PennyMac®
Financial Services, Inc.

Barclays Global Financial Services Conference

September 9, 2014

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, the Company's 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," "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, from past results discussed herein, or from illustrative examples provided herein.

Factors which could cause actual results to differ materially from historical results or those anticipated include, but are not limited to: changes in federal, state and local laws and regulations applicable to the highly regulated industry in which we operate; lawsuits or governmental actions if we do not comply with the laws and regulations applicable to our businesses; the creation of the Consumer Financial Protection Bureau, or CFPB, and enforcement of its rules; changes in existing U.S. government-sponsored entities, their current roles or their guarantees or guidelines; changes to government mortgage modification programs; the licensing and operational requirements of states and other jurisdictions applicable to our businesses, to which our bank competitors are not subject; foreclosure delays and changes in foreclosure practices; certain banking regulations that may limit our business activities; changes in macroeconomic and U.S. residential real estate market conditions; difficulties in growing loan production volume; changes in prevailing interest rates; increases in loan delinquencies and defaults; our reliance on PennyMac Mortgage Investment Trust as a significant source of financing for, and revenue related to, our correspondent lending business; availability of required additional capital and liquidity to support business growth; our obligation to indemnify third-party purchasers or repurchase loans that we originate, acquire or assist in with fulfillment; our obligation to indemnify advised entities or investment funds to meet certain criteria or characteristics or under other circumstances; decreases in the historical returns on the assets that we select and manage for our clients, and our resulting management and incentive fees; regulation applicable to our investment management segment; conflicts of interest in allocating our services and investment opportunities among ourselves and our advised entities; the potential damage to our reputation and adverse impact to our business resulting from ongoing negative publicity; and our rapid growth.

You should not place undue reliance on any forward-looking statement and should consider all of the uncertainties and risks described above, as well as those more fully discussed in reports and other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, and the statements made in this presentation are current as of the date of this presentation only.

PennyMac Financial Is a Leading Residential Mortgage Specialist

- Established in 2008 as a new legacy-free mortgage enterprise
- Best-in-class operations developed organically; systems were built from the ground up and are highly scalable to support continued growth
- Record of numerous successful complex transactions in residential mortgage assets
- Commitment to strong corporate governance and compliance culture
- Synergistic partnership with PennyMac Mortgage Investment Trust (NYSE: PMT)

Loan Production

- Operate businesses in correspondent aggregation and consumer-direct retail lending
- Largest dedicated specialist correspondent aggregator in the U.S. and 8th largest originator overall[(1)]
- Total loan production of $32 billion in 2013[(2)]

Loan Servicing

- 15th largest servicer in the U.S. with 451,000 loans representing $94 billion in UPB[(3)]
- Major servicer for Fannie Mae, Freddie Mac, and Ginnie Mae
- Industry-leading capabilities in special servicing

Investment Management

- Investments that require specialized operations and expertise:
  - Distressed whole loans
  - Mortgage servicing rights
  - Private-label securitization interests
  - Mortgage and asset-backed securities
- $2.1 billion in AUM[(3)]

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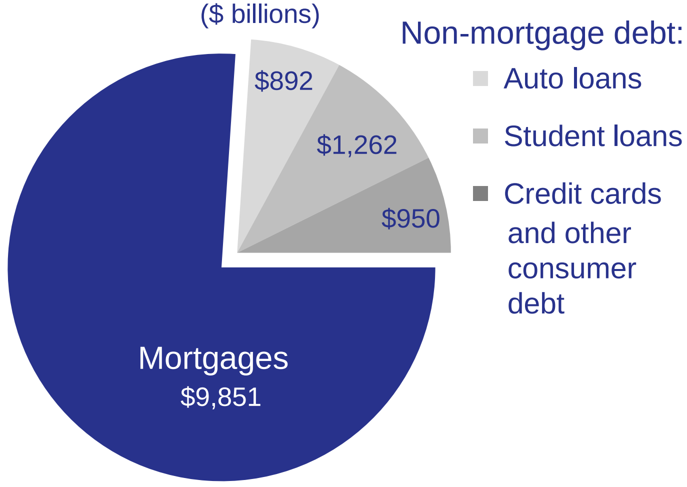
(1) According to Inside Mortgage Finance for 2Q14
(2) Includes locks related to PMT loan acquisitions, for which PFSI earns a fulfillment fee upon loan funding
(3) As of June 30, 2014

