



# 2Q25 EARNINGS REPORT

PennyMac Financial Services, Inc.

July 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; real estate value changes, housing prices and housing sales; changes in macroeconomic, consumer and real estate market conditions; compliance with 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 federal and state regulators and the 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; 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; foreclosure delays and changes in foreclosure practices; 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; the accuracy or changes in the estimates we make about uncertainties, contingencies and asset and liability valuations; 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; expanding or creating 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.

## 2Q25 RESULTS HIGHLIGHT RESILIENCE OF OUR BALANCED BUSINESS MODEL

Solid operating results and a non-recurring tax benefit partially offset by net fair value declines on hedged mortgage servicing rights resulting from extreme market volatility

### 2Q25 Results

Net income<sup>(1)</sup>

**\$136mm**

Diluted EPS<sup>(2)</sup>

**\$2.54**

Annualized ROE<sup>(2)</sup>

**14%**

Annualized operating ROE<sup>(3)</sup>

**13%**

Book value per share

**\$78.04**

Dividend per common share

**\$0.30**

### Production Segment

Pretax income

**\$58mm**

Total loan acquisitions and originations<sup>(4)</sup>

**\$37.9bn**

PFSI correspondent lock volume

**\$28.7bn**

Broker direct lock volume

**\$7.2bn**

Consumer direct lock volume

**\$3.8bn**

### Servicing Segment

Pretax income

**\$54mm**

Pretax income excluding valuation-related items<sup>(5)</sup>

**\$144mm**

MSR<sup>(2)</sup> fair value changes and hedging results

**\$(93)mm**

MSR fair value changes and hedging impact to diluted EPS

**\$(1.30)**

Total servicing portfolio UPB<sup>(6)</sup>

**\$700bn**

Note: All figures are for 2Q25 or are as of 6/30/25

(1) Includes a \$60 million tax benefit, driven by a non-recurring tax benefit of \$82 million which primarily consisted of a repricing of deferred tax liabilities due to state apportionment changes driven by recent legislation; impact to diluted EPS was \$1.52

(2) EPS = earnings per share; ROE = return on equity; MSR = mortgage servicing rights

(3) See slide 35 for a reconciliation of GAAP net income to non-GAAP annualized operating return on equity

(4) Includes volume fulfilled for PennyMac Mortgage Investment Trust (NYSE: PMT)

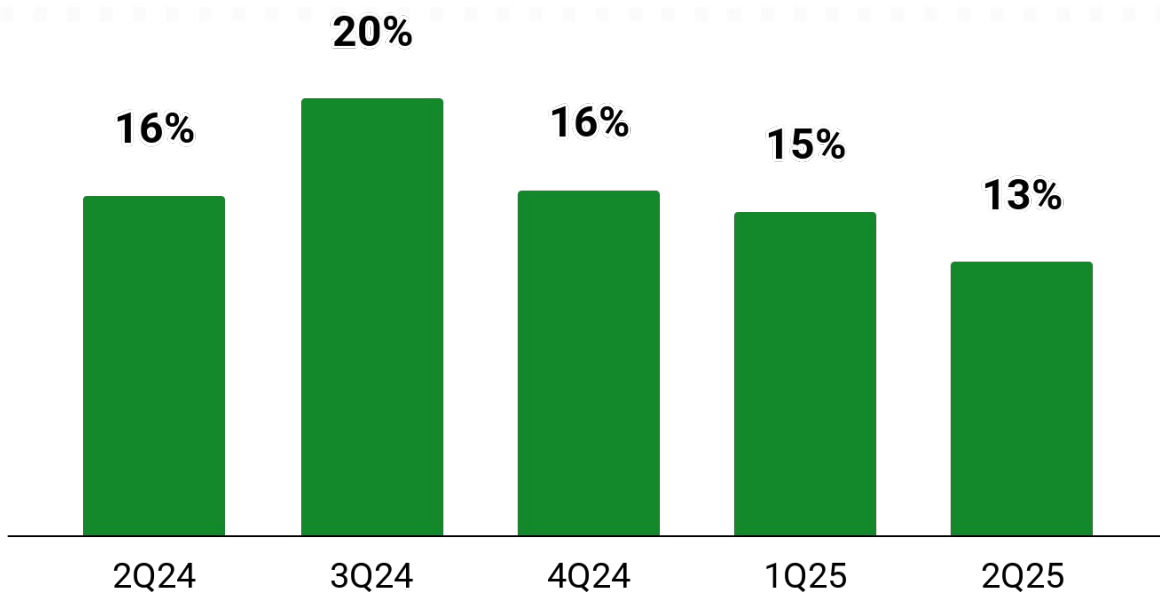
(5) Excludes \$16 million in MSR fair value gains, \$109 million in hedging losses, and a \$4 million reversal of provision for losses on active loans - see slide 20

(6) UPB = unpaid principal balance; includes loans subserviced for PMT and others

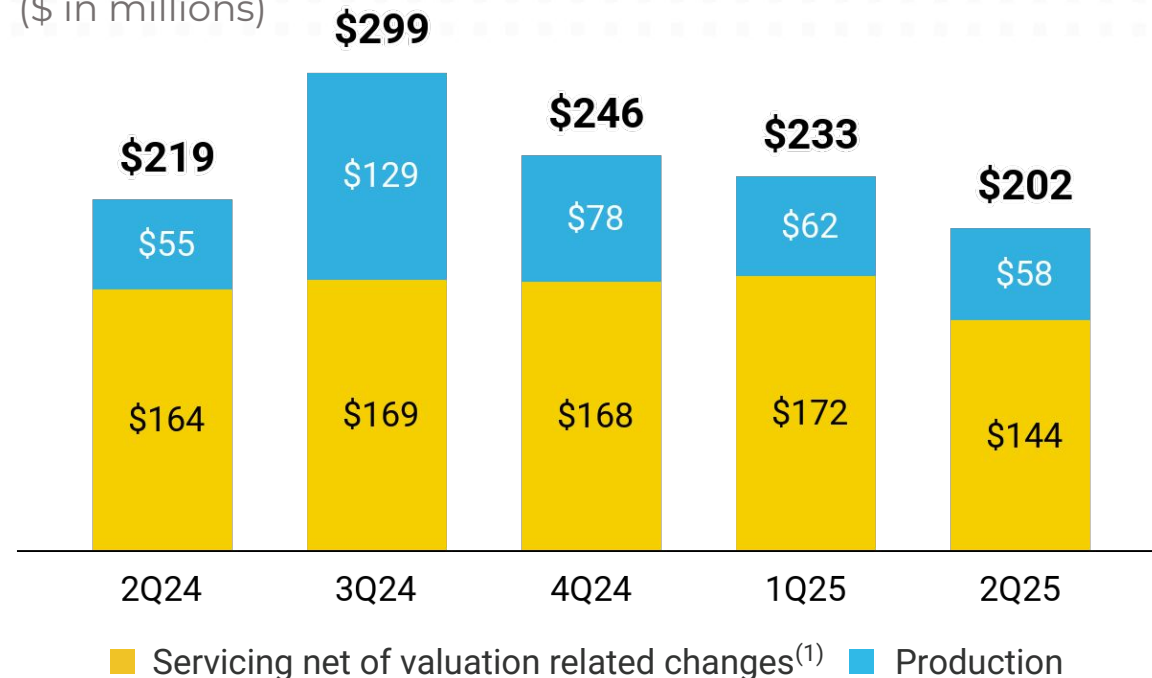
# 2Q25 STRATEGIC UPDATE

# DELIVERING MID-TO-HIGH-TEENS OPERATING RETURNS ON EQUITY

Annualized Operating ROE<sup>(1)</sup>



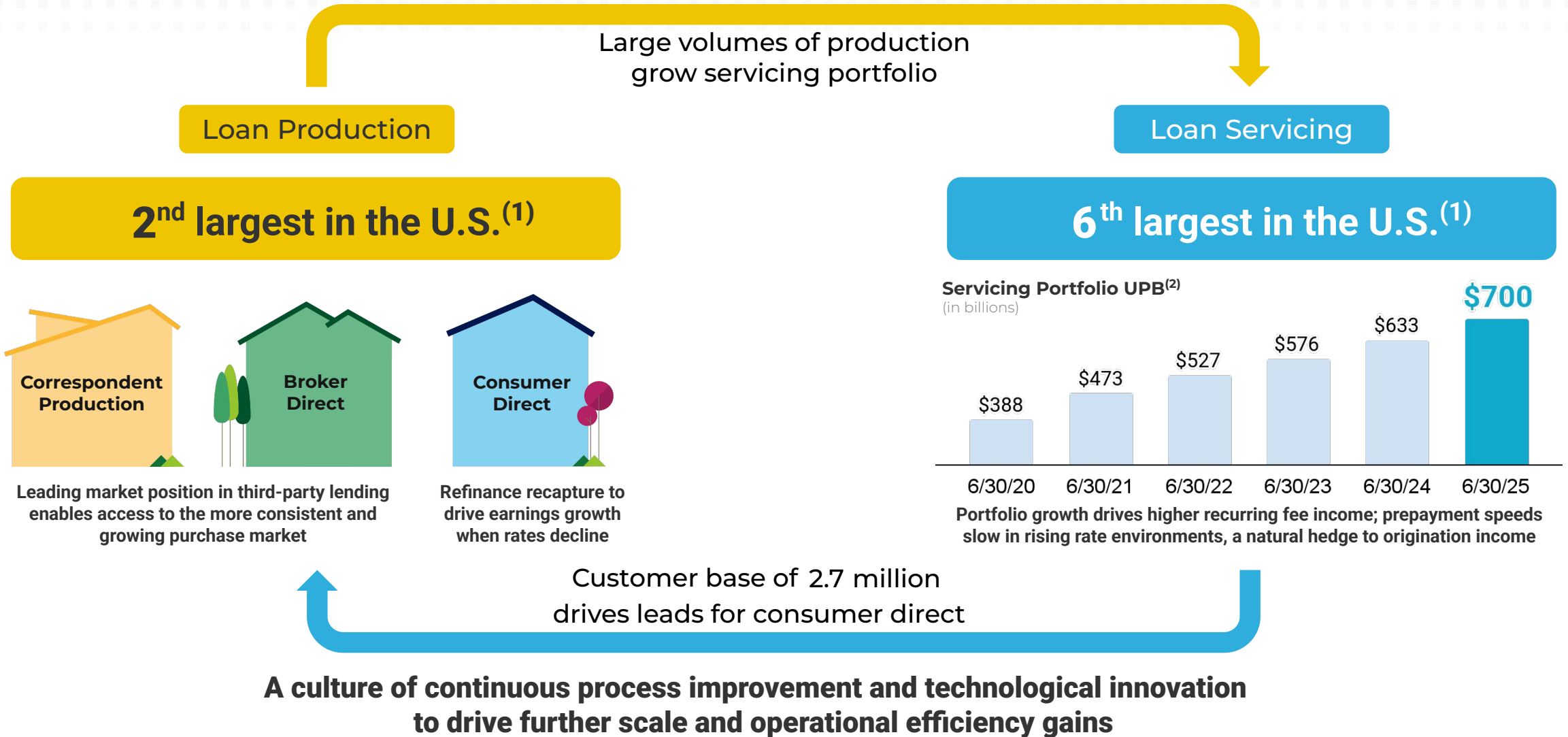
Mortgage Banking Operating Pretax Income (\$ in millions)



- 13 - 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 2024 results
- **With mortgage rates in the 6.5-7.5% range and stable delinquencies, we expect annualized operating returns on equity in the mid-to-high teens for the remainder of 2025**

Note: Figures may not sum due to rounding  
 (1) See slide 35 for a reconciliation of GAAP to non-GAAP items

# COMPREHENSIVE MORTGAGE BANKING PLATFORM IS A FLYWHEEL



(1) Inside Mortgage Finance for the 12 months ended 3/31/25 or as of 3/31/25

(2) Includes volume subserviced for PMT and others

# CAPTURING GROWTH IN THE EXPANDING PURCHASE MARKET

## Broker Direct Lending

Strong ties to real estate agents and their local communities

Nationwide footprint complements our consumer direct lending channel

Growing percentage of total industry originations

**Strong access to the more consistent and growing purchase market**

## Correspondent Production

Long-standing and strong relationships with home builders and leading independent mortgage banks

