



Investor Presentation

May 2016

Disclaimer

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: the continually changing federal, state and local laws and regulations applicable to the highly regulated industry in which the Company operates; lawsuits or governmental actions that may result from any noncompliance with the laws and regulations applicable to the Company's businesses; the mortgage lending and servicing-related regulations promulgated by the Consumer Financial Protection Bureau and its enforcement of these regulations; the Company's dependence on U.S. government-sponsored entities and changes in their current roles or their guarantees or guidelines; changes to government mortgage modification programs; the licensing and operational requirements of states and other jurisdictions applicable to the Company's businesses, to which the Company's bank competitors are not subject; foreclosure delays and changes in foreclosure practices; certain banking regulations that may limit the Company's business activities; the Company's dependence on the multifamily and commercial real estate sectors for future originations of commercial mortgage loans and other commercial real estate related loans; changes in macroeconomic and U.S. real estate market conditions; difficulties inherent in growing loan production volume; difficulties inherent in adjusting the size of the Company's operations to reflect changes in business levels; purchase opportunities for mortgage servicing rights and the Company's success in winning bids; changes in prevailing interest rates; increases in loan delinquencies and defaults; the Company's reliance on PennyMac Mortgage Investment Trust (NYSE: PMT) as a significant source of financing for, and revenue related to, the Company's mortgage banking business; any required additional capital and liquidity to support business growth that may not be available on acceptable terms, if at all; the Company's obligation to indemnify third-party purchasers or repurchase loans if loans that it originates, acquires, services or assists in the fulfillment of, fail to meet certain criteria or characteristics or under other circumstances; the Company's obligation to indemnify PMT and the Investment Funds if its services fail to meet certain criteria or characteristics or under other circumstances; decreases in the returns on the assets that the Company selects and manages for its clients, and the Company's resulting management and incentive fees; the extensive amount of regulation applicable to the Company's investment management segment; conflicts of interest in allocating the Company's services and investment opportunities among itself and its advised entities; the effect of public opinion on the Company's reputation; the Company's recent growth; the Company's ability to effectively identify, manage, monitor and mitigate financial risks; the Company's initiation of new business activities or expansion of existing business activities; the Company's ability to detect misconduct and fraud; and the Company's ability to mitigate cybersecurity risks and cyber incidents.

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

This presentation contains non-GAAP financial measures; Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Cashflow which are being provided only as supplemental information. Investors should consider these non-GAAP financial measures only in conjunction with the most directly comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP"). Reconciliations of Adjusted EBITDA and Adjusted Cashflow to net income attributable to PFSI common stockholders, the most directly comparable GAAP financial measure; are included in this presentation.

Adjusted EBITDA and Adjusted Cashflow are unaudited financial measures that are not calculated in accordance with GAAP and should not be considered as alternatives to net income, cash flow from operating activities or any other measure of financial performance or liquidity. Adjusted EBITDA and Adjusted Cashflow exclude some, but not all, items that affect net income and these measures may vary among other companies. Therefore, Adjusted EBITDA and Adjusted Cashflow may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA is defined as net income attributable to PFSI common stockholders plus net income attributable to noncontrolling interest, provision for income taxes, depreciation and amortization, decrease (increase) in fair value and provision for impairment of mortgage servicing rights (MSRs) carried at lower of amortized cost or fair value, increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust, hedging losses (gains) associated with MSRs, and stock-based compensation expense to the extent that such items existed in the periods presented. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net revenues. Adjusted Cashflow is defined as Adjusted EBITDA less MSRs resulting from loan sales plus amortization and realization of cashflows. Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Cashflow are metrics frequently used in our industry to measure performance and management believes that it provides supplemental information that is useful to investors.

Transaction Overview

Indicative Term Sheet

Summary of indicative terms

Issuers:	Private National Mortgage Acceptance Company, LLC and PNMAC Finance Corporation (the “Issuers”)
Issue:	Senior Unsecured Notes (the “Notes”)
Use of proceeds:	General corporate purposes, including to repay \$50 million of borrowings under revolving credit facility
Ranking:	The Notes will be senior unsecured obligations of the Issuers and will rank senior to all future subordinated indebtedness of the Issuers
Tenor:	5 years
Amount:	\$300 million
Optional redemption:	<ul style="list-style-type: none">• Callable at T+50 bps make-whole premium• Par call 90 days prior to maturity
Mandatory offers to purchase:	<ul style="list-style-type: none">• “Change of Control” requiring an offer to purchase the Notes at 101% of par plus accrued interest to the purchase date• Certain “Asset Sales” requiring an offer to purchase the Notes at 100% of par plus accrued interest if proceeds are not reinvested or used to repay indebtedness
Incurrence-based covenants:	The Indentures will contain certain covenants typical of transactions of this type including, but not limited to: <ul style="list-style-type: none">• Limitations on additional indebtedness• Limitations on restricted payments• Limitations on liens• Limitations on transactions with affiliates• Limitations on asset sales, mergers and consolidations
Guarantors:	PennyMac Financial Services, Inc. and all direct and indirect restricted domestic subsidiaries of the Issuers (with certain exceptions)
Distribution:	144A / Reg. S with no registration rights

Sources and Uses and Pro Forma Capitalization

(\$ in millions)

Sources and Uses

Sources		Uses	
Senior unsecured notes	\$300	Cash to balance sheet	\$243
		Repay outstanding revolver borrowings	50
		Estimated transaction fees and expenses	7
Total sources	\$300	Total uses	\$300

Existing and Pro Forma Capitalization

	As of 03/31/2016	Adjustments	Pro forma 03/31/2016	% of Book Cap.
Cash and short term investments ¹	\$ 145	\$ 243	\$ 388	--
\$100mm revolving credit facility due 2016 ²	50	(50)	-	--
Mortgage loans sold under agreements to repurchase	1,659		1,659	44.8%
Mortgage loan participation and sale agreement	247		247	6.7%
Note payable	78		78	2.1%
Excess servicing spread financing	322		322	8.7%
Capital leases	12		12	0.3%
Total secured debt	\$ 2,367	\$ 300	\$ 2,317	62.6%
New senior unsecured notes	-	300	300	8.1%
Total debt	\$ 2,367	\$ 300	\$ 2,617	70.7%
Net debt	\$ 2,222	\$ 300	\$ 2,229	60.2%
Book equity ³	1,093		1,086	29.3%
Total book capitalization	\$ 3,460	\$ 300	\$ 3,703	100.0%
Equity market capitalization ⁴ (\$13.51 as of 05/4/16)	1,028		1,028	--
Credit metrics:				
Debt / tangible book equity	2.2x		2.4x	
Debt / market capitalization	2.3x		2.5x	
Debt / total assets	59.5%		62.0%	

Presenters



David Spector

Executive Managing Director, President & Chief Operating Officer, and Director

- Member of the Board of Directors and President and Chief Operating Officer of PennyMac Financial Services, Inc. and Private National Mortgage Acceptance Company, LLC since their formations
- Member of the Board of Trustees of PennyMac Mortgage Investment Trust since May 2009 and Chairman of the Board of Directors of both PNMAC Mortgage Opportunity Fund, LP and PNMAC Mortgage Opportunity Fund, LLC since May 2008
- Previously served as Co-Head of Global Residential Mortgages for Morgan Stanley and as Senior Managing Director for Secondary Marketing at Countrywide Financial Corporation
- Holds a BA from the University of California, Los Angeles



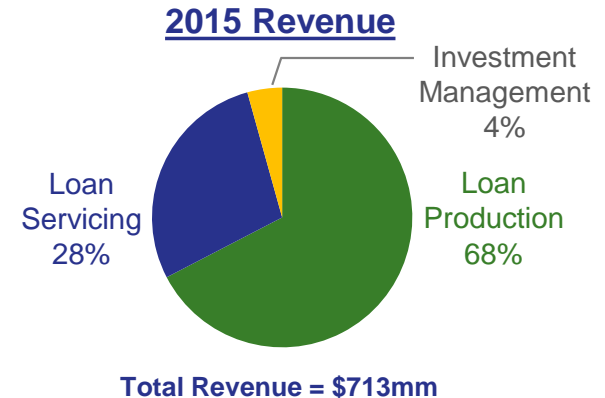
Andrew Chang

Senior Managing Director & Chief Business Development Officer

- Chief Business Development Officer of PennyMac Financial Services, Inc. and Private National Mortgage Acceptance Company, LLC since their formations
- Oversees PennyMac's corporate development, portfolio acquisitions and investor relations activities
- Previously served as a director at BlackRock, Inc. and a senior member in its advisory services practice and Engagement Manager at McKinsey & Company
- Holds an AB from Harvard University

PennyMac Financial Services Is a Leading Mortgage Specialist

- Specialized mortgage platform designed for the post-crisis market
 - Best-in-class operations developed organically – not through acquisitions
 - Highly scalable to support continued growth
- Publicly traded (NYSE: PFSI) with fully-diluted market cap of \$1.0 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 \$48 billion in 2015⁽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 \$165 billion in UPB⁽⁴⁾ – 11th largest in the U.S.⁽⁵⁾

Investment Management

- Serve as external manager to pools of capital that invest in mortgage-related assets:
 - PMT
 - Two private investment funds
- Expertise to invest in distressed loans, mortgage servicing rights, and credit risk transfer strategies
- Management agreements include performance-based fees
- \$1.6 billion in AUM⁽⁴⁾

(1) As of May 4, 2016; PFSI market capitalization includes the value of Private National Mortgage Acceptance Company, LLC units exchangeable into PFSI common stock

(2) According to Inside Mortgage Finance for 2015

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

(4) As of March 31, 2016

(5) According to Inside Mortgage Finance for Q1 2016

PennyMac Is a Leader in Mortgage Origination and Servicing

Balanced business model as a top originator and servicer:

6th Largest Originator Overall⁽¹⁾

3rd Largest Correspondent Aggregator⁽²⁾

11th Largest Servicer⁽¹⁾

Top Originators – Q1 2016⁽¹⁾

Rank	Institution	\$Bn	Market Share
1	Wells Fargo	\$ 43	11.4%
2	Chase	\$ 24	6.4%
3	Quicken	\$ 19	5.1%
4	Bank of America	\$ 13	3.3%
5	U.S. Bank	\$ 12	3.2%
6	PennyMac⁽³⁾	\$ 11	2.9%
7	Freedom Mortgage	\$ 9	2.4%
8	loanDepot.com	\$ 7	1.8%
9	PHH Mortgage	\$ 7	1.8%
10	Citi	\$ 7	1.7%
Total Mortgage Originations		\$ 380	100.0%

Top Servicers – Q1 2016⁽¹⁾

Rank	Institution	\$Bn	Market Share
1	Wells Fargo	\$ 1,626	16.3%
2	Chase	\$ 899	9.0%
3	Bank of America	\$ 551	5.5%
4	Nationstar	\$ 386	3.9%
5	US Bank	\$ 298	3.0%
6	Citi	\$ 282	2.8%
7	Walter	\$ 255	2.6%
8	PHH	\$ 233	2.3%
9	Ocwen	\$ 232	2.3%
10	Quicken	\$ 205	2.0%
11	PennyMac	\$ 165	1.6%
Total Mortgages Outstanding		\$ 10,000	100.0%

■ Non-bank mortgage institution

■ Non-bank mortgage institution with leading origination activity
 ■ Non-bank mortgage institution with limited origination activity

(1) According to Inside Mortgage Finance for Q1 2016. Actuals have been provided where available for amounts identified by Inside Mortgage Finance as estimates.

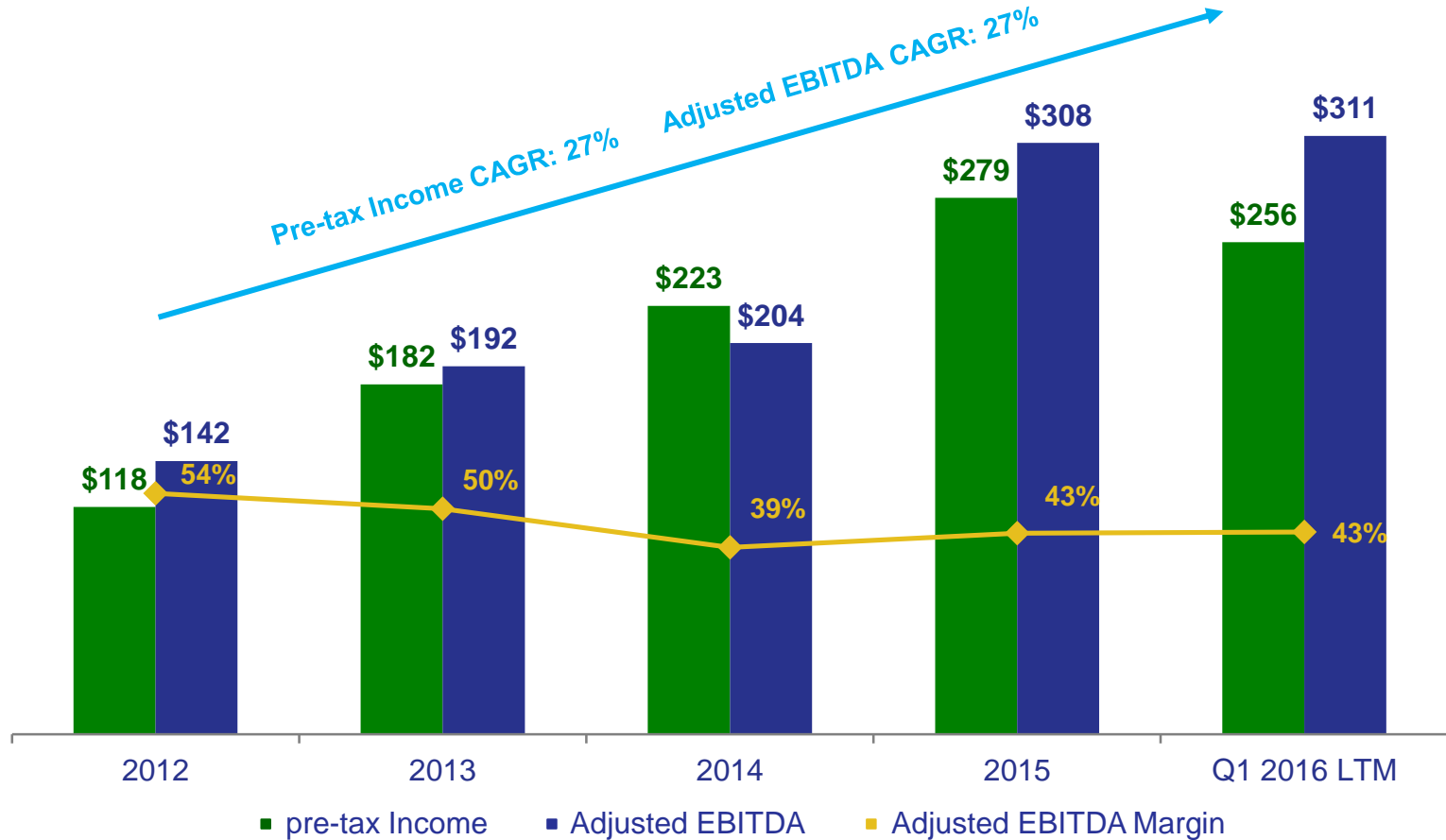
(2) According to Inside Mortgage Finance for 2015

