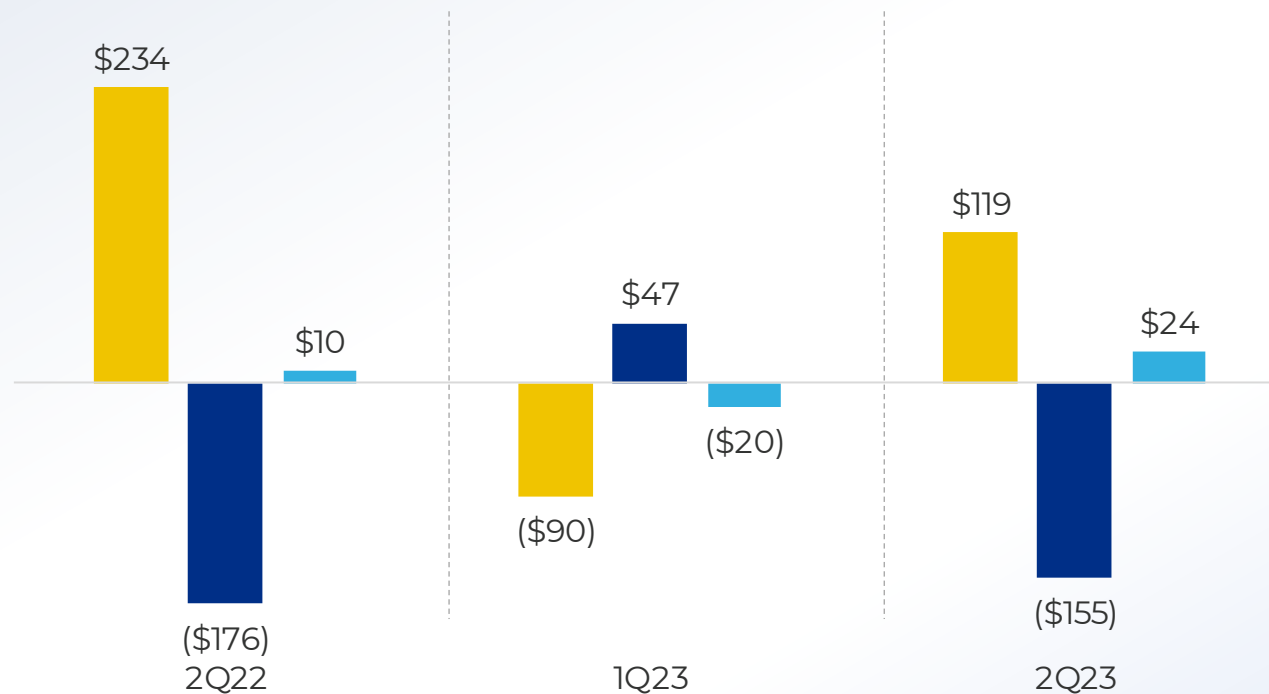
⁽¹⁾ Of average portfolio UPB, annualized ⁽²⁾ Comprised of net gains on mortgage loans held for sale at fair value and interest income related to EBO loans ⁽³⁾ Consists of interest shortfall and recording and release fees
⁽⁴⁾ Changes in fair value do not include realization of MSR cash flows ⁽⁵⁾ Considered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

HEDGING APPROACH MODERATES THE VOLATILITY OF PFSI'S RESULTS

MSR Valuation Changes and Offsets

(\$ in millions)

- MSR fair value change before realization of cash flows
- Hedging and related gains (losses)
- Production pretax income



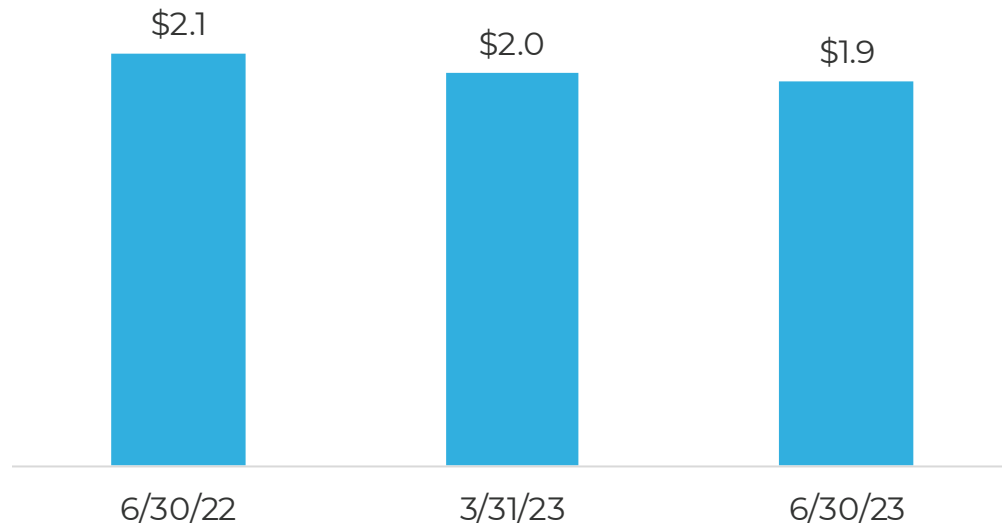
- PFSI seeks to moderate the impact of interest rate changes on the fair value of its MSR asset through a comprehensive hedge strategy that also considers production-related income
- In 2Q23, MSR fair value increased modestly⁽¹⁾
 - Interest rates increased during the quarter, decreasing prepayment projections
- More than offset by hedging losses
 - Hedging losses included \$42 million in hedge costs, which were elevated due to the inverted yield curve and significant interest rate volatility
 - Hedge costs were meaningfully lower in June and remain at lower levels in July

