



4Q24 EARNINGS REPORT

PennyMac Financial Services, Inc.

January 2025

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, defaults 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; changes in real estate values, housing prices and housing sales; changes in macroeconomic, consumer and real estate market conditions; 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; 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; difficulties inherent in adjusting the size of our operations to reflect changes in business levels; purchase opportunities for mortgage servicing rights; our substantial amount of indebtedness; increases in loan delinquencies, defaults and forbearances; our dependence on U.S. government-sponsored entities and changes in their current roles or their guarantees or guidelines; 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; 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 entity; our ability to mitigate cybersecurity risks, cyber incidents and technology disruptions; the development of artificial intelligence; the effect of public opinion on our reputation; our exposure to risks of loss and disruptions in operations resulting from severe weather events, man-made or other natural conditions, including 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 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 press release are current as of the date of this release 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 and operating net income 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 disclosures have limitations as an analytical tool and should not be viewed as a substitute for financial information determined in accordance with GAAP.

FOURTH QUARTER HIGHLIGHTS

Strong operating results partially offset by net fair value declines on hedged mortgage servicing rights

4Q24 Results

Net income	Diluted EPS ⁽¹⁾
\$104mm	\$1.95
Annualized return on equity	Annualized operating return on equity ⁽²⁾
11%	16%
Book value per share	Dividend per common share
\$74.54	\$0.30

Production Segment ⁽³⁾

Pretax income	
\$78mm	
Total loan acquisitions and originations ⁽⁴⁾	PFSI correspondent lock volume
\$35.7bn	\$24.9bn
Broker direct lock volume	Consumer direct lock volume
\$4.5bn	\$3.7bn

Servicing Segment ⁽³⁾

Pretax income	
\$87mm	
Pretax income excluding valuation-related items ⁽⁵⁾	MSR ⁽¹⁾ fair value changes and hedging results
\$168mm	\$(68)mm
MSR fair value changes and hedging impact to diluted EPS	Total servicing portfolio UPB ⁽¹⁾⁽⁴⁾
\$(0.93)	\$666bn

Note: All figures are for 4Q24 or are as of 12/31/24

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

(2) See slide 34 for a reconciliation of GAAP net income to non-GAAP annualized operating return on equity

(3) In 4Q24, management reassessed its segment definitions. Prior period amounts have been recast to conform those periods' presentation to current period presentation. Non-segment activities are included under "Corporate and other items" and include amounts attributable to corporate activities not directly attributable to the production and servicing segments as well as management fees earned from PennyMac Mortgage Investment Trust (NYSE: PMT).

(4) Includes volume fulfilled or subserviced for PMT

(5) Excludes \$540 million in MSR fair value gains, \$608 million in hedging losses, and a \$13 million provision for losses on active loans - see slide 14 for additional details

2024 RESULTS HIGHLIGHT GAINS IN OPERATING LEVERAGE AND EARNINGS POWER OF OUR BALANCED BUSINESS MODEL

Production

Financial Highlights

Servicing

UPB of total funded volumes⁽¹⁾
(Y/Y change)

↑ **17%**

Larger increases in the direct lending channels

Revenues⁽²⁾
(Y/Y change)

↑ **47%**

Expenses⁽²⁾
(Y/Y change)

↑ **13%**

9%

GAAP ROE

17%

Operating ROE⁽³⁾

↑ **50%**

Quarterly dividend

↑ **6%**

Book value per share Y/Y

↑ **10%**

Total portfolio UPB⁽¹⁾
(Y/Y change)

↑ **19%**

Operating revenues⁽⁴⁾
(Y/Y change)

↑ **3%**

Operating expenses⁽⁴⁾
(Y/Y change)

Note: all data are for 2024 or are as of 12/31/24

(1) Includes volume acquired and retained for or sub-serviced for PMT

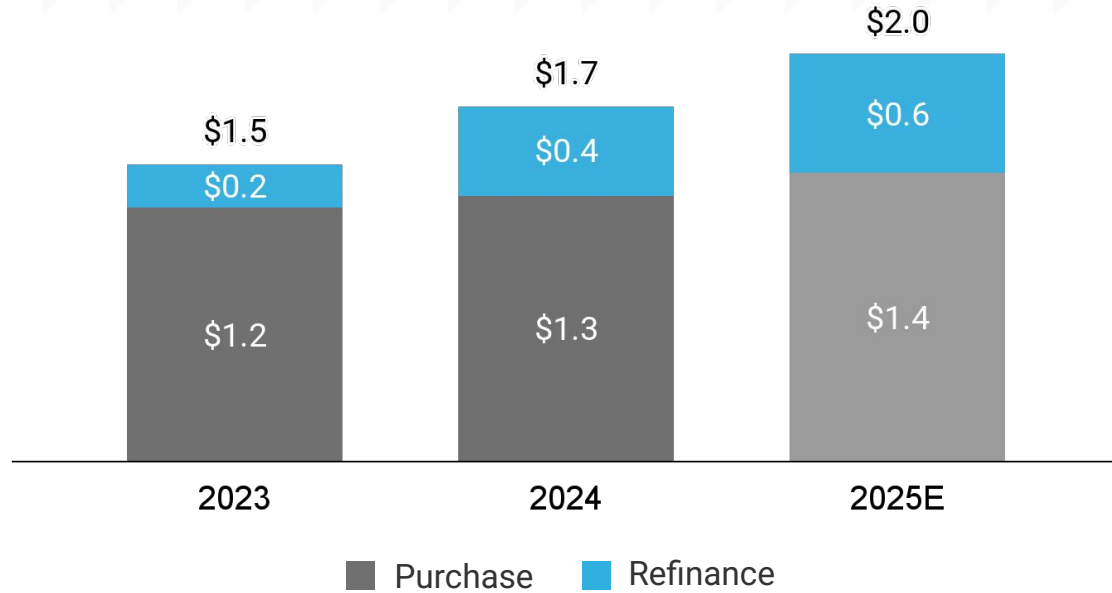
(2) Production revenues and expenses are presented net of loan origination expenses - see Appendix slide 28

(3) See Appendix slide 34

(4) See Appendix slide 29. Operating revenues include loan servicing fees, earnings on custodial balances and deposits and other income, realization of MSR cash flows and EBO-related revenue

ORIGINATION MARKET EXPECTATIONS REFLECT GROWTH

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



Mortgage Rates Remain Elevated



- Current third-party estimates for industry originations average \$2.0 trillion in 2025, reflecting projections for growth in overall volumes
- Mortgage banking companies with large servicing portfolios and diversified business models are positioned to generate meaningful profitability whether the mortgage markets decrease or increase in size

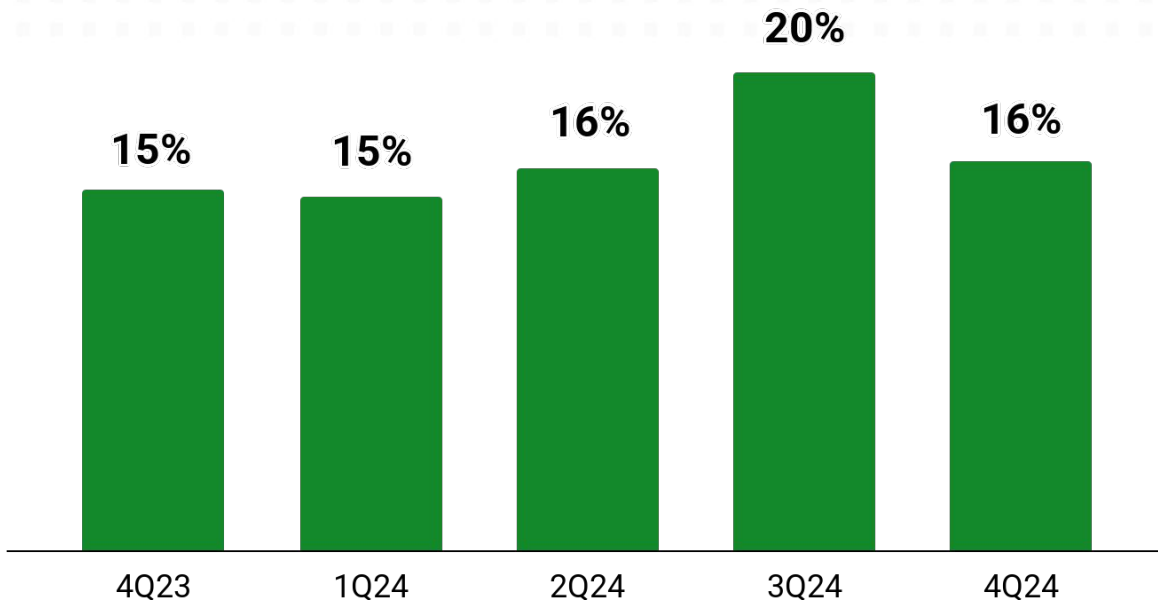
Note: Figures may not sum due to rounding

(1) Actual originations: Inside Mortgage Finance. Forecast originations: Average of Mortgage Bankers Association (1/19/25) and Fannie Mae (1/10/25) forecasts.

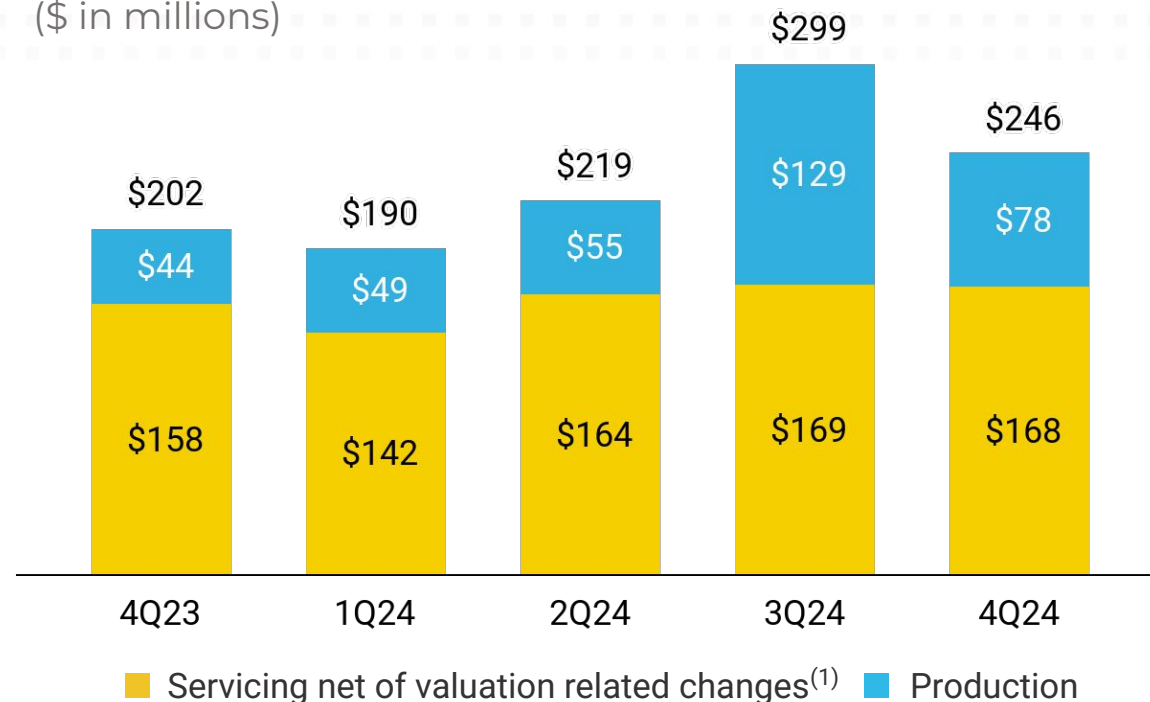
(2) Freddie Mac Primary Mortgage Market Survey. 6.96% as of 1/23/25