Increasing presence with community banks and credit unions

### U.S. Mortgage Origination Market<sup>(1)</sup>

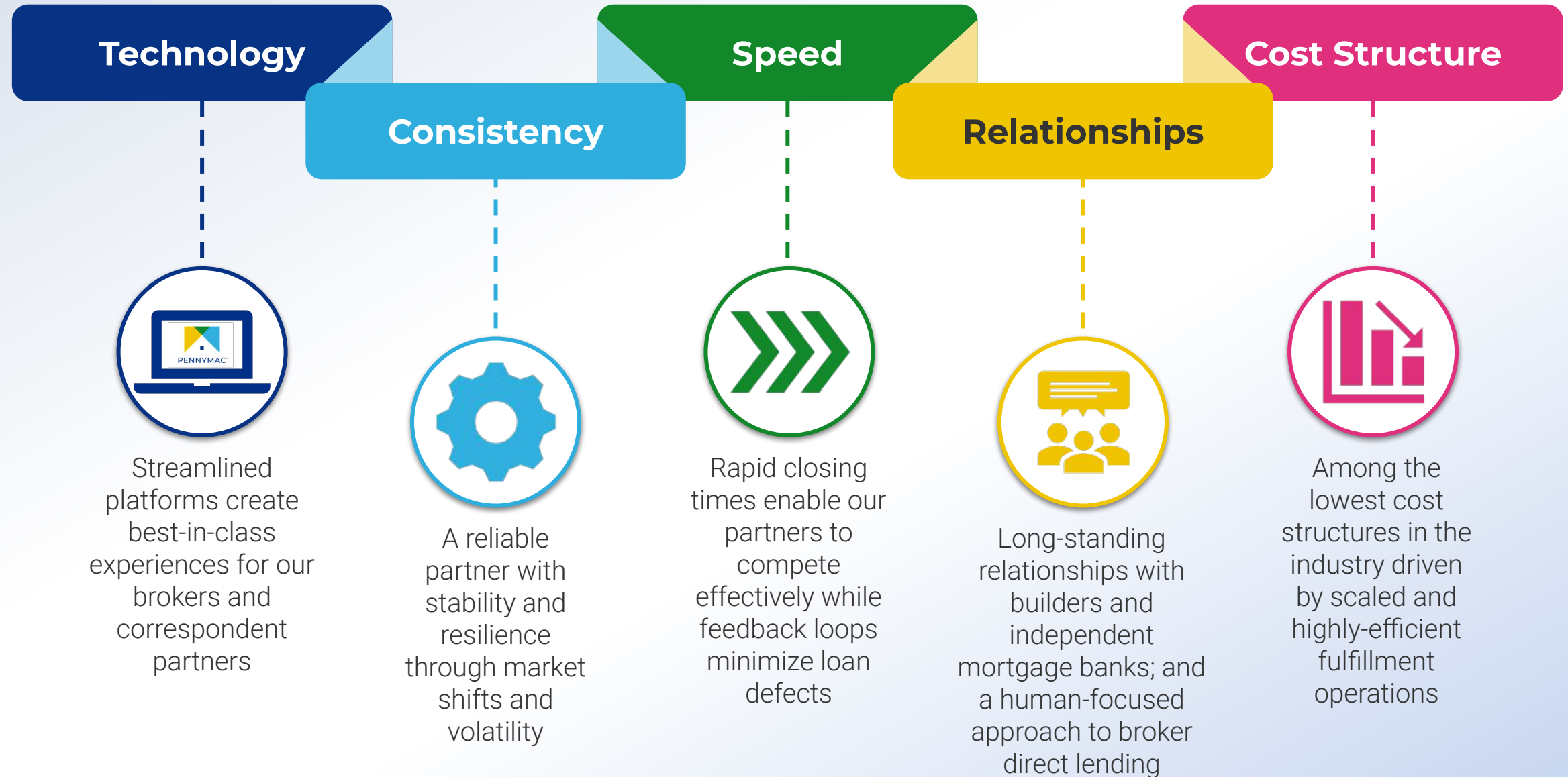
(UPB in trillions)

■ Purchase  
■ Refinance



(1) Actual originations: Inside Mortgage Finance. Forecast originations: Average of Mortgage Bankers Association (6/20/25) and Fannie Mae (6/12/25) forecasts

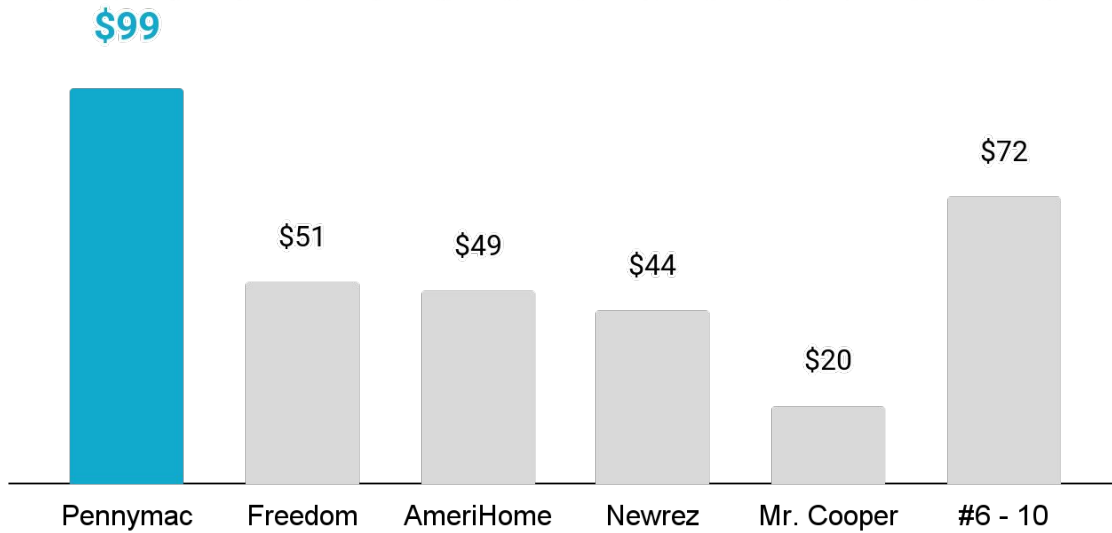
## UNMATCHED EXCELLENCE AND SUPPORT FOR OUR BUSINESS PARTNERS



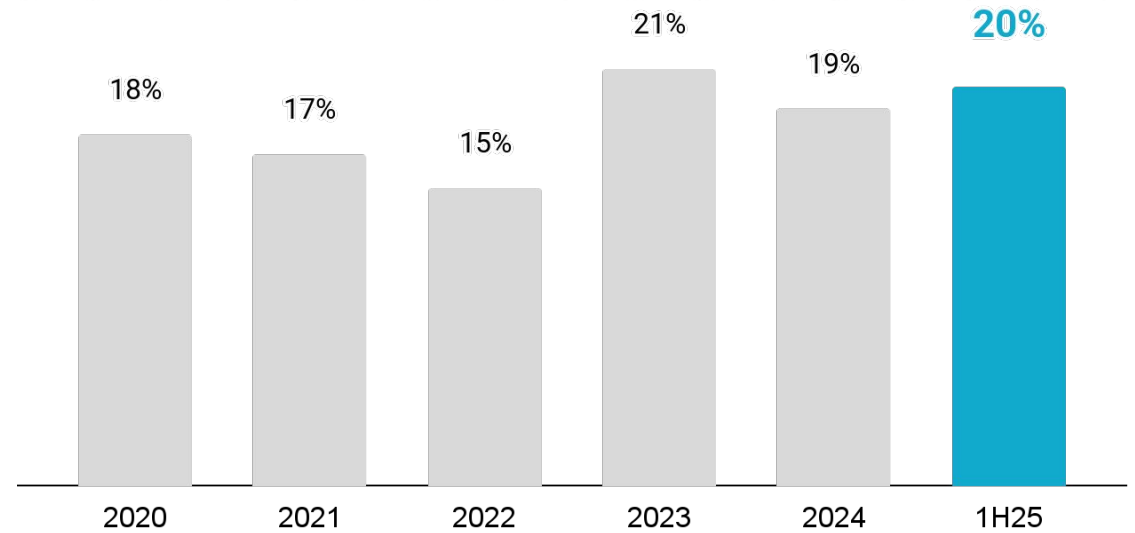
# OUTRIGHT LEADER IN CORRESPONDENT LENDING

**Last Twelve Months Correspondent Volume<sup>(1)</sup>**

(UPB in billions)



**Correspondent Market Share<sup>(2)</sup>**



**15+**

Years of operational excellence

**771**

Active clients across the U.S

**\$150B**

UPB of annual production capacity with current levels of fixed expense

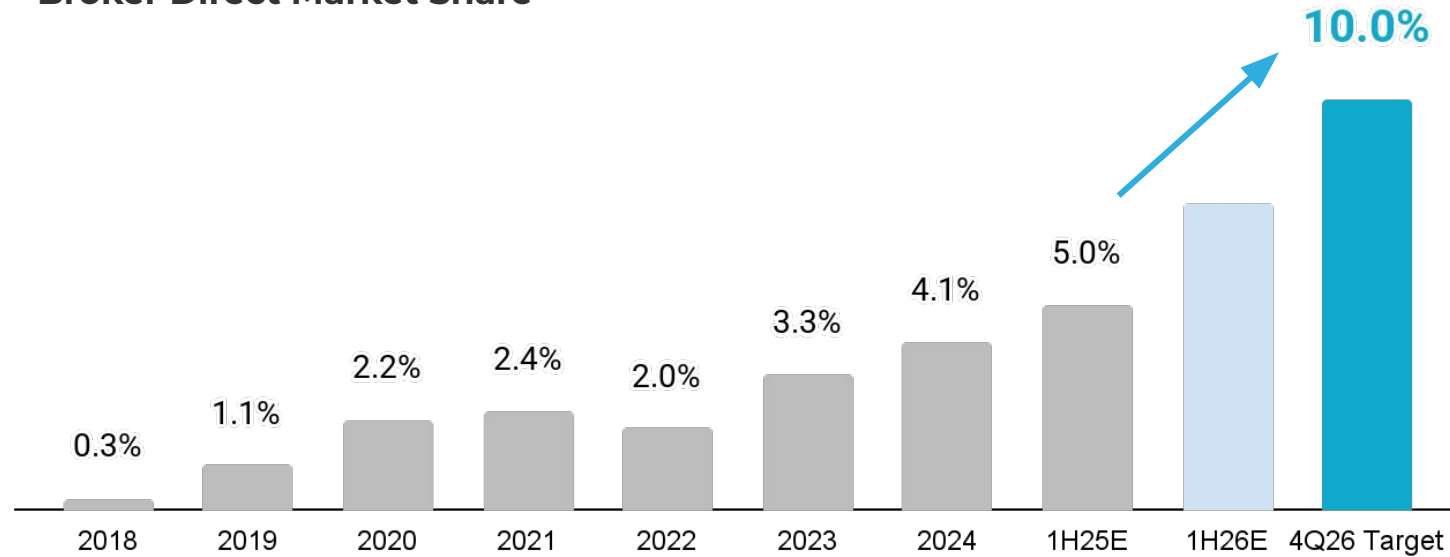
Note: All data are as of 2Q25 or 6/30/25 unless otherwise noted

(1) Inside Mortgage Finance through 3/31/25; includes volumes acquired for PMT

(2) Inside Mortgage Finance; 1H25 correspondent market share is an estimate

# RAPIDLY-GROWING WHOLESALE LENDER

Broker Direct Market Share<sup>(1)</sup>



# #3

Largest  
wholesale  
channel  
participant



Trusted  
alternative and  
essential second  
partner for  
brokers



Tech-forward  
platform with  
unmatched support  
throughout the  
origination process

(1) Inside Mortgage Finance through 3/31/25; 1H25 is an estimate

# INTENSE FOCUS ON EXECUTION IN CONSUMER DIRECT

## PENNYMAC CONSUMER DIRECT

### Portfolio & Ex Portfolio

Serving our large network of more than 5 million current and past homeowners who know and trust Pennymac

Robust data analytics to identify potential opportunities and products to help borrowers meet their needs