⁽¹⁾ Before realization of cash flows

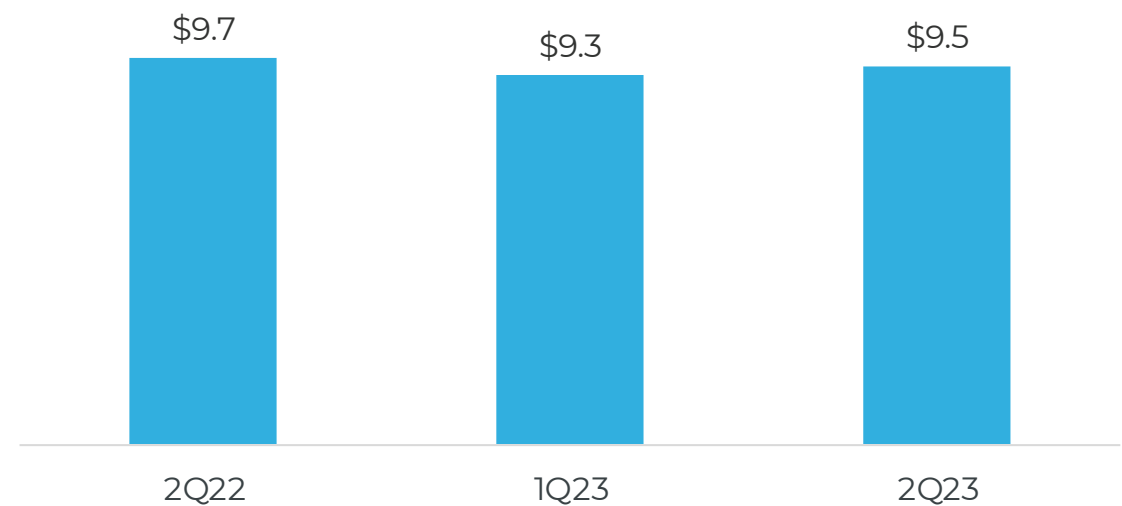
INVESTMENT MANAGEMENT SEGMENT HIGHLIGHTS

- Net AUM as of June 30, 2023 were \$1.9 billion, down 2% from March 31, 2023 and 7% from June 30, 2022
- Investment Management segment revenues were \$9.5 million, up 2% from 1Q23 and down 2% from 2Q22

Investment Management AUM
(\$ in billions)



Investment Management Revenues
(\$ in millions)



■ Base management fees & other revenue

▼ APPENDIX

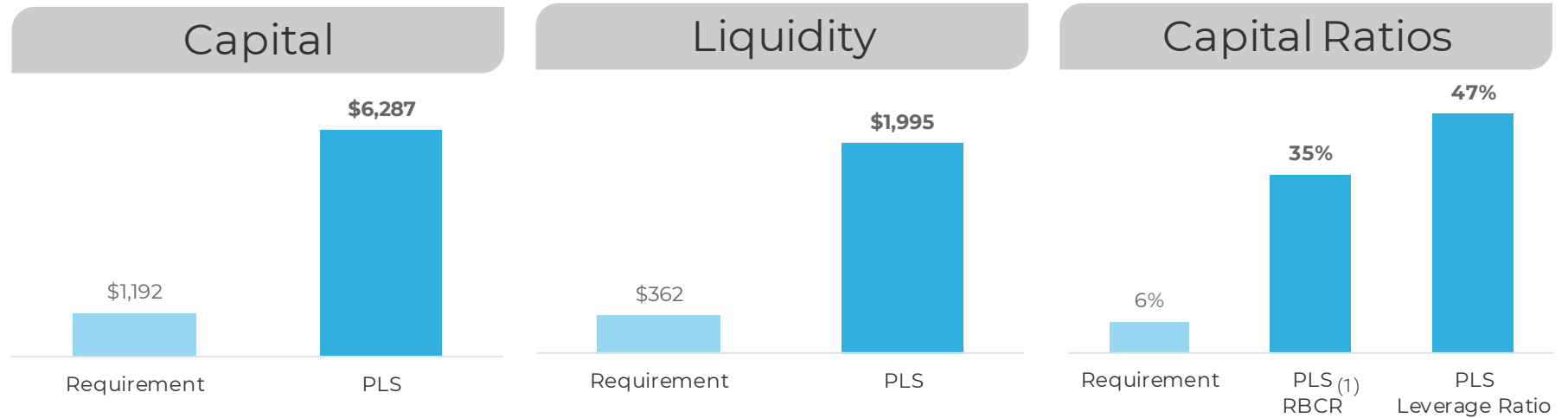
PFSI IS WELL IN EXCESS OF PROSPECTIVE REGULATORY CAPITAL AND LIQUIDITY REQUIREMENTS

In August 2022, the Federal Housing Finance Agency (FHFA) and Ginnie Mae released updated eligibility standards for non-bank seller/servicers with a proposed effective date for most requirements of September 30, 2023

