PennyMac Financial Services, Inc.

November 2019
Investor Presentation

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 and from past results discussed herein. These forward-looking statements include statements regarding the Company's corporate reorganization, the expected benefits of such reorganization and the related impact on existing stakeholders, estimates regarding future market capitalization and the anticipated financial impact of the corporate reorganization.

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 we operate; lawsuits or governmental actions that may result from any noncompliance with the laws and regulations applicable to our businesses; the mortgage lending and servicing-related regulations promulgated by the Consumer Financial Protection Bureau and its enforcement of these regulations; our 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 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. real estate market conditions; difficulties inherent in growing loan production volume; difficulties inherent in adjusting the size of our operations to reflect changes in business levels; purchase opportunities for mortgage servicing rights and our success in winning bids; changes in prevailing interest rates; increases in loan delinquencies and defaults; our reliance on PennyMac Mortgage Investment Trust (NYSE: PMT) as a significant source of financing for, and revenue related to, our mortgage banking business; any required additional capital and liquidity to support business growth that may not be available on acceptable terms, if at all; 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 or characteristics or under other circumstances; our obligation to indemnify PMT if our services fail to meet certain criteria or characteristics or under other circumstances; decreases in the returns on the assets that we select and manage for our clients, and our resulting management and incentive fees; the extensive amount of regulation applicable to our investment management segment; conflicts of interest in allocating our services and investment opportunities among us and our advised entities; the effect of public opinion on our reputation; our recent growth; our ability to effectively identify, manage, monitor and mitigate financial risks; our initiation of new business activities or expansion of existing business activities; our ability to detect misconduct and fraud; and our ability to mitigate cybersecurity risks and cyber incidents. Our exposure to risks of loss resulting from adverse weather conditions and man-made or natural disasters; and or 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 presentation are current as of the date of this presentation only.

PFSI Is a Leading Non-Bank Residential Mortgage Specialist

- ✓ 12th year of operations; initial public offering in May 2013

Leading Market Position in the U.S.

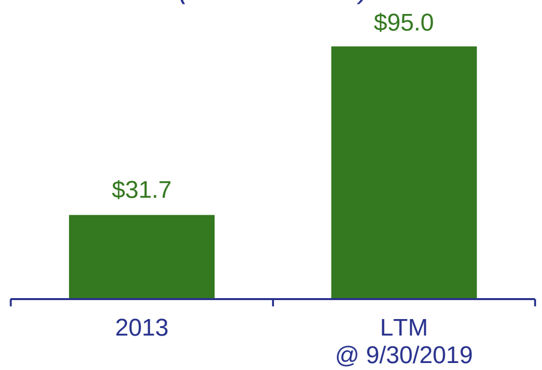
- ✓ 4th largest mortgage producer[1]
- ✓ 6th largest mortgage servicer[1]
- ✓ Largest government-insured producer[1]
- ✓ Largest correspondent aggregator[1]

Unique Capabilities

- ✓ Comprehensive and scalable mortgage platform with considerable opportunities for growth
- ✓ Significant technology investments drive competitive advantage and scale
- ✓ Well-developed and sophisticated risk management structure
- ✓ Unique, synergistic partnership with PennyMac Mortgage Investment Trust (NYSE: PMT), a tax-efficient investment vehicle

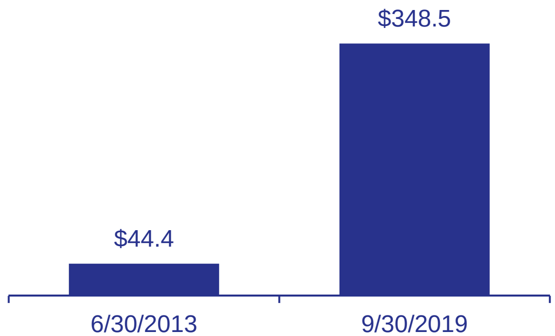
Loan Production Volume

(UPB in billions)