Refinance recapture rates 2x the industry average<sup>(1)</sup> offsets lower MSR fair values as rates decline



### New Customers

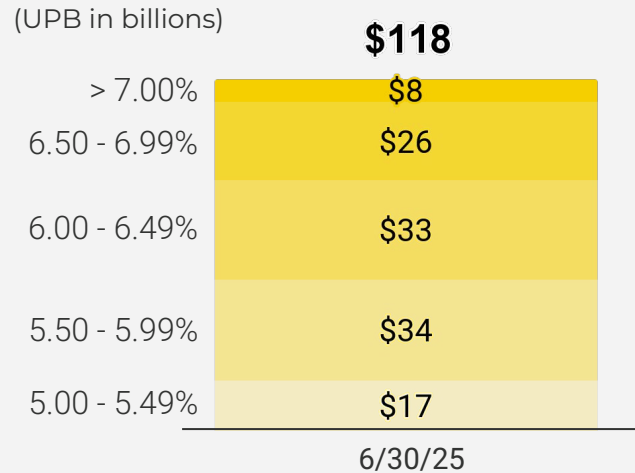
Brand marketing to significantly expand our addressable market

Leveraging our Olympics partnership to increase visibility and recognition

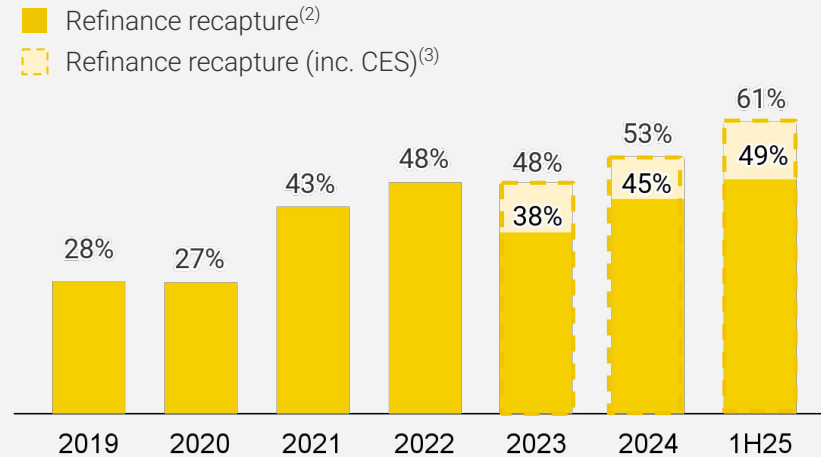
Targeted, model-driven acquisition campaigns to increase new customer acquisition

# EARNINGS POTENTIAL FROM CONSUMER DIRECT RECAPTURE OPPORTUNITY

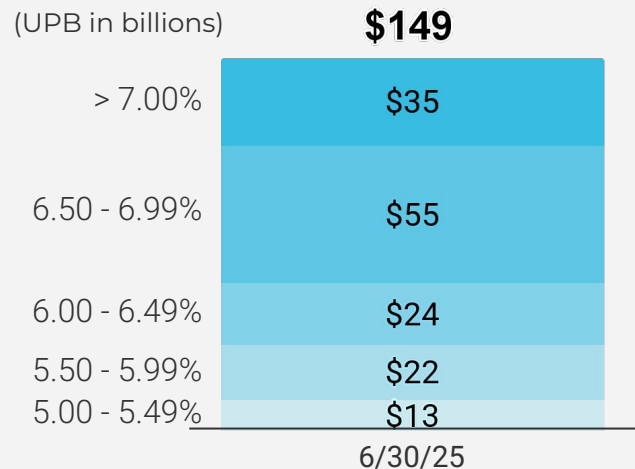
## Gov't. Loans: Note Rates >5%<sup>(1)</sup>



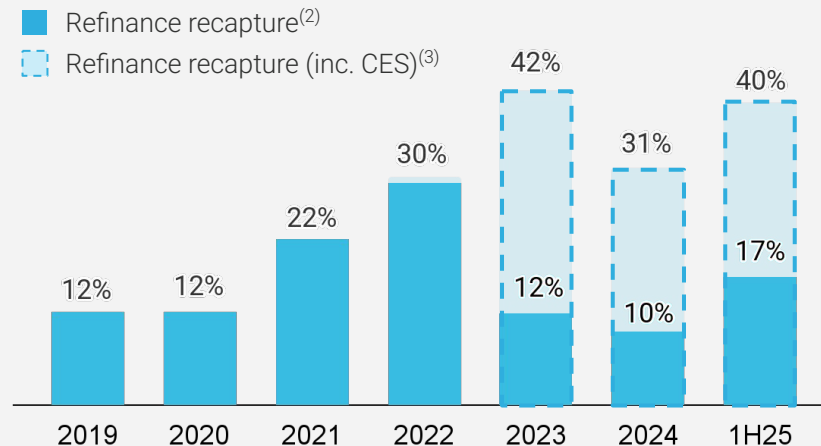
## Gov't. Loan Refinance Recapture Rates



## Conv. Loans: Note Rates >5%<sup>(1)</sup>



## Conv. Loans Refinance Recapture Rates



- Investments in technology and process innovation have driven meaningful improvements in recapture rates
- Large opportunity when rates decline as borrowers with loans originated at higher note rates seek to refinance
- 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 serviced for PFSI's own account as well as those subserviced for PMT

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

(3) Numerator = UPB of new consumer direct first lien refinance originations for existing portfolio customers + 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

# BUILDING MOMENTUM IN THE DEPLOYMENT OF ARTIFICIAL INTELLIGENCE

Rapidly advancing AI capabilities while making prudent investments and managing risk that will support our ability to:



Pennymac's AI Accelerator Team

- **Top AI engineers and experts** dedicated to advancing the implementation of AI across our businesses
- **Key objective:** increase the speed of delivery and adoption of AI productivity tools and applications while ensuring proper governance within our operating model

**We have implemented or are developing 35+ AI tools and applications with a projected economic benefit of approximately \$25 million annually, while meaningfully improving our customer experience, which is expected to unlock significant revenue growth**

# PENNYMAC'S VISION FOR ARTIFICIAL INTELLIGENCE



### What have we done?

- Tools acquisition and framework set-up
- Workplace productivity tools
- Document recognition and processing
- Speech analytics
- Internal and external chatbots

### What are we doing?

- Coding productivity tools
- Accelerated chatbot development
- Leverage developed frameworks
- Pennymac data model

### What comes next?

- Agent automation of complex loan processing activities
- Robust self-serve capabilities
- Expanded use of coding assistants
- Advanced lead generation processes

### What is our vision?

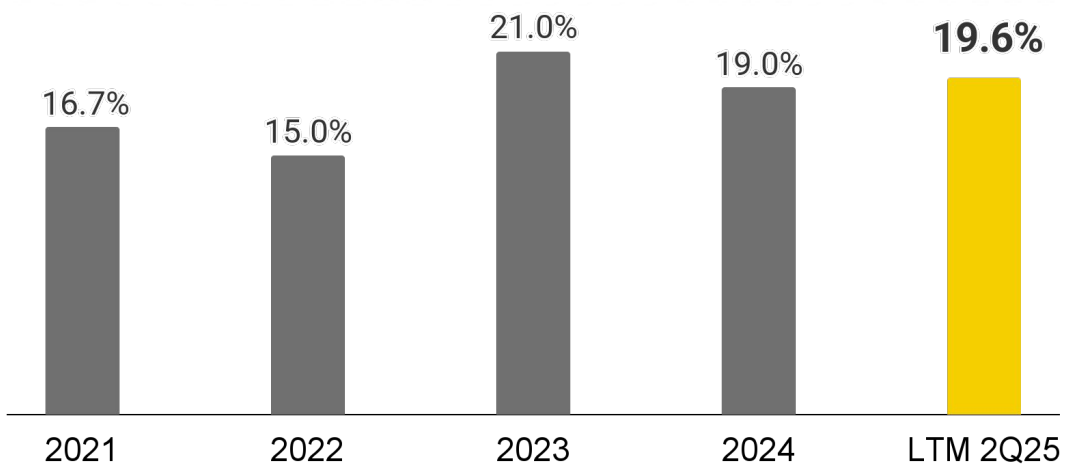
- Fully automated loan processing
- Full self-service origination and servicing
- Development activities performed by AI
- Agentic capabilities on proprietary platforms

Relentless pursuit and investment in technology has been our cornerstone, driving shareholder value, dramatic cost efficiencies and the ability to deliver unrivaled service to our millions of customers

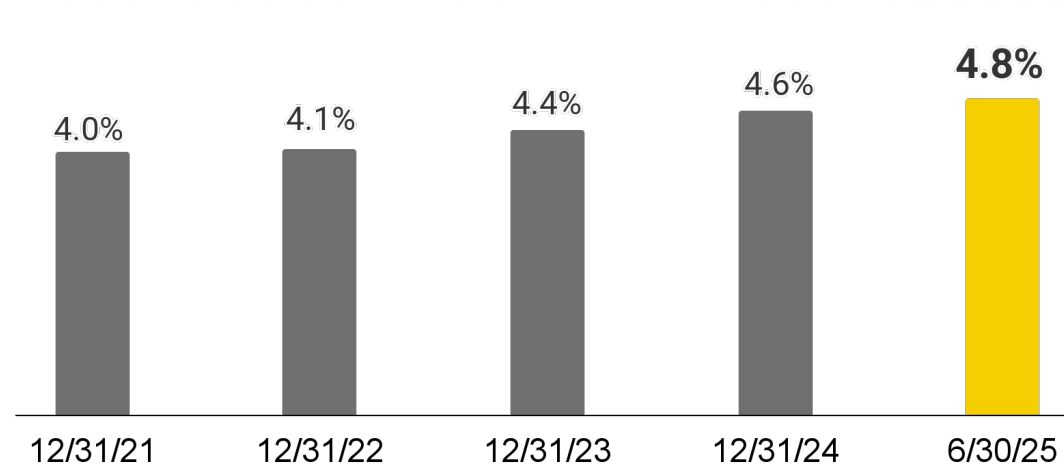
# ▼ KEY OPERATING METRICS & OTHER FINANCIAL SCHEDULES

# PENNYMAC'S MARKET SHARE OVER TIME ACROSS ITS BUSINESSES

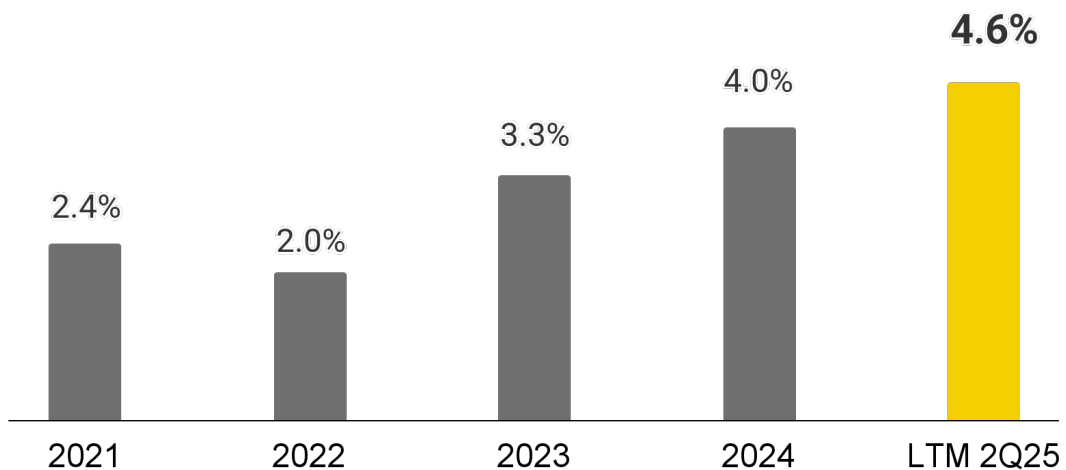
### Correspondent Production Market Share<sup>(1)</sup>