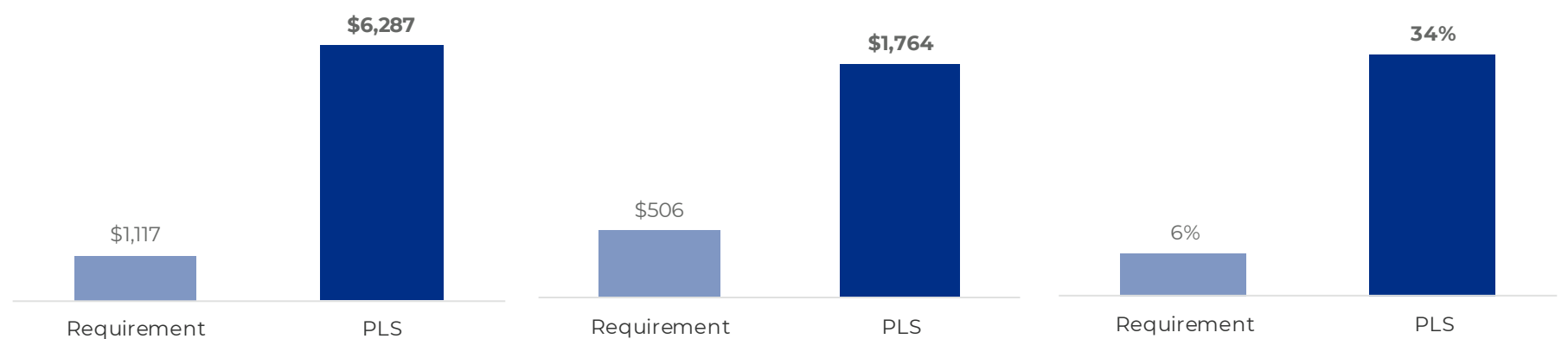
- PennyMac Loan Services, LLC (PLS), the entity at which these standards are applicable, is a wholly-owned subsidiary of PFSI and is approved as a seller/servicer of mortgage loans by Fannie Mae and Freddie Mac and as an issuer of securities guaranteed by Ginnie Mae

As of June 30, 2023
(in millions)

New GNMA Eligibility Requirements (Pro-Forma)

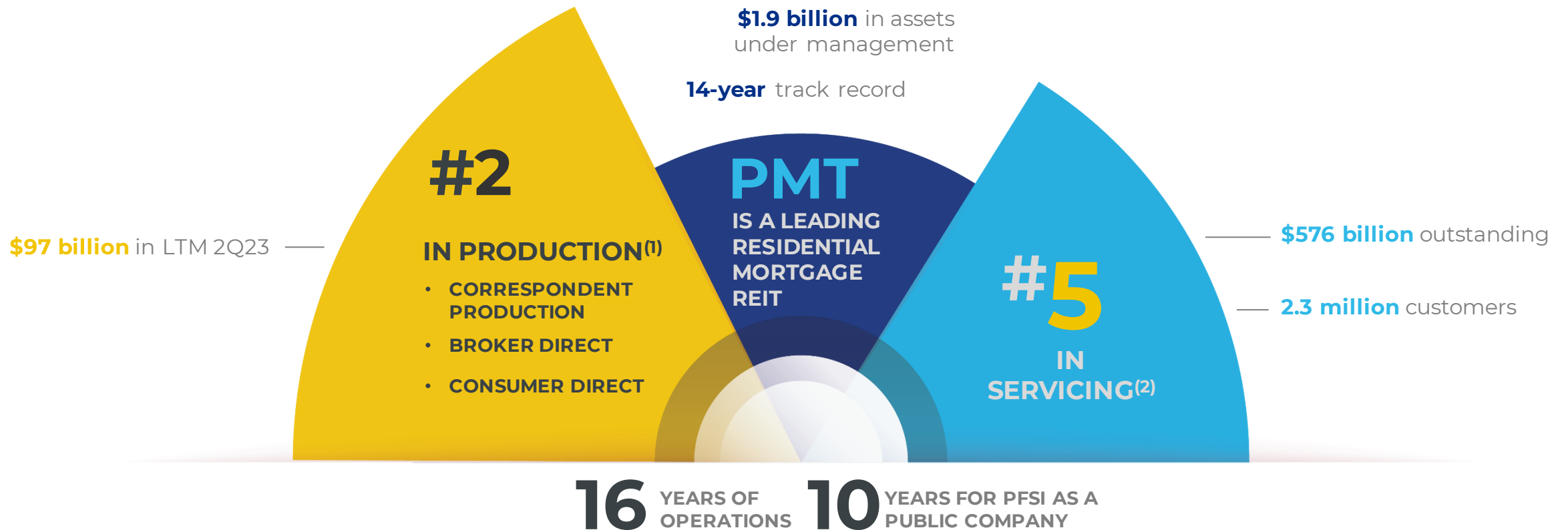


New FHFA Eligibility Requirements (Pro-Forma)



(1) Risk-based Capital Ratio; GNMA has extended the mandatory implementation date of the RBC requirement to December 31, 2024

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



Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT; all figures are as of 6/30/23 unless otherwise noted

⁽¹⁾ Inside Mortgage Finance for the 12 months ended 6/30/23

⁽²⁾ Inside Mortgage Finance as of 3/31/23

OVERVIEW OF PENNYMAC FINANCIAL'S BUSINESSES

LOAN PRODUCTION

Correspondent aggregation of newly originated loans from third-party sellers

Fulfillment fees for PMT's delegated conventional loans

PFSI earns gains on all loan production with the exception of loans fulfilled for PMT

Broker direct and consumer direct origination of conventional and government-insured loans

LOAN SERVICING

Servicing for owned MSR's and subservicing for MSR's 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

Loan Production

2nd largest in the U.S.⁽¹⁾

- Diversified business through correspondent, broker direct and consumer 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

Large volumes of production grow servicing portfolio

Loan Servicing

5th 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 2.3 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

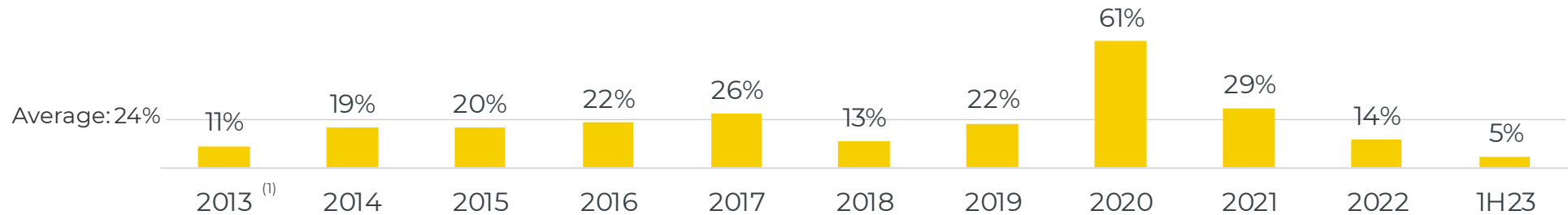
⁽¹⁾ Inside Mortgage Finance for the 12 months ended 6/30/23