ACHIEVED HIGH-TEENS OPERATING RETURNS ON EQUITY IN 2024

Annualized Operating ROE⁽¹⁾



Mortgage Banking Operating Pretax Income (\$ in millions)



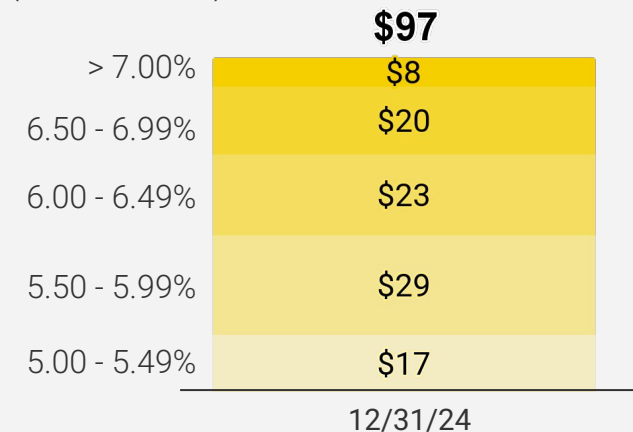
- 15 - 20% operating return on equity in recent periods of elevated mortgage rates
 - Servicing expected to continue providing a strong base level of operating earnings, with additional upside potential for the production segment when interest rates decline, as demonstrated by third quarter results
- **We currently expect annualized operating returns on equity in the mid-to-high teens in 2025**

Note: Figures may not sum due to rounding
 (1) See slide 34 for a reconciliation of GAAP to non-GAAP items

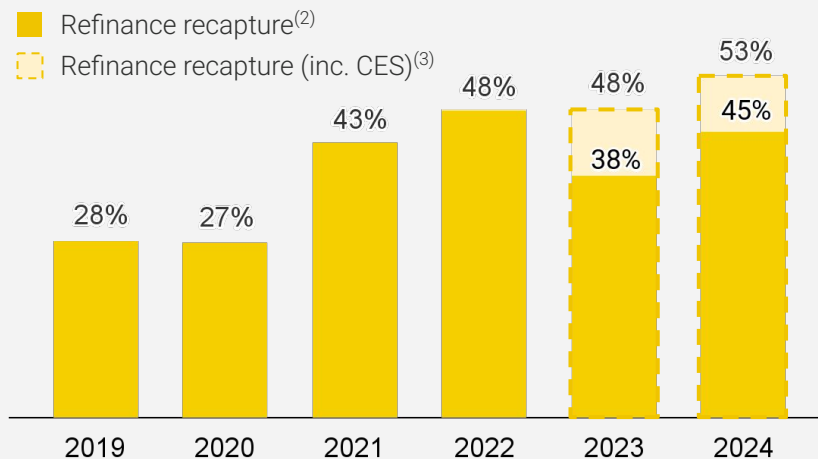
EARNINGS GROWTH POTENTIAL IN REFINANCE RECAPTURE OPPORTUNITY

Gov't. Loans: Note Rates >5%

(UPB in billions)

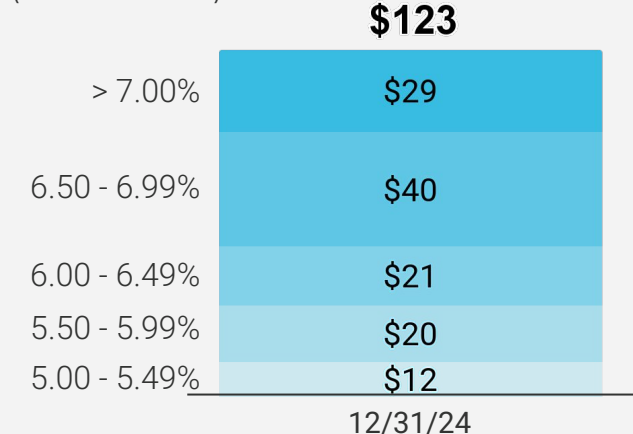


Gov't. Loan Refinance Recapture Rates

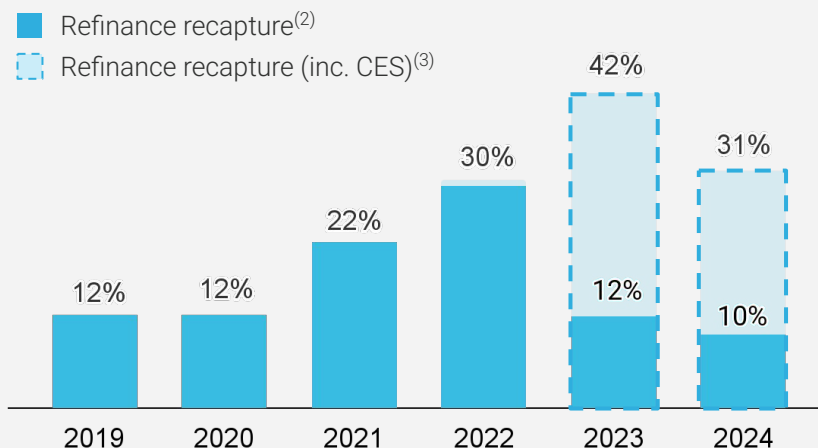


Conv. Loans: Note Rates >5%⁽¹⁾

(UPB in billions)



Conv. Loans Refinance Recapture Rates



- Large opportunity when borrowers with loans originated at higher note rates seek to refinance
 - Higher recapture rates for government-insured or guaranteed loans versus conventional loans due to streamlined refinance programs
 - Introduction of closed-end second liens in 2022 for customers to access home equity while retaining their low-rate, first lien mortgage

Note: Figures may not sum due to rounding

(1) Includes first-lien conventional and other loans serviced for PFSI's own account as well as those subserviced for PMT

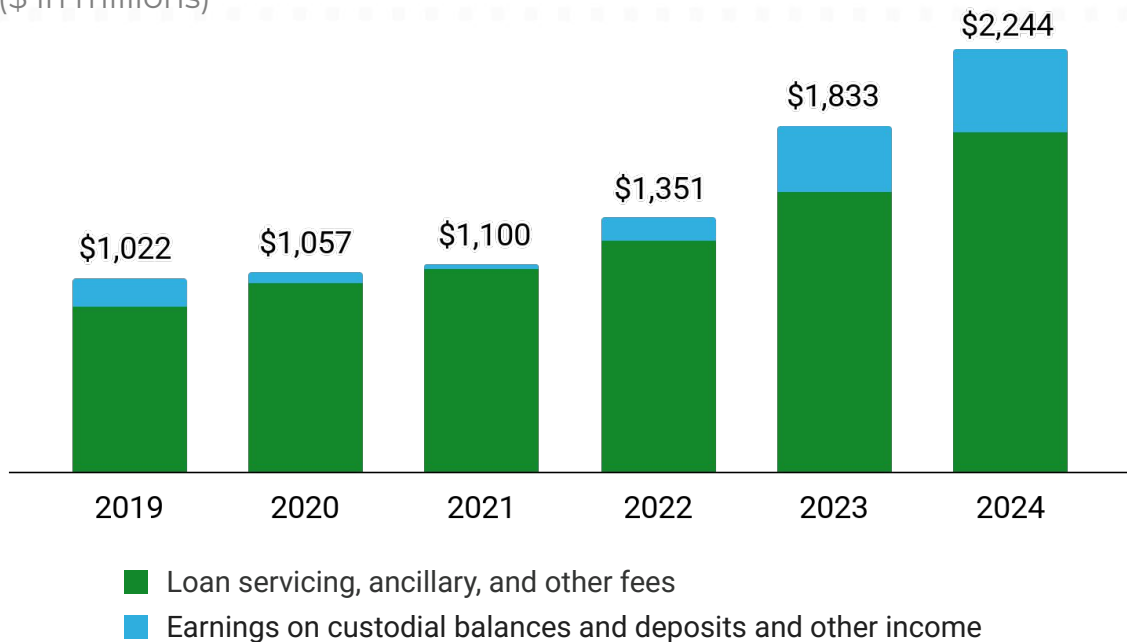
(2) Numerator = UPB of new consumer direct first lien refinance originations; denominator = UPB of payoffs with no transfer of title or MLS listing identified

(3) Numerator = UPB of new consumer direct first lien refinance originations + UPB of new consumer direct closed-end second lien (CES) originations from portfolio customers + UPB of retained first-liens for associated CES originations; denominator = UPB of payoffs with no transfer of title or MLS listing identified + UPB of retained first-liens for associated CES originations

SERVICING PROVIDES GROWING CASH FLOW AND SCALE BENEFITS

Revenue From Servicing & Placement Fees

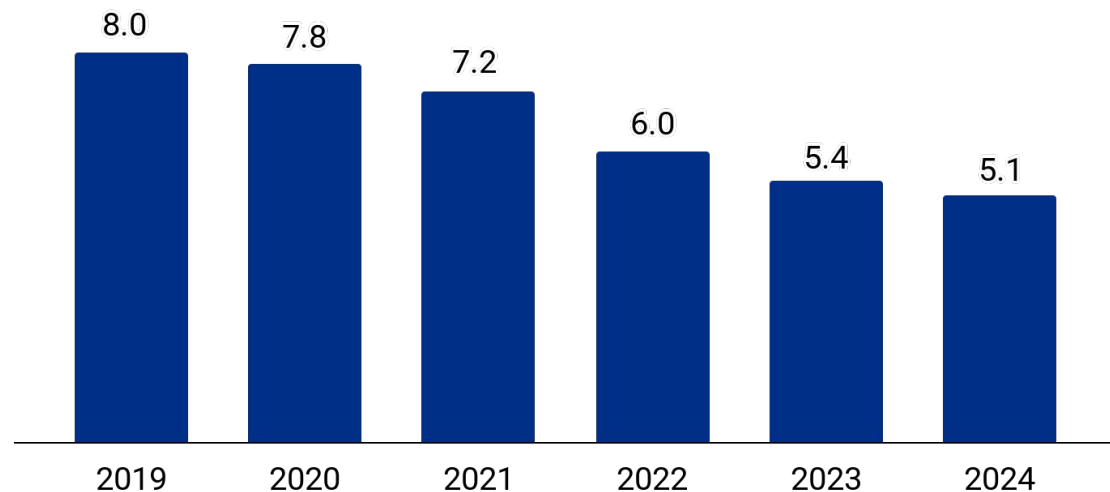
(\$ in millions)