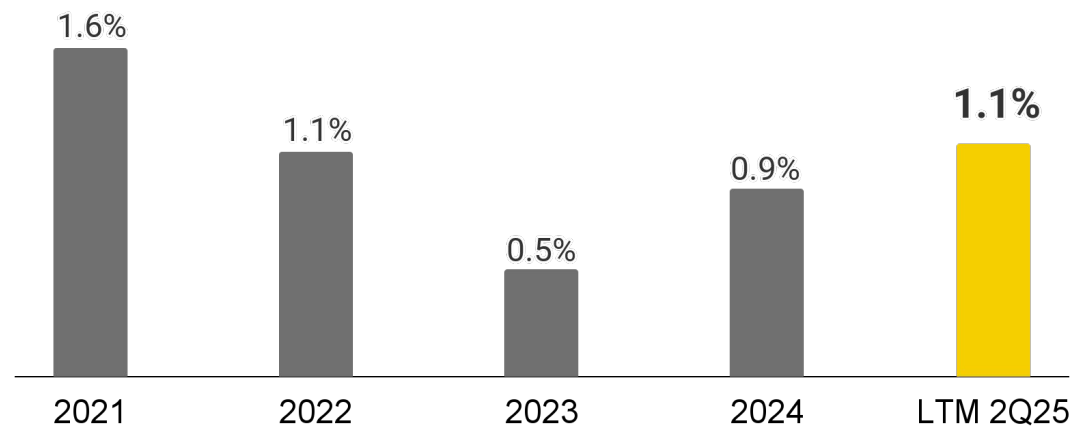
### Loan Servicing Market Share<sup>(1)</sup>



### Broker Direct Market Share<sup>(1)</sup>



### Consumer Direct Market Share<sup>(1)</sup>



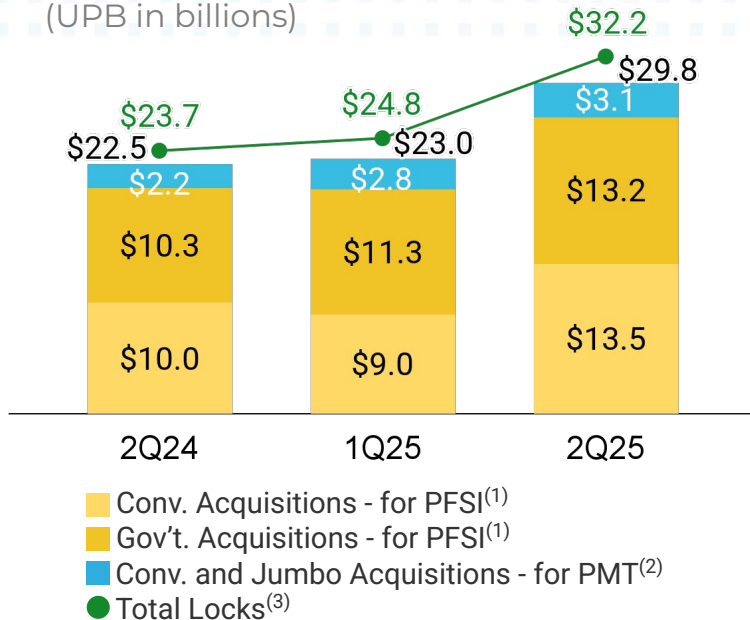
Note: All figures are for PFSI and include volume fulfilled or subserviced for PMT

(1) Historical market share: Inside Mortgage Finance; excludes second lien originations. For LTM 2Q25, we estimate \$1.7 trillion in total origination volume, and that the correspondent channel represented 31% of the overall origination market, retail represented 49%, and broker represented 20%. Loan servicing market share is based on PFSI's servicing portfolio UPB of \$700 billion divided by \$14.5 trillion in mortgage debt outstanding

# PRODUCTION SEGMENT HIGHLIGHTS – VOLUME BY CHANNEL

## Correspondent

(UPB in billions)

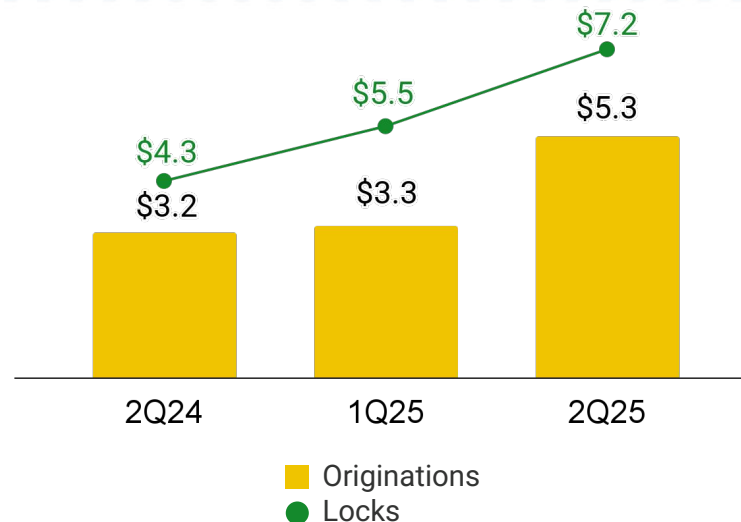


### July 2025 (Estimated)

Locks: (UPB in billions)	\$10.5
Acquisitions: (UPB in billions)	\$10.5

## Broker Direct

(UPB in billions)

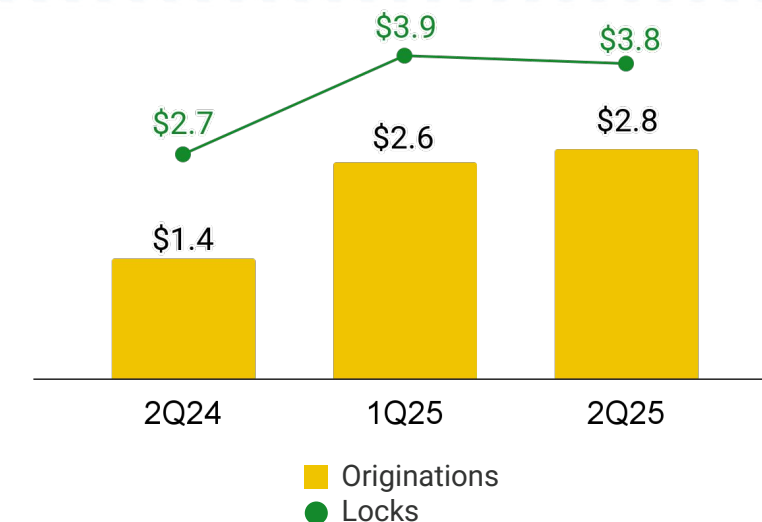


### July 2025 (Estimated)

Locks: (UPB in billions)	\$2.5
Originations: (UPB in billions)	\$2.0
Committed pipeline <sup>(4)</sup> : (UPB in billions)	\$2.2

## Consumer Direct

(UPB in billions)



### July 2025 (Estimated)

Locks: (UPB in billions)	\$1.5
Originations: (UPB in billions)	\$0.9
Committed pipeline <sup>(4)</sup> : (UPB in billions)	\$1.5

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)	2Q24				1Q25				2Q25			
	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) <sup>(1)</sup>	Revenue Contribution (net of Loan origination expense)	% of Production Revenue	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) <sup>(1)</sup>	Revenue Contribution (net of Loan origination expense)	% of Production Revenue	Fallout Adjusted Locks	Margin / Fulfillment Fee (bps) <sup>(1)</sup>	Revenue Contribution (net of Loan origination expense)	% of Production Revenue
PFSI correspondent <sup>(2)</sup>	\$ 20,503	30	\$ 61.3	38%	\$ 21,216	27	\$ 57.7	28%	\$ 27,634	25	\$ 70.2	33%
Broker direct	3,105	103	32.0	20%	4,050	91	36.7	18%	5,355	87	46.5	22%
Consumer direct	1,764	393	69.3	43%	2,455	354	86.9	43%	2,403	408	98.1	47%
Other <sup>(3)</sup>	n/a	n/a	(5.0)	(3)%	n/a	n/a	17.2	8%	n/a	n/a	(9.9)	(5)%
<b>Total PFSI account revenues<sup>(4)</sup></b>	<b>\$ 25,372</b>	<b>62</b>	<b>\$ 157.5</b>	<b>97%</b>	<b>\$ 27,721</b>	<b>72</b>	<b>\$ 198.6</b>	<b>97%</b>	<b>\$ 35,392</b>	<b>58</b>	<b>\$ 204.9</b>	<b>97%</b>
PMT conventional correspondent	2,148	21	4.4	3%	2,443	22	5.3	3%	3,183	18	5.8	3%
<b>Total Production revenues<sup>(4)</sup></b>		<b>59</b>	<b>\$ 162.0</b>	<b>100%</b>		<b>68</b>	<b>\$ 203.8</b>	<b>100%</b>		<b>55</b>	<b>\$ 210.7</b>	<b>100%</b>
<b>Production expenses<sup>(4)</sup></b>	<b>\$ 27,520</b>	<b>39</b>	<b>\$ 106.8</b>	<b>66%</b>	<b>\$ 30,163</b>	<b>47</b>	<b>\$ 141.9</b>	<b>70%</b>	<b>\$ 38,575</b>	<b>40</b>	<b>\$ 153.0</b>	<b>73%</b>
<b>Production segment pretax income</b>		<b>20</b>	<b>\$ 55.2</b>	<b>34%</b>		<b>21</b>	<b>\$ 61.9</b>	<b>30%</b>		<b>15</b>	<b>\$ 57.8</b>	<b>27%</b>

- Revenue per fallout adjusted lock for PFSI's own account was 58 basis points in 2Q25, down from 72 basis points in 1Q25
  - Higher revenue contributions in all channels partially offset by negative effects from other cross-channel impacts<sup>(3)</sup>
  - Higher proportion of correspondent and broker direct volumes
- Production expenses<sup>(4)</sup> increased 8% from the prior quarter partially due to increased capacity in direct lending to rapidly address opportunities provided by lower mortgage rates

Note: Figures may not sum due to rounding

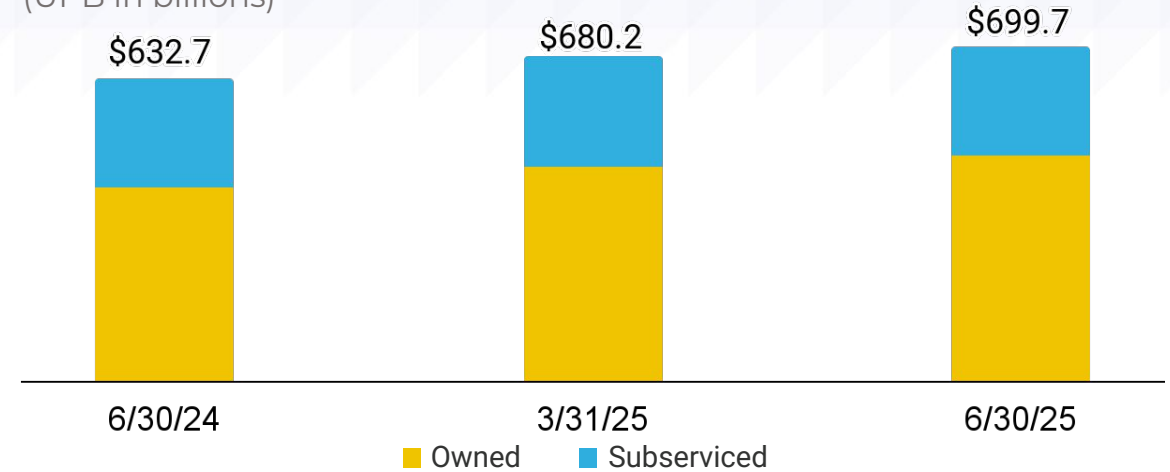
(1) Expected revenue net of direct origination costs at time of lock (2) Includes government-insured or guaranteed loans and certain conventional loans for PFSI's own account (3) Reflects timing of revenue and loan origination expense recognition, hedging, pricing & execution changes, and other items (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 SEGMENT HIGHLIGHTS

- Servicing portfolio totaled \$699.7 billion in UPB at June 30, 2025, up 3% Q/Q and 11% Y/Y
- Continuing to pursue opportunities to expand our subservicing business beyond PMT
- Production volumes more than offset prepayment activity, leading to continued portfolio growth
- 60+ day delinquency rates for owned MSR essentially unchanged from the end of the prior quarter
- Modification volume decreased from the prior quarter while EBO loan volume increased slightly

