



2015 Barclays Global Financial Services Conference

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PennyMac Financial Services Is a Leading Mortgage Specialist

- Specialized mortgage platform with over 2,300 employees; highly scalable to support continued growth
- Publicly traded (NYSE: PFSI) with fully-diluted market cap of \$1.3 billion⁽¹⁾
- Track record of steady growth in business volumes and profitability
- Commitment to strong corporate governance and compliance culture
- Synergistic partnership with PennyMac Mortgage Investment Trust (NYSE: PMT)

Loan Production

- Source and securitize newly originated loans via:
 - *Correspondent aggregation* from approved third-party sellers – 3rd largest in the U.S. after Wells Fargo and Chase⁽²⁾
 - *Consumer direct lending* for home purchase or refinance
- Total loan production of \$21.9 billion in 1H15⁽³⁾

Loan Servicing

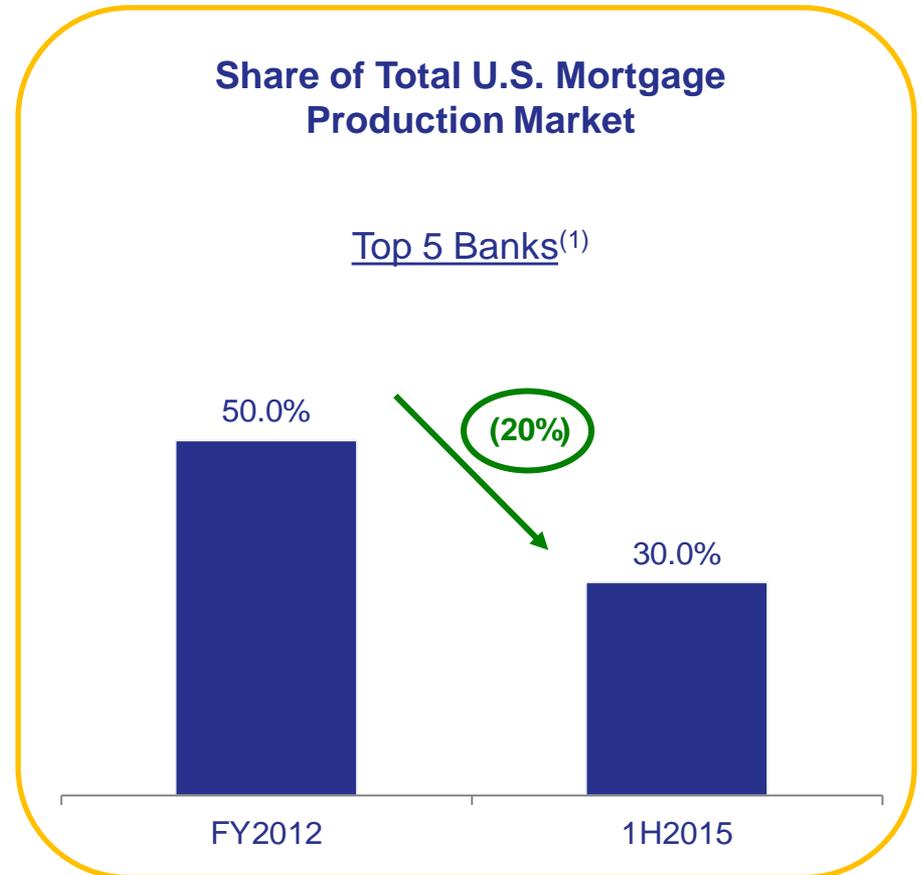
- Collect and remit payments and provide borrower services on existing loans
- Major servicer for Fannie Mae, Freddie Mac, and Ginnie Mae
- Industry-leading capabilities in special servicing
- Total loan servicing of \$136 billion in UPB⁽⁴⁾

Investment Management

- Serve as external manager to pools of capital that invest in mortgage-related assets:
 - PMT
 - Two private investment funds
- Specialized operations and expertise to invest in strategies such as distressed loans and mortgage servicing rights
- Management agreements include performance-based fees
- \$1.8 billion in AUM⁽⁴⁾