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

PennyMac Has a Record of Strong and Growing Income & Adjusted EBITDA

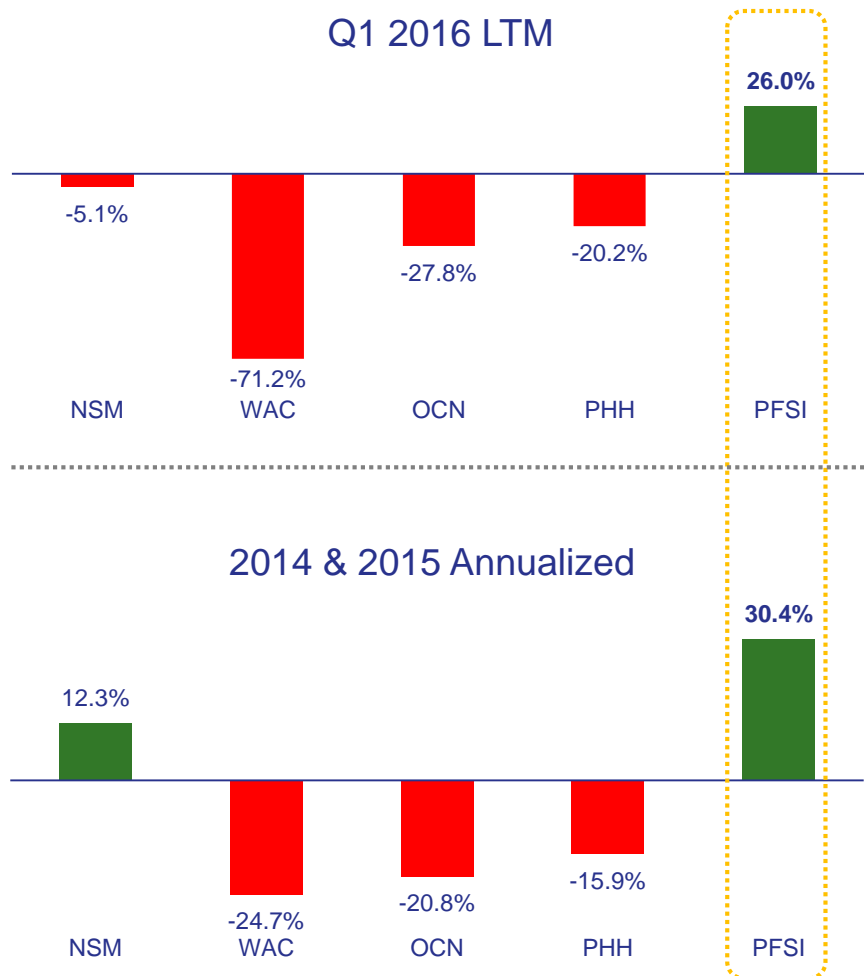
Pre-tax Income, Adjusted EBITDA⁽¹⁾ & Adjusted EBITDA Margin⁽¹⁾

(\$ in millions)



PennyMac Has Consistently Delivered Strong Financial Results







Pre-Tax Return on Equity⁽¹⁾



Our strong performance has been attributable to the considerable investments we have made in our industry-leading capabilities including:

- Best-in-class operating platform built organically – not distracted by legacy/regulatory issues
- Balanced model with leading production and servicing businesses
- Focus on and expertise in risk management, including active management of interest rate risk
- Strong governance and compliance culture

PennyMac's Business Model Is Distinct From Other Mortgage Specialists

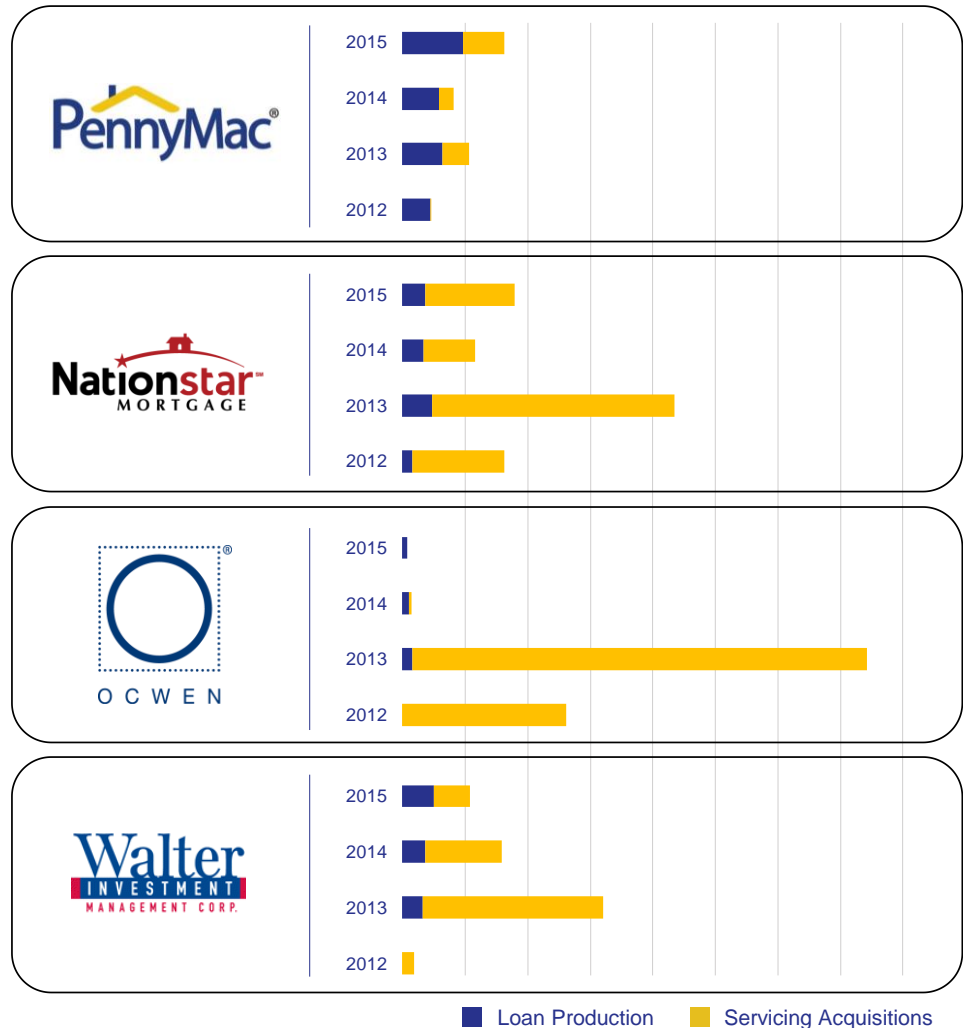
	Production-Driven			Acquisition-Oriented		
						
Market Cap:	\$1.0B ⁽¹⁾	Private	\$660M	\$1.3B	\$167M	\$260M
Loan Production	<ul style="list-style-type: none"> Largest non-bank correspondent aggregator (#3 overall in 2015)⁽²⁾ Call-center based retail originator primarily focused on recapture Focus on profitable production 	<ul style="list-style-type: none"> Second largest retail originator, call-center based Refinance-driven volumes 	<ul style="list-style-type: none"> White-label production primarily focused on high net worth borrowers Challenged profitability through cycles 	<ul style="list-style-type: none"> Call-center based retail originator primarily focused on recapture Smaller correspondent aggregator (#17 overall in 2015);⁽²⁾ exited wholesale channel in 2013 	<ul style="list-style-type: none"> Correspondent aggregator (#7 overall in 2015)⁽²⁾ Recently announced exit from the "distributed retail" (brick and mortar) and focus on call-center 	<ul style="list-style-type: none"> Limited production (less than \$5bn in 2015)
Loan Servicing	<ul style="list-style-type: none"> Primarily Agency servicing without legacy exposure Hedge program for MSR Special servicing on behalf of advised entities 	<ul style="list-style-type: none"> Primarily Agency servicing without legacy exposure Does not hedge MSR 	<ul style="list-style-type: none"> Private label servicing with high service level requirements and restrictions on ability to refinance Hedge program for MSR 	<ul style="list-style-type: none"> Agency and non-Agency servicing Significant legacy exposure Does not hedge MSR 	<ul style="list-style-type: none"> Agency and non-Agency servicing Significant legacy exposure Does not hedge MSR 	<ul style="list-style-type: none"> Focused on private label, non-prime servicing Significant legacy exposure Does not hedge MSR
Other Businesses	<ul style="list-style-type: none"> Investment management 	<ul style="list-style-type: none"> Reverse mortgage Affiliated title insurance/settlement services business 	<ul style="list-style-type: none"> Realogy joint venture 	<ul style="list-style-type: none"> Some provides ancillary services (e.g., title, escrow, collateral valuation) 	<ul style="list-style-type: none"> Reverse mortgage Lender-placed insurance 	<ul style="list-style-type: none"> Recently announced new businesses in floorplan and investor loans

PennyMac is well positioned relative to peers, profitably growing its business through organic production and not exposed to legacy issues

PennyMac's Foundation Is Built on Organic Growth

- We have grown our servicing portfolio primarily through organic loan production, supplemented by limited MSR acquisitions and the acquisition of whole loan pools by PMT and our private investment funds
- Our MSR acquisitions have been limited and manageable in size
 - Comprised solely of Agency portfolios with limited delinquencies
- Mega-bulk platform transactions come with substantial operational implementation issues and legacy risk (similar to traditional M&A)

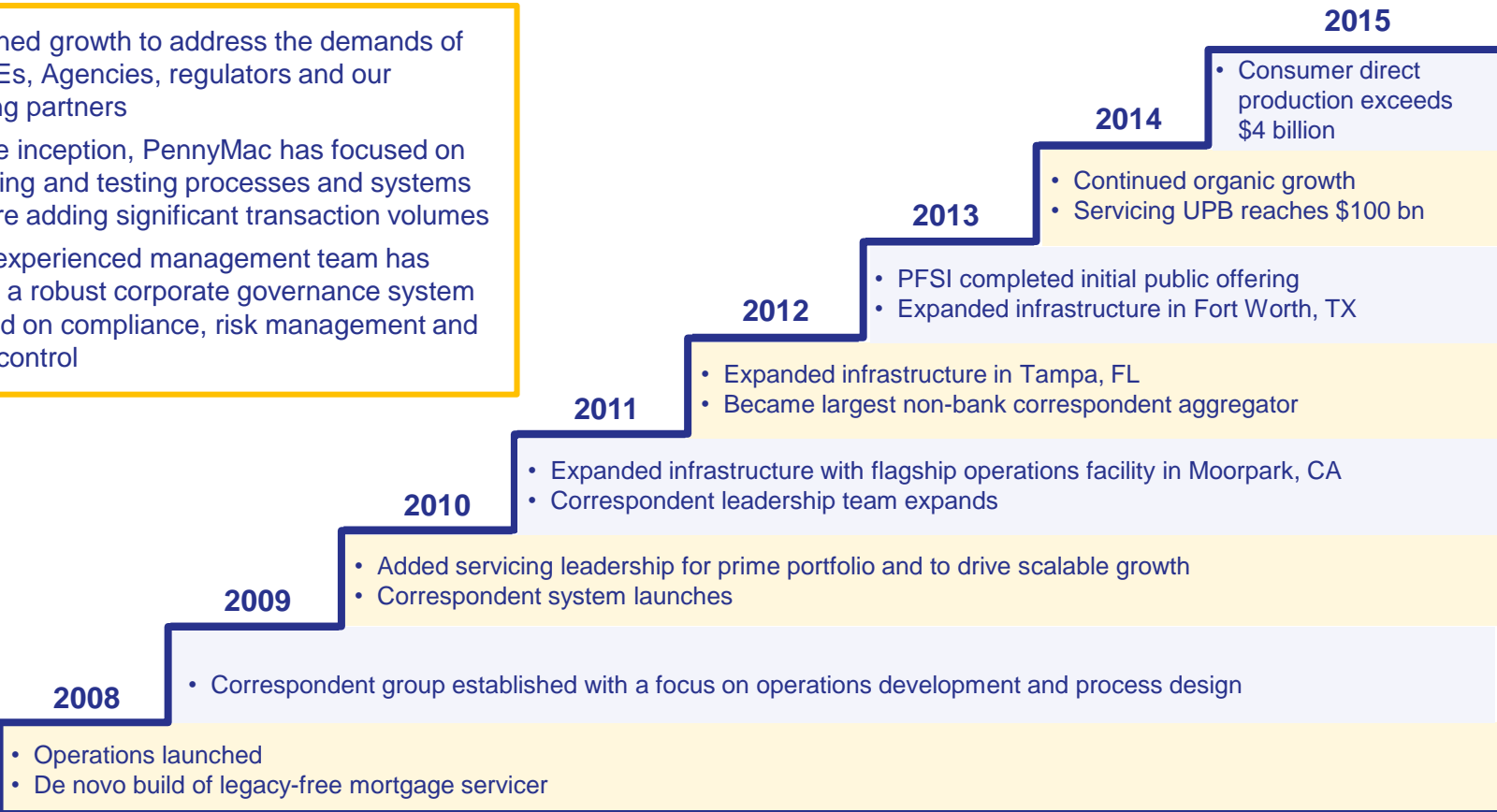
Portfolio Additions (UPB in billions): \$0 \$50 \$100 \$150 \$200 \$250 \$300 \$350 \$400



Source: Company filings

Organic Development 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



Total Employees ⁽¹⁾	72	128	230	435	1,008	1,373	1,816	2,523
Risk Management, Legal/Compliance, IT as % of Total	14%	13%	11%	12%	14%	15%	14%	14%

(1) Employee headcount as of year-end.