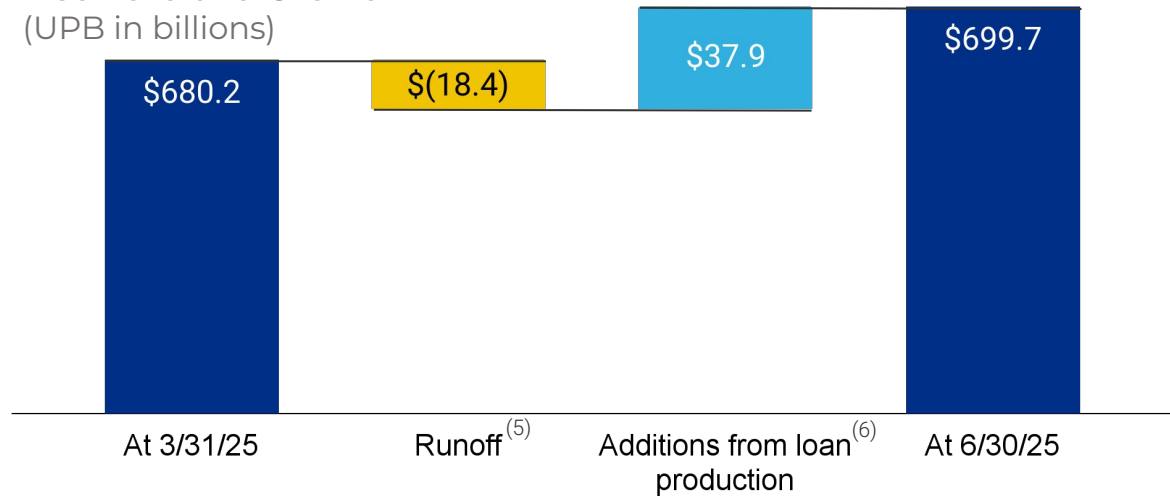
## Loan Servicing Portfolio Composition

(UPB in billions)



## Net Portfolio Growth

(UPB in billions)



Selected Operational Metrics		
	1Q25	2Q25
Loans serviced (in thousands)	2,651	2,704
60+ day delinquency rate - owned portfolio <sup>(1)</sup>	3.1%	3.2%
60+ day delinquency rate - sub-serviced portfolio <sup>(2)</sup>	0.7%	0.7%
Actual CPR - owned portfolio <sup>(1)</sup>	6.8%	8.5%
Actual CPR - sub-serviced portfolio <sup>(2)</sup>	4.7%	6.5%
UPB of completed modifications (\$ in millions) <sup>(3)</sup>	\$4,767	\$4,019
EBO loan volume (\$ in millions) <sup>(4)</sup>	\$995	\$1,029

Note: Figures may not sum due to rounding

(1) Owned portfolio is predominantly government-insured and guaranteed loans – see Appendix slide 33 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

	2Q24		1Q25		2Q25	
	\$ in millions	basis points <sup>(1)</sup>	\$ in millions	basis points <sup>(1)</sup>	\$ in millions	basis points <sup>(1)</sup>
Loan servicing fees	\$ 440.7	28.2	\$ 488.5	29.0	\$ 506.7	29.4
Earnings on custodial balances and deposits and other income	110.6	7.1	102.1	6.1	115.9	6.7
Realization of MSR cash flows	(200.7)	(12.9)	(225.5)	(13.4)	(263.1)	(15.3)
EBO loan-related revenue <sup>(2)</sup>	26.8	1.7	36.0	2.1	33.0	1.9
<b>Servicing expenses:</b>						
Operating expenses	(75.8)	(4.9)	(80.8)	(4.8)	(79.6)	(4.6)
Payoff-related expense <sup>(3)</sup>	(10.4)	(0.7)	(13.3)	(0.8)	(17.2)	(1.0)
Losses and provisions for defaulted loans	(13.3)	(0.9)	(15.4)	(0.9)	(21.5)	(1.2)
EBO loan transaction-related expense	(0.6)	(0.0)	(0.9)	(0.1)	(0.8)	(0.0)
Interest expense	(113.6)	(7.3)	(119.2)	(7.1)	(129.6)	(7.5)
<b>Non-GAAP: Pretax income excluding valuation-related changes</b>	<b>\$ 163.6</b>	<b>10.5</b>	<b>\$ 171.5</b>	<b>10.2</b>	<b>\$ 143.7</b>	<b>8.3</b>
<b>Valuation-related changes</b>						
MSR fair value <sup>(4)</sup>	99.4		(205.5)		15.9	
Hedging derivatives (losses) gains	(171.8)		106.8		(109.1)	
Reversal of (provision for) losses on active loans <sup>(5)</sup>	(0.6)		3.2		3.6	
<b>GAAP: Servicing segment pretax income</b>	<b>\$ 90.7</b>		<b>\$ 76.0</b>		<b>\$ 54.2</b>	
<b>Average servicing portfolio UPB</b>	<b>\$ 624,746</b>		<b>\$ 672,965</b>		<b>\$ 689,612</b>	

- Loan servicing fees increased from the prior quarter due to growth in the MSR portfolio; operating expenses were down slightly
- Earnings on custodial balances and deposits increased from the prior quarter due to higher average balances
  - Custodial funds managed for PFSI's owned servicing portfolio averaged \$7.5 billion in 2Q25, up from \$6.2 billion in 1Q25
- Realization of cash flows was up from the prior quarter due to growth in the MSR portfolio and higher realized and projected prepayment activity

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

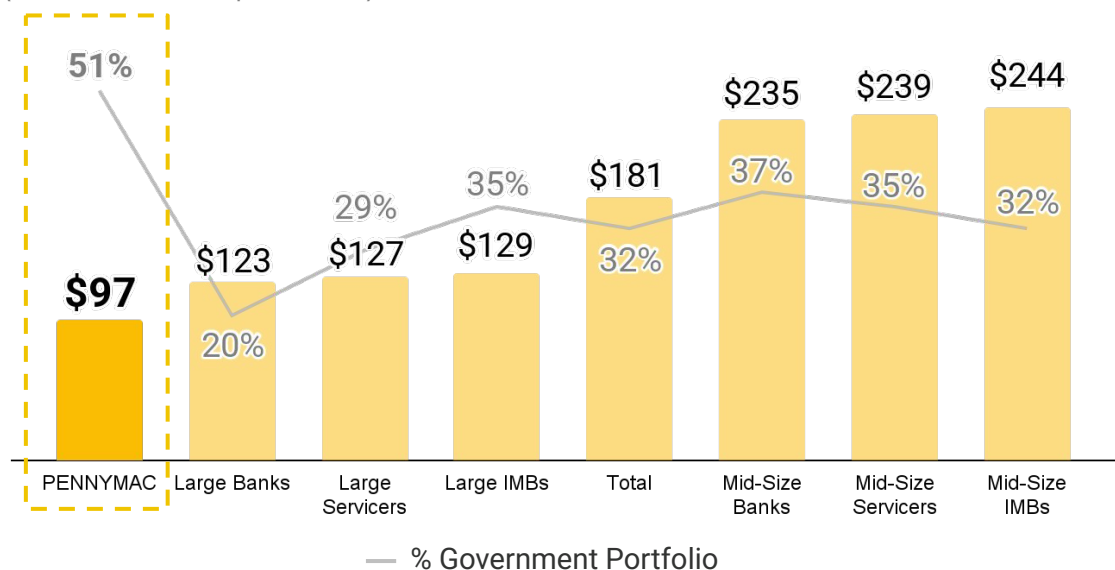
(4) Changes in fair value do not include realization of MSR cash flows

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

# TECHNOLOGY DRIVING EFFICIENCIES AND LOWER EXPENSES IN SERVICING

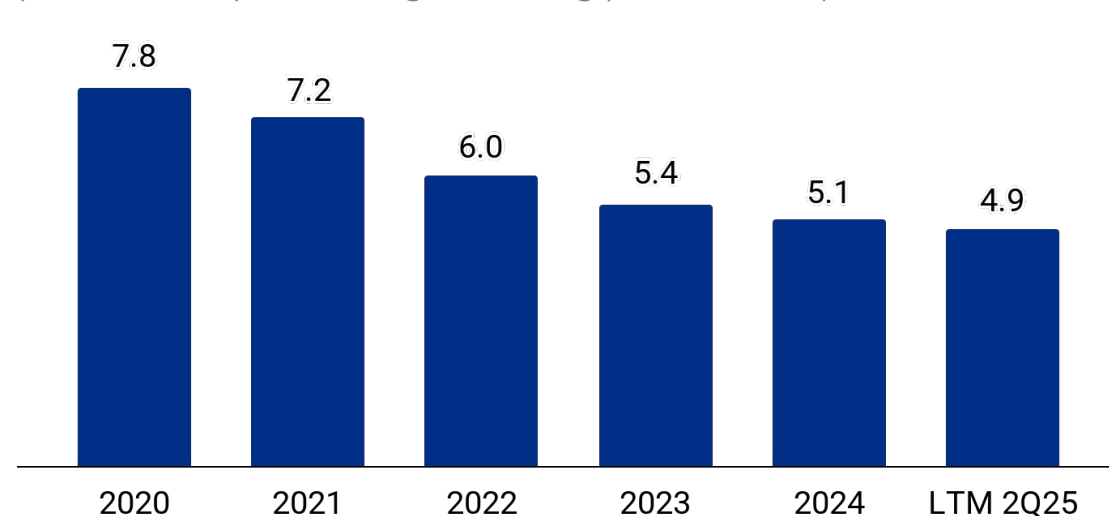
## Direct Servicing Expense<sup>(1)</sup>

(annual \$ cost per loan)



## Operating Expenses

(annualized bps of average servicing portfolio UPB)



- Pennymac's per loan servicing expenses are among the lowest in the industry, despite a higher concentration of government loans, which are more difficult to service
- Industry-leading customer service as evidenced by our multi-year servicing excellence awards from HUD, Fannie Mae and Freddie Mac
- Lower unit costs due to the implementation of SSE, our proprietary servicing system, in 2019

- Culture of continuous process improvement
- Continuing to increase efficiency through the use of emerging technologies, including capabilities of generative artificial intelligence
- Increased scale and efficiency as the portfolio grows
- Delinquencies remain moderated in the current market environment, further reducing operating expenses

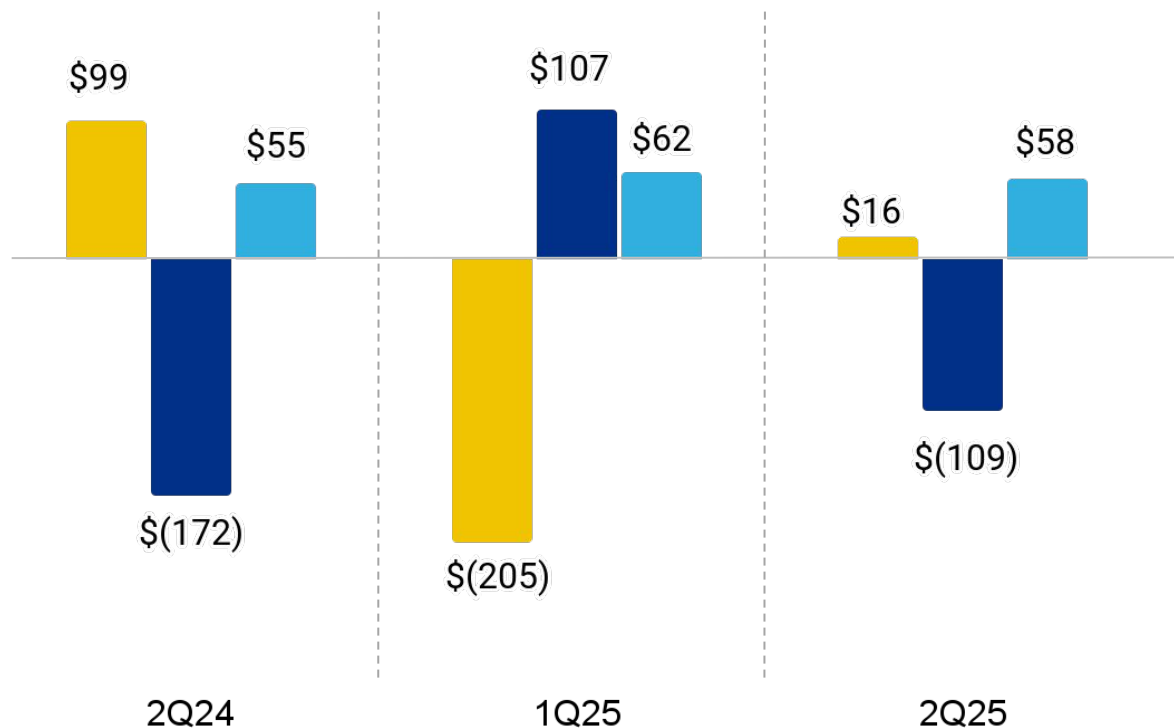
(1) MBA 2025 Servicing Operations Study (2024 data), Pennymac is included within Large IMBs