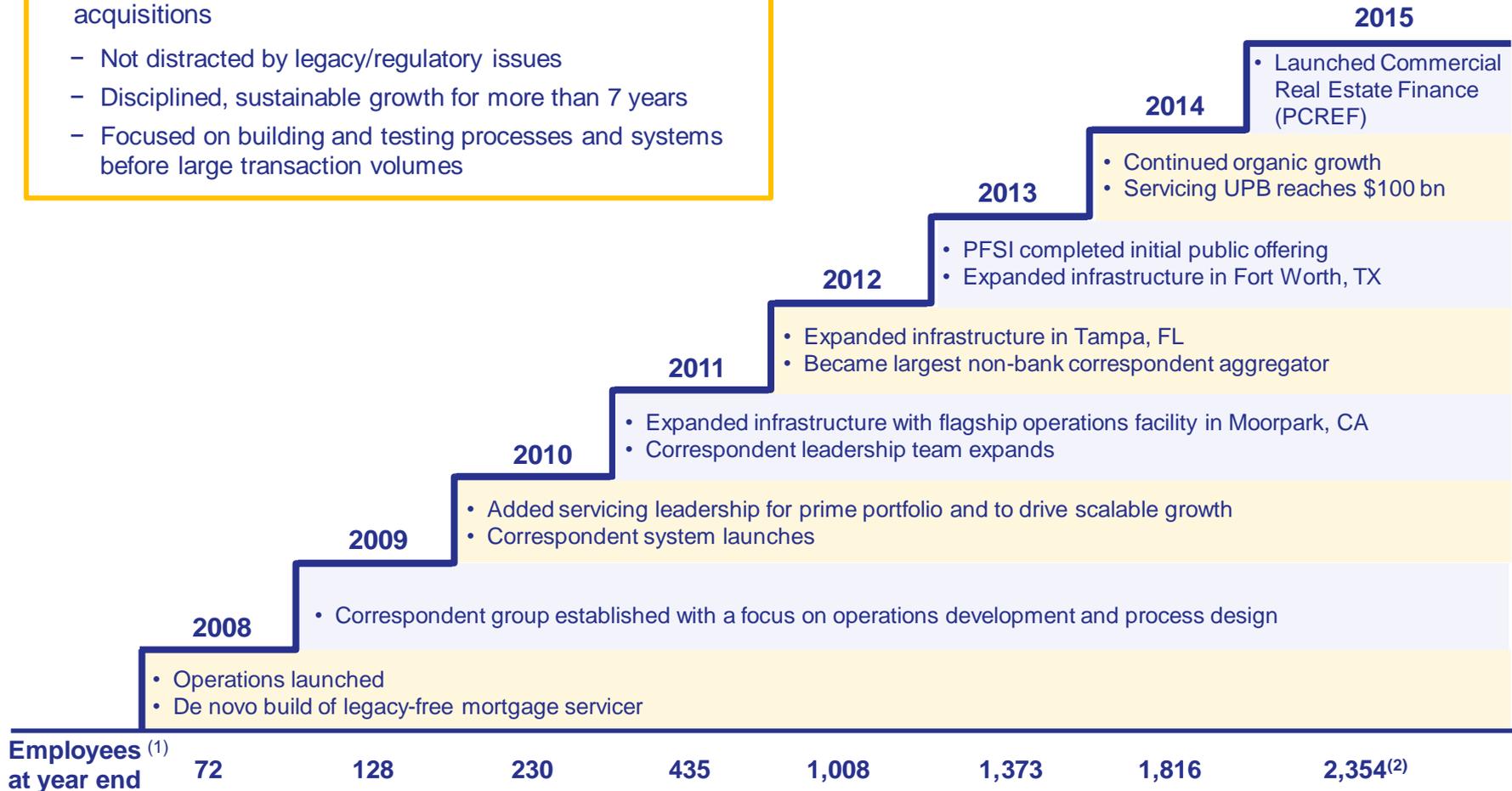
Significant Market Opportunity and Role for a Non-Bank Mortgage Leader

- Banks have retreated from the mortgage market mainly due to regulatory scrutiny, higher capital requirements, and a greater focus on core customers and businesses
- Successful mortgage businesses require focus, expert management, and dedicated resources
- Well-managed specialist firms, such as PennyMac Financial, have been able to bridge the gap by providing better service for customers
- As a correspondent aggregator, PennyMac Financial also serves local mortgage banks, providing access to capital and liquidity