⁽²⁾ Inside Mortgage Finance as of 3/31/23

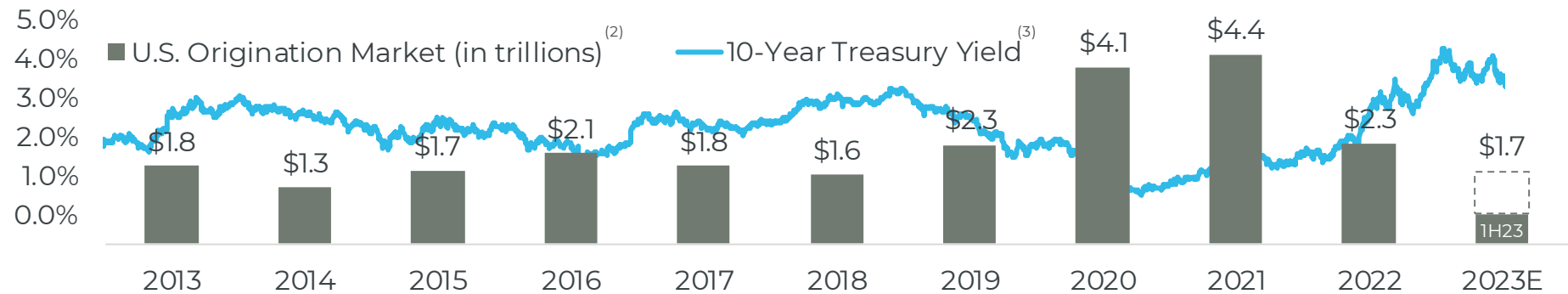
PFSI'S TRACK RECORD ACROSS VARIOUS MARKET ENVIRONMENTS IS UNIQUE AMONG INDEPENDENT MORTGAGE BANKS

Proven ability to generate attractive ROEs...

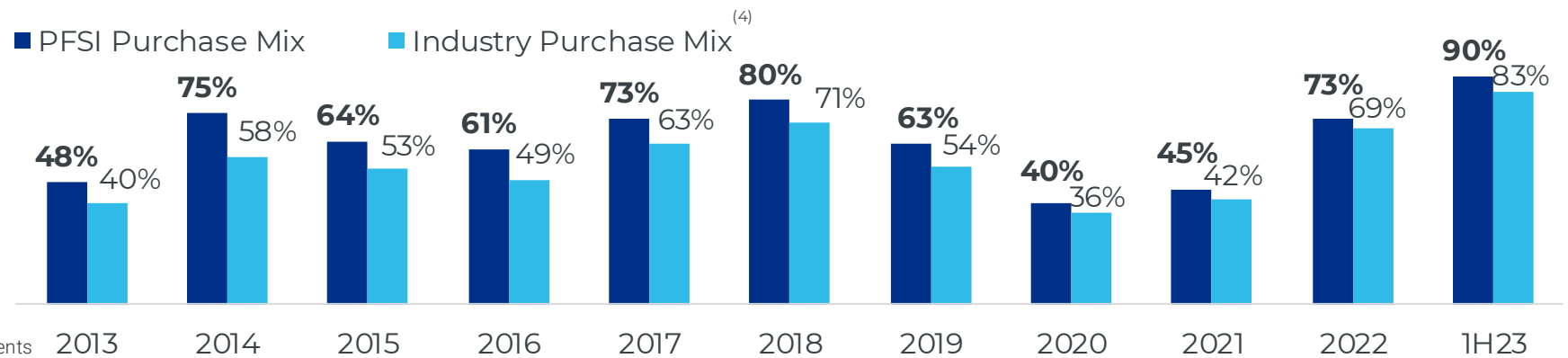
■ PFSI's Annualized Return on Average Common Stockholders' Equity (ROE)



...across different market environments...



...with a strong orientation towards purchase money mortgages.



⁽¹⁾ Represents partial year; initial public offering was May 8, 2013

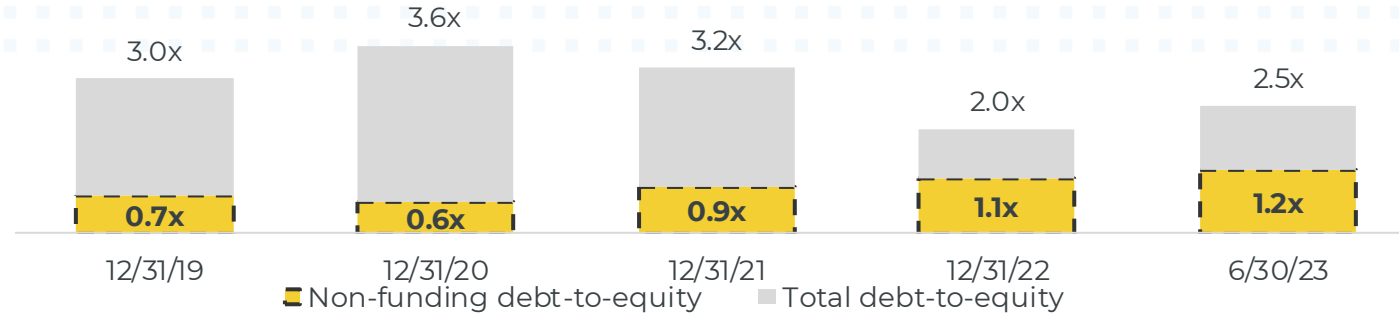
⁽²⁾ Inside Mortgage Finance for historical data; forecasts for 2023 represents the average of Mortgage Bankers Association (7/20/23) and Fannie Mae (7/10/23) estimates