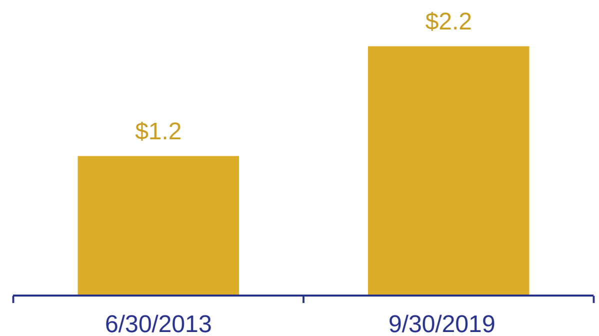
Loan Servicing Portfolio

(UPB in billions)



Net Assets Under Management

(in billions)



[1] According to Inside Mortgage Finance for 3Q19 or as of September 30, 2019

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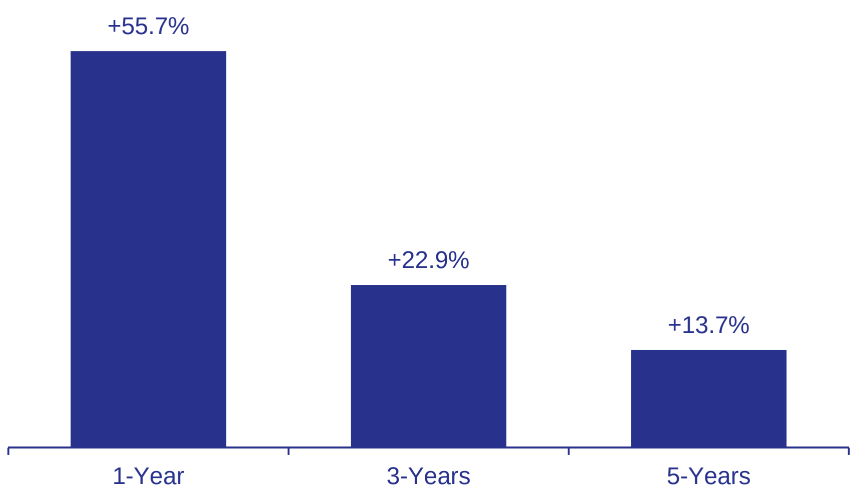
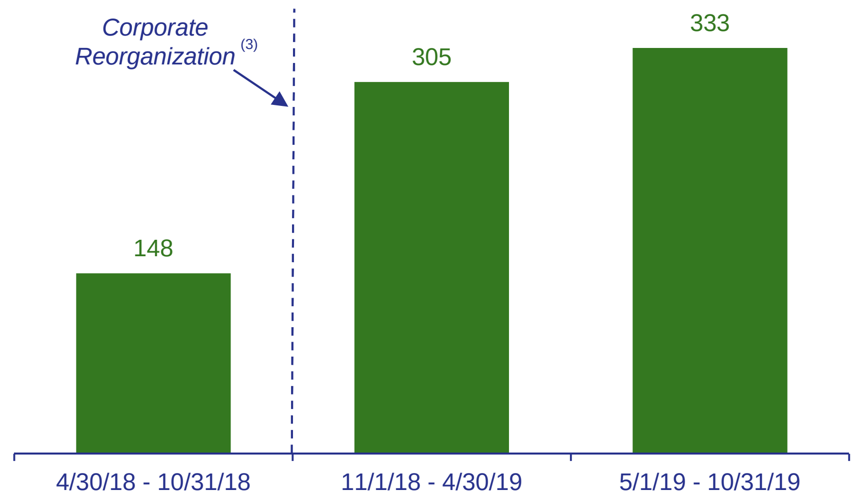
Attractive Returns and Increased Liquidity for PFSI Shares

Total Annualized Return to Stockholders[1]



Daily Average Trading Volume[2]

(in thousands of shares)