PennyMac Has Developed Organically for Sustainable Growth

- Industry-leading platform built organically – not through acquisitions
 - Not distracted by legacy/regulatory issues
 - Disciplined, sustainable growth for more than 7 years
 - Focused on building and testing processes and systems before large transaction volumes



Employees ⁽¹⁾
at year end

72

128

230

435

1,008

1,373

1,816

2,354⁽²⁾

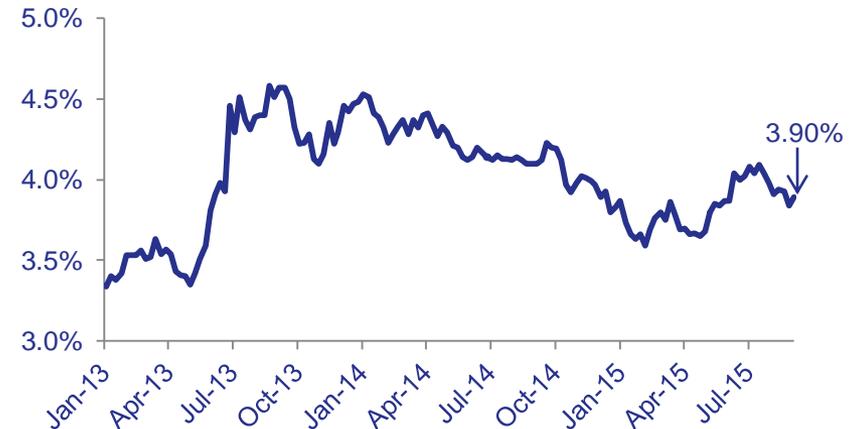
(1) Includes contractors.

(2) As of June 30, 2015.

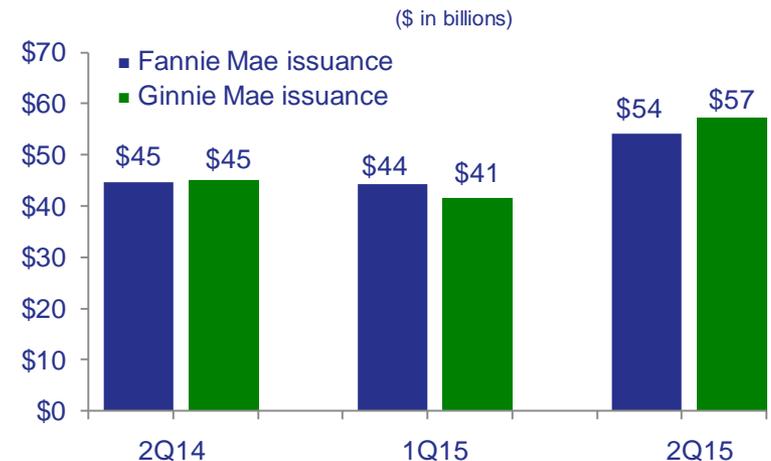
Current Market Environment and Outlook

- Mortgage rates remain low in historical context
 - Prevailing 30-year fixed rate remains below 4%
 - Refinance activity remains significant
- Home purchase market remains strong
 - Purchase-money loan volume has increased significantly versus 1Q15 and last year⁽²⁾
 - Existing home sales at eight year highs⁽³⁾
 - First-time homebuyer participation rates remain far below above their long run average⁽³⁾
- Home prices continued to increase through 2Q15, driven by a lack of supply in many markets
- Regulatory actions and new regulations continue to underscore the importance of effective governance, compliance, and operating systems