⁽³⁾ Bloomberg

⁽⁴⁾ Inside Mortgage Finance for historical data; industry purchase mix for 2Q23 represents the average of Mortgage Bankers Association (7/20/23) and Fannie Mae (7/10/23) estimates

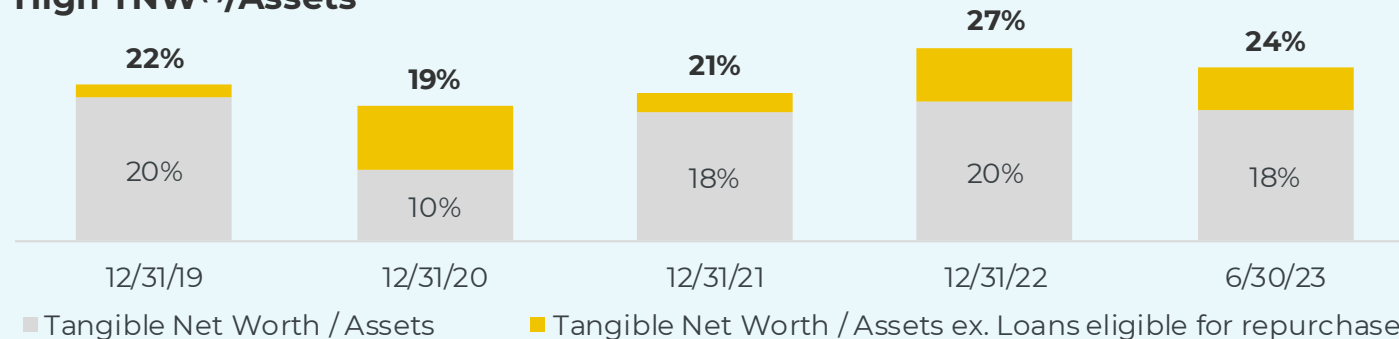
PFSI'S STRONG BALANCE SHEET AND DIVERSE CAPITAL STRUCTURES

Low Debt-to-Equity Ratio



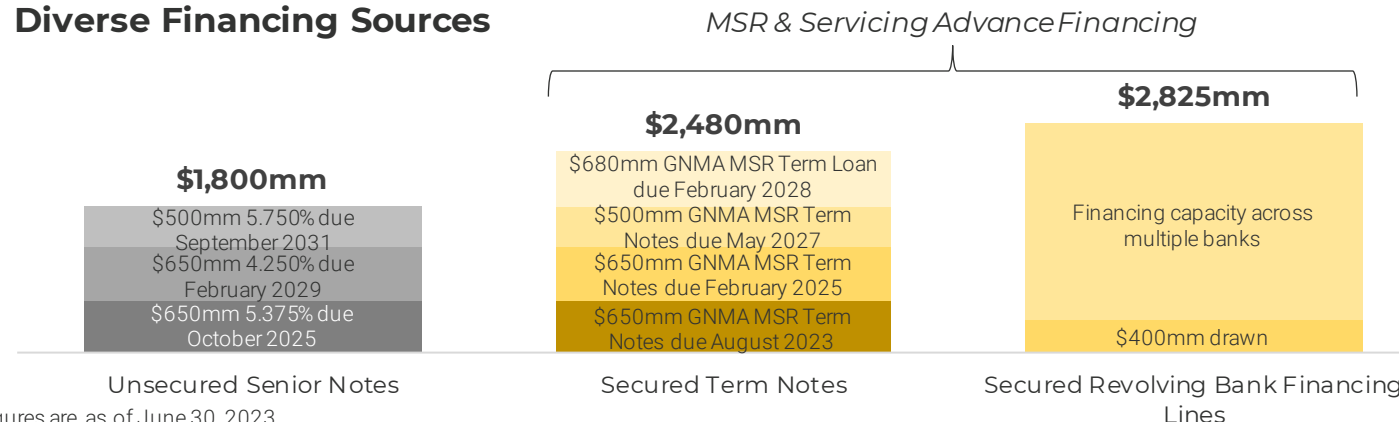
- Targeted debt-to-equity ratio near or below 3.5x with fluctuations largely driven by the origination environment or other market opportunities
- Low non-funding debt-to-equity ratio

High TNW⁽¹⁾/Assets



- Tangible net worth (TNW) / assets excluding loans eligible for repurchase has decreased driven by an increase in balances of loans held for sale at fair value