- Increasing revenue contribution due to portfolio growth over time
- Higher proportion of owned servicing in more recent periods drives increased servicing fees
- Increased contribution from placement fees driven by higher short-term rates in recent periods

Operating Expenses

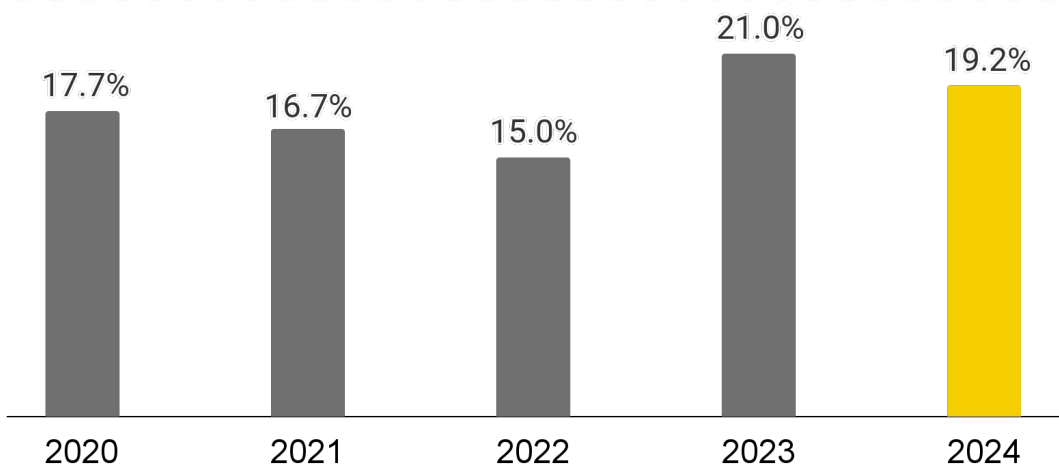
(bps of average servicing portfolio UPB)



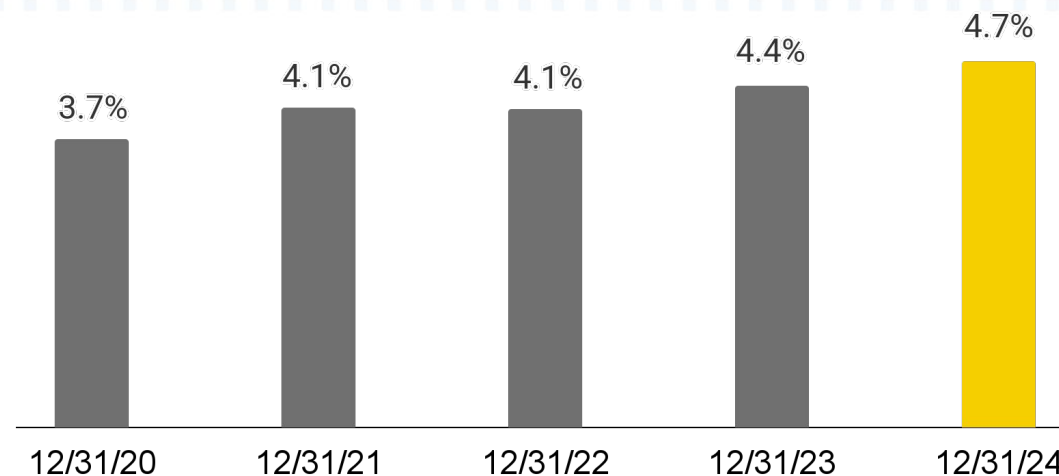
- Increased scale and efficiency as the portfolio grows
- Lower variable costs due to the implementation of SSE, our proprietary servicing system in 2019
- Continuing to increase efficiency through the use of emerging technologies, including capabilities of generative artificial intelligence
- Delinquencies remain moderated in the current market environment, further reducing operating expenses

PENNYMAC'S MARKET SHARE OVER TIME ACROSS ITS BUSINESSES

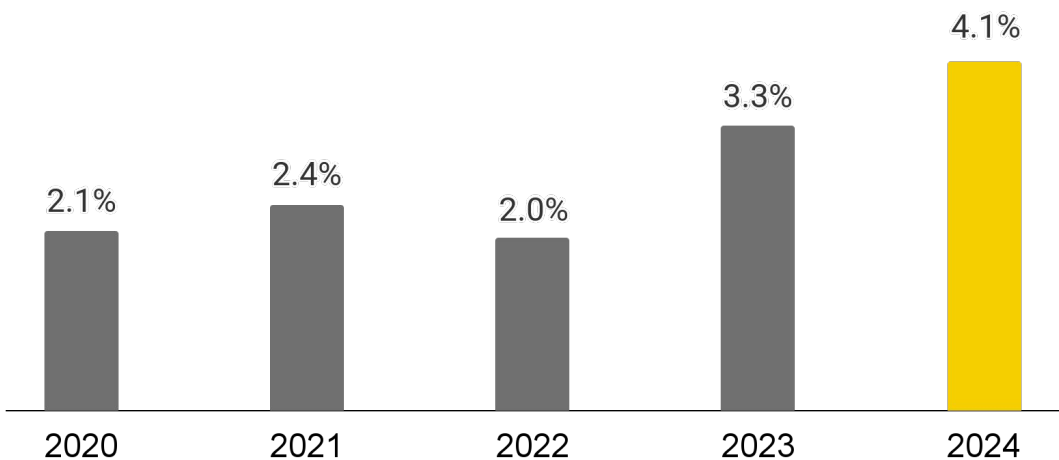
Correspondent Production Market Share⁽¹⁾



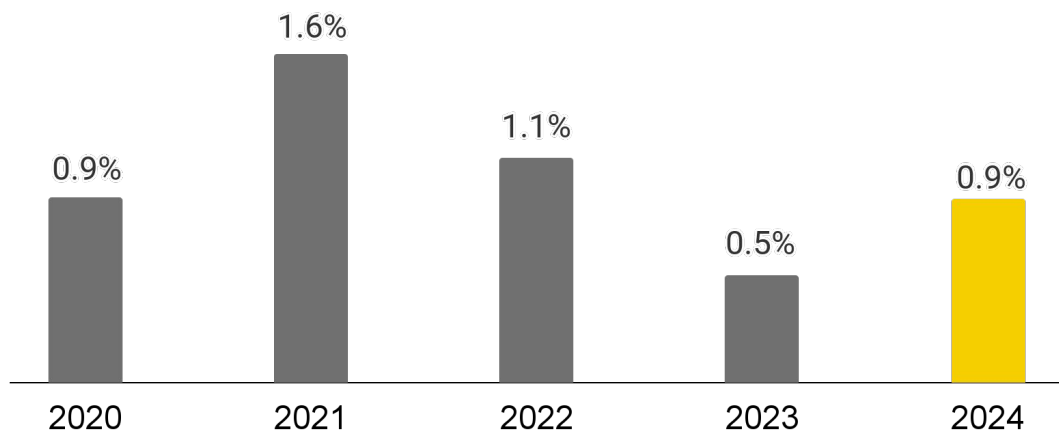
Loan Servicing Market Share⁽¹⁾



Broker Direct Market Share⁽¹⁾



Consumer Direct Market Share⁽¹⁾



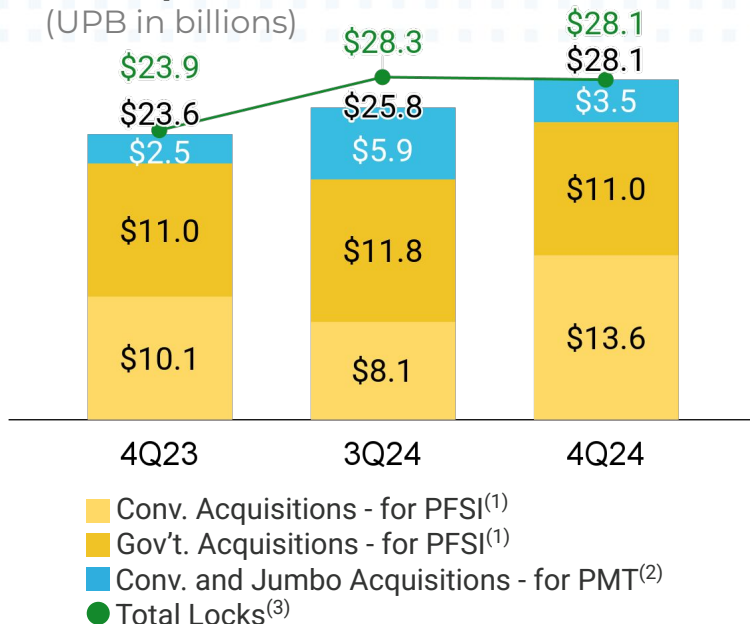
Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT

(1) Historical market share: Inside Mortgage Finance; excludes second lien originations. For 2024, we estimate \$1.7 trillion in total origination volume, and that the correspondent channel represented 30% of the overall origination market, retail represented 51%, and broker represented 19%. Loan servicing market share is based on PFSI's servicing portfolio UPB of \$666 billion divided by \$14.3 trillion in mortgage debt outstanding

PRODUCTION SEGMENT HIGHLIGHTS – VOLUME BY CHANNEL

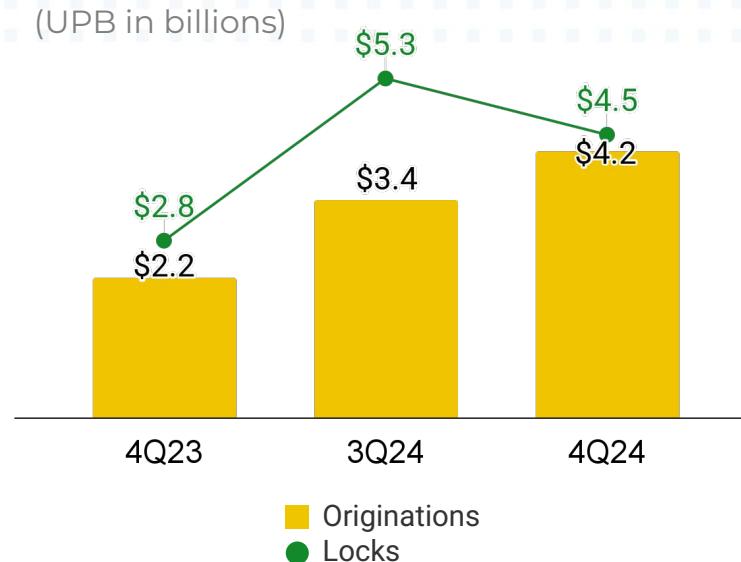
Correspondent

(UPB in billions)