Average 30-year fixed rate mortgage⁽¹⁾

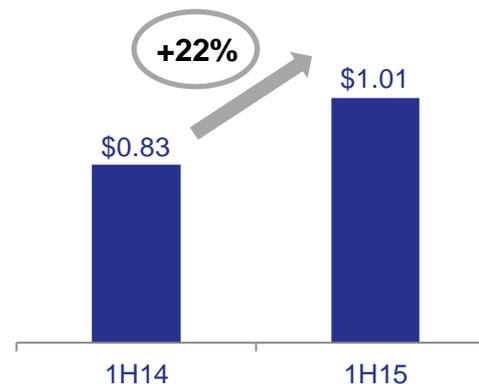
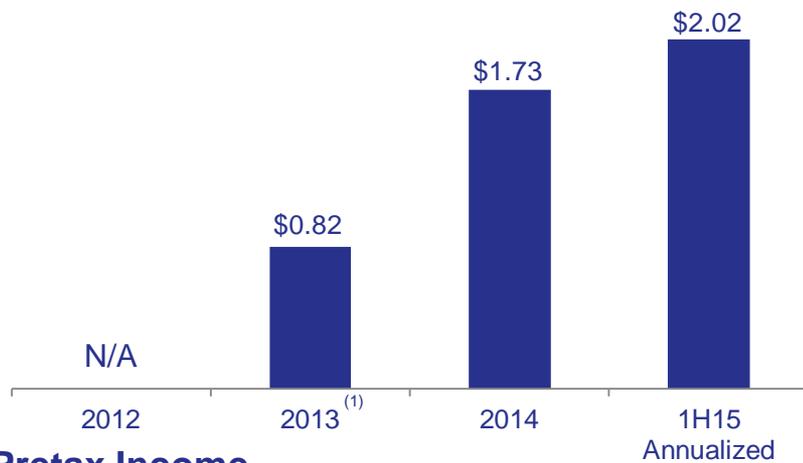


Purchase Loan Volume⁽²⁾



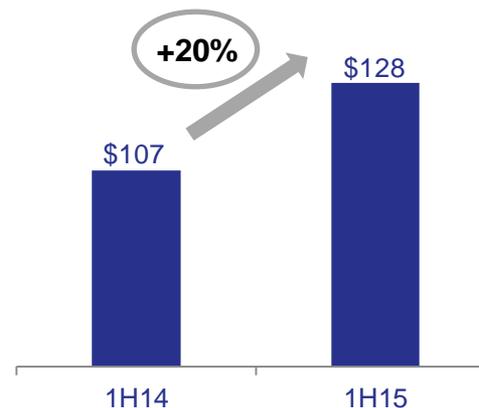
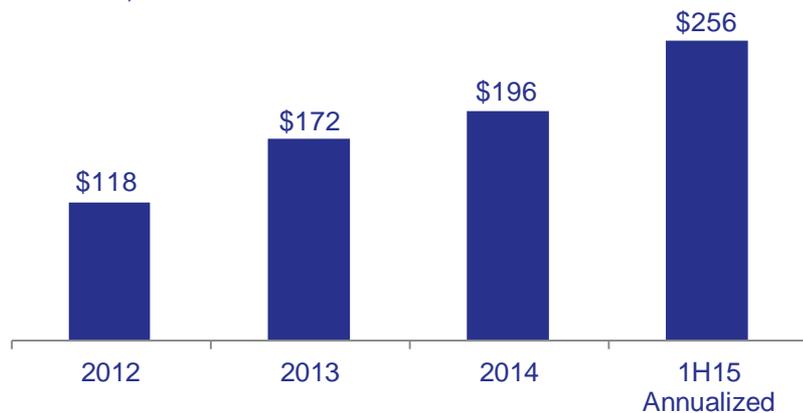
PFSI Continues to Deliver Strong Earnings and Earnings Growth

Earnings per Share



Pretax Income

(\$ in millions)



⁽¹⁾ Represents partial year. PFSI completed its IPO on May 5th, 2013

Balanced Business Model as a Top Originator and Servicer

PennyMac is a leader in **both** mortgage origination and servicing⁽¹⁾

#6 Largest Originator Overall

#3 Largest Correspondent Aggregator

#12 Largest Servicer

Top Originators – Q2 2015⁽¹⁾

Rank	Institution	\$Bn	Market Share
1	Wells Fargo	\$ 61.4	13.8%
2	Chase	\$ 31.7	7.1%
3	Quicken	\$ 21.2	4.8%
4	Bank of America	\$ 16.0	3.6%
5	U.S. Bank	\$ 14.1	3.2%
6	PennyMac⁽²⁾	\$ 13.0	2.9%
7	PHH	\$ 10.9	2.4%
8	Freedom Mortgage	\$ 10.5	2.4%
9	Citi	\$ 10.2	2.3%
10	Flagstar Bank	\$ 8.4	1.9%
Total Mortgage Originations		\$ 445.0	100.0%