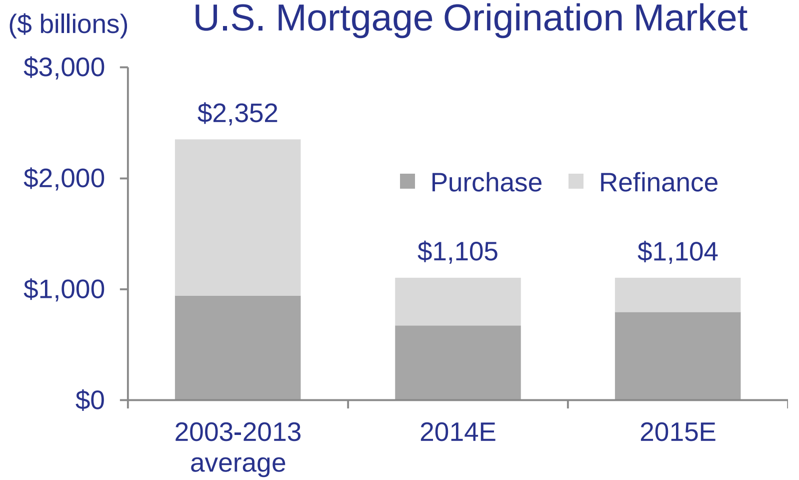
Substantial Opportunity in the U.S. Residential Mortgage Market

- Mortgages represent the largest portion of the U.S. financial services market
  - Represents over 75% of outstanding U.S. consumer debt
- Market presence of nonbank mortgage companies has increased as banks decrease market share
- New mortgage originations are expected to be driven by home purchase activity
  - Total originations are forecast to be $1.1 trillion in 2014 and 2015
- Macroeconomic drivers of housing demand indicate improvement
  - Job market improvement, home price appreciation and tight supply of homes for sale
  - Affordability remains strong
- Do not envision major changes to the GSE system, but market is continuing to evolve
  - Non-agency and second lien products

Outstanding U.S. Consumer Debt[1]



U.S. Mortgage Origination Market



[1] Source: Federal Reserve Z-1, as of March 31, 2014

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PFSI Has Developed in a Sustainable Manner for Long-Term Growth

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

2014
- Servicing portfolio approaching $100bn
- Loan production of $12.5bn in 1H14[(1)]

2013
- PFSI completed initial public offering
- Expanded infrastructure in Fort Worth, TX
- Investment mgmt. exceeds $2.0bn in AUM

2012
- Expanded infrastructure in Tampa, FL
- Becomes largest non-bank correspondent aggregator

2011
- Expanded infrastructure with flagship operations facility in Moorpark, CA
- Correspondent leadership team expands

2010
- Added servicing leadership for prime portfolio and to drive scalable growth
- Correspondent system launches

2009
- Correspondent group established with a focus on operations development and process design
- Initial public offering of PMT

2008
- Operations launched
- De novo build of legacy-free mortgage servicer

Employees at year end	72	128	230	435	1,008	1,373	1,589 [(2)]