Technology Is a Key Element of PFSI's Leading Operational Platform

Leading Technology Currently in Place and Under Development

Correspondent Production

- Systems allow for highly automated and scalable loan fulfillment
- Best-in-class customer portal that facilitates transactions and communications with seller network
- Proprietary technologies include optical character recognition to improve accuracy and operational efficiency
- Pricing and margin management systems to optimize the business opportunity and profitability

Consumer Direct Lending

- Leading technology already in place includes web-based loan origination tools, electronic document signing and transfer, and lead management for servicing recapture and non-portfolio leads
- Further enhancements by leveraging tools developed in the company's Mortgage Fulfillment Division
- Developing web and mobile technology to extend to more of the mortgage transaction including loan processing status and borrower communication/interaction

Loan Servicing

- Proprietary applications in place include workflow management, loss mitigation, default process tracking, electronic document storage and rendering, and front-end user experience
- Ongoing investment in tools to further enhance customer interaction, automate workflows and optimize productivity
- Systems designed to augment the capabilities of the core loan servicing system (MSP)

Technology combined with PFSI's leading operating capabilities and management team's substantial expertise creates a distinctive competitive edge

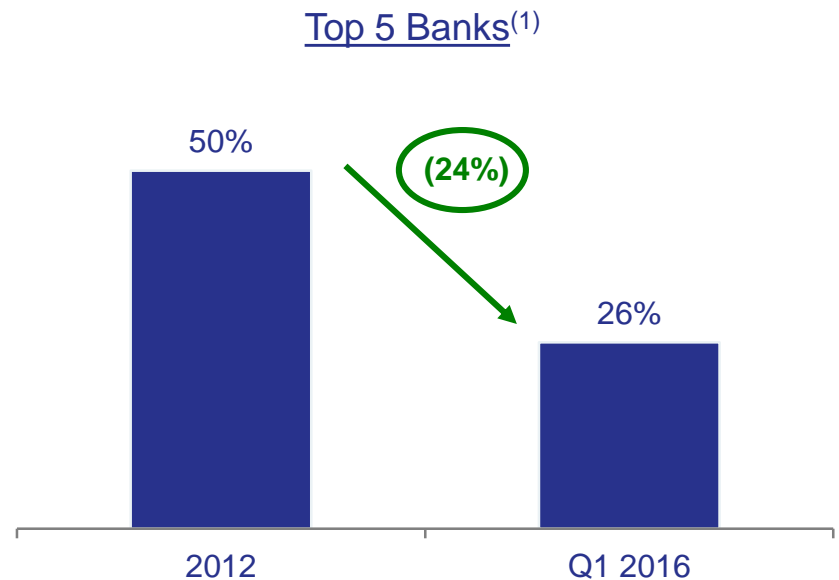
Key Credit Highlights

1	Industry-Leading Platform for Market Opportunity	<ul style="list-style-type: none">• Significant opportunity in the mortgage production and servicing markets for a non-bank specialist• Best-in-class operating platform built organically through disciplined, sustainable growth• Not distracted by legacy / regulatory issues• Comprehensive management of interest rate risk
2	Diversified Business Model	<ul style="list-style-type: none">• Balanced business model with highly complementary capabilities across mortgage production, servicing, and investment management• Has enabled strong financial performance in different market environments
3	High Operating Margins and Consistent Profitability	<ul style="list-style-type: none">• Growth in profitability and strong pre-tax returns on equity despite market volatility in recent years (41% in 2013, 31% in 2014, 30% in 2015)⁽¹⁾• Reflects diversity of earnings streams from loan production and servicing and disciplined execution of PennyMac's growth strategy
4	Strong Balance Sheet with Diverse Funding Sources	<ul style="list-style-type: none">• Disciplined use of leverage with limited corporate debt• Diversified sources of funding, including term financing of MSR acquisitions by PMT Excess Servicing Spread ("ESS")
5	Established Capital Partner in PMT	<ul style="list-style-type: none">• PMT as a long-term investment vehicle provides us with significant capital that helps reduce balance sheet constraints• PMT provides stable and recurring sources of fee income for PennyMac• Established appropriate agreement, controls and oversight to mitigate potential conflicts
6	Seasoned Leadership and Deep Management Team	<ul style="list-style-type: none">• 50 senior-most executives have on average 25 years⁽²⁾ of relevant industry experience• Long-standing relationships with critical institutions for success (e.g., GSEs, correspondent sellers)

1 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, have been able to bridge the gap by providing **better service for customers**
- As a correspondent aggregator, PennyMac also **serves local mortgage banks**, providing access to capital and liquidity

Share of Total U.S. Mortgage Production Market

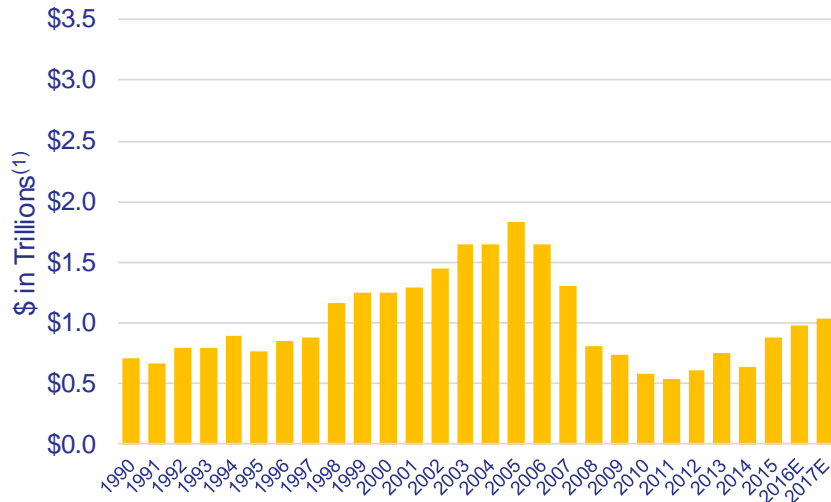


- Particularly pronounced in Government-insured loans where the share of the top 5 banks has declined from 60% in 2012 to 21% in 2015⁽²⁾

1 Purchase vs. Refinance Origination Markets

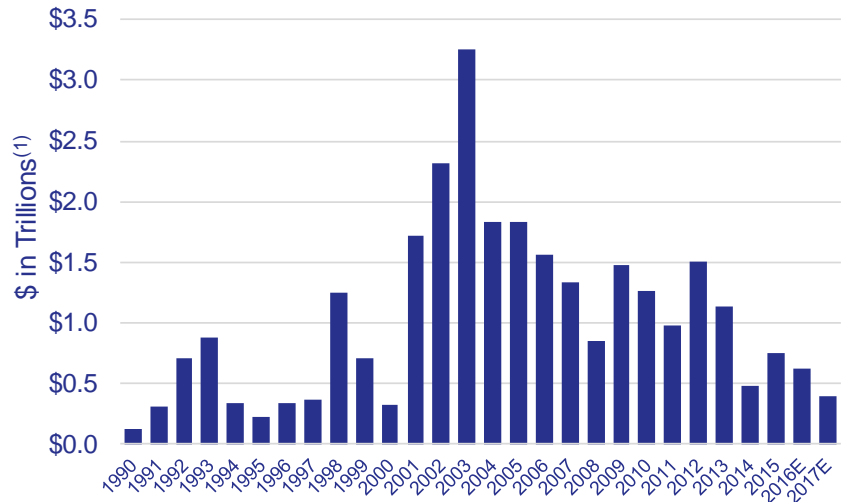
Purchase Originations (64% of PennyMac's 2015 loan production)

- Purchase originations have historically been more stable and have a natural “floor” due to moves/relocations, household formation, etc.
- Post-financial crisis purchase originations fell to generational lows, suggesting potential pent-up demand that may be realized in a strengthening economy



Refinance Originations (36% of PennyMac's 2015 loan production)

- Refinance originations have historically been highly cyclical and are projected to decline in the anticipated rising interest rate environment
- Impact to PennyMac mitigated by extension in the MSR portfolio, which acts as a natural hedge



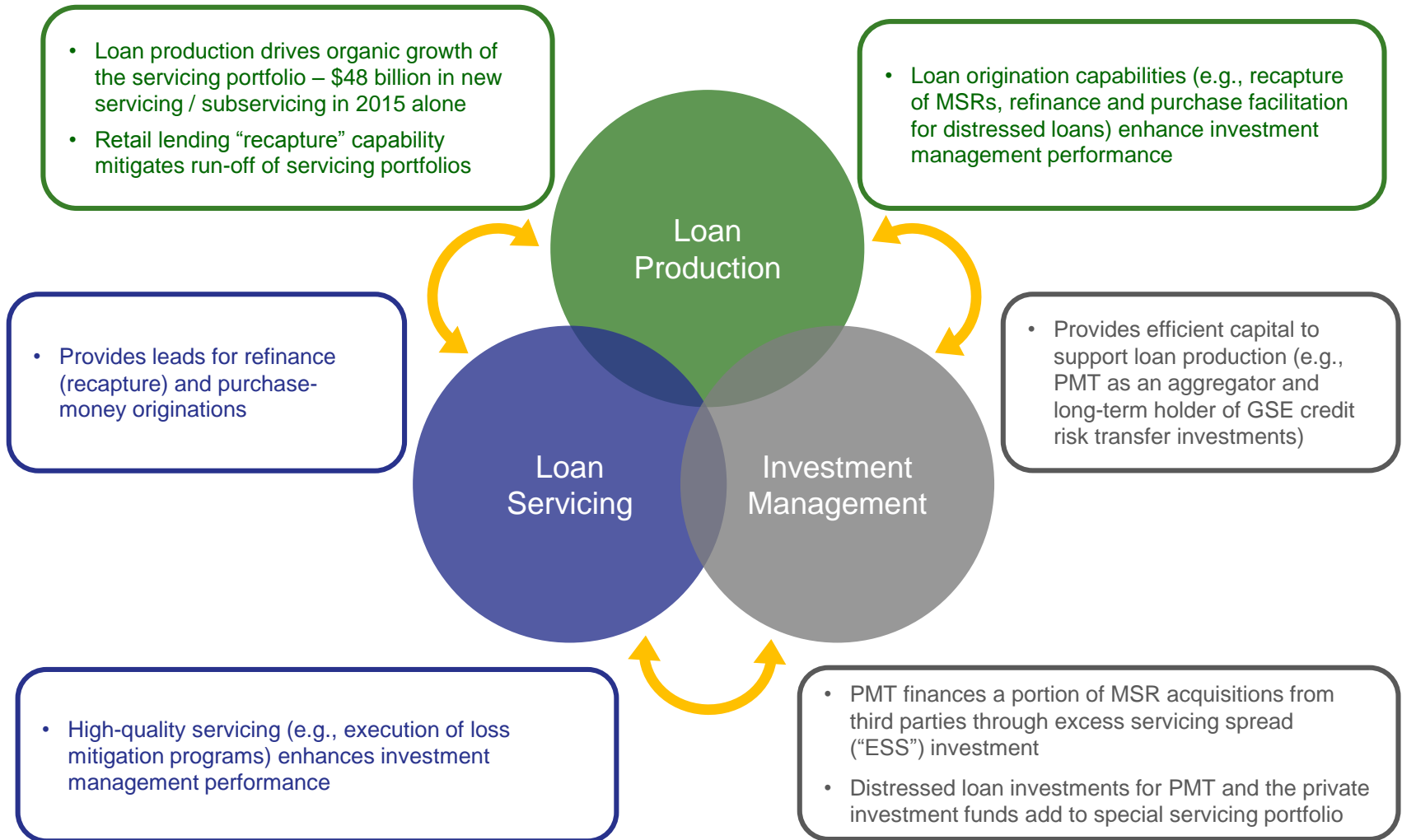
(1) Historical originations obtained from Mortgage Bankers Association. Forecast originations represent the average of Fannie Mae, Freddie Mac, and Mortgage Bankers Association estimates as of April 2016. Dollar amounts represent real values in 2015 dollars calculated using the annual Consumer Price Index – All Urban Consumers provided by the Bureau of Labor Statistics.

1 PennyMac's Platform Is Uniquely Positioned Among Mortgage Specialists

Key areas of expertise	Loan production	<ul style="list-style-type: none"> ✓ Loan fulfillment systems, operations, and in-line quality assurance ✓ Correspondent counterparty review and management ✓ Consumer direct marketing and lead maximization/optimization
	Credit	<ul style="list-style-type: none"> ✓ Credit policies ✓ Loan program development ✓ Underwriting ✓ Quality control
	Capital markets	<ul style="list-style-type: none"> ✓ Loan pricing and monitoring of market to assess best execution ✓ Pooling and securitization ✓ Hedging/interest rate risk management
	Servicing	<ul style="list-style-type: none"> ✓ Customer contact and services ✓ Default management ✓ Cash management and investor accounting ✓ Loan boarding and transfers ✓ Vendor/third-party management
	Corporate functions	<ul style="list-style-type: none"> ✓ Enterprise risk management ✓ Internal audit ✓ IT infrastructure and application development ✓ Treasury ✓ Corporate compliance ✓ Legal (corporate, securities, mortgage/regulatory) ✓ Finance and accounting

Industry-leading platform built organically with over 2,500 employees led by a deep, highly experienced management team

2 PennyMac Has Complementary Businesses & Capabilities



2 Loan Production Overview

Loan production is presently conducted via two channels:

Correspondent

Newly originated loans acquired by PMT from approved correspondent sellers for inclusion in Fannie Mae, Freddie Mac and Ginnie Mae securitizations

- PennyMac manages the correspondent production program and performs loan fulfillment activities for PMT, in exchange for fulfillment fees
- Acquisitions include conventional and government-insured or guaranteed residential mortgage loans
- PennyMac purchases the government-insured and guaranteed loans from PMT at cost, plus a three basis point sourcing fee

Consumer Direct

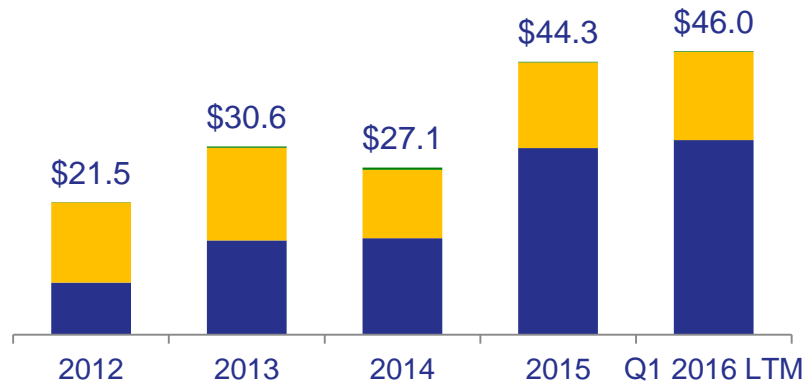
PennyMac originates new loans for consumers through its consumer direct business