■ Non-bank mortgage institution

Top Servicers – Q2 2015⁽¹⁾

Rank	Institution	\$Bn	Market Share
1	Wells Fargo	\$1,696.1	17.2%
2	Chase	\$ 917.0	9.3%
3	Bank of America	\$ 610.1	6.2%
4	Nationstar	\$ 404.0	4.1%
5	Ocwen	\$ 316.0	3.2%
6	Citi	\$ 304.4	3.1%
7	US Bank	\$ 290.3	3.0%
8	Walter	\$ 235.0	2.4%
9	PHH	\$ 220.0	2.2%
10	Quicken	\$ 176.7	1.8%
11	SunTrust	\$ 145.5	1.5%
12	PennyMac	\$ 136.0	1.4%
Total Mortgages Outstanding		\$9,835.0	100.0%

■ Non-bank mortgage institution with leading origination activity

■ Non-bank mortgage institution with limited origination activity

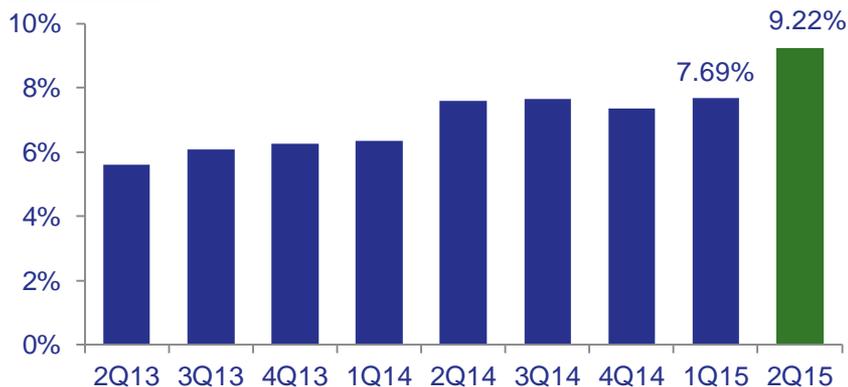
(1) According to Inside Mortgage Finance for Q2 2015.

(2) Includes PMT loan acquisitions, for which PFSI earns a fulfillment fee upon loan funding.