## 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

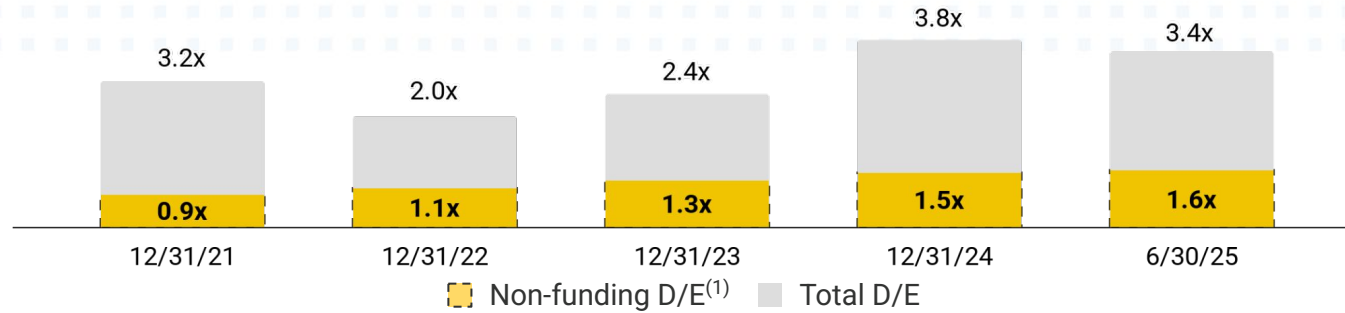


- PFSI seeks to moderate the impact of interest rate changes on the fair value of its MSR asset through a comprehensive hedging strategy that also considers production-related income
  - MSR hedging results and hedge costs negatively impacted due to extreme rate volatility in April
  - Strategically adjusted our hedging practices for increased direct lending capacity; we currently expect lower costs and greater consistency of hedge performance in future periods
  - Shape of the yield curve, volatility, changes in mortgage basis and other factors can impact our realized hedge ratio

Attributed Performance	MSR	Hedge	Net
Rate Impacts	\$25.5	\$(54.9)	\$(29.4)
Hedge Costs	-	\$(54.2)	\$(54.2)
Other Assumption & Performance Impacts	\$(9.6)	-	\$(9.6)
<i>Prepayment-related</i>	\$0.6	-	\$0.6
<i>Delinquency-related</i>	\$(12.8)	-	\$(12.8)
<i>Other</i>	\$2.6	-	\$2.6
<b>Total</b>	<b>\$15.9</b>	<b>\$(109.1)</b>	<b>\$(93.2)</b>

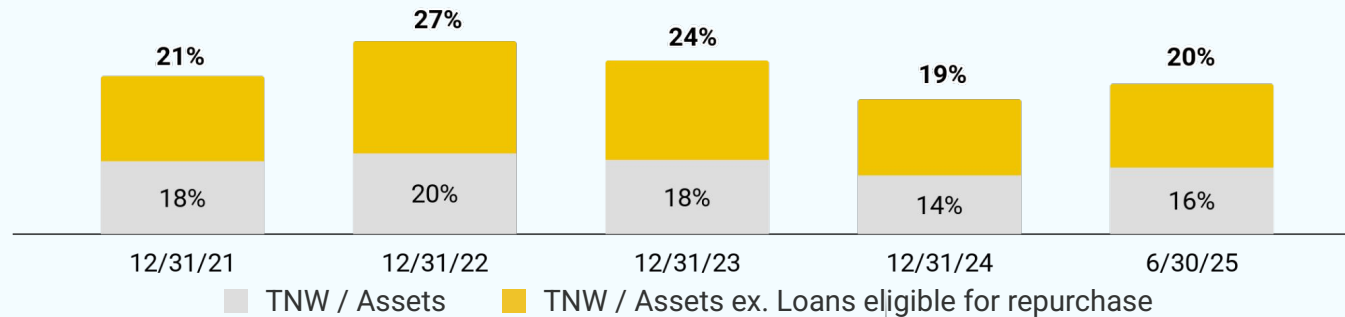
# PFSI'S STRONG BALANCE SHEET AND DIVERSE CAPITAL STRUCTURES

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



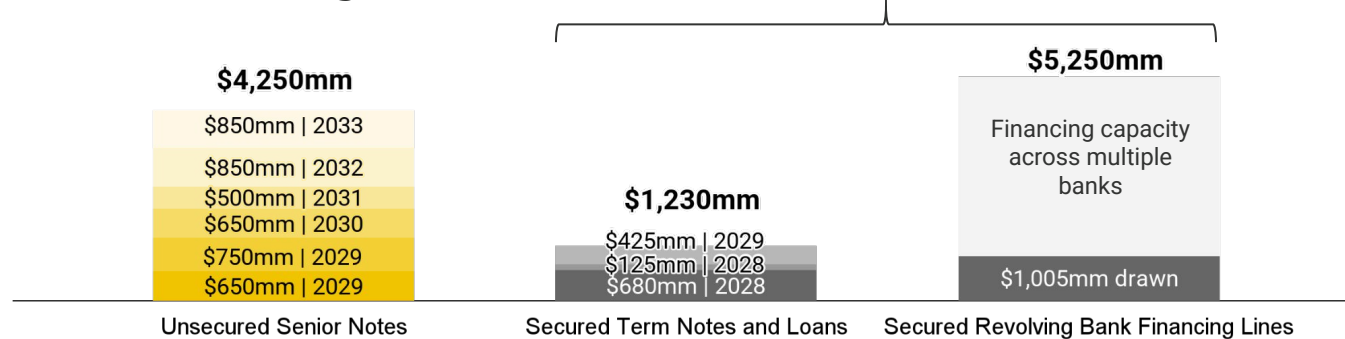
- Targeted debt-to-equity ratio near 3.5x with fluctuations largely driven by the origination environment or other market opportunities
- Targeted non-funding debt-to-equity ratio near 1.5x; may be modestly above at current interest rate levels

## High Tangible Net Worth (TNW)<sup>(2)</sup>/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 2029
- Issued \$850 million of senior unsecured notes due May 2032
- Redeemed \$650 million of unsecured senior notes due October 2025 and \$500 million of GNMA MSR term notes due May 2027
- As of June 30, 2025 total liquidity including cash and amounts available to draw with collateral pledged was \$4.2 billion

Note: All figures are as of June 30, 2025

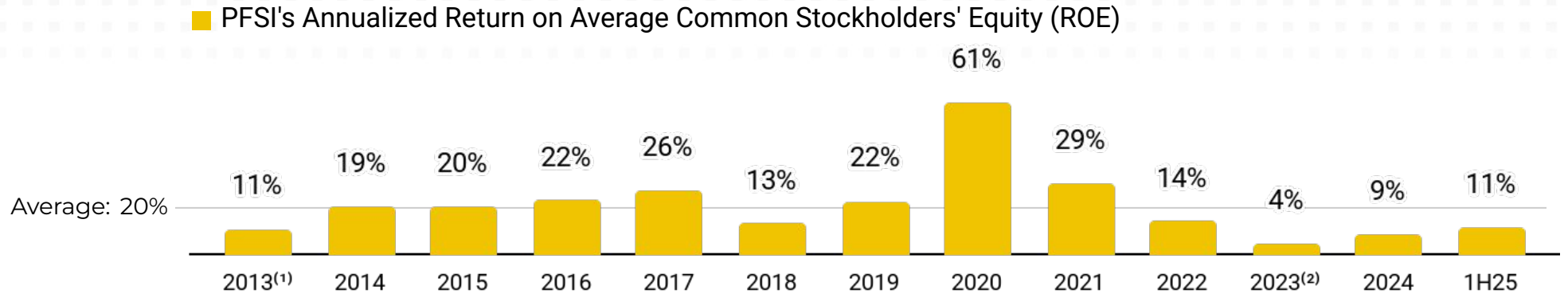
(1) Non-funding debt includes face value of unsecured senior notes and notes payable secured by MSR, in addition to the amount drawn on the variable funding note

(2) Tangible net worth excludes capitalized software

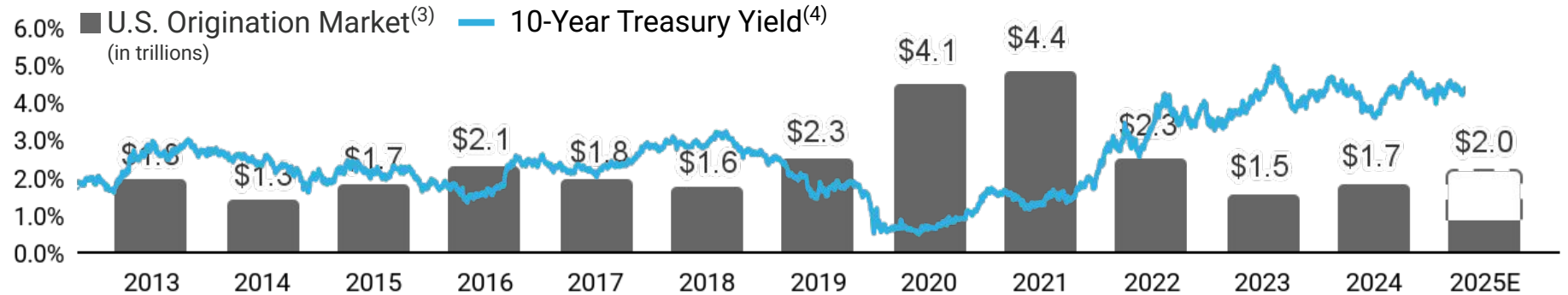
# APPENDIX

# TRACK RECORD OF STRONG PERFORMANCE ACROSS MARKET ENVIRONMENTS

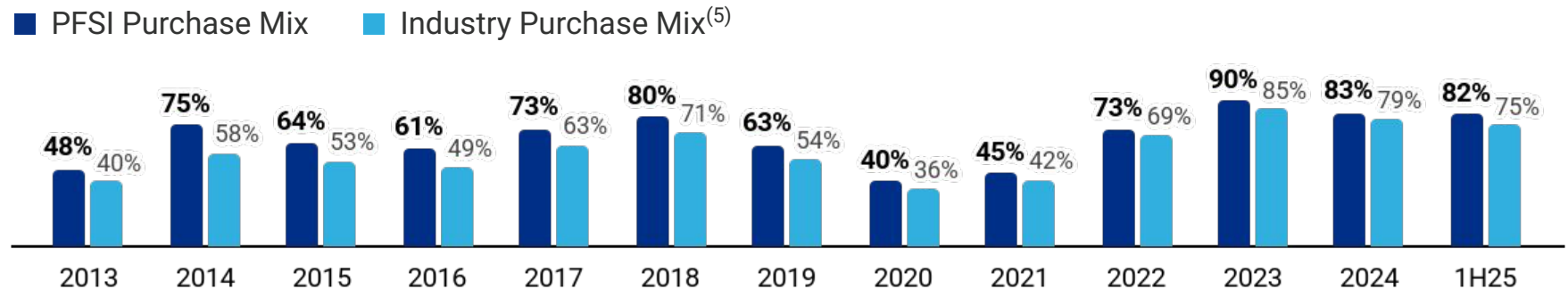
**Proven ability to generate attractive ROEs...**