- Call center-based platform results in lower cost structure and improved quality control and compliance compared to a traditional branch network
- Closely integrated with servicing operations and portfolio – generates significant recapture volume
- Protects the MSR asset with origination income in refinance market
- Capabilities in place to convert aggregation leads through non-portfolio marketing

Correspondent Volume

(UPB in billions)

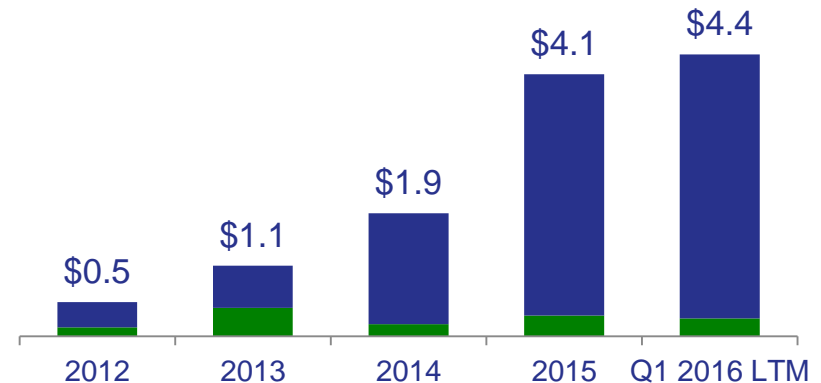
■ Government ■ Conventional ■ Jumbo



Consumer Direct Volume

(UPB in billions)

■ Non-portfolio ■ Portfolio-sourced

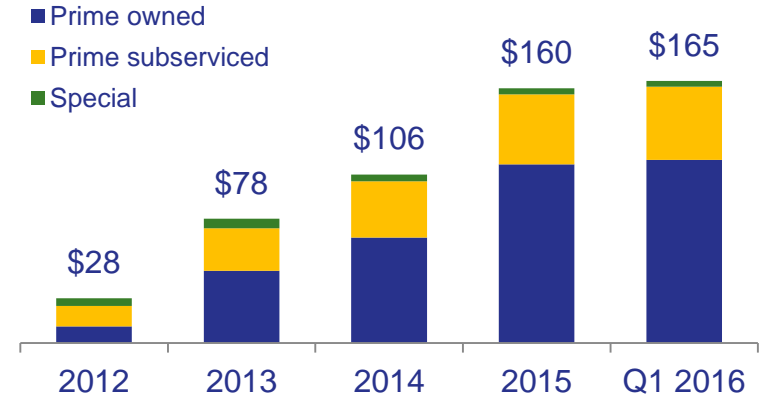


2 Loan Servicing Overview

- PennyMac performs servicing both as the owner of MSR and on behalf of other MSR or mortgage owners
 - Prime servicing and sub-servicing for conventional and government-insured or guaranteed loans
 - Special servicing for distressed loans that have been acquired as investments by PMT and the private investment funds
- Leading high-touch operation for addressing troubled and delinquent loans
 - Proprietary technology and processes to determine best approach and provide unique solutions
 - Substantial use of alternatives to foreclosure, e.g., modifications, short sales, and deeds-in-lieu
 - Not burdened by legacy issues of other servicers

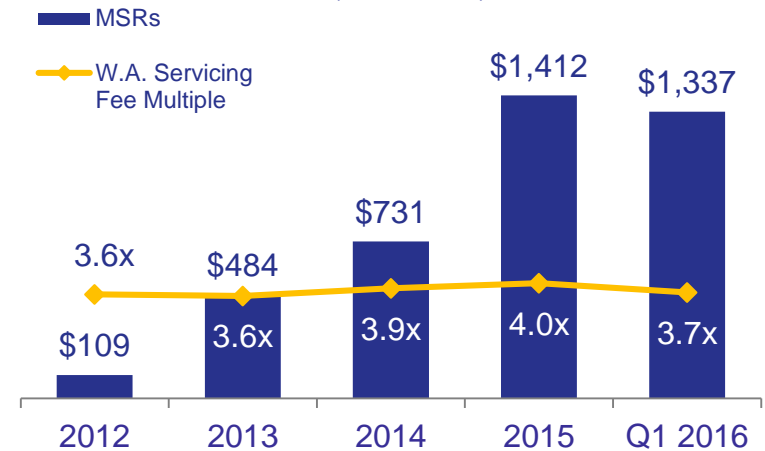
Servicing UPB over time

(\$ in billions)



MSRs and Servicing Fee Multiple

(\$ in millions)

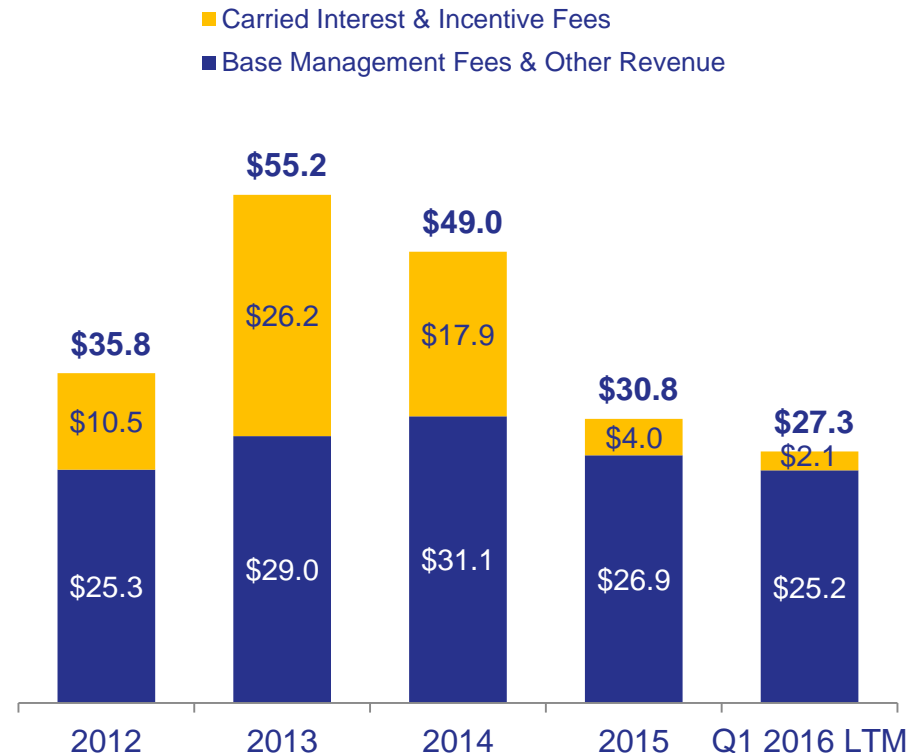


2 Investment Management Overview

- SEC registered investment adviser
- Approximately \$1.6 billion⁽¹⁾ in combined assets under management across three vehicles:
 - PennyMac Mortgage Investment Trust (NYSE: PMT)
 - Two private investment funds
- Earn base management fees based on equity under management
- Earn performance-based incentive fees from PMT and carried interest from the investment funds
- PMT is a leader in “front end” credit risk transfer transactions with the GSEs – uniquely positioned to benefit from policy shift favoring more private capital for conforming mortgage credit risk

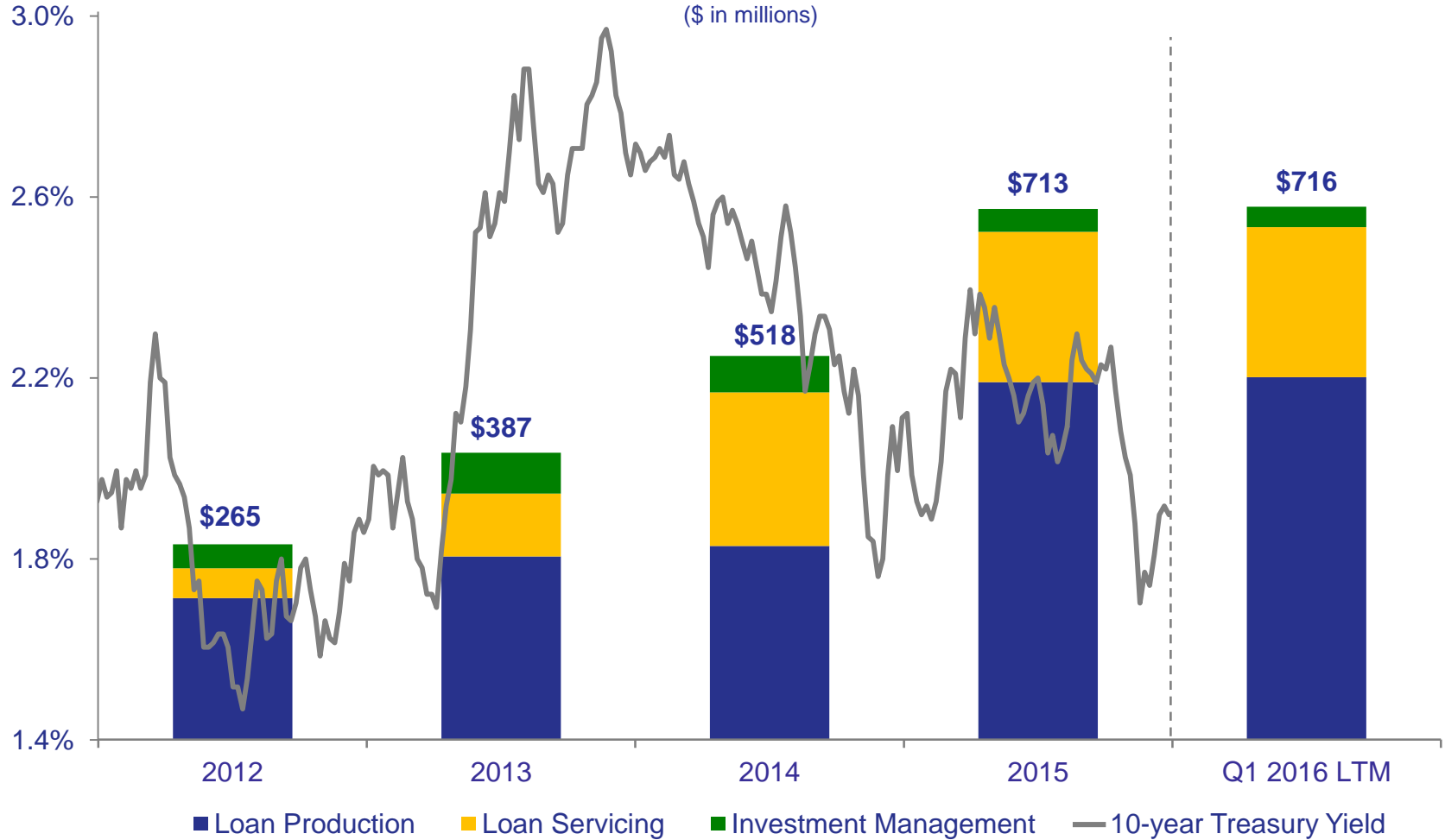
Investment Management Revenues

(\$ in millions)



2 Diversified Business Model Enables Revenue Growth Across Market Environments

Net Revenue
(\$ in millions)



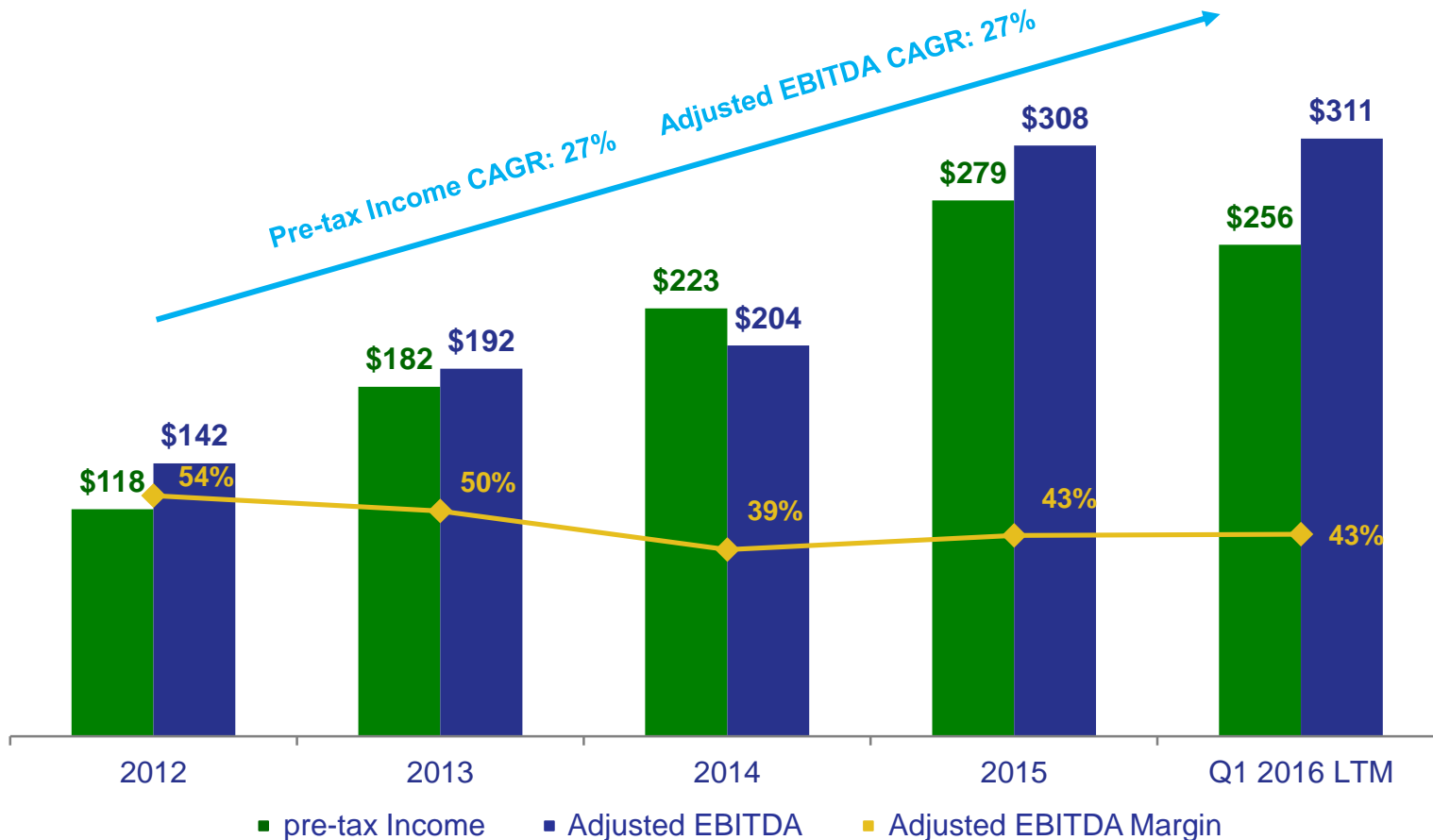
2 Financial Hedging Approach Moderates PennyMac's Interest Rate Risk