Trends in PennyMac Financial's Businesses

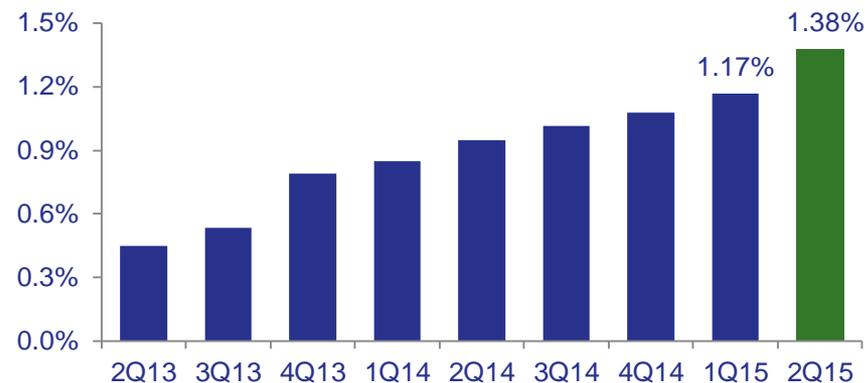
Correspondent Production⁽¹⁾

Market Share



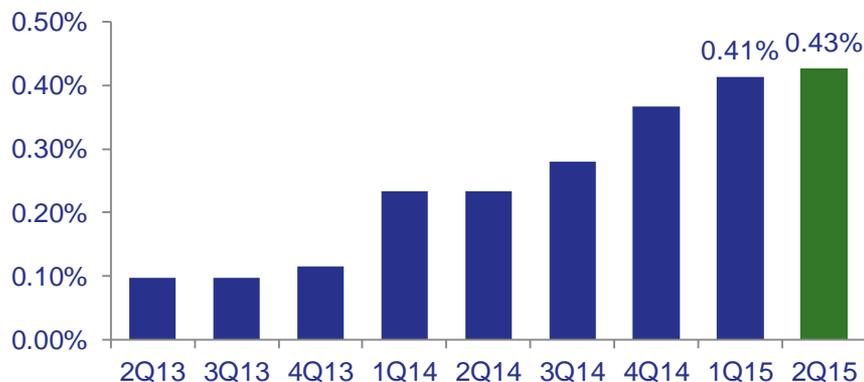
Loan Servicing⁽¹⁾

Market Share



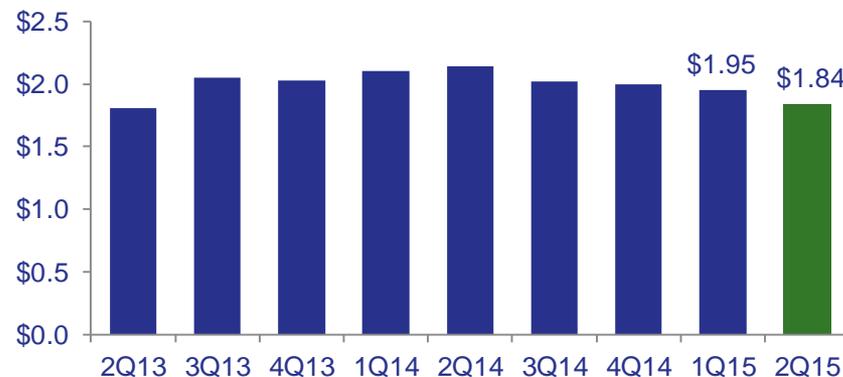
Consumer Direct Production⁽¹⁾

Market Share



Investment Management

AUM (billions)



⁽¹⁾Source: Inside Mortgage Finance and company estimates. Inside Mortgage Finance estimates total 2Q15 origination market of \$445 billion. Correspondent production share estimate is based on PFSI and PMT acquisition volume of \$11.9 billion divided by \$129 billion for the correspondent market (estimated to be 29% of total origination market). Consumer direct production share is based on PFSI originations of \$1.1 billion divided by \$267 billion for the retail market (estimated to be 60% of total origination market). Loan servicing market share is based on PFSI's servicing UPB of \$136.2 billion divided by \$9.84 trillion in mortgage debt outstanding as of June 30, 2015.

Growth Initiatives in PennyMac Financial's Businesses

Correspondent Production

- Able to scale production volumes while maintaining quality metrics, service levels and inventory turn times
- Adding sales managers to continue growing seller relationships
- Targeting under-represented geographies
- Growing volume from relationships with small to medium sized lenders
 - Accounted for \$2.3 billion of lock volume in 2Q15 compared to \$1.5 billion in 1Q15
 - Expect these sellers to account for \$1 billion in locks per month by 2Q16

Consumer Direct Production

- Investments in fulfillment capabilities (people, infrastructure) to expand operational capacity
- Executing on recapture opportunities from recent servicing acquisitions (over \$15 billion in 2Q15)
- Leveraging redesigned PennyMacUSA.com to help drive marketing leads for purchase initiatives
- Growing lead generation through servicing call center
- Increased focus on conventional-conforming originations

Growth Initiatives in PennyMac Financial's Businesses (cont'd)

Loan Servicing

- Continuing to pursue bulk and flow MSR acquisitions where appropriate
- Operating platform expansion with fully developed facilities in Moorpark, CA and Ft. Worth, TX
- Technology initiatives with scale benefits
 - Servicing platform enhancements
 - Customer self service capabilities via website

Investment Management

- Opportunities to grow PMT over time and manage additional capital for mortgage-related investments:
 - Distressed whole loans
 - MSRs resulting from correspondent acquisitions
 - Excess servicing spread on MSRs
 - Investments in prime non-Agency loans
 - Agency and non-Agency MBS
 - GSE risk transfers on PMT's production
 - Small balance CRE loans and securitization interests
- PMT completed loan deliveries for inaugural credit risk transfer transaction with Fannie Mae in July



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