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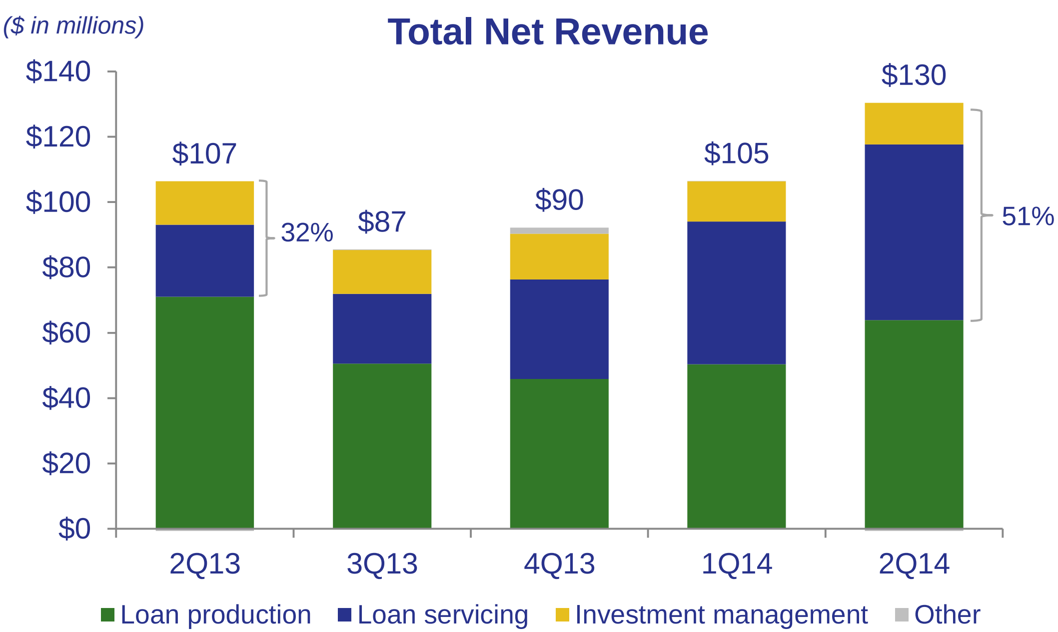
(1) Includes locks related to PMT loan acquisitions, for which PFSI earns a fulfillment fee upon loan funding
(2) As of 6/30/14

PFSI's Earnings Continue to Grow and Revenues Continue to Diversify

- Earnings growth reflects PFSI's continued success in profitably expanding market share across our businesses
  - Organic growth through the execution of our strategic initiatives

($ in millions)



- Loan Servicing and Investment Management revenues, which are mostly recurring fees, have grown to 51% of total net revenue
  - Relatively more stable businesses that are increasing components of PFSI's business model
- Loan Production businesses generate fee income and MSR assets and help drive continued growth of the servicing portfolio

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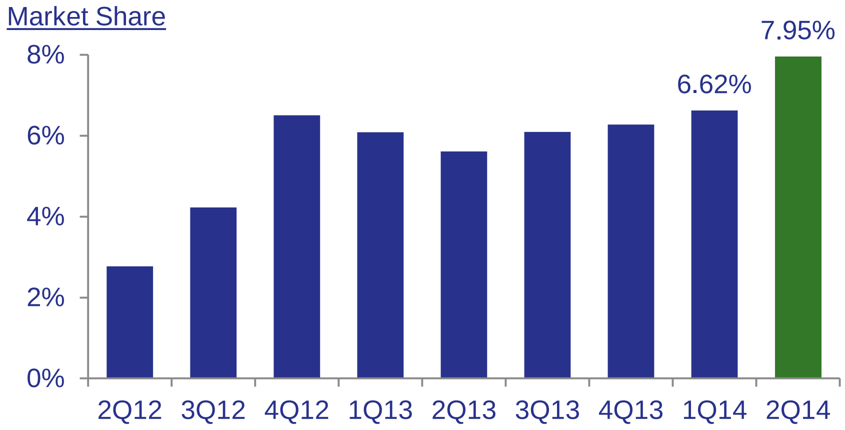
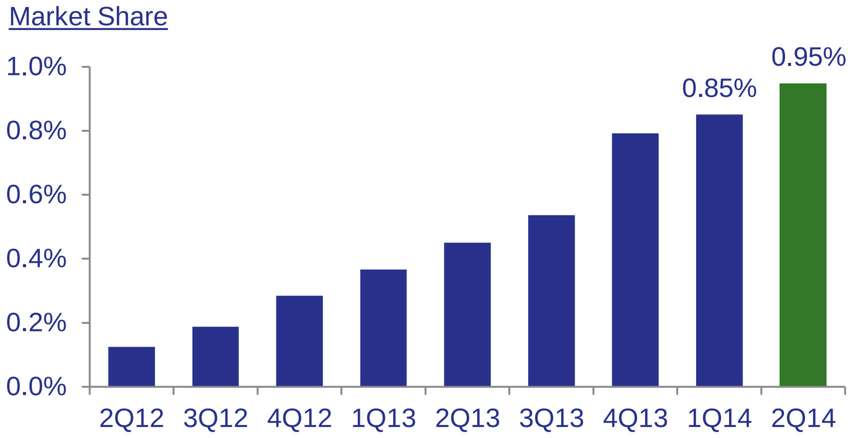
(1) Full-quarter equivalent