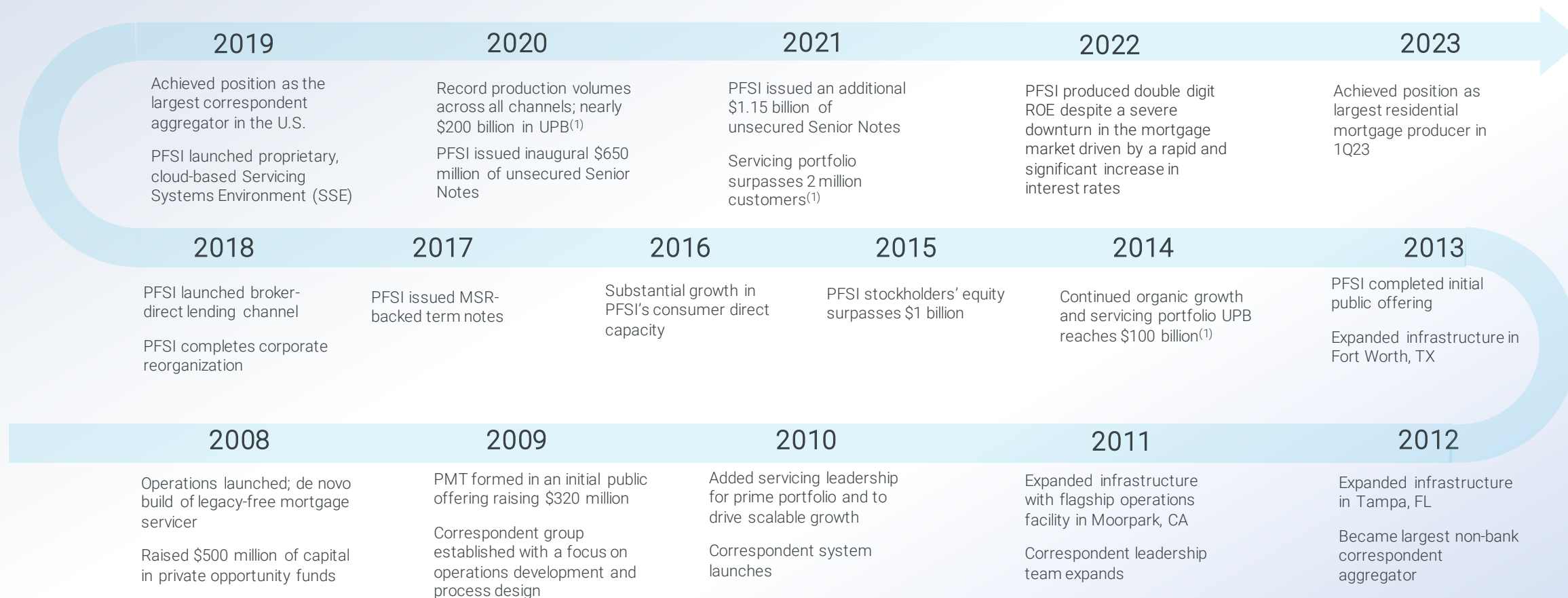
Diverse Financing Sources



- Unsecured senior notes provide low, fixed interest rates; more than two years until first maturity
- Secured term notes due in August 2023 have been extended for two years
- Secured revolving bank financing lines provide flexibility to finance fluctuating MSR and advance balances

Note: All figures are as of June 30, 2023
⁽¹⁾ Tangible net worth excludes capitalized software

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

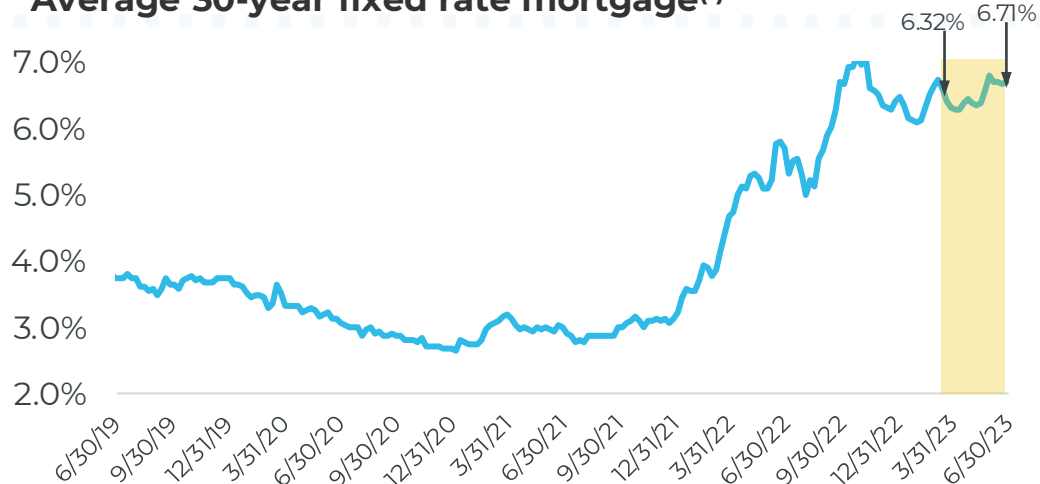


- Disciplined growth to address the demands of the GSEs, Agencies, regulators and our financing partners
 - Since inception, PennyMac has focused on building and testing processes and systems before adding significant transaction volumes
- Highly experienced management team has created a robust corporate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

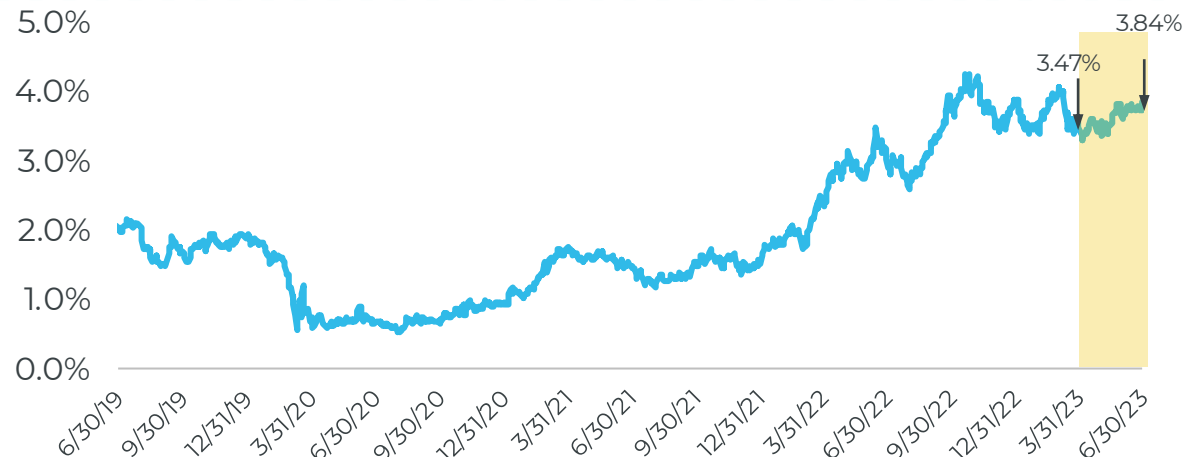
⁽¹⁾ All figures are for PFSI and include volume fulfilled or subserviced for PMT