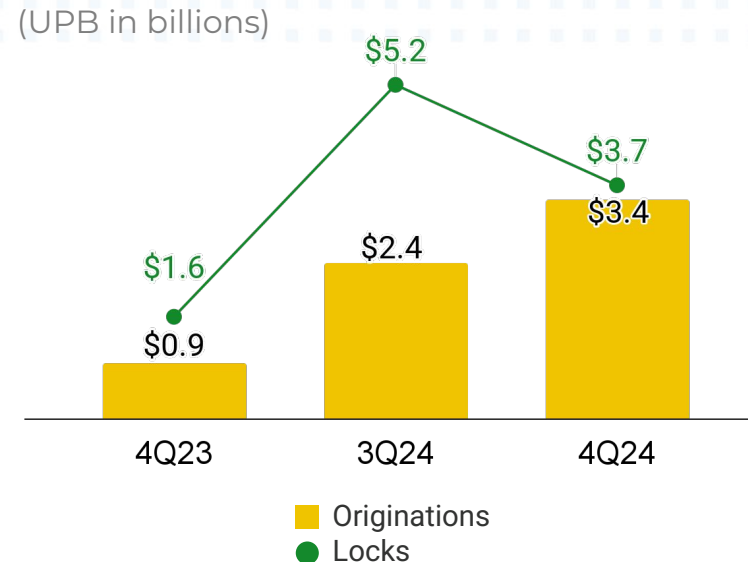
Broker Direct

(UPB in billions)



Consumer Direct

(UPB in billions)



January 2025 (Estimated)

Locks: (UPB in billions)	\$8.3
Acquisitions: (UPB in billions)	\$8.3

January 2025 (Estimated)

Locks: (UPB in billions)	\$1.6
Originations: (UPB in billions)	\$1.0
Committed pipeline ⁽⁴⁾ : (UPB in billions)	\$1.4

January 2025 (Estimated)

Locks: (UPB in billions)	\$1.0
Originations: (UPB in billions)	\$1.0
Committed pipeline ⁽⁴⁾ : (UPB in billions)	\$1.2

Note: Figures may not sum due to rounding

(1) Government-insured or guaranteed loans and certain conventional loans acquired through PMT's correspondent production business and subsequently sold to PFSI; 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

(\$ in millions)	4Q23				3Q24				4Q24			
	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⁾	\$ 20,728	34	\$ 70.3	48%	\$ 19,887	33	\$ 65.3	26%	\$ 24,101	27	\$ 66.1	31%
Broker direct	2,116	79	16.6	11%	3,763	97	36.4	15%	3,287	99	32.5	15%
Consumer direct	1,045	409	42.8	29%	3,421	323	110.4	44%	2,334	344	80.3	38%
Other ⁽³⁾	n/a	n/a	13.2	9%	n/a	n/a	26.1	10%	n/a	n/a	27.9	13%
Total PFSI account revenues⁽⁴⁾	\$ 23,888	60	\$ 142.9	97%	\$ 27,071	88	\$ 238.2	95%	\$ 29,723	70	\$ 206.7	97%
PMT conventional correspondent	2,162	23	4.9	3%	6,894	17	11.5	5%	2,550	25	6.4	3%
Total Production revenues⁽⁴⁾		57	\$ 147.8	100%		74	\$ 249.7	100%		66	\$ 213.1	100%
Production expenses⁽⁴⁾	\$ 26,050	40	\$ 103.6	70%	\$ 33,964	35	\$ 120.3	48%	\$ 32,273	42	\$ 135.1	63%
Production segment pretax income		17	\$ 44.2	30%		38	\$ 129.4	52%		24	\$ 78.0	37%

- Revenue per fallout adjusted lock for PFSI's own account was 70 basis points in 4Q24, down from 88 basis points in 3Q24
 - Lower fallout-adjusted lock volume in the in the higher-margin direct lending channels
 - Overall correspondent lock volume similar to 3Q24, but with smaller proportion locked for PMT's account
- Production expenses⁽⁴⁾ increased 12% from the prior quarter due to higher funded volumes and increased capacity in the direct lending channels

Note: Figures may not sum due to rounding

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

(2) Includes government-insured or guaranteed loans and certain conventional loans for PFSI's own account

(3) Reflects timing of revenue and loan origination expense recognition, hedging, pricing & execution changes, and other items

(4) Total PFSI account revenues, total production revenues and production expenses are presented net of loan origination expenses, which are managed as a component of revenue margins

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.
- Lock volumes for PFSI’s account were up 20% and acquisitions up 24% from 3Q24, as PMT retained approximately 19% of total conventional correspondent production in 4Q24 compared to 42% in 3Q24
 - We expect PMT to retain approximately 15 - 25% of total conventional correspondent production in 1Q25
- 789 correspondent sellers at December 31, 2024, down slightly from September 30, 2024
- Purchase volume in 4Q24 was 87% of total acquisitions

Broker Direct

- Lock volumes were down 17% while originations were up 22% from 3Q24
- Approved brokers totaled 4,609 at December 31, 2024, up 4% from September 30, 2024 and 21% from December 31, 2023, representing approximately 25% of the total population of brokers
 - Top brokers see Pennymac as a strong alternative to the top two channel lenders
- Purchase volume in 4Q24 was 73% of total originations
- Strong trends in jumbo originations, which were 17% of total originations in 4Q24

Consumer Direct

- Lock volumes were down 30% while originations were up 40% from 3Q24
 - Decrease in locks due to higher rates; increase in originations due to higher refinance volumes locked in 3Q24
- Continue to provide for the spectrum of needs of the 2.6 million customers in our servicing portfolio
 - Refinance lock volume in 4Q24 was \$3.3 billion, or 90% of total locks, down from \$4.8 billion, or 92% of total locks in 3Q24
 - 96% of total origination volume, including both first and second-lien, was sourced from our large and growing servicing portfolio
 - \$302 million of closed-end second lien mortgage loans funded in 4Q24, up from \$278 million in 3Q24

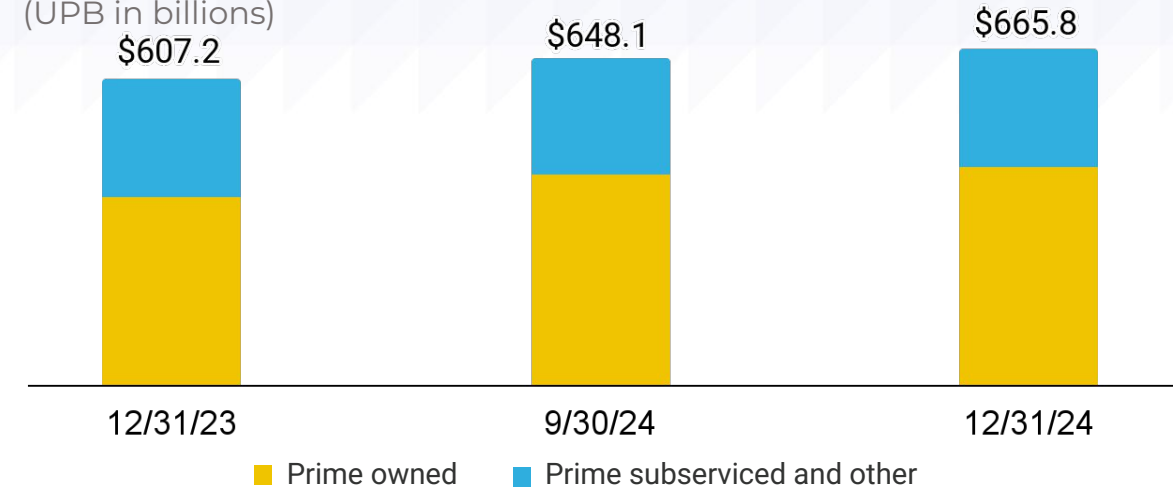
SERVICING SEGMENT HIGHLIGHTS

- Servicing portfolio totaled \$665.8 billion in UPB at December 31, 2024, up 3% Q/Q and 10% Y/Y
- Production volumes more than offset prepayment activity, leading to continued portfolio growth
- 60+ day delinquency rates for owned MSR increased slightly from the end of the prior quarter
- Modification and EBO loan volume were increased from the prior quarter

Selected Operational Metrics		
	3Q24	4Q24
Loans serviced (in thousands)	2,558	2,607
60+ day delinquency rate - owned portfolio ⁽¹⁾	3.4%	3.7%
60+ day delinquency rate - sub-serviced portfolio ⁽²⁾	0.6%	0.8%
Actual CPR - owned portfolio ⁽¹⁾	8.5%	9.7%
Actual CPR - sub-serviced portfolio ⁽²⁾	5.7%	5.7%
UPB of completed modifications (\$ in millions) ⁽³⁾	\$3,186	\$4,420
EBO loan volume (\$ in millions) ⁽⁴⁾	\$694	\$923

Loan Servicing Portfolio Composition

(UPB in billions)



Net Portfolio Growth

(UPB in billions)



Note: Figures may not sum due to rounding

(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’s that we service

(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

	4Q23		3Q24		4Q24	
	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾
Loan servicing fees	\$ 402.5	26.9	\$ 462.0	28.9	\$ 472.6	28.8
Earnings on custodial balances and deposits and other income	90.0	6.0	136.7	8.5	109.7	6.7
Realization of MSR cash flows	(164.3)	(11.0)	(225.8)	(14.1)	(215.6)	(13.1)
EBO loan-related revenue ⁽²⁾	28.3	1.9	29.7	1.9	34.1	2.1
Servicing expenses:						
Operating expenses	(80.0)	(5.3)	(83.7)	(5.2)	(81.5)	(5.0)
Payoff-related expense ⁽³⁾	(7.1)	(0.5)	(18.5)	(1.2)	(20.0)	(1.2)
Losses and provisions for defaulted loans	(13.2)	(0.9)	(13.4)	(0.8)	(13.4)	(0.8)
EBO loan transaction-related expense	(0.3)	(0.0)	(0.7)	(0.0)	(1.1)	(0.1)
Interest expense	(97.8)	(6.5)	(116.9)	(7.3)	(116.6)	(7.1)
Non-GAAP: Pretax income excluding valuation-related changes	\$ 158.2	10.6	\$ 169.4	10.6	\$ 168.3	10.3
Valuation-related changes						
MSR fair value ⁽⁴⁾	(370.7)		(402.4)		540.4	
Hedging derivatives (losses) gains	294.8		242.1		(608.1)	
(Provision for) reversal of losses on active loans ⁽⁵⁾	(5.7)		(5.7)		(13.3)	
GAAP: Servicing segment pretax income	\$ 76.6		\$ 3.3		\$ 87.3	
Average servicing portfolio UPB	\$ 599,153		\$ 640,492		\$ 656,406	

- Loan servicing fees increased from the prior quarter due to growth in the owned portfolio; operating expenses decreased
- Earnings on custodial balances and deposits decreased from the prior quarter due to the decline in short term rates
 - Custodial funds managed for PFSI's owned servicing portfolio averaged \$7.3 billion in 4Q24, up from \$6.9 billion in 3Q24
- Realization of cash flows decreased \$10 million from the prior quarter due to lower prepayment expectations due to higher mortgage rates