Organic Growth in PennyMac Financial's Businesses

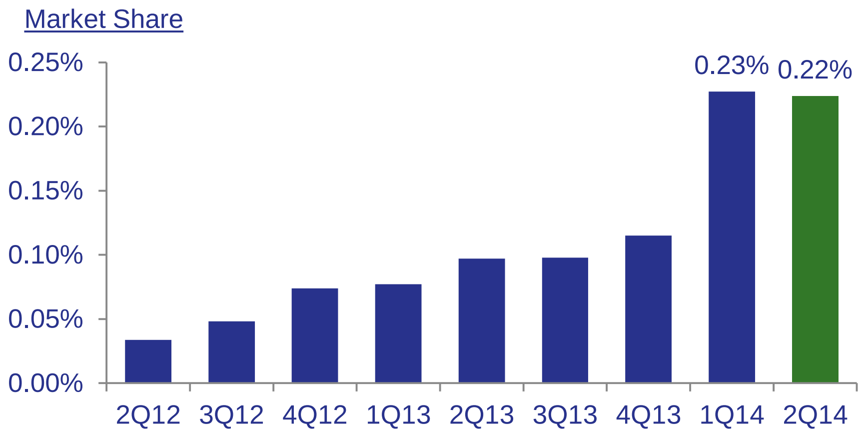
Correspondent Production(1)



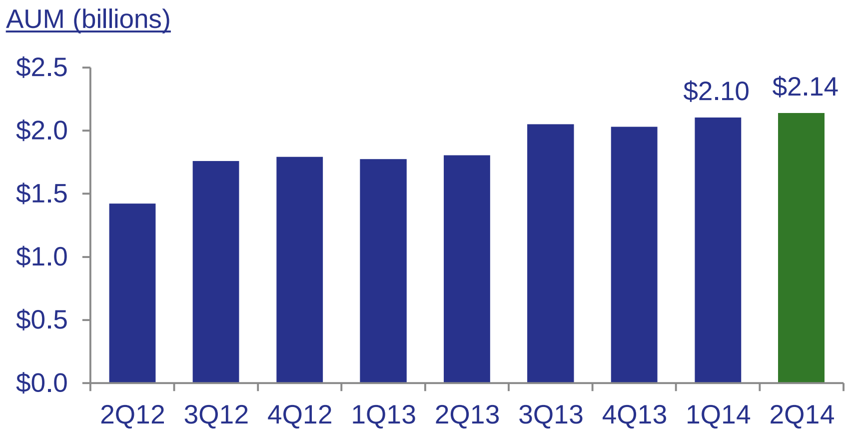
Loan Servicing(1)



Consumer Direct Production(1)



Investment Management



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(1) Source: Inside Mortgage Finance and company estimates. Production market share based on 2Q14 origination market of $295 billion, including correspondent market of $88 billion and retail market of $180 billion, as reported by Inside Mortgage Finance. Servicing market share based on $9.87 trillion of mortgage debt outstanding as of June 30, 2014, as estimated by Inside Mortgage Finance.

Growth Initiatives in PennyMac Financial's Businesses

Correspondent Production

- Continuing to add new sellers and deepen relationships with existing sellers through relevant services
  - 316 approved sellers at June 30, up from 229 at year-end 2013
  - Leveraging proven business model and operating platform to attract new seller relationships
  - Targeting a total seller base of 350 relationships by year end
- Expanding on strong position in government-insured loans (FHA, VA, USDA) – specialist market with fewer competitors
- Continue developing and growing volumes in Jumbo and new prime non-Agency products

Consumer Direct Production

- National call center-based platform leverages technology enabled process efficiencies and superior service
- Portfolio-sourced recapture activity from the growing servicing portfolio
  - Close integration with servicing operations to optimize recapture opportunities
- Continued development of the consumer direct platform for the purchase-money market
  - Growing the Business Development Officer (BDO) initiative to develop institutional relationships with local/regional Realtors and builders for our national call center platform
  - The Approved Buyer Certificate (ABC), provides a significant advancement over existing "pre-approvals" and improves closing timelines
  - Growing awareness of the PennyMac brand through national advertising campaigns