- In addition to the natural hedge from our significant businesses in production and servicing, PennyMac uses a comprehensive financial hedge strategy in order to:
 - “Lock in” margins from application/lock to loan sale in the production activities
 - Protect the economic value of its MSR assets
- We employ a variety of instruments to execute our hedge strategy including:
 - Forward sales and options for the loan inventory and pipeline
 - Mortgage-backed securities, options, swaptions and other derivatives for the MSR assets
- Leverage PennyMac's substantial capital markets expertise and manage hedging through robust operational processes and governance structure
 - Intra-day monitoring with executive management oversight; reviewed by management and Board governance committees

3 PennyMac Has a Record of Strong and Growing Income & Adjusted EBITDA

Pre-tax Income, Adjusted EBITDA⁽¹⁾ & Adjusted EBITDA Margin⁽¹⁾

(\$ in millions)

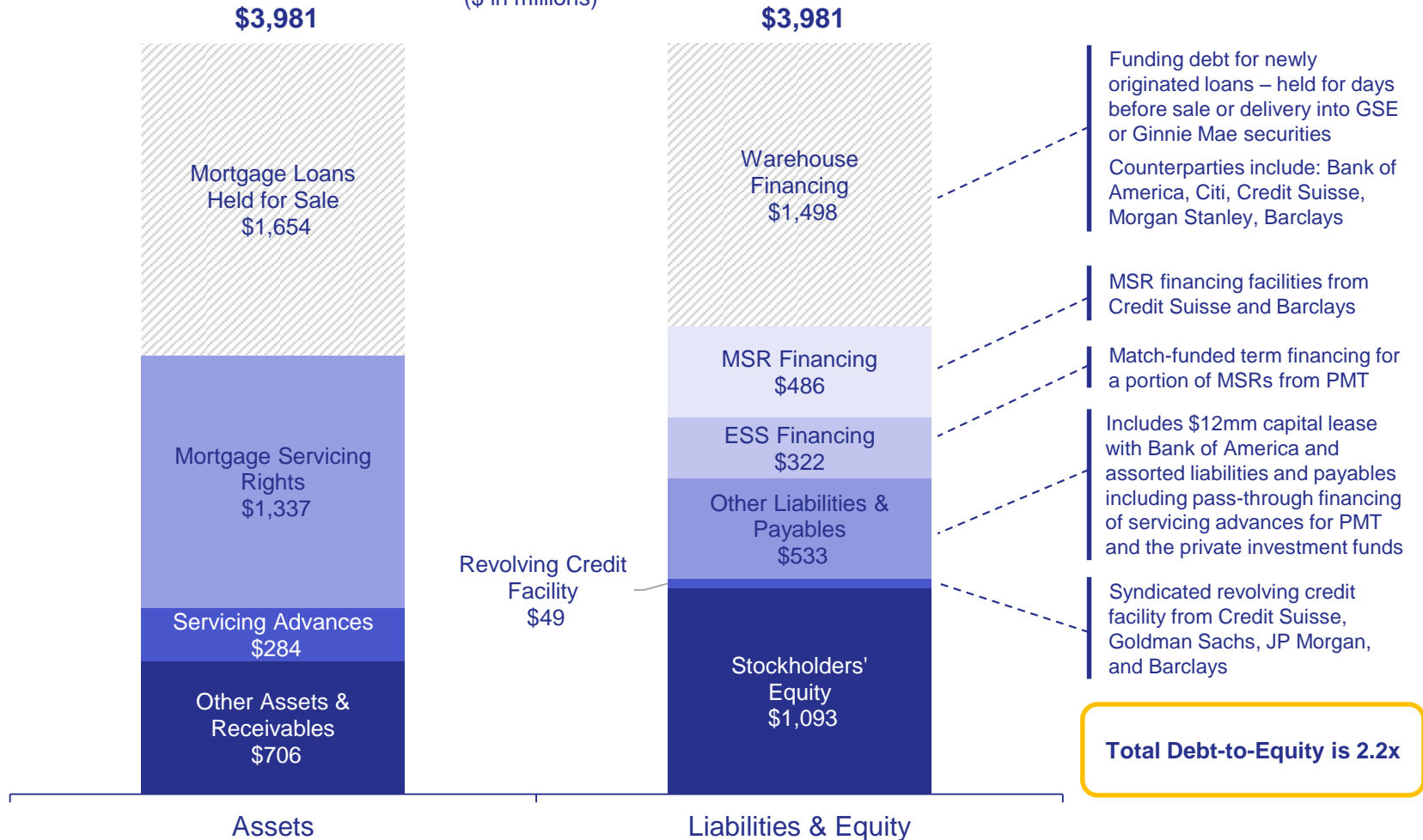


(1) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. Adjusted EBITDA is defined as net income attributable to PFSI common stockholders plus net income attributable to noncontrolling interest, provision for income taxes, depreciation and amortization, decrease (increase) in fair value and provision for impairment of mortgage servicing rights carried at lower of amortized cost or fair value, increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust, hedging losses (gains) associated with MSR, and stock-based compensation expense to the extent that such items existed in the periods presented. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net revenues. Adjusted EBITDA and Adjusted EBITDA Margin are metrics frequently used in our industry to measure performance and management believes that it provides supplemental information that is useful to investors. See slide 43 for a reconciliation of Adjusted EBITDA to net income attributable to PFSI common stockholders.

4 Strong Balance Sheet with Limited Corporate Debt and Substantial Equity

As of March 31, 2016

(\$ in millions)



Note: Figures may not sum exactly due to rounding.

5 Established Capital Partner in PMT



Mortgage banking and warehouse services agreement

- PennyMac is paid a fulfillment fee on conventional loans purchased by PMT, calculated as a percentage of the UPB

Loan servicing and recapture agreements

- PennyMac servicing fees calculated as a fixed per-loan monthly amount for prime servicing
- Special servicing fees include base fees and activity-based fees
- PennyMac and PMT share economics associated with refinance recapture on PMT's portfolio

Excess servicing spread agreement

- PMT co-invests in acquired MSR with PennyMac in the form of ESS
- PennyMac retains the base servicing fees and ancillary income
- PMT receives the right to ESS cash flows relating to the acquired MSRs

Management agreement

- PMT pays a base management fee and a performance incentive fee, both payable quarterly
- Management agreement also provides for an early termination fee



Tax-Efficient Investment Vehicle

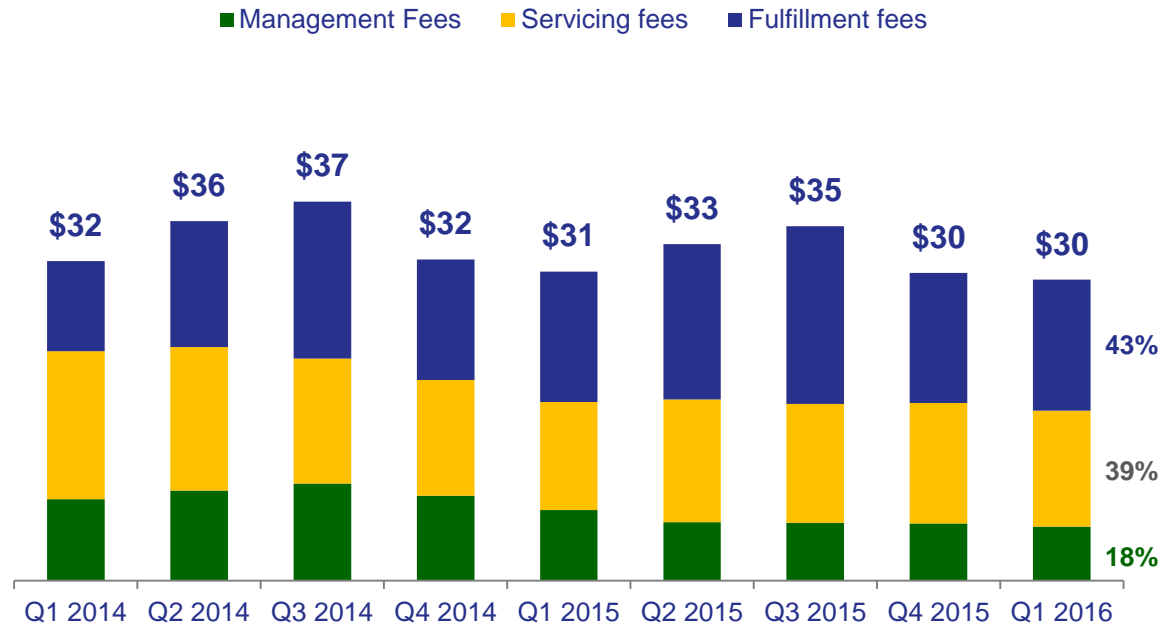
- ✓ Market Capitalization: \$905 million⁽¹⁾
- ✓ \$5.8 billion in assets; \$1.4 billion in stockholders' equity⁽²⁾
- ✓ 2015 Net Investment Income: \$249 million
- ✓ 2015 Net Income: \$90 million
- ✓ Capital deployment transitioning from distressed residential loans to opportunities resulting from conventional conforming correspondent production including GSE credit risk transfer and associated MSRs, and small balance multifamily loans
- ✓ Correspondent business in conventional and jumbo loans; retains resulting MSR
- ✓ Demonstrated access to the capital markets, including more than \$1 billion raised in follow-on equity offerings

5 Partnership with PMT Generates Stable and Recurring Fee Income

- PennyMac generates a substantial portion of its income from fee-based arrangements with PMT
- Relative to traditional mortgage origination business models that rely on gain on sale, this fee revenue is substantially more stable and consistent
- The composition of PennyMac's fee income from PMT has shifted towards management and servicing fees (over 50% in 2015), which tend to be more stable over time

PFSI Revenues Attributable to Partnership with PMT

(\$ in millions)



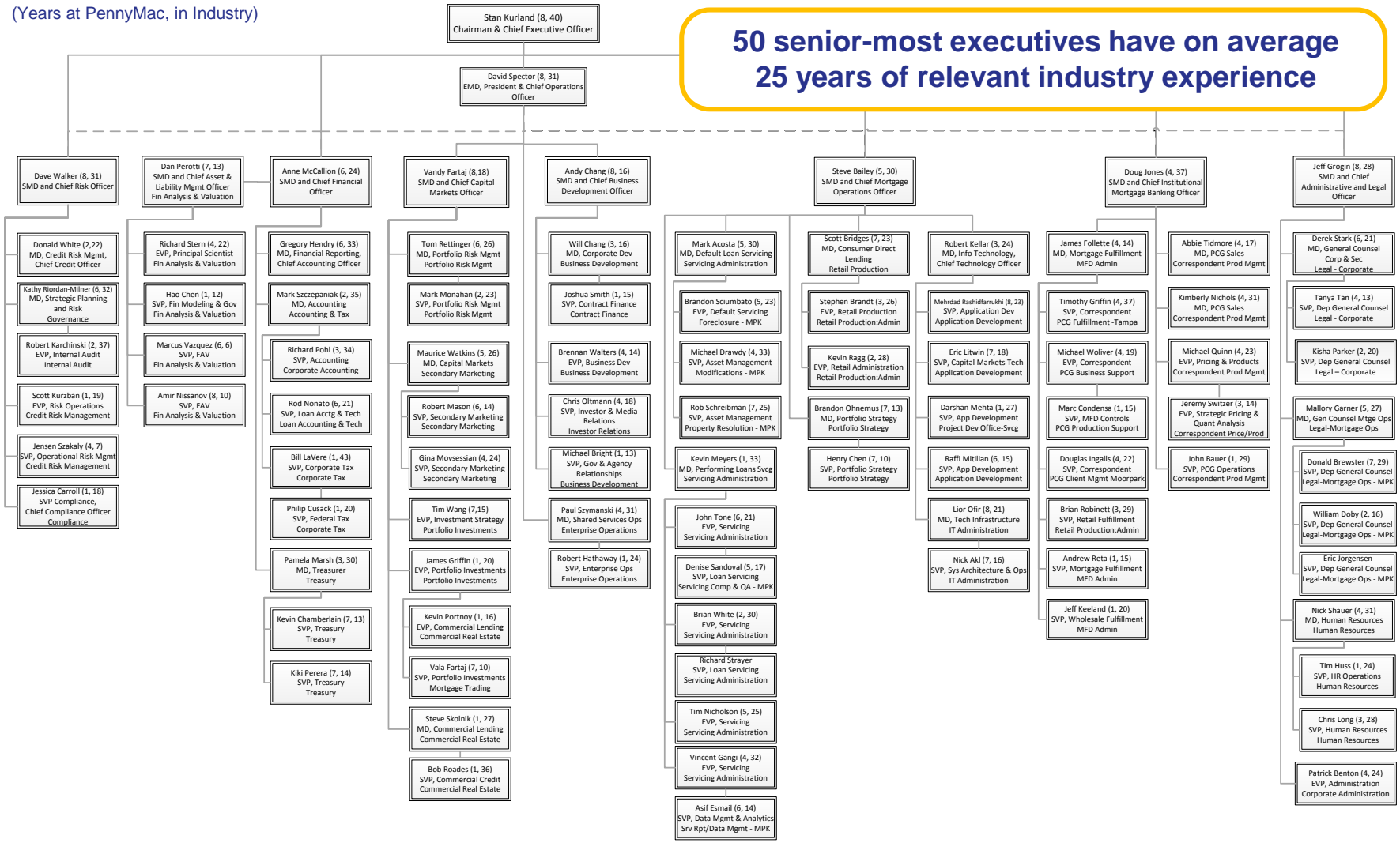
5 Governance of Relationship With PMT

- Guiding principle is to seek to establish terms between related parties that are on an arm's-length basis
- At the management level, a Related-Party Transaction Subcommittee is responsible for all related-party matters and reports directly to the Executive Committee
- Governance led by PennyMac's Board of Directors and PMT's Board of Trustees, each of which include seven independent members out of nine total members
- Both Boards have Related-Party Matters Committees that are comprised solely of independent members
 - Periodically conduct comprehensive reviews of the related-party agreements in consultation with independent counsel and financial advisors
- PennyMac has in place the proper agreements, controls, and oversight to mitigate potential conflicts in its relationship with PMT