Note: Figures may not sum due to rounding

(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

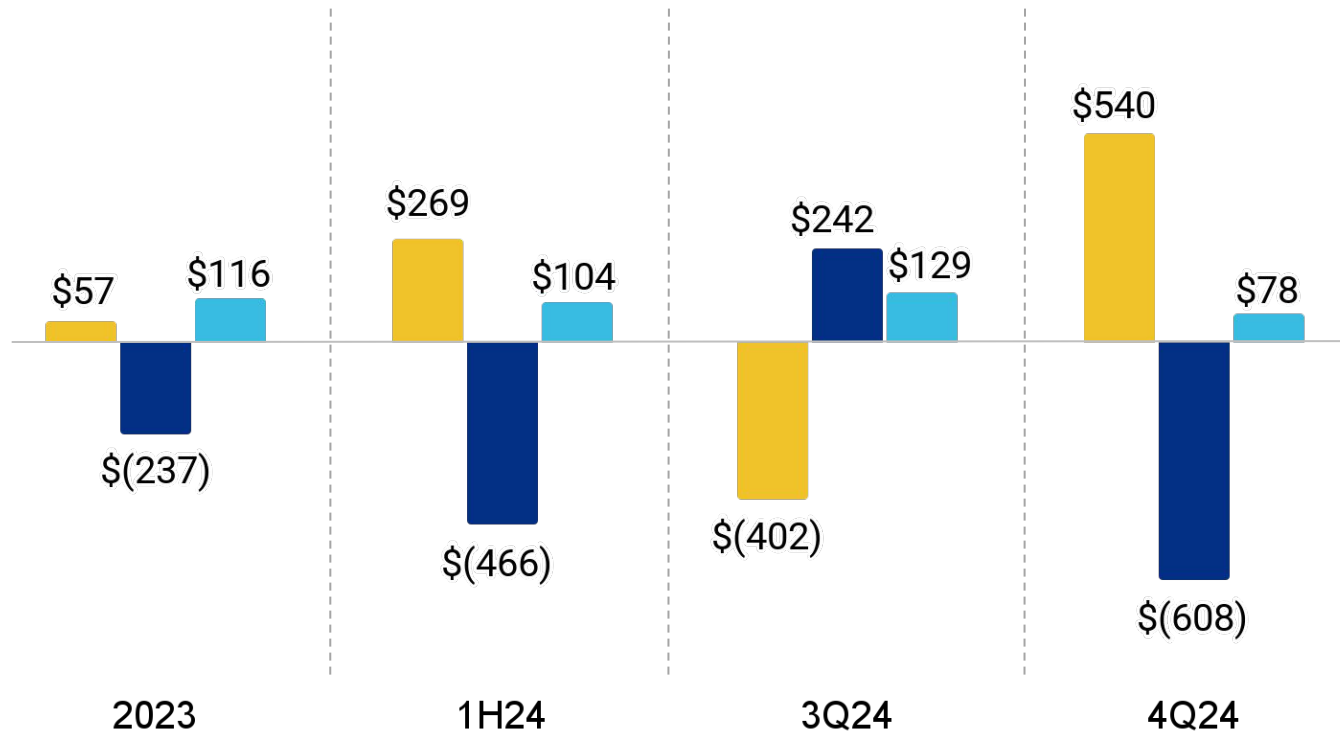
(5) Considered in the assessment of MSR fair value changes

HEDGING APPROACH MODERATES THE VOLATILITY OF PFSI'S RESULTS

MSR Valuation Changes and Offsets

(\$ in millions)

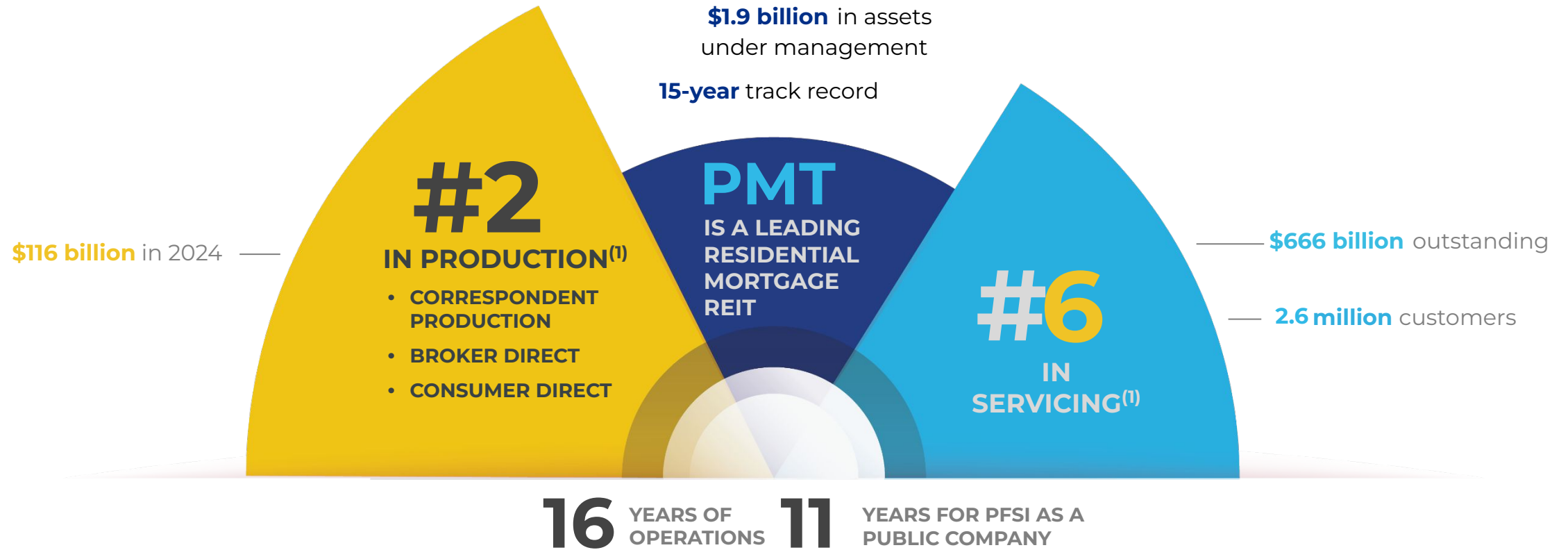
- MSR fair value change before realization of cash flows
- Hedging and related gains (losses)
- Production pretax income



- PFSI seeks to moderate the impact of interest rate changes on the fair value of its MSR asset through a comprehensive hedging strategy that also considers production-related income
- In 4Q24, MSR fair value increased due to higher market interest rates
- Hedging losses and costs more than offset MSR fair value increases

APPENDIX

ESTABLISHED LEADER 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 12/31/24 unless otherwise noted

(1) Inside Mortgage Finance for the 12 months ended 9/30/24 or as of 9/30/24

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

Investments in non-Agency subordinate bonds from PMT securitizations

MSR investments paired with agency MBS and senior non-agency MBS

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

6th largest in the U.S. ⁽¹⁾

- 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 2.6 million drives leads for consumer direct

In both businesses, scale and efficiency are critical for success

TOP LENDER WITH COMPREHENSIVE AND EFFICIENT MULTI-CHANNEL PLATFORM

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



#2 producer of residential mortgage loans in LTM 3Q24⁽¹⁾

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

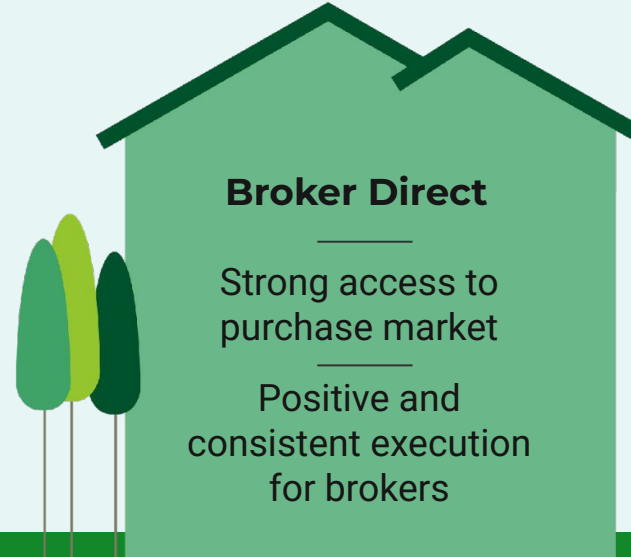
Multiple access points to the origination market with a proven ability to allocate resources towards channels with opportunity in the current environment



Correspondent

Strong access to purchase market

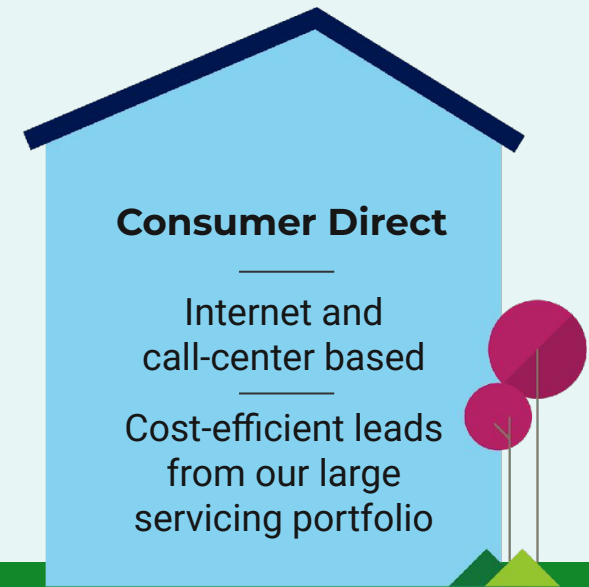
Drives organic servicing portfolio growth