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

Loan Servicing

- Ongoing organic growth in the prime owned and subservicing portfolios
  - Results from the retail and correspondent loan production activities
- Mini-bulk and flow MSR acquisitions to supplement organic growth
- Recent increased activity in the market for larger bulk MSR opportunities
- Economies of scale are a large driver of operational efficiencies

Investment Management

- Opportunities to raise capital for residential mortgage-related investments, including newly emerging opportunities, are substantial
- Investment opportunities for PennyMac-managed entities include:
  - Distressed whole loans
  - MSRs resulting from correspondent aggregation
  - Excess servicing spread (ESS) on MSRs
  - Investments in prime non-Agency loans, including subordinate bonds from securitization
  - Agency and non-Agency MBS
  - GSE-issued risk transfers

PennyMac Financial's Strategic Mission

Be the Premier U.S. Mortgage Specialist Firm

PennyMac will achieve leadership distinction in its core businesses:

- Consumer direct and correspondent production
- Loan servicing
- Investment management

Demonstrated over time through:

- Return on equity and earnings growth
- Compliance and quality ratings
- Recognition and loyalty among customers, employees, business partners, investors, and other stakeholders

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Appendix

PennyMac Financial Is in a Unique Position Among Mortgage Specialists

Industry-leading platform built organically – not through acquisitions

- Not distracted by legacy/regulatory issues
- Disciplined, sustainable growth for more than 6 years
- Focused on building and testing processes and systems before large transaction volumes

Strong governance and compliance culture

- Led by distinguished board which includes seven independent Directors
- Robust management governance structure with 10 committees that oversee key risks and controls
- External oversight by regulators, business partners and other third parties

Desired structure in place to compete effectively as a non-bank

- Synergistic partnership with PMT, a leading residential mortgage REIT and long-term investment vehicle
- Provides access to efficient capital and reduces balance sheet constraints on growth

Distinctive expertise and full range of capabilities across mortgage banking and investment management

- ✓ **Loan production**, e.g., loan fulfillment systems and operations, correspondent counterparty review and management
- ✓ **Credit**, e.g., loan program development, underwriting and quality control
- ✓ **Capital markets**, e.g., pooling and securitization, hedging/interest rate risk management
- ✓ **Servicing**, e.g., customer service, default management, investor accounting
- ✓ **Corporate functions**, e.g., enterprise risk management, internal audit, treasury, finance and accounting, legal, IT infrastructure and development

- Over 1,500 employees
- Highly experienced management team – 60 senior-most executives have on average 23 years of relevant industry experience

Opportunity for PFSI and PMT in MSR Acquisitions

Why Are MSR Sales Occurring?

- Large banks are selling MSRs due to continuing operational pressures, higher regulatory capital requirements (treatment under Basel III) and a re-focus on core customers/businesses
- Independent mortgage banks are selling MSRs due to the abrupt market contraction, operational losses, and a need for capital

How Do MSRs Come to Market?

- Intermittent large bulk portfolio sales ($10+ billion in UPB)
  - Require considerable coordination with selling institutions and Agencies
- Mini-bulk sales (typically $500 million to $5 billion in UPB)
  - Increased activity as originators sell MSRs retained in 2012 and 2013
- Flow/co-issue MSR transactions (monthly commitments, typically $20-100 million in UPB)
  - Alternative delivery method typically from larger independent originators

Which MSR Transactions Are Attractive?

- GSE and Ginnie Mae servicing in which PFSI has distinctive expertise
- MSRs sold and operational servicing transferred to PFSI (not subserviced by a third party)
- Measurable rep and warranty liability for PFSI

PFSI is uniquely positioned to be the successful acquirer of MSRs

- Proven track record of complex MSR and distressed loan transfers
- Operational platform that addresses the demands of the Agencies, regulators, and financing partners
- Physical capacity in place to service $200 billion in UPB
- Co-investment opportunity for PMT in the excess servicing spread