CURRENT MARKET ENVIRONMENT AND MACROECONOMIC TRENDS

Average 30-year fixed rate mortgage⁽¹⁾



10-year Treasury Bond Yield⁽²⁾



Macroeconomic Metrics⁽³⁾

	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
10-year Treasury bond yield	3.0%	3.8%	3.9%	3.5%	3.8%
2/10 year Treasury yield spread	0.1%	-0.5%	-0.6%	-0.6%	-1.0%
30-year fixed rate mortgage	5.7%	6.7%	6.4%	6.3%	6.7%
Secondary mortgage rate	4.4%	5.6%	5.3%	5.1%	5.7%
U.S. home price appreciation (Y/Y % change)	19.7%	13.0%	7.7%	3.8%	-0.5%
Residential mortgage originations (in billions)	\$685	\$530	\$350	\$295	\$400

Footnotes

⁽¹⁾ Freddie Mac Primary Mortgage Market Survey. 6.78% as of 7/20/23

⁽²⁾ U.S. Department of the Treasury. 3.85% as of 7/20/23

⁽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 5/31/23
 Residential mortgage originations are for the quarterly period ended; source: Inside Mortgage Finance

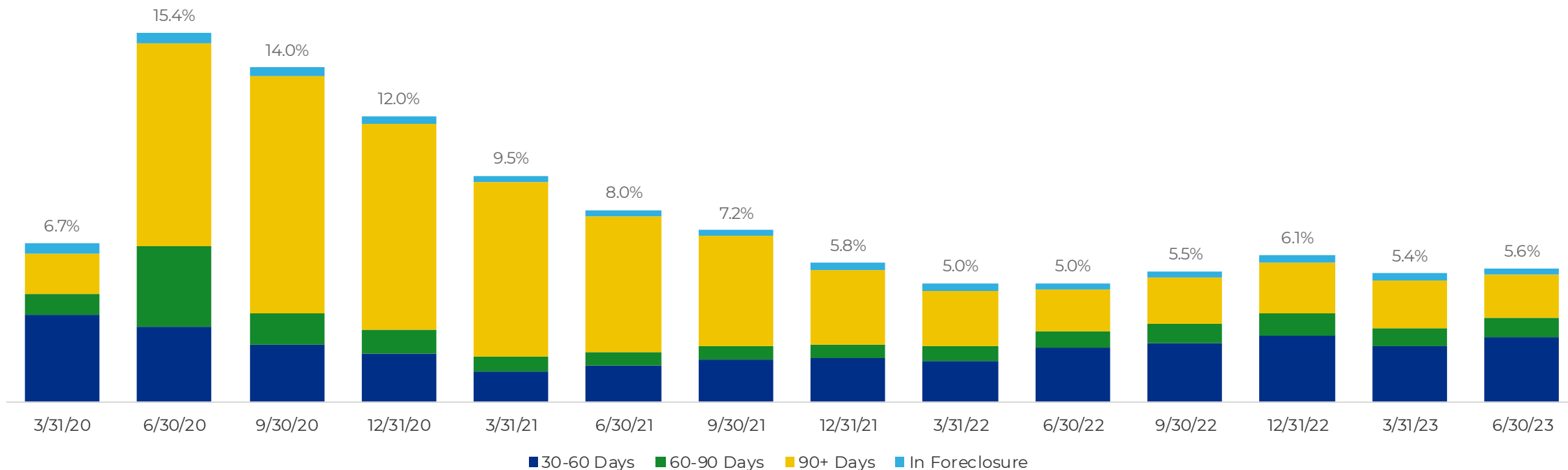
MSR ASSET VALUATION

June 30, 2023 Unaudited (\$ in millions)	Mortgage Servicing Rights
Pool UPB ⁽¹⁾	\$337,695
Weighted average coupon	3.7%
Weighted average servicing fee/spread	0.38%
Weighted average prepayment speed assumption (CPR)	7.7%
Fair value	\$6,510.6
As a multiple of servicing fee	5.08

⁽¹⁾ Excludes loans held for sale at fair value

DELINQUENCY TRENDS AND SERVICING ADVANCES OUTSTANDING

Historical Trends in Delinquency and Foreclosure Rates⁽¹⁾



- Overall mortgage delinquency rates increased slightly from the prior quarter but remain below pre-pandemic levels
- Servicing advances outstanding for PFSI’s MSR portfolio decreased to approximately \$407 million at June 30, 2023 from \$427 million at March 31, 2023
 - No P&I advances are outstanding, as prepayment activity continues to sufficiently cover remittance obligations

⁽¹⁾ Owned MSR portfolio and includes loans held for sale at fair value; delinquency and foreclosure rates based on UPB; as of 6/30/23, the UPB of mortgage servicing rights owned and loans held for sale at fair value totaled \$342 billion