Broker Direct

Strong access to purchase market

Positive and consistent execution for brokers



Consumer Direct

Internet and call-center based

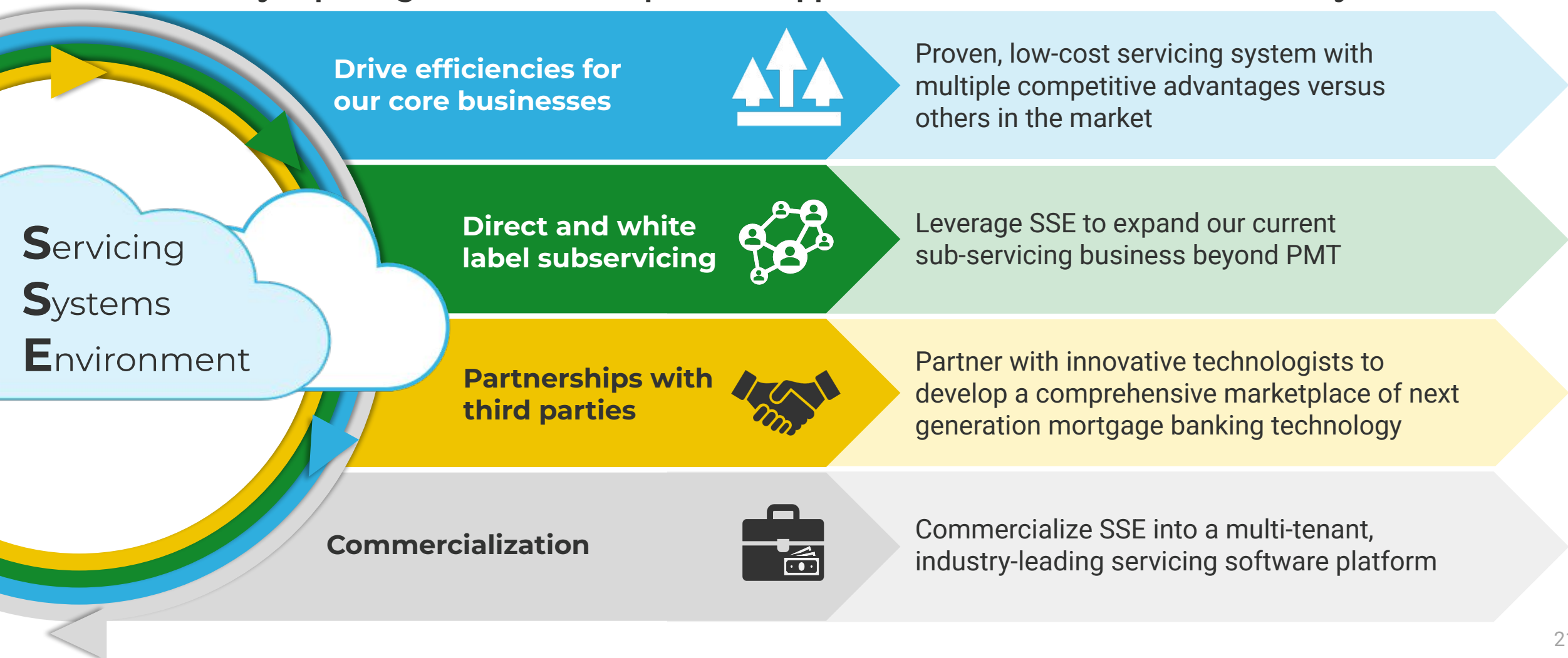
Cost-efficient leads from our large servicing portfolio

Centralized, cost-efficient fulfillment division supports all channels

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

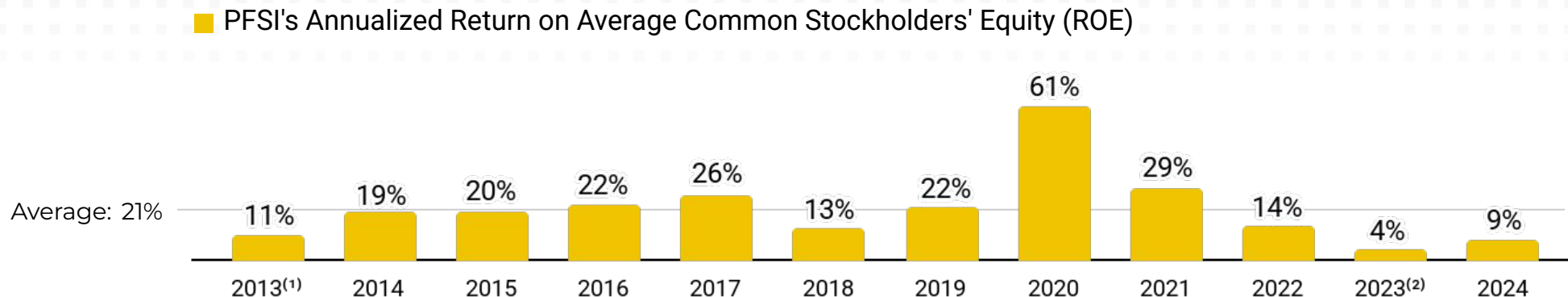
TECHNOLOGY INNOVATION TO UNLOCK ADDITIONAL STAKEHOLDER VALUE

With our SSE technology free and clear of any restrictions on use or development, we are actively exploring a continuum of potential opportunities with benefits for our many stakeholders

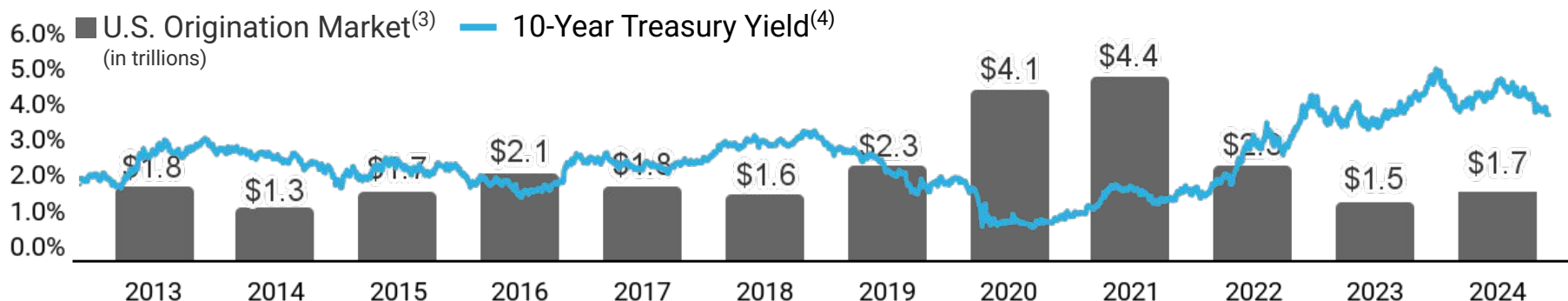


TRACK RECORD OF STRONG PERFORMANCE ACROSS MARKET ENVIRONMENTS

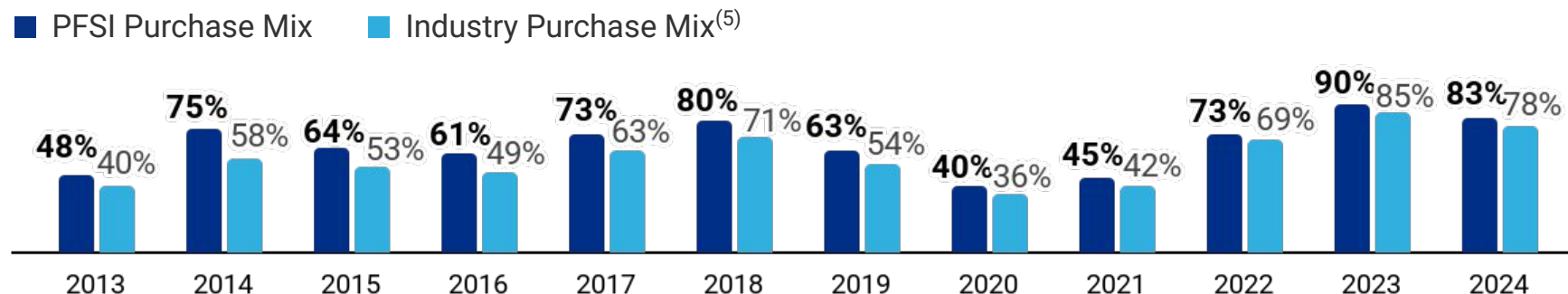
Proven ability to generate attractive ROEs...



...across different market environments...



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



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

(2) Adjusted return on equity was 7% excluding arbitration accrual of \$158 million and related tax impact

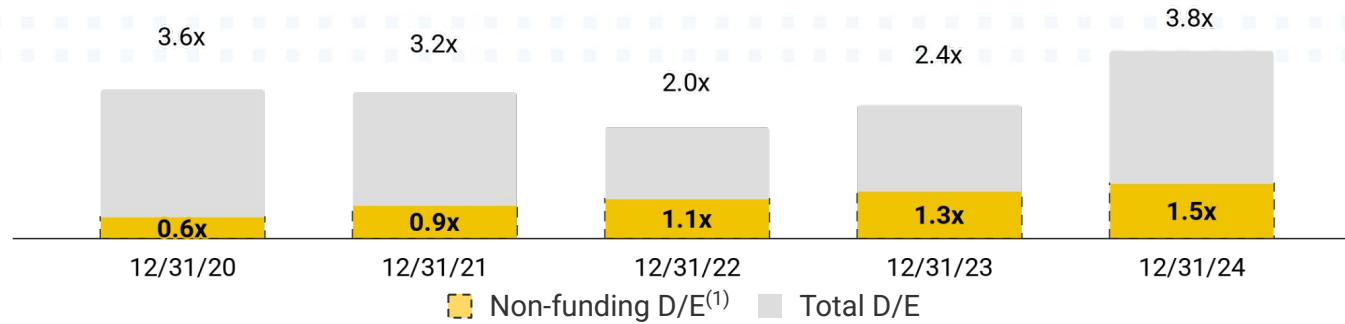
(3) Inside Mortgage Finance

(4) Bloomberg

(5) Inside Mortgage Finance for historical industry purchase mix, 4Q24 is an estimate of Mortgage Bankers Association (1/19/25) and Fannie Mae (1/10/25) forecasts

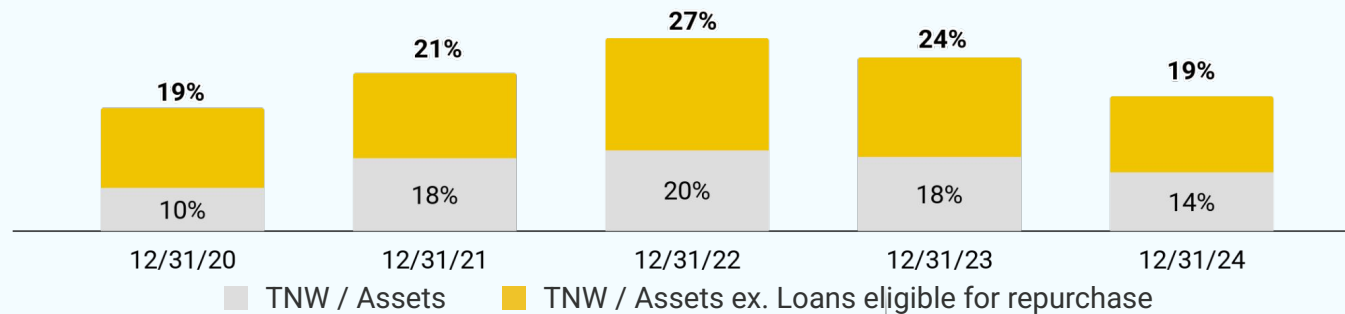
PFSI'S STRONG BALANCE SHEET AND DIVERSE CAPITAL STRUCTURES

Low Debt-to-Equity (D/E) Ratio



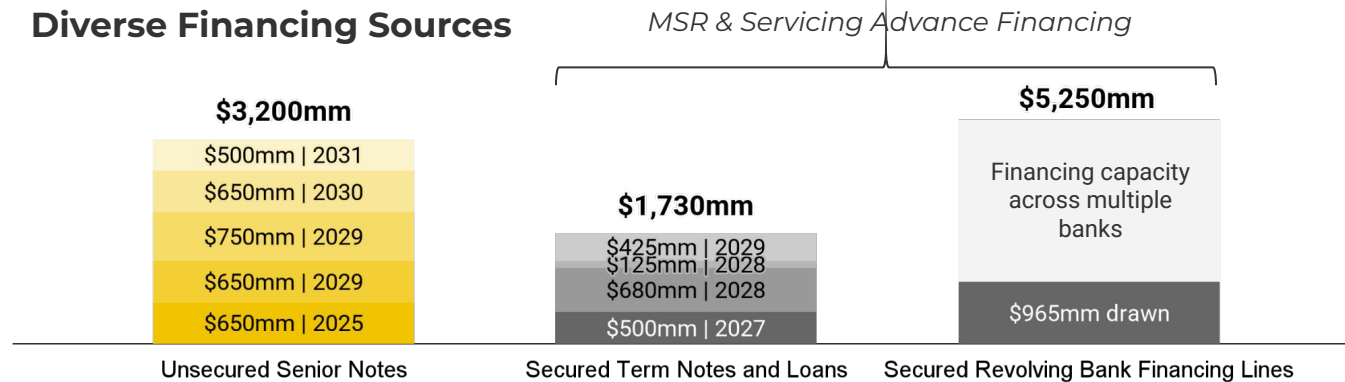
- Targeted debt-to-equity ratio near 3.5x with fluctuations largely driven by the origination environment or other market opportunities
- Targeted non-funding debt-to-equity ratio near 1.5x