**...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

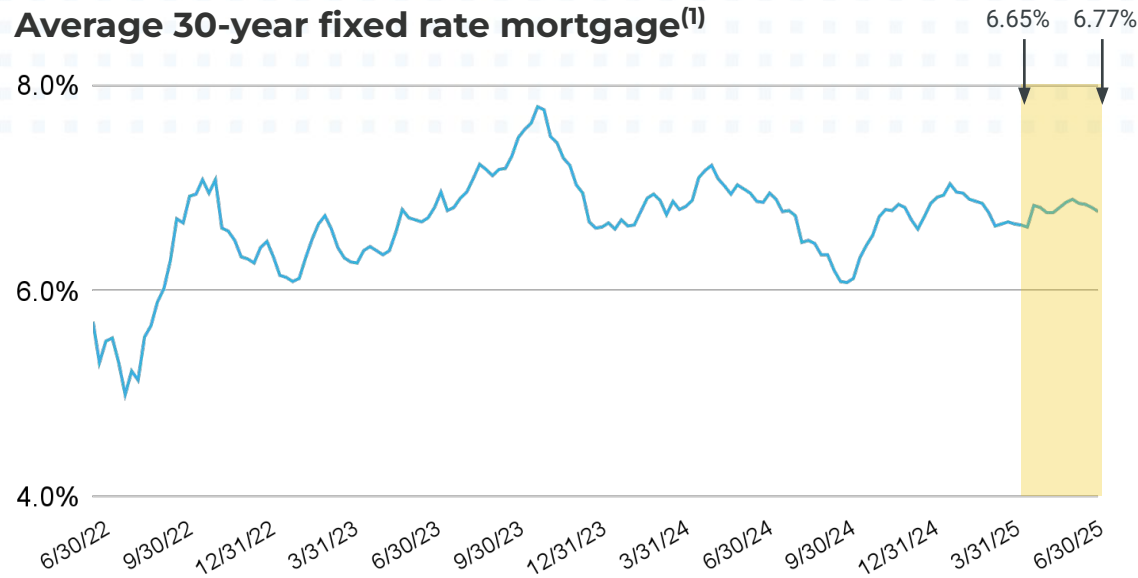
(3) Inside Mortgage Finance for historical data; forecast for 2025 represents the average of Mortgage Bankers Association (7/17/25) and Fannie Mae (6/12/25) forecasts

(4) Bloomberg

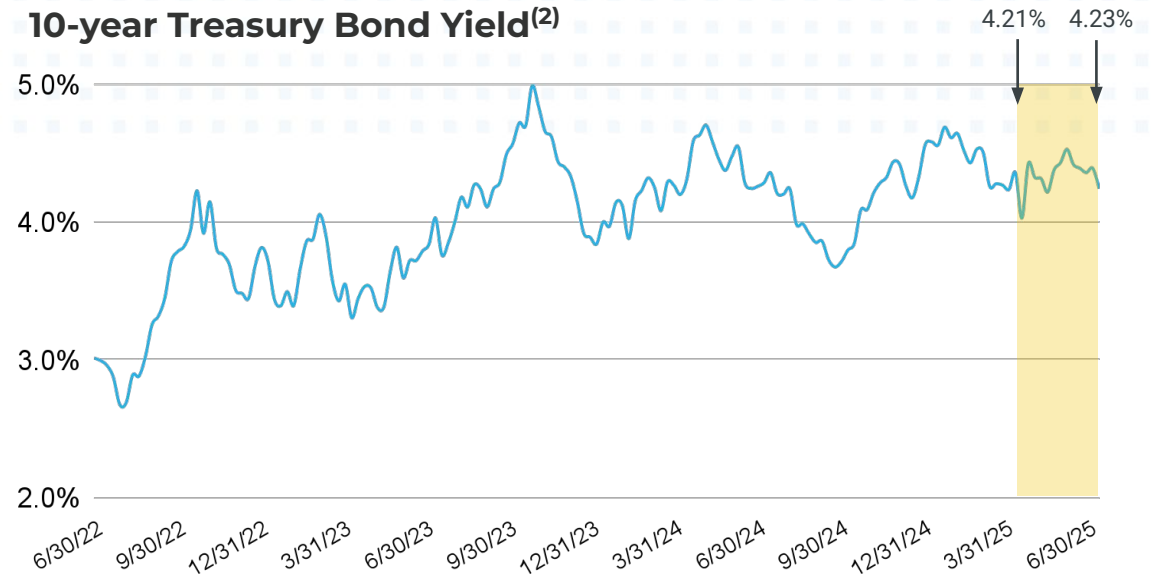
(5) Inside Mortgage Finance for historical industry purchase mix, 2025 is an estimate of Mortgage Bankers Association (7/17/25) and Fannie Mae (6/12/25) forecasts

# CURRENT MARKET ENVIRONMENT AND MACROECONOMIC TRENDS

### Average 30-year fixed rate mortgage<sup>(1)</sup>

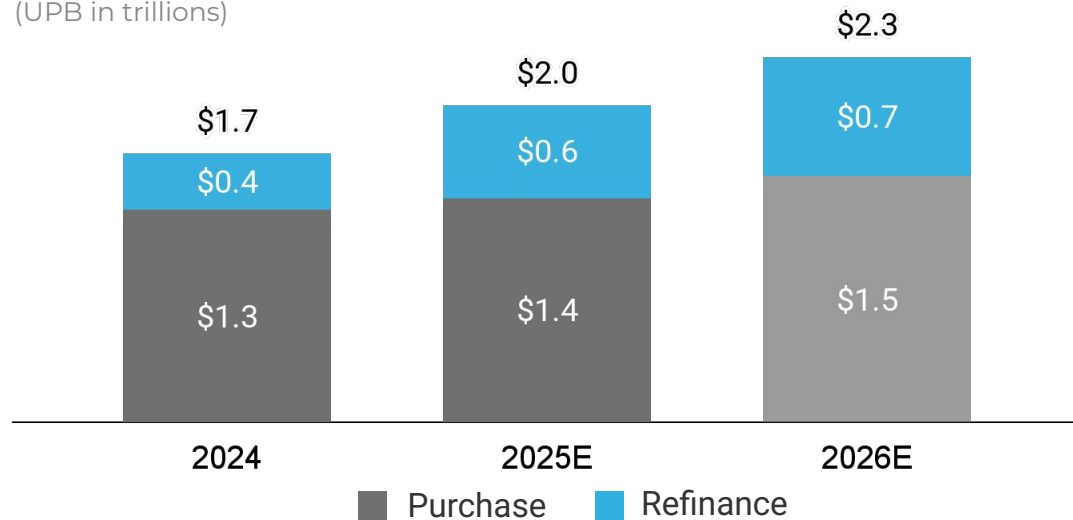


### 10-year Treasury Bond Yield<sup>(2)</sup>



### U.S. Origination Market Forecast<sup>(3)</sup>

(UPB in trillions)



### Macroeconomic Metrics<sup>(4)</sup>

	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
10-year Treasury bond yield	4.4%	3.8%	4.6%	4.2%	4.2%
2/10 year Treasury yield spread	-0.4%	0.1%	0.3%	0.3%	0.5%
30-year fixed rate mortgage	6.9%	6.1%	6.9%	6.7%	6.8%
Secondary mortgage rate	5.8%	4.9%	5.9%	5.6%	5.5%
U.S. home price appreciation (Y/Y% change)	5.5%	3.9%	4.0%	3.4%	2.7%
Residential mortgage originations (in billions)	\$430	\$455	\$460	\$355	\$500

(1) Freddie Mac Primary Mortgage Market Survey. (2) U.S. Department of the Treasury. (3) Actual originations: Inside Mortgage Finance; Forecast originations; Average of Mortgage Bankers Association (7/17/25) and Fannie Mae (6/12/25) forecasts (4) 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 (MTGFNCL), Bloomberg. U.S. home price appreciation: S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index (SPCSUSA); data is as of 4/30/25. Residential mortgage originations are for the quarterly period ended; source: Inside Mortgage Finance

## ACQUISITIONS AND ORIGINATIONS BY PRODUCT

Unaudited (\$ in millions)	2Q24	3Q24	4Q24	1Q25	2Q25
<b>Correspondent Acquisitions</b>					
Conventional Conforming - for PMT	\$ 2,195	\$ 5,851	\$ 3,241	\$ 2,437	\$ 2,740
Conventional Conforming - for PFSI	10,007	8,092	13,567	8,961	13,521
Government - for PFSI	10,301	11,788	11,018	11,263	13,235
Jumbo - for PMT	34	97	256	344	346
<b>Total</b>	<b>\$ 22,537</b>	<b>\$ 25,829</b>	<b>\$ 28,082</b>	<b>\$ 23,005</b>	<b>\$ 29,841</b>
<b>Broker Direct Originations - for PFSI</b>					
Conventional Conforming	\$ 2,059	\$ 1,844	\$ 2,115	\$ 1,658	\$ 2,876
Government	865	1,183	1,340	887	1,546
Jumbo	241	368	698	744	813
Closed-end second liens	15	28	29	28	37
<b>Total</b>	<b>\$ 3,179</b>	<b>\$ 3,424</b>	<b>\$ 4,182</b>	<b>\$ 3,316</b>	<b>\$ 5,272</b>
<b>Consumer Direct Originations - for PFSI</b>					
Conventional Conforming	\$ 374	\$ 365	\$ 580	\$ 517	\$ 739
Government	804	1,786	2,514	1,728	1,593
Jumbo	12	15	22	22	20
Closed-end second liens	257	278	302	338	417
<b>Total</b>	<b>\$ 1,447</b>	<b>\$ 2,444</b>	<b>\$ 3,418</b>	<b>\$ 2,604</b>	<b>\$ 2,768</b>
<b>Total acquisitions / originations</b>	<b>\$ 27,163</b>	<b>\$ 31,696</b>	<b>\$ 35,682</b>	<b>\$ 28,926</b>	<b>\$ 37,882</b>
<b>UPB of loans fulfilled for PMT</b> (included in correspondent acquisitions)	<b>\$ 2,229</b>	<b>\$ 5,948</b>	<b>\$ 3,497</b>	<b>\$ 2,782</b>	<b>\$ 3,086</b>

# INTEREST RATE LOCKS BY PRODUCT

Unaudited (\$ in millions)	2Q24	3Q24	4Q24	1Q25	2Q25
<b>Correspondent Locks</b>					
Conventional Conforming - for PMT	\$ 2,602	\$ 7,373	\$ 2,741	\$ 2,210	\$ 3,009
Conventional Conforming - for PFSI	9,914	8,229	13,810	9,988	14,697
Government - for PFSI	11,100	12,448	11,088	12,107	13,960
Jumbo - for PMT	90	253	454	526	529
<b>Total</b>	<b>\$ 23,706</b>	<b>\$ 28,304</b>	<b>\$ 28,093</b>	<b>\$ 24,831</b>	<b>\$ 32,197</b>
<b>Broker Direct Locks - for PFSI</b>					
Conventional Conforming	\$ 2,559	\$ 2,533	\$ 2,334	\$ 2,647	\$ 3,651
Government	1,266	2,039	1,249	1,592	2,094
Jumbo	433	720	834	1,192	1,354
Closed-end second liens	29	43	34	48	52
<b>Total</b>	<b>\$ 4,287</b>	<b>\$ 5,335</b>	<b>\$ 4,451</b>	<b>\$ 5,478</b>	<b>\$ 7,151</b>
<b>Consumer Direct Locks - for PFSI</b>					
Conventional Conforming	\$ 551	\$ 785	\$ 744	\$ 939	\$ 992
Government	1,698	3,972	2,480	2,416	2,155
Jumbo	21	26	29	27	29
Closed-end second liens	428	435	397	501	613
<b>Total</b>	<b>\$ 2,698</b>	<b>\$ 5,218</b>	<b>\$ 3,650</b>	<b>\$ 3,883</b>	<b>\$ 3,788</b>
<b>Total locks</b>	<b>\$ 30,691</b>	<b>\$ 38,856</b>	<b>\$ 36,194</b>	<b>\$ 34,192</b>	<b>\$ 43,136</b>

# 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 30% and acquisitions were up 32% from 1Q25, consistent with the growth in the overall market
- PMT retained 17% of total conventional conforming correspondent production in 2Q25 compared to 21% in 1Q25
  - We expect PMT to retain approximately 15 - 25% of total conventional conforming correspondent production in 3Q25
- 771 correspondent sellers at June 30, 2025, down slightly from March 31, 2025
- Purchase volume in 2Q25 was 90% of total acquisitions