PFSI'S OWNED MSR PORTFOLIO CHARACTERISTICS

Segment	UPB (\$ in billions) ⁽³⁾	% of Total UPB	Loan count (in thousands)	Note rate	Seasoning (months)	Remaining maturity (months)	Loan size (\$ in thousands)	FICO credit score at origination	Original LTV	Current LTV	60+ Delinquency (by UPB)
Government⁽¹⁾											
FHA	\$124.2	36.8%	633	3.9%	43	320	\$196	675	93%	67%	4.9%
VA	\$119.3	35.3%	439	3.4%	29	330	\$272	726	90%	71%	2.0%
USDA	\$21.2	6.3%	143	3.7%	47	316	\$148	698	98%	67%	4.7%
GSE											
FNMA	\$34.2	10.1%	120	3.8%	25	310	\$285	760	71%	58%	0.4%
FHLMC	\$37.8	11.2%	130	3.9%	18	319	\$290	754	73%	62%	0.4%
Other⁽²⁾											
Other	\$0.9	0.3%	3	4.7%	15	337	\$323	766	67%	61%	0.2%
Closed-End Seconds											
Closed-End Seconds	\$0.1	0.0%	1	10.0%	4	270	\$73	749	16%	16%	0.0%
Grand Total	\$337.7	100.0%	1,470	3.7%	34	322	\$230	712	88%	67%	2.9%

Note: Figures may not sum due to rounding

(1) Government loans include loans securitized in Ginnie Mae pools as well as loans sold to private investors

(2) Other represents MSRs collateralized by conventional loans sold to private investors

(3) Excludes loans held for sale at fair value

ACQUISITIONS AND ORIGINATIONS BY PRODUCT

Acquisitions/Originations

Unaudited (\$ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23
Correspondent Acquisitions					
Conventional Conforming - for PMT	\$ 10,320	\$ 10,225	\$ 6,771	\$ 6,629	\$ 3,029
Conventional Conforming - for PFSI	-	-	3,912	4,063	7,018
Government	10,649	12,161	10,081	9,461	11,139
Jumbo	3	2	-	-	-
Total	\$ 20,973	\$ 22,387	\$ 20,764	\$ 20,153	\$ 21,186
Broker Direct Originations					
Conventional Conforming	\$ 1,556	\$ 909	\$ 758	\$ 1,097	\$ 1,436
Government	396	384	362	441	685
Jumbo	24	5	7	28	19
Total	\$ 1,976	\$ 1,298	\$ 1,126	\$ 1,565	\$ 2,140
Consumer Direct Originations					
Conventional Conforming	\$ 2,246	\$ 1,198	\$ 489	\$ 365	\$ 400
Government	1,492	1,130	572	610	1,028
Jumbo	5	2	4	1	4
Closed-end second liens	-	1	45	81	122
Total	\$ 3,744	\$ 2,330	\$ 1,110	\$ 1,057	\$ 1,553
Total acquisitions/originations	\$ 26,693	\$ 26,016	\$ 23,000	\$ 22,775	\$ 24,879
UPB of loans fulfilled for PMT					
(included in correspondent acquisitions)	\$ 10,324	\$ 10,227	\$ 6,771	\$ 6,629	\$ 3,029

INTEREST RATE LOCKS BY PRODUCT

Interest Rate Lock Commitments

Unaudited (\$ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23
Correspondent Locks					
Conventional Conforming - for PMT	\$ 11,080	\$ 10,647	\$ 7,507	\$ 7,588	\$ 3,322
Conventional Conforming - for PFSI	-	-	4,747	3,781	7,523
Government	11,326	12,351	10,681	10,341	10,735
Jumbo	3	2	7	-	-
Total	\$ 22,410	\$ 22,999	\$ 22,941	\$ 21,709	\$ 21,581
Broker Direct Locks					
Conventional Conforming	\$ 1,663	\$ 1,236	\$ 1,338	\$ 1,716	\$ 1,869
Government	535	622	656	777	921
Jumbo	21	6	20	59	32
Total	\$ 2,220	\$ 1,865	\$ 2,014	\$ 2,552	\$ 2,822
Consumer Direct Locks					
Conventional Conforming	\$ 2,511	\$ 1,892	\$ 700	\$ 628	\$ 575
Government	1,804	1,889	885	1,410	1,383
Jumbo	11	14	6	9	2
Closed-end second liens	-	10	93	152	205
Total	\$ 4,326	\$ 3,804	\$ 1,684	\$ 2,199	\$ 2,166
Total locks	\$ 28,956	\$ 28,668	\$ 26,639	\$ 26,459	\$ 26,568

CREDIT CHARACTERISTICS BY ACQUISITION/ORIGINATION PERIOD

Correspondent

	Weighted Average FICO				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	682	680	690	709	715
Conventional	753	758	756	757	762

	Weighted Average DTI				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	43	45	46	45	45
Conventional	37	38	39	39	38

Broker Direct

	Weighted Average FICO				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	694	679	676	701	712
Conventional	757	759	756	757	761

	Weighted Average DTI				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	44	45	46	46	45
Conventional	37	37	38	38	38

Consumer Direct

	Weighted Average FICO				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	700	680	680	663	661
Conventional	727	724	728	734	744

	Weighted Average DTI				
	2Q22	3Q22	4Q22	1Q23	2Q23
Government-insured	42	43	44	44	44
Conventional	37	37	38	38	37

ADJUSTED EBITDA RECONCILED TO NET INCOME

(\$ in millions)	2Q22	1Q23	2Q23
Net income	\$ 129.2	\$ 30.4	\$ 58.3
Provision for income taxes	48.4	7.8	14.7
Income before provisions for income taxes	177.5	38.1	72.9
Depreciation and amortization	7.4	12.7	13.2
(Increase) decrease in fair value of MSR and MSLs due to changes in valuation inputs used in the valuation model	(233.8)	90.3	(118.9)
Hedging losses (gains) associated with MSR	176.0	(47.2)	155.1
Stock-based compensation	14.9	11.7	0.4
Interest expense on corporate debt and capital base	23.7	23.4	23.7
Adjusted EBITDA	\$ 165.7	\$ 129.0	\$ 146.4