High Tangible Net Worth (TNW)⁽²⁾/Assets



- High tangible net worth (TNW) / assets excluding loans eligible for repurchase

Diverse Financing Sources



- Unsecured senior notes provide low, fixed interest rates; first maturity in October 2025
- As of December 31, 2024 total liquidity including cash and amounts available to draw with collateral pledged was \$3.3 billion

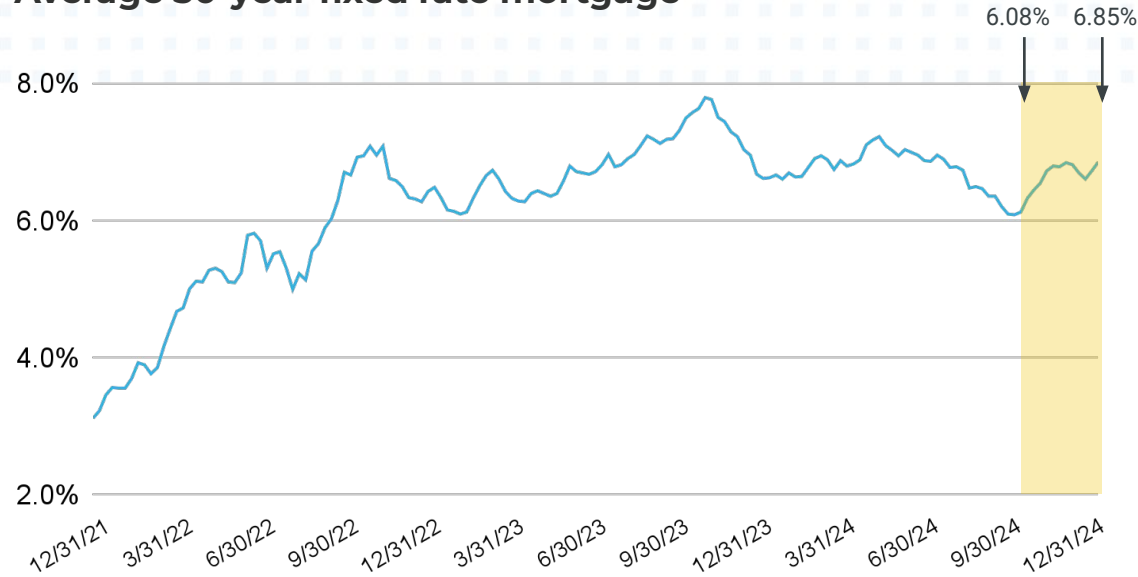
Note: All figures are as of December 31, 2024

(1) Non-funding debt includes face value of unsecured senior notes and notes payable secured by MSR, in addition to the amount drawn on the variable funding note

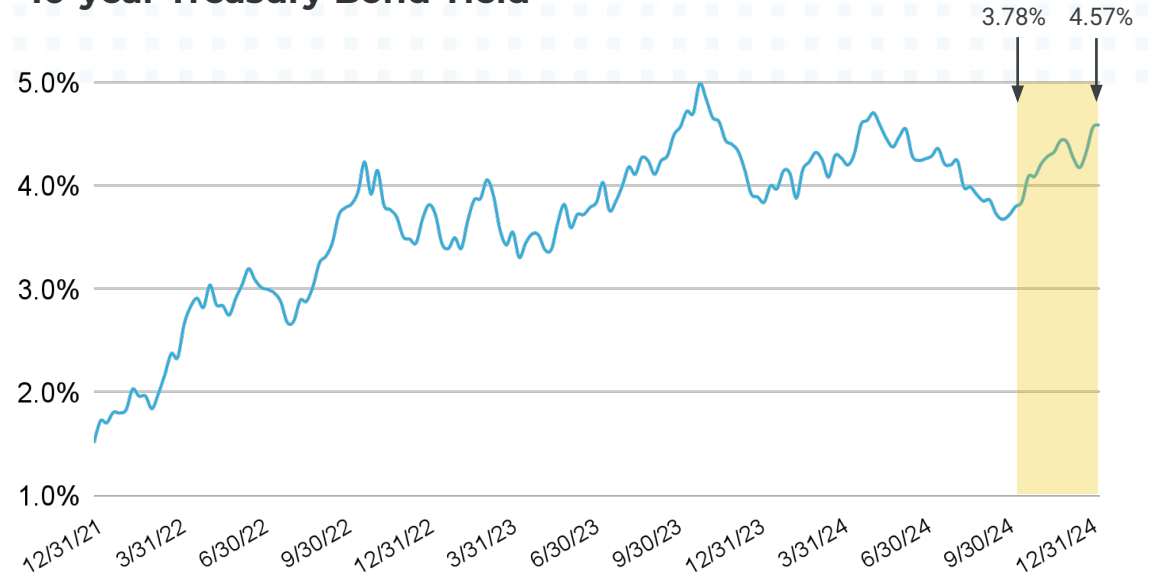
(2) Tangible net worth excludes capitalized software

CURRENT MARKET ENVIRONMENT AND MACROECONOMIC TRENDS

Average 30-year fixed rate mortgage⁽¹⁾



10-year Treasury Bond Yield⁽²⁾



Macroeconomic Metrics⁽³⁾

	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24
10-year Treasury bond yield	3.9%	4.2%	4.4%	3.8%	4.6%
2/10 year Treasury yield spread	-0.4%	-0.4%	-0.4%	0.1%	0.3%
30-year fixed rate mortgage	6.6%	6.8%	6.9%	6.1%	6.9%
Secondary mortgage rate	5.3%	5.6%	5.8%	4.9%	5.8%
U.S. home price appreciation (Y/Y% change)	5.7%	6.5%	5.5%	3.9%	3.6%
Residential mortgage originations (in billions)	\$315	\$320	\$430	\$455	\$460

Footnotes

(1) Freddie Mac Primary Mortgage Market Survey. 6.96% as of 1/23/25

(2) U.S. Department of the Treasury. 4.64% as of 1/23/25

(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 10/31/24

Residential mortgage originations are for the quarterly period ended; source: Inside Mortgage Finance

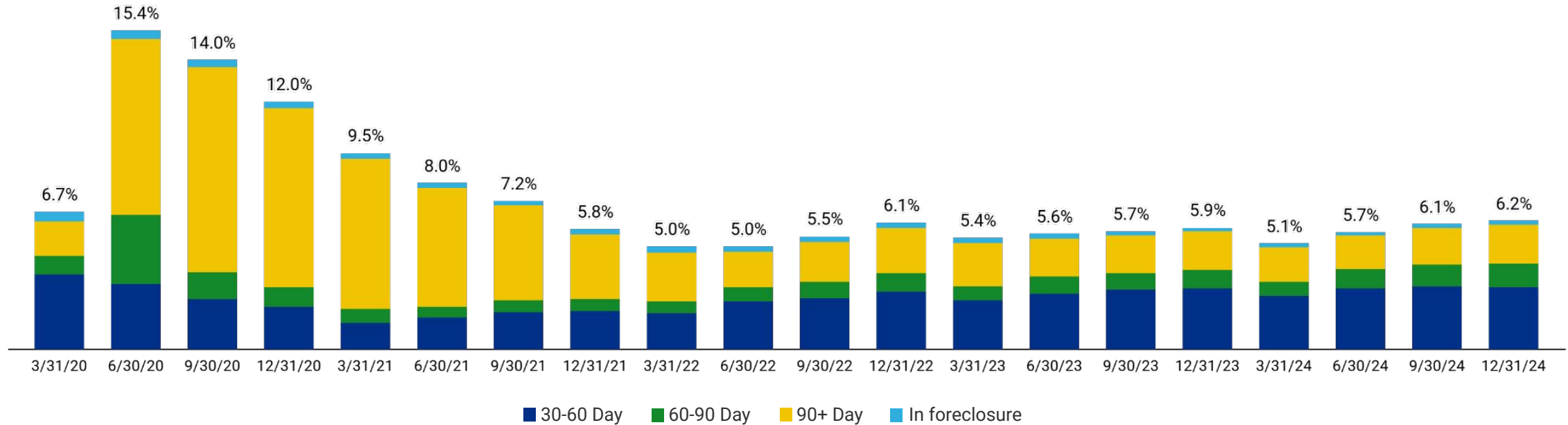
MSR ASSET VALUATION

December 31, 2024 Unaudited (\$ in millions)	Mortgage Servicing Rights
Pool UPB ⁽¹⁾	\$426,055
Weighted average coupon	4.5%
Weighted average servicing fee/spread	0.38%
Weighted average prepayment speed assumption (CPR)	7.8%
Fair value	\$8,745
As a multiple of servicing fee	5.4

(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 within expected levels for a predominately government-insured or guaranteed loan portfolio
- Servicing advances outstanding for PFSI’s MSR portfolio were approximately \$469 million at December 31, 2024, up from \$331 million at September 30, 2024 due to seasonal property tax payments
 - No principal and interest advances are outstanding

(1) Owned MSR portfolio and includes loans acquired for sale at fair value; delinquency and foreclosure rates based on UPB; as of 12/31/24, the UPB of mortgage servicing rights owned by PFSI and loans held for sale totaled \$434 billion

PFSI'S OWNED MSR PORTFOLIO CHARACTERISTICS

As of December 31, 2024

Segment	UPB (\$ in billions) ⁽⁴⁾	% 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	\$149.4	35.1%	713	4.5%	46	317	\$209	681	93%	69%	6.0%
VA	\$125.2	29.4%	457	3.8%	39	319	\$274	730	90%	70%	2.2%
USDA	\$20.8	4.9%	140	4.0%	59	305	\$148	700	98%	65%	5.8%
GSE											
FNMA	\$53.6	12.6%	170	5.0%	27	318	\$316	763	74%	63%	0.6%
FHLMC	\$68.6	16.1%	210	5.3%	21	325	\$327	759	75%	66%	0.7%
Other and Closed-End Seconds											
Other ⁽²⁾	\$7.0	1.7%	19	6.7%	11	348	\$377	773	74%	70%	0.2%
Closed-End Seconds ⁽³⁾	\$1.4	0.3%	17	9.8%	10	249	\$80	743	19%	18%	0.2%
Grand Total	\$426.1	100.0%	1,726	4.5%	38	319	\$247	721	87%	67%	3.2%