## Broker Direct

- Lock volumes were up 31% and originations were up 59% from 1Q25
- Approved brokers totaled 5,084 at June 30, 2025 up 5% from March 31, 2025 and 19% from June 30, 2024
  - Top brokers see Pennymac as a strong alternative to the top two channel lenders
- Purchase volume in 2Q25 was 81% of total originations
- Continued strength in jumbo originations, which were 15% of total originations in 2Q25 compared to 22% in 1Q25

## Consumer Direct

- Lock volumes were down 2% and originations were up 6% from 1Q25
- Continue to provide for the spectrum of needs of the 2.7 million customers in our servicing portfolio
  - Refinance lock volume in 2Q25 was \$2.7 billion, or 70% of total locks
  - 95% of total lock volume, including both first and second-liens, was sourced from our large and growing servicing portfolio
  - \$417 million of closed-end second lien mortgage loans funded in 2Q25, up from \$338 million in 1Q25

# CREDIT CHARACTERISTICS BY ACQUISITION/ORIGINATION PERIOD

## Correspondent

Weighted Average FICO					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	715	715	719	718	721
Conventional Conforming	765	770	770	768	769
Jumbo	776	774	778	777	777

Weighted Average DTI					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	44	44	44	45	45
Conventional Conforming	38	38	38	38	38
Jumbo	36	36	36	37	38

## Broker Direct

Weighted Average FICO					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	714	716	718	712	715
Conventional Conforming	764	765	769	765	763
Jumbo	780	776	778	775	778

Weighted Average DTI					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	46	46	46	45	45
Conventional Conforming	39	38	38	38	38
Jumbo	36	37	37	38	37

## Consumer Direct

Weighted Average FICO					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	692	702	695	687	688
Conventional Conforming	747	752	755	755	754
Jumbo	765	762	770	778	763

Weighted Average DTI					
	2Q24	3Q24	4Q24	1Q25	2Q25
Government-insured	45	45	44	44	44
Conventional Conforming	39	38	37	37	37
Jumbo	38	37	37	45	35

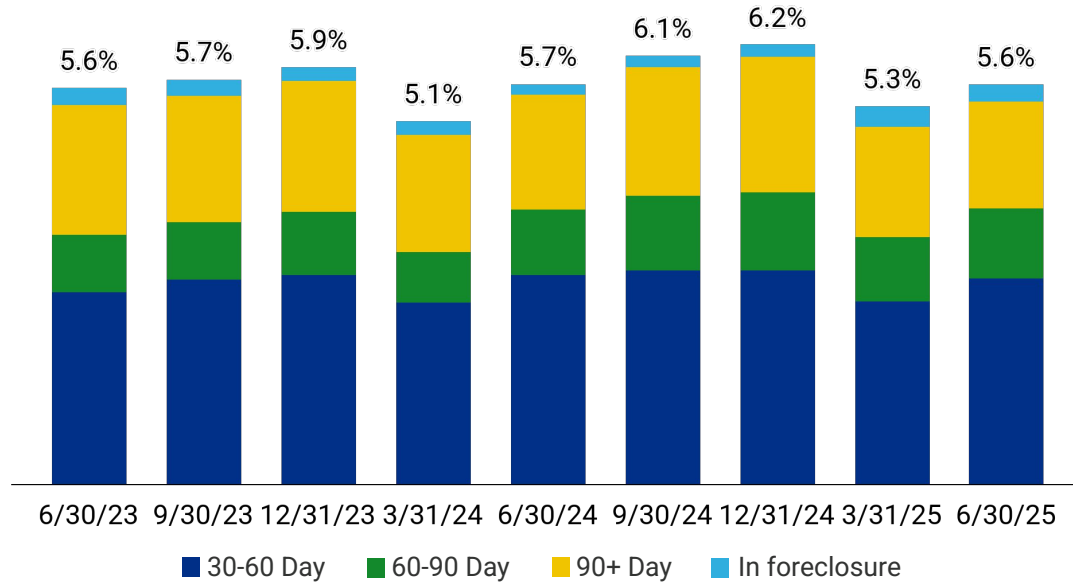
# MSR ASSET VALUATION

June 30, 2025 Unaudited (\$ in millions)	Mortgage Servicing Rights
Pool UPB <sup>(1)</sup>	\$463,132
Weighted average coupon	4.7%
Weighted average servicing fee/spread	0.39%
Weighted average prepayment speed assumption (CPR)	8.9%
Fair value	\$9,531
As a multiple of servicing fee	5.3

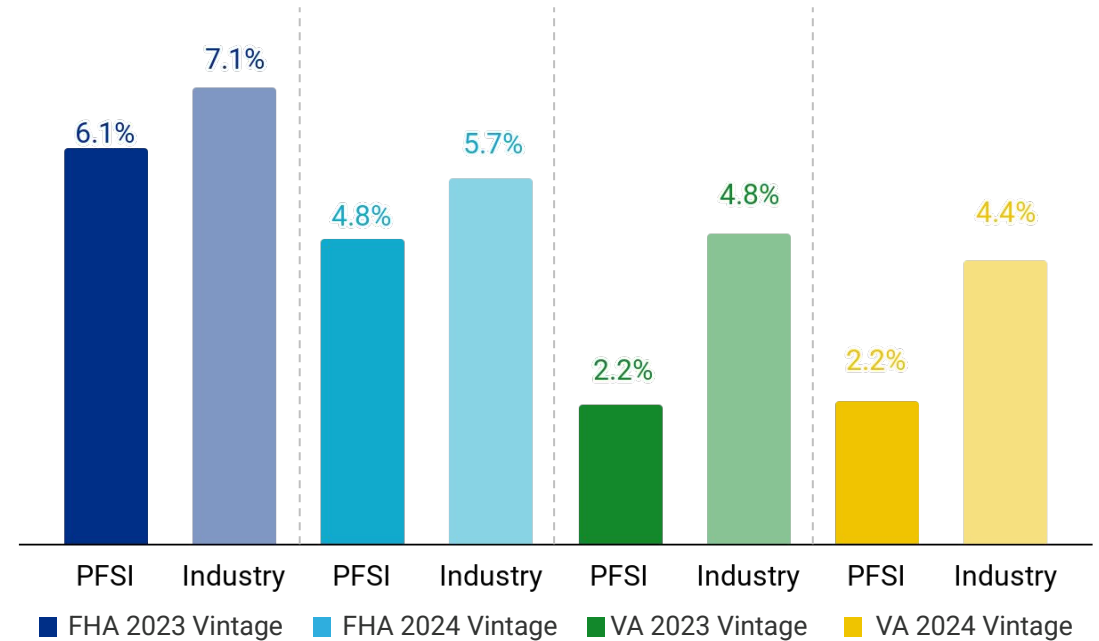
(1) Excludes loans held for sale at fair value

# DELINQUENCY TRENDS AND SERVICING ADVANCES OUTSTANDING

### Trends in Delinquency and Foreclosure Rates<sup>(1)</sup>



### 60+ Day Delinquency Rates for Recently Originated FHA and VA Loans<sup>(2)</sup>



- Overall, mortgage delinquency rates for the MSR portfolio increased slightly from the prior quarter but declined slightly from the prior year period, and remain within expected ranges for a predominately government-insured or guaranteed loan portfolio
- Servicing advances outstanding for PFSI’s MSR portfolio were approximately \$362 million at June 30, 2025, down from \$414 million at March 31, 2025
  - 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 6/30/25, the UPB of mortgage servicing rights owned by PFSI and loans held for sale totaled \$470 billion

(2) Source: Ginnie Mae; as of 6/30/25; loans with 12 months of seasoning; weighted by current UPB

## PFSI'S OWNED MSR PORTFOLIO CHARACTERISTICS

As of June 30, 2025

Segment	UPB (\$ in billions) <sup>(4)</sup>	% 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)
<b>Government<sup>(1)</sup></b>											
FHA	\$161.2	34.8%	751	4.7%	46	317	\$215	683	93%	70%	5.3%
VA	\$128.9	27.8%	463	4.0%	42	317	\$278	731	90%	70%	1.8%
USDA	\$20.8	4.5%	140	4.1%	61	302	\$148	700	98%	65%	5.3%
<b>GSE</b>											
FNMA	\$58.7	12.7%	183	5.2%	29	318	\$321	763	75%	63%	0.6%
FHLMC	\$80.6	17.4%	240	5.5%	22	326	\$335	760	76%	67%	0.7%
<b>Other and Closed-End Seconds</b>											
Other <sup>(2)</sup>	\$10.9	2.4%	26	6.8%	12	348	\$413	774	74%	70%	0.3%
Closed-End Seconds <sup>(3)</sup>	\$2.1	0.4%	26	9.4%	11	250	\$80	744	19%	18%	0.2%
<b>Grand Total</b>	<b>\$463.2</b>	<b>100.0%</b>	<b>1,830</b>	<b>4.7%</b>	<b>38</b>	<b>318</b>	<b>\$253</b>	<b>723</b>	<b>86%</b>	<b>68%</b>	<b>2.8%</b>

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

## RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

(\$ in millions)	2Q24	1Q25	2Q25
<b>Net income</b>	<b>\$ 98.3</b>	<b>\$ 76.3</b>	<b>\$ 136.5</b>
Provision for income taxes	35.6	27.9	(60.0)
Income before provision for income taxes	133.9	104.2	76.4
Depreciation and amortization	14.2	13.9	14.7
(Increase) decrease in fair value of MSRs and MSLs due to changes in valuation inputs used in the valuation model	(99.4)	205.5	(15.9)
Hedging losses (gains) associated with MSRs	171.8	(106.8)	109.1
Stock-based compensation	(2.2)	11.1	7.5
Non-recurring items	(12.5)	-	-
Interest expense on corporate debt and capital lease	44.0	60.1	70.2
<b>Adjusted EBITDA</b>	<b>\$ 249.7</b>	<b>\$ 288.0</b>	<b>\$ 262.0</b>

## RECONCILIATION OF GAAP ITEMS TO NON-GAAP ITEMS

### Reconciliation of GAAP net income to operating net income and annualized operating return on equity

(\$ in millions)	2Q24	3Q24	4Q24	1Q25	2Q25
<b>Net income</b>	\$ 98.3	\$ 69.4	\$ 104.5	\$ 76.3	\$ 136.5
(Increase) decrease in fair value of MSR and MSLs due to changes in valuation inputs used in the valuation model	(99.4)	402.4	(540.4)	205.5	(15.9)
Hedging losses (gains) associated with MSR	171.8	(242.1)	608.1	(106.8)	109.1
Non-recurring items	(12.5)	-	-	-	-
Adjustments	59.9	160.4	67.7	98.7	93.2
Tax impacts of adjustments <sup>(1)</sup>	16.1	43.1	18.1	26.4	23.4
Non-recurring tax adjustment	-	-	-	-	(81.6)
<b>Operating net income</b>	\$ 142.1	\$ 186.7	\$ 154.1	\$ 148.6	\$ 124.6
Average stockholders' equity	\$ 3,614.2	\$ 3,694.8	\$ 3,779.2	\$ 3,857.5	\$ 3,939.9
<b>Annualized operating return on equity</b>	16%	20%	16%	15%	13%

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

(\$ in millions)	2Q24	3Q24	4Q24	1Q25	2Q25
<b>Servicing pretax income</b>	\$ 90.7	\$ 3.3	\$ 87.3	\$ 76.0	\$ 54.2
(Increase) decrease in fair value of MSR and MSLs due to changes in valuation inputs used in the valuation model	(99.4)	402.4	(540.4)	205.5	(15.9)
Hedging losses (gains) associated with MSR	171.8	(242.1)	608.1	(106.8)	109.1
Non-recurring items	-	-	-	-	-
Provision for credit losses on active loans	0.6	5.7	13.3	(3.2)	(3.6)
<b>Servicing pretax income net of valuation related changes</b>	\$ 163.6	\$ 169.4	\$ 168.3	\$ 171.5	\$ 143.7

Note: Figures may not sum due to rounding  
(1) Assumes a tax rate of 26.85% in periods prior to 4Q24, 26.70% in 4Q24 and 1Q25, and 25.165% in 2Q25