6 Seasoned Leadership and Deep Management Team

(Years at PennyMac, in Industry)

50 senior-most executives have on average 25 years of relevant industry experience

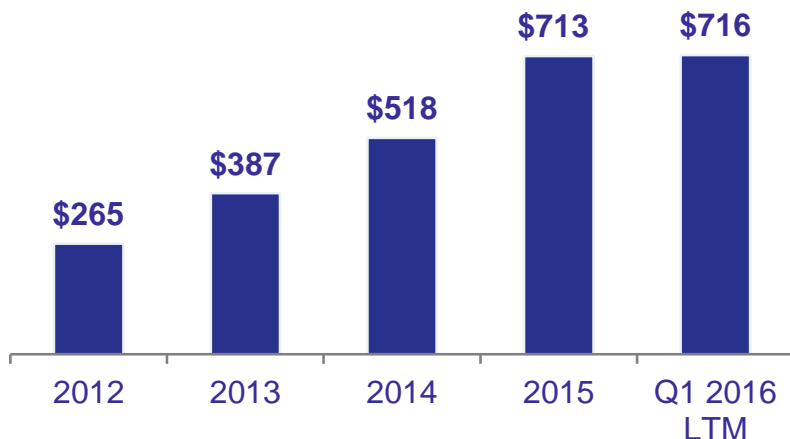


Financial Highlights

Historical Financial Results

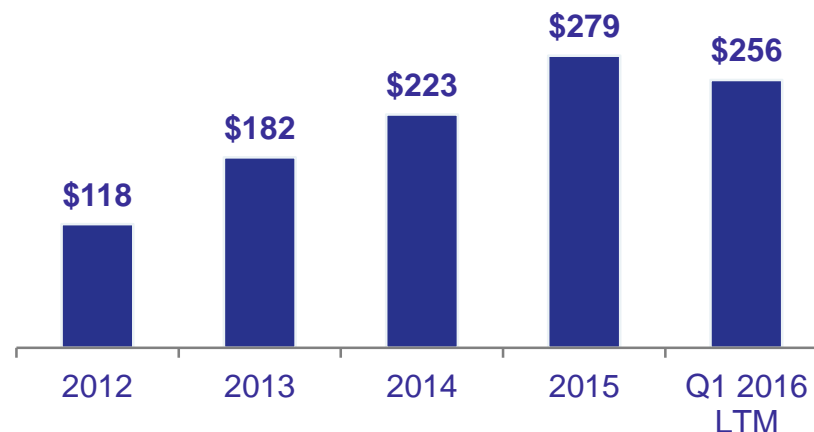
Net Revenues

(\$ in millions)



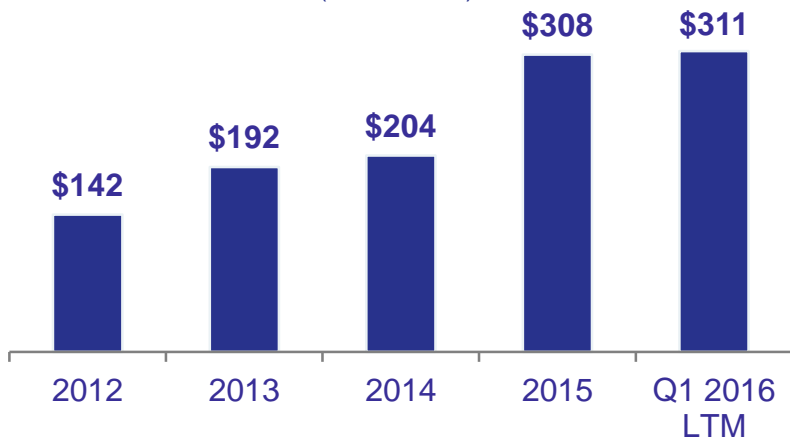
Pre-Tax Income

(\$ in millions)

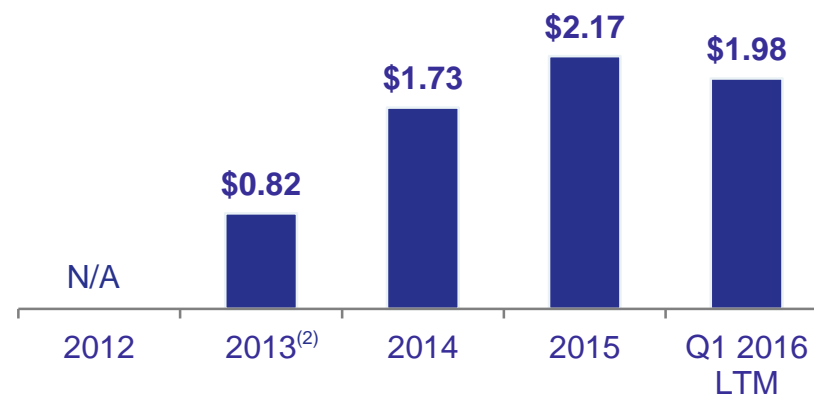


Adjusted EBITDA⁽¹⁾

(\$ in millions)



Diluted Earnings per Share

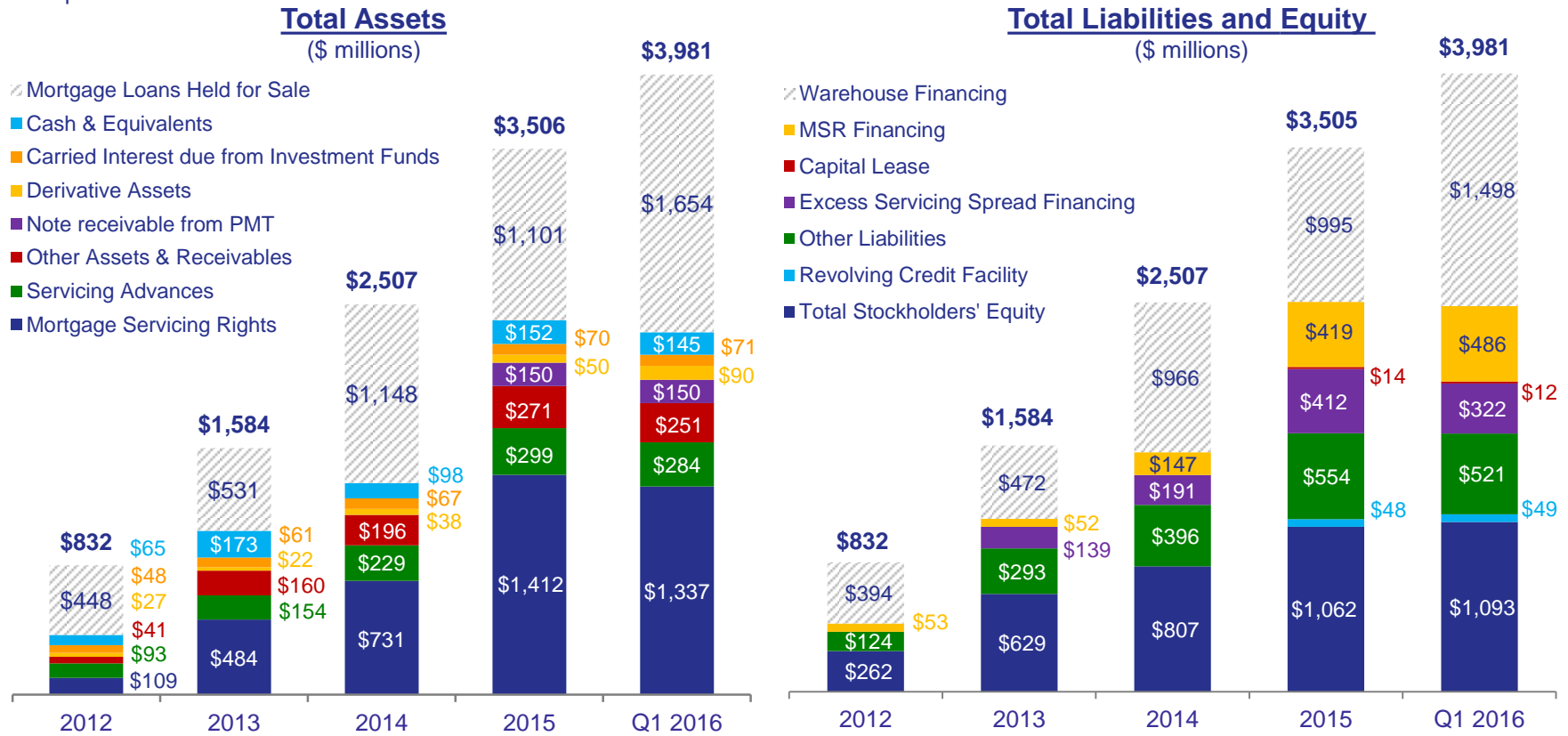


(1) Adjusted EBITDA is a non-GAAP financial measure and is defined as net income attributable to PFSI common stockholders plus net income attributable to noncontrolling interest, provision for income taxes, depreciation and amortization, decrease (increase) in fair value and provision for impairment of mortgage servicing rights carried at lower of amortized cost or fair value, increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust, hedging losses (gains) associated with MSRs, and stock-based compensation expense to the extent that such items existed in the periods presented. Adjusted EBITDA is a metric frequently used in our industry to measure performance and management believes that it provides supplemental information that is useful to investors. See slide 43 for a reconciliation of Adjusted EBITDA to net income attributable to PFSI common stockholders.

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

Balance Sheet Composition

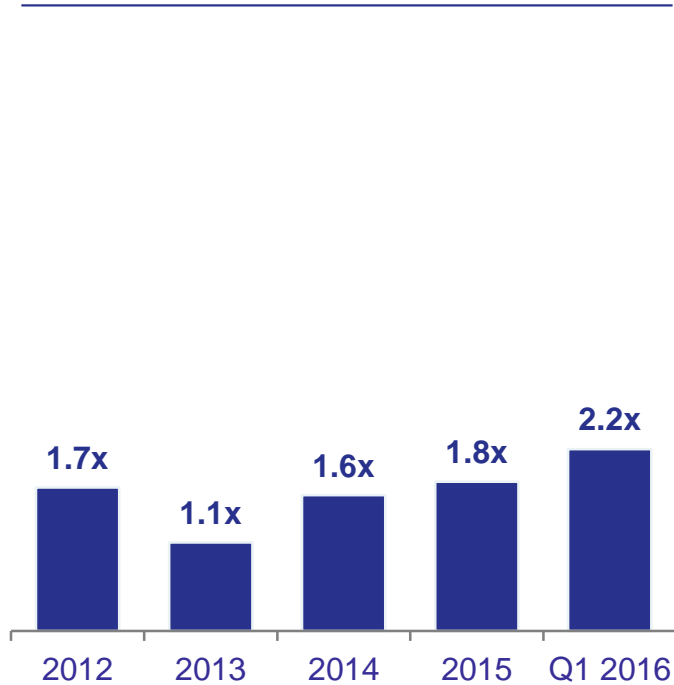
- A substantial portion of PennyMac's assets are comprised of mortgage loans held for sale, which represents the inventory of loans acquired/originated by our production channels, but not yet securitized
- Mortgage servicing rights are a growing portion of PennyMac's assets, resulting from our loan production activities and MSR acquisitions
- Our current financing consists of warehouse lines for loan production (repurchase and participation & sale agreements), a note payable secured by MSR and servicing advances, revolving credit facility and ESS held by PMT against acquired MSRs



Note: Figures may not sum exactly due to rounding

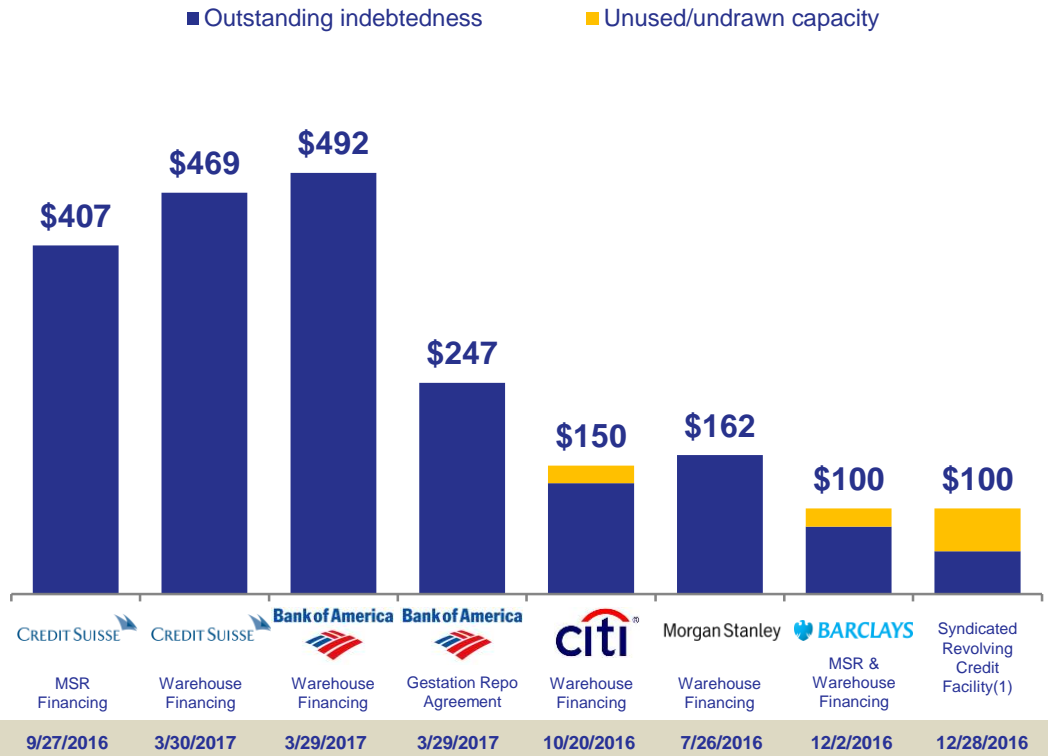
Conservative Leverage and Significant Access to Liquidity