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) Loan-to-values for closed-end seconds include only the second lien balance

(4) Excludes loans held for sale at fair value

DRIVERS OF PRODUCTION SEGMENT RESULTS

(\$ in millions)	2022				2023				2024			
	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⁾	\$ 50,029	23	\$ 117.5	17%	\$ 72,112	32	\$ 229.8	43%	\$ 81,151	31	\$ 251.2	32%
Broker direct	7,469	66	49.3	7%	8,235	85	69.6	13%	12,578	100	125.8	16%
Consumer direct	12,539	327	410.3	59%	4,877	387	188.5	36%	8,899	354	315.1	41%
Other ⁽³⁾	n/a	n/a	45.7	7%	n/a	n/a	14.5	3%	n/a	n/a	59.3	8%
Total PFSI account revenues⁽⁴⁾	\$ 70,037	89	\$ 622.7	90%	\$ 85,223	59	\$ 502.3	95%	\$ 102,628	73	\$ 751.3	97%
PMT conventional correspondent	37,228	18	68.0	10%	14,259	20	27.8	5%	13,550	19	26.3	3%
Total Production revenues⁽⁴⁾		64	\$ 690.7	100%		53	\$ 530.2	100%		67	\$ 777.6	100%
Production expenses⁽⁴⁾	\$ 107,265	52	\$ 559.9	81%	\$ 99,482	42	\$ 414.1	78%	\$ 116,178	40	\$ 466.4	60%
Production segment pretax income		12	\$ 130.8	19%		12	\$ 116.1	22%		27	\$ 311.2	40%

Note: Figures may not sum due to rounding

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

(2) Includes government-insured or guaranteed loans and certain conventional loans for PFSI's own account

(3) Reflects timing of revenue and loan origination expense recognition, hedging, pricing & execution changes, and other items

(4) Total PFSI account revenues, total production revenues and production expenses are presented net of loan origination expenses, which are managed as a component of revenue margins

SERVICING PROFITABILITY EXCLUDING VALUATION-RELATED CHANGES

	2022		2023		2024	
	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾	\$ in millions	basis points ⁽¹⁾
Loan servicing fees	\$ 1,228.6	23.2	\$ 1,484.9	25.7	\$ 1,799.5	28.4
Earnings on custodial balances and deposits and other income	119.9	2.3	341.0	5.9	444.3	7.0
Realization of MSR cash flows	(523.5)	(9.9)	(662.4)	(11.5)	(840.7)	(13.3)
EBO loan-related revenue ⁽²⁾	231.4	4.4	112.2	1.9	117.1	1.8
Servicing expenses:						
Operating expenses	(316.4)	(6.0)	(310.7)	(5.4)	(321.0)	(5.1)
Payoff-related expense ⁽³⁾	(64.8)	(1.2)	(30.8)	(0.5)	(57.1)	(0.9)
Losses and provisions for defaulted loans	(51.8)	(1.0)	(47.3)	(0.8)	(53.4)	(0.8)
EBO loan transaction-related expense	(3.2)	(0.1)	(1.0)	(0.0)	(2.7)	(0.0)
Interest expense	(179.5)	(3.4)	(351.6)	(6.1)	(442.9)	(7.0)
Non-GAAP: Pretax income excluding valuation-related changes	\$ 440.6	8.3	\$ 534.5	9.3	\$ 643.1	10.1
Valuation-related changes						
MSR fair value ⁽⁴⁾	877.7		56.8		407.4	
Hedging derivatives (losses) gains	(631.5)		(236.8)		(832.5)	
(Provision for) reversal of losses on active loans ⁽⁵⁾	44.4		13.9		(13.0)	
GAAP: Servicing segment pretax income	\$ 731.2		\$ 368.4		\$ 205.0	
Average servicing portfolio UPB	\$ 528,902		\$ 577,603		\$ 633,791	

Note: Figures may not sum due to rounding

(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

ACQUISITIONS AND ORIGINATIONS BY PRODUCT

Unaudited (\$ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24
Correspondent Acquisitions					
Conventional Conforming - for PMT	\$ 2,477	\$ 1,769	\$ 2,195	\$ 5,851	\$ 3,241
Conventional Conforming - for PFSI	10,129	8,190	10,007	8,092	13,567
Government - for PFSI	11,011	8,167	10,301	11,788	11,018
Jumbo - for PMT	3	3	34	97	256
Total	\$ 23,620	\$ 18,128	\$ 22,537	\$ 25,829	\$ 28,082
Broker Direct Originations - for PFSI					
Conventional Conforming	\$ 1,560	\$ 1,524	\$ 2,059	\$ 1,844	\$ 2,115
Government	623	619	865	1,183	1,340
Jumbo	18	42	241	368	698
Closed-end second liens	-	9	15	28	29
Total	\$ 2,201	\$ 2,193	\$ 3,179	\$ 3,424	\$ 4,182
Consumer Direct Originations - for PFSI					
Conventional Conforming	\$ 264	\$ 265	\$ 374	\$ 365	\$ 580
Government	372	931	804	1,786	2,514
Jumbo	2	-	12	15	22
Closed-end second liens	226	204	257	278	302
Total	\$ 864	\$ 1,400	\$ 1,447	\$ 2,444	\$ 3,418
Total acquisitions / originations	\$ 26,685	\$ 21,721	\$ 27,163	\$ 31,696	\$ 35,682
UPB of loans fulfilled for PMT (included in correspondent acquisitions)	\$ 2,480	\$ 1,772	\$ 2,229	\$ 5,948	\$ 3,497

INTEREST RATE LOCKS BY PRODUCT

Unaudited (\$ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24
Correspondent Locks					
Conventional Conforming - for PMT	\$ 2,737	\$ 2,472	\$ 2,602	\$ 7,373	\$ 2,741
Conventional Conforming - for PFSI	9,977	8,614	9,914	8,229	13,810
Government - for PFSI	11,197	8,467	11,100	12,448	11,088
Jumbo - for PMT	5	10	90	253	454
Total	\$ 23,916	\$ 19,563	\$ 23,706	\$ 28,304	\$ 28,093
Broker Direct Locks - for PFSI					
Conventional Conforming	\$ 1,910	\$ 2,234	\$ 2,559	\$ 2,533	\$ 2,334
Government	844	989	1,266	2,039	1,249
Jumbo	30	116	433	720	834
Closed-end second liens	3	14	29	43	34
Total	\$ 2,787	\$ 3,352	\$ 4,287	\$ 5,335	\$ 4,451
Consumer Direct Locks - for PFSI					
Conventional Conforming	\$ 371	\$ 474	\$ 551	\$ 785	\$ 744
Government	887	1,338	1,698	3,972	2,480
Jumbo	3	12	21	26	29
Closed-end second liens	335	328	428	435	397
Total	\$ 1,597	\$ 2,152	\$ 2,698	\$ 5,218	\$ 3,650
Total locks	\$ 28,300	\$ 25,068	\$ 30,691	\$ 38,856	\$ 36,194

CREDIT CHARACTERISTICS BY ACQUISITION/ORIGINATION PERIOD

Correspondent

	Weighted Average FICO				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	714	719	715	715	719
Conventional	762	765	765	770	770

	Weighted Average DTI				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	46	44	44	44	44
Conventional	39	38	38	38	38

Broker Direct

	Weighted Average FICO				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	715	723	714	716	718
Conventional	763	762	764	765	769

	Weighted Average DTI				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	47	46	46	46	46
Conventional	39	39	39	38	38

Consumer Direct

	Weighted Average FICO				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	674	688	692	702	695
Conventional	747	746	747	752	755

	Weighted Average DTI				
	4Q23	1Q24	2Q24	3Q24	4Q24
Government-insured	45	45	45	45	44
Conventional	38	38	39	38	37

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

(\$ in millions)	4Q23	3Q24	4Q24
Net income	\$ (36.8)	\$ 69.4	\$ 104.5
Provision for income taxes	(17.4)	24.6	24.9
Income before provision for income taxes	(54.2)	93.9	129.4
Depreciation and amortization	14.1	13.8	13.8
(Increase) decrease in fair value of MSRs and MSLs due to changes in valuation inputs used in the valuation model	370.7	402.4	(540.4)
Hedging losses (gains) associated with MSRs	(294.8)	(242.1)	608.1
Stock-based compensation	6.7	18.9	(0.4)
Non-recurring items	158.4	-	-
Interest expense on corporate debt and capital lease	\$ 27.3	\$ 51.1	\$ 50.4
Adjusted EBITDA	\$ 228.2	\$ 338.1	\$ 260.8

RECONCILIATION OF GAAP ITEMS TO NON-GAAP ITEMS

Reconciliation of GAAP net income (loss) to operating net income and annualized operating return on equity

(\$ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24	2024
Net (loss) income	\$ (36.8)	\$ 39.3	\$ 98.3	\$ 69.4	\$ 104.5	\$ 311.4
(Increase) decrease in fair value of MSRs and MSLs due to changes in valuation inputs used in the valuation model	370.7	(170.0)	(99.4)	402.4	(540.4)	(407.4)
Hedging losses (gains) associated with MSRs	(294.8)	294.6	171.8	(242.1)	608.1	832.5
Non-recurring items	158.4	1.6	(12.5)	-	-	(10.9)
Tax impacts of adjustments ⁽¹⁾	62.9	33.9	16.1	43.1	18.1	111.1
Operating net income	\$ 134.5	\$ 131.7	\$ 142.1	\$ 186.7	\$ 154.1	\$ 614.5
Average stockholders' equity	\$ 3,555.4	\$ 3,552.3	\$ 3,614.2	\$ 3,694.8	\$ 3,779.2	\$ 3,660.9
Annualized operating return on equity	15%	15%	16%	20%	16%	17%

Reconciliation of GAAP servicing pretax income (loss) to servicing pretax income net of valuation related changes

(\$ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24	2024
Servicing pretax income (loss)	\$ 76.6	\$ 23.7	\$ 90.7	\$ 3.3	\$ 87.3	\$ 205.0
(Increase) decrease in fair value of MSRs and MSLs due to changes in valuation inputs used in the valuation model	370.7	(170.0)	(99.4)	402.4	(540.4)	(407.4)
Hedging losses (gains) associated with MSRs	(294.8)	294.6	171.8	(242.1)	608.1	832.5
Provision for credit losses on active loans	5.7	(6.6)	0.6	5.7	13.3	13.0
Servicing pretax income net of valuation related changes	\$ 158.2	\$ 141.8	\$ 163.6	\$ 169.4	\$ 168.3	\$ 643.1

Note: Figures may not sum due to rounding

(1) Assumes a tax rate of 26.85% in periods prior to 4Q24; assumes a tax rate of 26.70% in 4Q24