Leverage (Total Debt-to-Equity)



Credit Facilities as of 3/31/2016

(\$ in millions)



Significant access to warehouse financing beyond these credit facilities, including additional lenders

(1) On December 30, 2015, the Company entered into a revolving credit agreement with four participating banks; Credit Suisse, Goldman Sachs, Barclays, and J.P. Morgan

Key Investment Highlights



Industry-Leading Platform for Market Opportunity



Diversified Business Model



High Operating Margins and Consistent Profitability



Strong Balance Sheet with Diverse Funding Sources



Established Capital Partner in PMT



Seasoned Leadership and Deep Management Team

Appendix

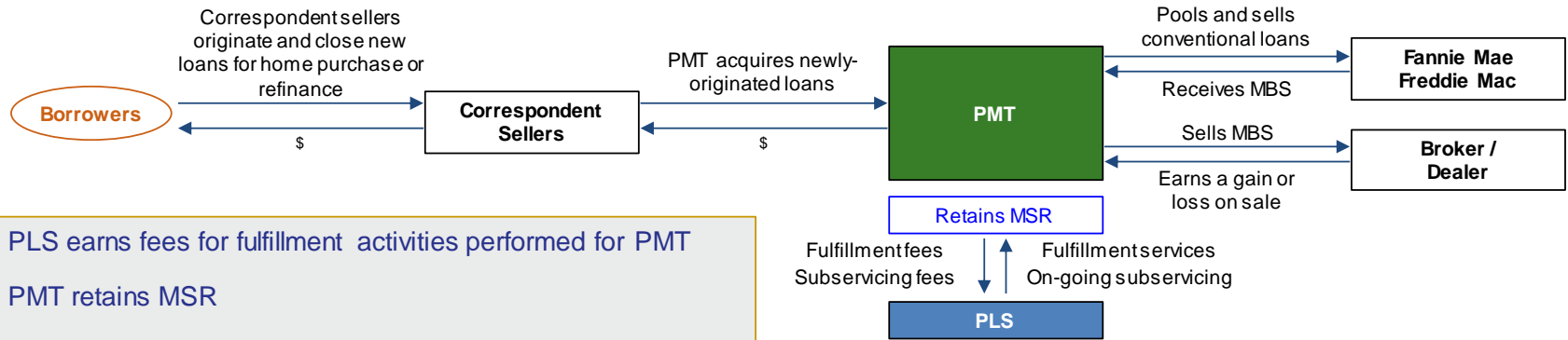
Income Statement Trends

PennyMac Financial Services, Inc. (\$ in thousands)	For the Year Ended December 31,				LTM
	2012	2013	2014	2015	3/31/2016
Revenues					
Net gains on mortgage loans held for sale at fair value	\$ 118,170	\$ 138,013	\$ 167,024	\$ 320,715	\$ 336,861
Loan origination fees	9,634	23,575	41,576	91,520	97,272
Fulfillment fees from PennyMac Mortgage Investment Trust	62,906	79,712	48,719	58,607	58,676
Loan servicing fees (Incl. ancillary and other)	52,357	119,461	258,421	382,672	424,681
Amortization, impairment and change in fair value of mortgage servicing rights	(12,252)	(29,451)	(41,502)	(153,129)	(204,395)
Management fees	21,799	40,330	42,508	28,237	25,660
Carried Interest from Investment Funds	10,473	13,419	6,156	2,628	1,988
Net interest expense	(1,525)	(1,041)	(9,486)	(19,382)	(23,944)
Other	3,524	2,541	4,861	1,242	(602)
Total net revenue	<u>\$ 265,086</u>	<u>\$ 386,559</u>	<u>\$ 518,277</u>	<u>\$ 713,110</u>	<u>\$ 716,197</u>
Expenses					
Compensation	\$ 124,014	\$ 148,576	\$ 190,707	\$ 274,262	\$ 284,416
Servicing	3,642	7,028	48,430	68,085	79,237
Technology	4,455	9,205	15,439	25,164	27,073
Professional services	5,568	10,571	11,108	15,473	16,373
Loan origination	2,953	9,943	9,554	17,396	17,231
Other	6,131	19,110	20,006	33,537	35,773
Total Expenses	<u>\$ 146,763</u>	<u>\$ 204,433</u>	<u>\$ 295,244</u>	<u>\$ 433,917</u>	<u>\$ 460,103</u>
Income before provision for income taxes	\$ 118,323	\$ 182,126	\$ 223,033	\$ 279,193	\$ 256,094
Provision for income taxes	-	9,961	26,722	31,635	29,117
Net income	<u>\$ 118,323</u>	<u>\$ 172,165</u>	<u>\$ 196,311</u>	<u>\$ 247,558</u>	<u>\$ 226,977</u>
Less: Net income attributable to noncontrolling interest		157,765	159,469	200,330	183,602
Net income attributable to PennyMac Financial Services, Inc. common stockholders		<u>\$ 14,400</u>	<u>\$ 36,842</u>	<u>\$ 47,228</u>	<u>\$ 43,375</u>

Balance Sheet Trends

PennyMac Financial Services, Inc. (\$ in thousands)	December 31,			March 31,
	2013	2014	2015	2016
Assets				
Cash	\$ 30,639	\$ 76,256	\$ 105,472	\$ 116,560
Short-term investments at fair value	142,582	21,687	46,319	28,264
Mortgage loans held for sale at fair value	531,004	1,147,884	1,101,204	1,653,963
Derivative assets	21,540	38,457	50,280	90,054
Mortgage servicing rights	483,664	730,828	1,411,935	1,337,082
Servicing advances, net	154,328	228,630	299,354	284,140
Carried Interest due from Investment Funds	61,142	67,298	69,926	70,519
Investment in PennyMac Mortgage Investment Trust at fair value	1,722	1,582	1,145	1,023
Note Receivable from PMT	-	-	150,000	150,000
Receivable from Investment Funds	2,915	2,291	1,316	1,119
Receivable from PMT	18,636	23,871	18,965	17,647
Deferred tax asset	63,117	46,038	18,378	14,637
Loans eligible for repurchase	46,663	72,539	166,070	139,009
Other	26,523	49,325	64,930	77,246
Total Assets	\$ 1,584,475	\$ 2,506,686	\$ 3,505,294	\$ 3,981,263
Liabilities				
Mortgage loans sold under agreements to repurchase	\$ 471,592	\$ 822,252	\$ 1,166,731	\$ 1,658,578
Mortgage loan participation and sale agreement	-	143,568	234,872	246,636
Note payable	52,154	146,855	61,136	127,693
Obligations under capital lease	-	-	13,579	12,070
Excess servicing spread financing at fair value payable to PennyMac Mortgage Investment Trust	138,723	191,166	412,425	321,976
Derivative liabilities	2,462	6,513	9,083	9,915
Accounts payable and accrued expenses	46,387	62,715	89,915	87,005
Mortgage servicing liabilities at fair value	-	6,306	1,399	6,747
Payable to Investment Funds	36,937	35,908	30,429	28,843
Payable to PennyMac Mortgage Investment Trust	81,174	123,315	162,379	153,094
Payable to exchanged Private National Mortgage Acceptance Company, LLC unitholders under tax receivable agreement	71,056	75,024	74,315	74,275
Liability for loans eligible for repurchase	46,663	72,539	166,070	139,009
Liability for losses under representations and warranties	8,123	13,259	20,611	22,209
Total Liabilities	\$ 955,271	\$ 1,699,420	\$ 2,442,944	\$ 2,888,050
Stockholders' Equity				
Common stock	\$ 2	\$ 2	\$ 2	\$ 2
Additional paid-in capital	153,000	162,720	172,354	174,005
Retained earnings	14,400	51,242	98,470	103,645
Total stockholders' equity attributable to PennyMac Financial Services, Inc. common stockholders	\$ 167,402	\$ 213,964	\$ 270,826	\$ 277,652
Noncontrolling interest in Private National Mortgage Acceptance Company, LLC	461,802	593,302	791,524	815,561
Total stockholders' equity	\$ 629,204	\$ 807,266	\$ 1,062,350	\$ 1,093,213
Total liabilities and stockholders' equity	\$ 1,584,475	\$ 2,506,686	\$ 3,505,294	\$ 3,981,263

Correspondent Production – Conventional Loan Mechanics & Economics



- PLS earns fees for fulfillment activities performed for PMT
- PMT retains MSR
- PLS provides loan subservicing and earns fees

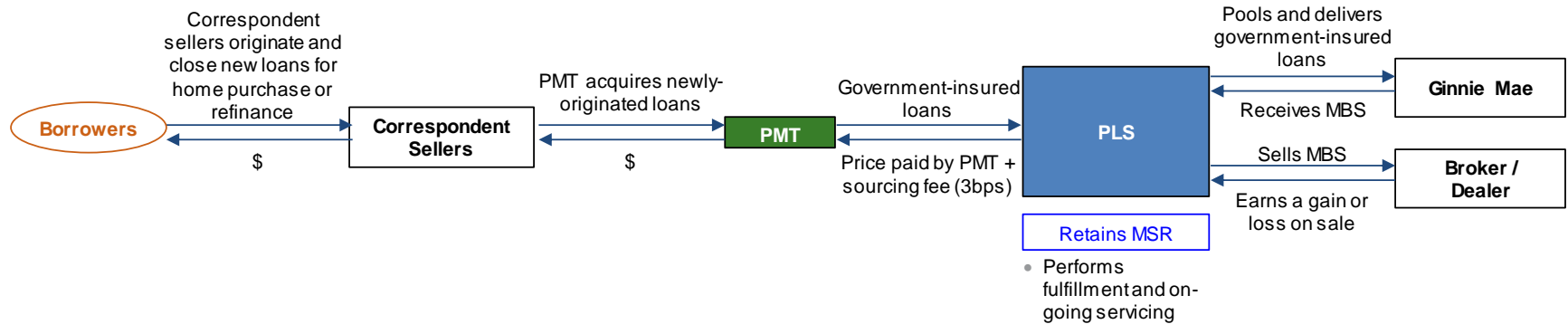
- PLS earns fees for fulfillment activities performed for PMT
- PMT retains MSR
- PLS provides loan subservicing and earns fees

Illustrative Conventional Correspondent Economics⁽¹⁾

Item	% of UPB
Fulfillment Fee Revenue	0.35% - 0.50%
Expenses	0.20% - 0.25%
Operating Profit	0.10% - 0.30%

(1) For illustrative purposes only. Not a guarantee of the Company's actual results.

Correspondent Production – Government Loan Mechanics & Economics



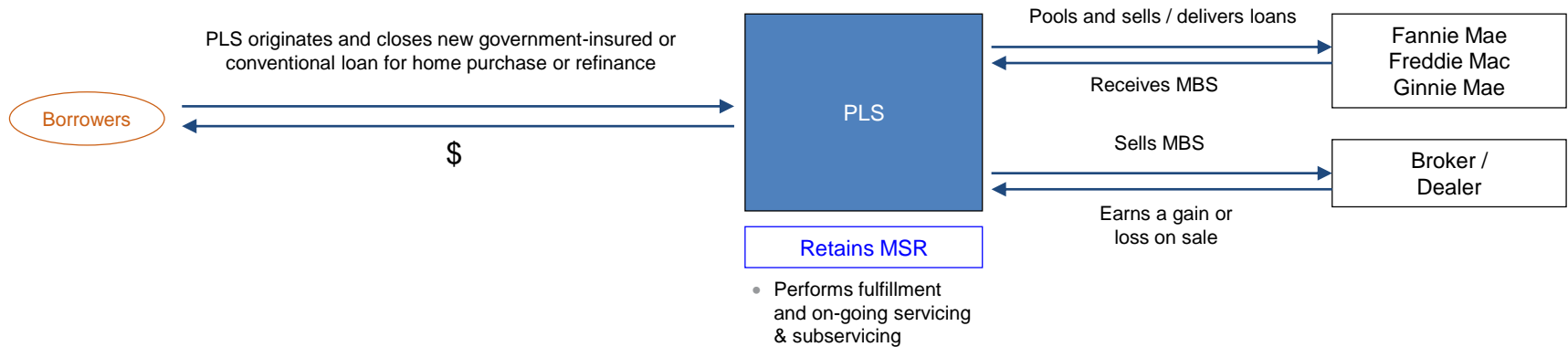
- PLS purchases loan at cost + sourcing fee
- PLS conducts its own fulfillment
- PLS retains MSR

Illustrative Correspondent Government Economics⁽¹⁾

Item	% of UPB
Loan Sale	105.00%
MSR Value (Non-cash)	1.30%
Other Revenue ⁽¹⁾	0.04%
Total Revenue	106.34%
Loan Purchase	105.65%
Sourcing Fee Paid to PMT	0.03%
Fulfillment Expenses	0.20%
Rep & Warrant Expense (Non-cash)	0.01%
Total Expenses	105.89%
Operating Profit	0.45%
Of Which: Cash Loss	(0.84%)
Of Which: Non-Cash Gain	1.29%

(1) Loan Originations Fees, Net Interest Income, net of Hedge Costs

Consumer Direct Production – Loan Mechanics & Economics



- Consumer direct origination is a PLS business
- PLS conducts its own fulfillment
- MSR resulting from originations sourced from PMT portfolio are shared, with 30% going to PMT and 70% remaining with PLS

Illustrative Consumer Direct Economics ⁽¹⁾

Item	% of UPB
Loan Sale	105.00%
MSR Value (Non-cash)	1.30%
Other Revenue ⁽¹⁾	0.35%
Total Revenue	106.65%
Loan Funding	100.00%
Lender Rebate	1.50%
Origination Expenses	2.50%
Rep & Warrant Expense (Non-cash)	0.06%
Total Expenses	104.06%
Operating Profit	2.59%
Of Which: Cash Gain	1.35%
Of Which: Non-Cash Gain	1.24%

(1) Loan Originations Fees, Net Interest Income, net of Hedge Costs and Recapture Incentives

Servicing Segment Economics

	LTM 3/31/16	
	\$ in thousands	basis points ⁽¹⁾
Operating revenue	\$ 425,362	29.1
Amortization and realization of MSR cash flows	(170,077)	(11.6)
Direct servicing expenses:		
Operating expenses	(163,376)	(11.2)
Realized credit and advance losses	(39,912)	(2.7)
Pretax servicing operating income	\$ 51,996	3.6
Financing expenses:		
Interest on ESS	(28,628)	
Interest to third parties	(13,077)	
Pretax servicing operating income net of financing expenses	\$ 10,291	
Changes in FV:		
MSR ⁽²⁾	\$ (83,922)	
ESS liability	15,723	
Hedging derivatives gains (losses)	33,882	
Non-core servicing expenses:		
Provision for credit losses	(14,840)	
EBO transaction-related expense	(14,446)	
Non-core servicing revenues	33,274	
Non-core servicing (loss) gain	\$ (30,329)	
GAAP Pretax Income	\$ (20,037)	

- Pre-tax servicing operating income reflects core operating economics
 - Servicing fee revenue net of MSR amortization and realization
 - Direct servicing expenses include actual credit and advance losses realized – typically driven by FHA, VA, and USDA loans
- Non-core servicing expenses are typically associated with increases in fair value of the remaining MSR
- Non-core servicing revenues include gains or losses associated with the sale of EBO loans to third parties and the redelivery of modified or reperforming EBO loans into Ginnie Mae MBS

Adjusted EBITDA & Adjusted Cashflow Reconciliation

PennyMac Financial Services, Inc. (\$ in thousands)	For the Year Ended December 31,				LTM
	2012	2013	2014	2015	3/31/2016
Net income attributable to PFSI common stockholders	N/A	\$ 14,400	\$ 36,842	\$ 47,228	\$ 43,375
Net income attributable to noncontrolling interest	N/A	157,765	159,469	200,330	183,602
Net income	\$ 118,323	\$ 172,165	\$ 196,311	\$ 247,558	\$ 226,977
Provision for income taxes	-	9,961	26,722	31,635	29,117
Income before provision for income taxes	\$ 118,323	\$ 182,126	\$ 223,033	\$ 279,193	\$ 256,094
Depreciation & Amortization	520	824	1,365	2,423	3,105
Decrease (increase) in fair value and provision for impairment of mortgage servicing rights carried at lower of amortized cost of fair value	4,458	985	24,345	4,738	83,924
Increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust	-	2,423	(28,663)	(3,810)	(15,723)
Hedging (gains) losses associated with MSRs	(1,369)	1,291	(26,840)	7,717	(33,882)
Stock-based compensation	20,308	3,937	10,331	17,521	17,950
Adjusted EBITDA	\$ 142,240	\$ 191,586	\$ 203,571	\$ 307,782	\$ 311,468
MSRs resulting from loan sales	(90,472)	(205,105)	(209,850)	(472,853)	(503,679)
Amortization and realization of cash flows	9,163	24,752	72,660	144,485	170,077
Adjusted Cashflow	\$ 60,931	\$ 11,233	\$ 66,381	\$ (20,586)	\$ (22,134)

Note: Adjusted EBITDA and Adjusted Cashflow are non-GAAP financial measures. Adjusted EBITDA is defined as net income attributable to PFSI common stockholders plus net income attributable to noncontrolling interest, provision for income taxes, depreciation and amortization, decrease (increase) in fair value and provision for impairment of MSRs carried at lower of amortized cost or fair value, increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust, hedging losses (gains) associated with MSRs, and stock-based compensation expense to the extent that such items existed in the periods presented. Adjusted Cashflow is defined as Adjusted EBITDA less MSRs resulting from loan sales plus amortization and realization of cashflows. Adjusted EBITDA and Adjusted Cashflow are metrics frequently used in our industry to measure performance and management believes that it provides supplemental information that is useful to investors. Adjusted EBITDA and Adjusted Cashflow exclude some, but not all, items that affect net income and these measures may vary among other companies. Therefore, Adjusted EBITDA and Adjusted Cashflow may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA & Adjusted Cashflow by Segment – Q1 2016

PennyMac Financial Services, Inc. (\$ in thousands)	Q1 2016				
	Production	Servicing	Investment Management	Non-Segment Activities	Total
Net income attributable to PFSI common stockholders					\$ 5,175
Net income attributable to noncontrolling interest					21,368
Net income			n/a		\$ 26,543
Provision for income taxes					3,596
Income before provision for income taxes	A \$ 68,408	\$ (39,462)	\$ 1,144	\$ 49	\$ 30,139
Depreciation & Amortization ⁽¹⁾	359	359	359	-	1,076
Decrease (increase) in fair value and provision for impairment of mortgage servicing rights carried at lower of amortized cost or fair value	-	125,887	-	-	125,887
Increase (decrease) in fair value of excess servicing spread payable to PennyMac Mortgage Investment Trust	-	(19,449)	-	-	(19,449)
Hedging losses (gains) associated with MSR's	-	(58,720)	-	-	(58,720)
Stock-based compensation ⁽¹⁾	1,459	1,459	1,459	-	4,377
Adjusted EBITDA	\$ 70,226	\$ 10,074	\$ 2,962	\$ 49	\$ 83,310
MSR's resulting from loan sales	(100,782)	-	-	-	(100,782)
Amortization and realization of cash flows	-	49,696	-	-	49,696
Adjusted Cashflow	B \$ (30,556)	\$ 59,770	\$ 2,962	\$ 49	\$ 32,224

(1) One-third allocated to each of the production, servicing and investment management segments

Illustrative Production Segment Economics (\$ in millions)	Production Volume (UPB)	Total Profit %	Total Profit \$	Cash Gain/ (Loss) %	Cash Gain/ (Loss) \$
Correspondent Conventional	\$ 3,260	0.20%	\$ 7	0.20%	\$ 7
Correspondent Government	\$ 6,423	0.45%	\$ 29	(0.84)%	\$ (54)
Consumer Direct	\$ 1,207	2.59%	\$ 31	1.35%	\$ 16
Total Production	\$ 10,890		\$ 67	A	\$ (31)

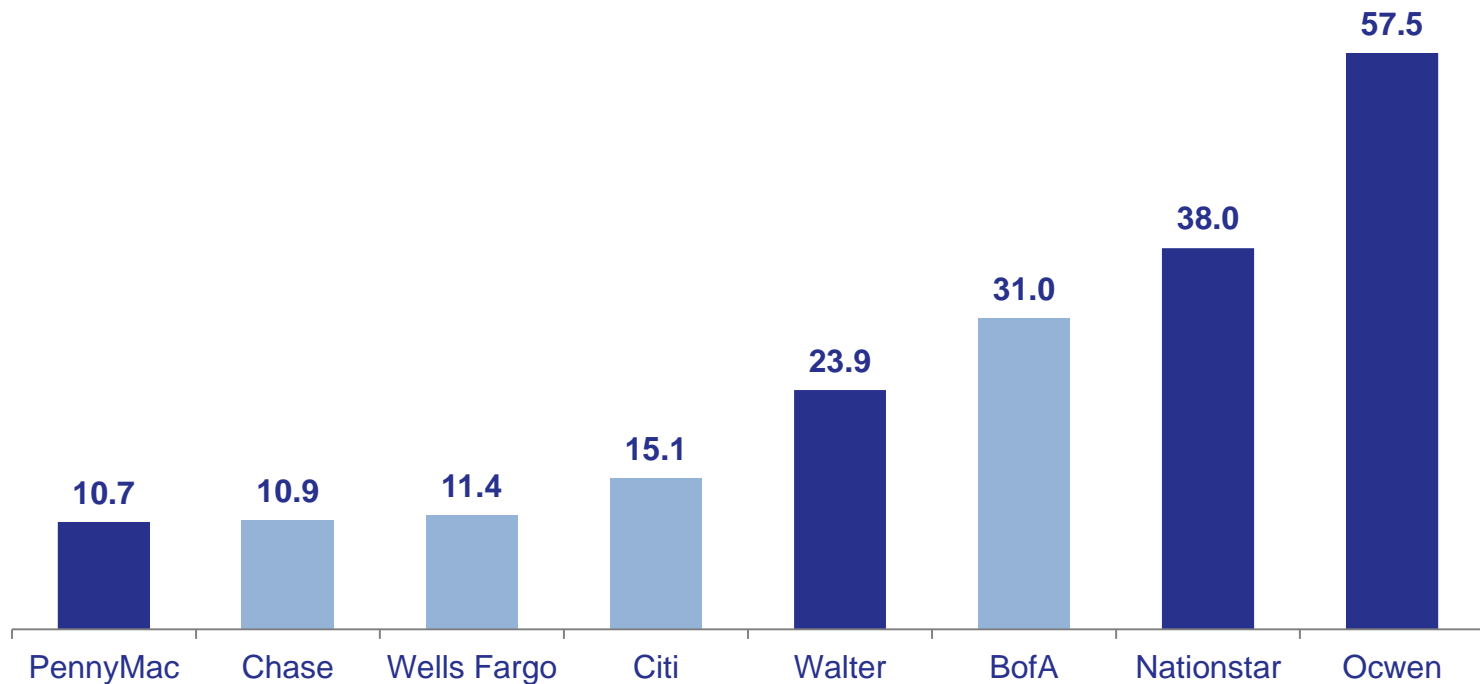
Note: P&L figures and Illustrative Production Segment Economics may not match exactly as profit margins and cash gain/loss margins represent approximations.

High-Quality Servicing – CFPB Complaints vs. Other Leading Servicers

Number of mortgage-related complaints filed with the CFPB in Q4 2015

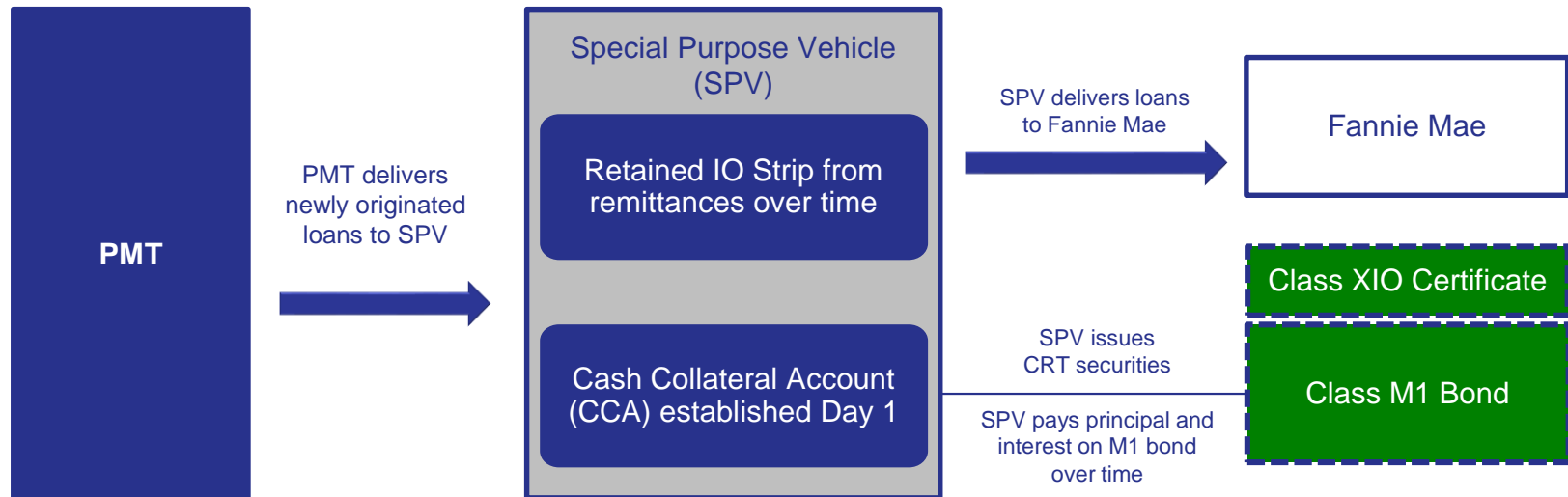
(Per 100,000 loans serviced)

- Non-bank specialists
- Bank



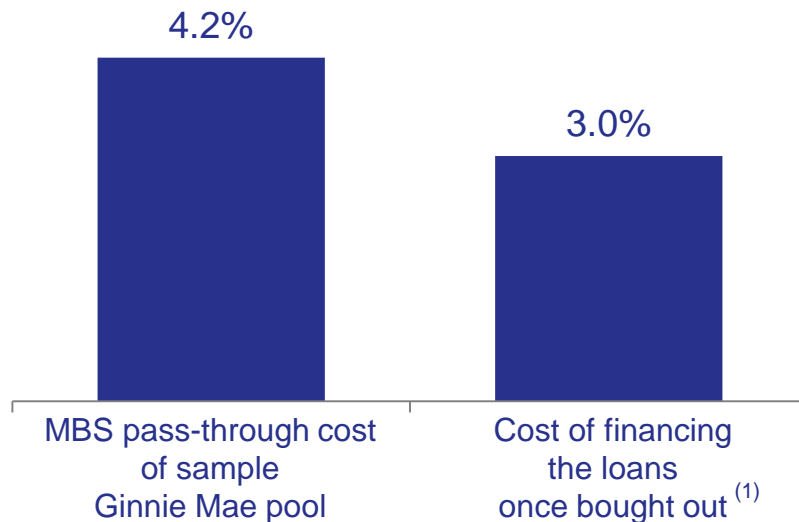
Overview of PMT's Credit Risk Transfer Structure

- Opportunity to invest in credit risk and designed to capture the benefits of PMT's high-quality correspondent production
- Aligns with Fannie Mae's interest to share risk with their lender and servicer partners
- Structure creates an M1 bond, that covers first losses on a pool of loans delivered to Fannie Mae
 - Structure creates an IO strip that pays the coupon on the M1 bond
 - Bond can be financed to enhance investment returns



Early Buy-Outs (EBOs) from Pools Serviced for Ginnie Mae

Interest cost for defaulted loans
– illustrative example only



- PennyMac has an EBO program for defaulted loans (90+ days delinquent) in Ginnie Mae pools, as is customary for well-capitalized servicers
- Economic benefit of EBO is reduced costs by financing government-insured or guaranteed loans in default with warehouse debt, vs. advancing the MBS pass-through rate
- Purchase of loan out of Ginnie Mae pool produces current period expense as net interest advances are charged to expense; offset by valuation increase in the remaining Ginnie Mae MSR as forecasted future costs are reduced by removal of the delinquent loans from the MSR pool