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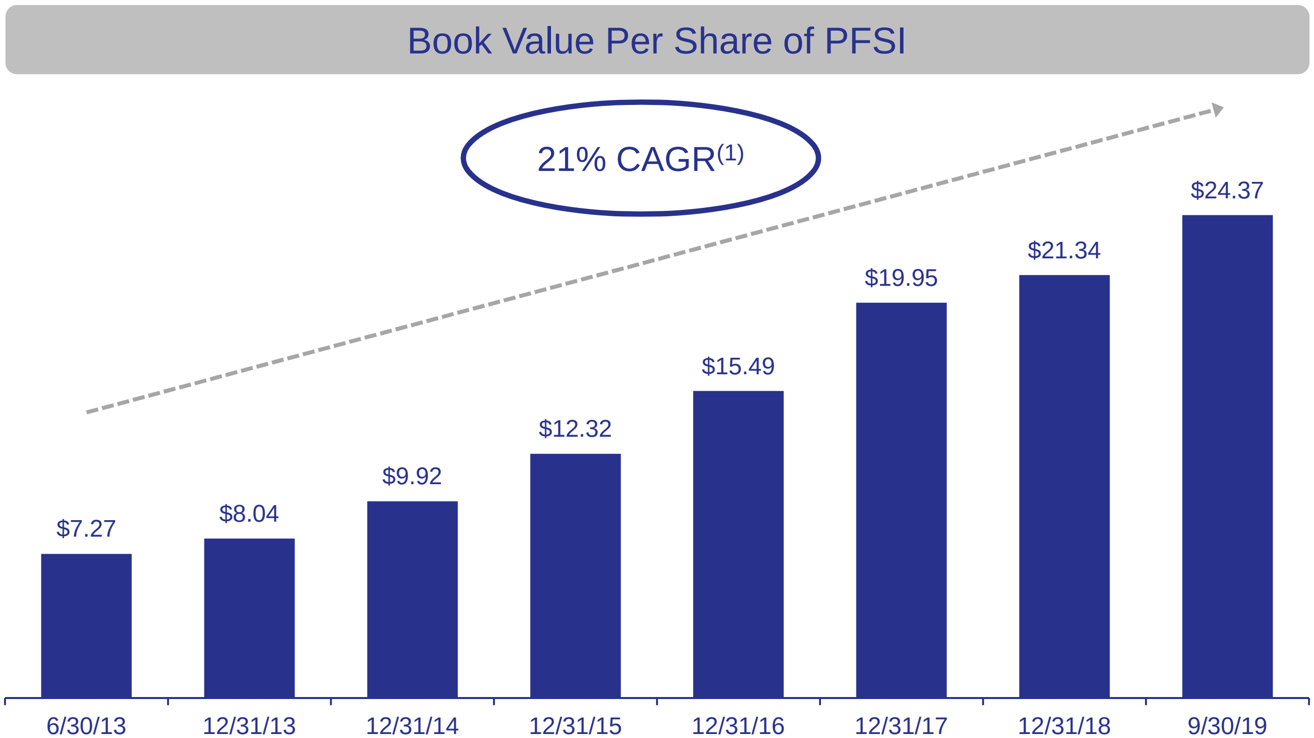
(1) Source: Bloomberg. Total return with dividends reinvested.
(2) S&P Global Market Intelligence
(3) PFSI completed a reorganization on November 1, 2018 that simplified its corporate structure by converting all equity ownership into a single class of publicly traded common stock

PFSI's Earnings Have Driven Strong Book Value Growth



- ***Track record of strong profitability; profitable every year since 2008[2]***
- ***Retained earnings drive book value growth***

[1] Compounded annual growth rate

[2] Private National Mortgage Acceptance Company, LLC commenced operations in 2008 and is a wholly-owned subsidiary of PFSI, which completed its initial public offering in May 2013.

PFSI Initiates Quarterly Dividend

Strong Capital Position

- Shareholders' equity of $1.9 billion as of September 30, 2019
- Track record of successful capital management including $15 million of stock repurchases since 2017
- Industry-leading Production and Servicing businesses generate significant capital
- Broad access to capital in a variety of forms to support future growth

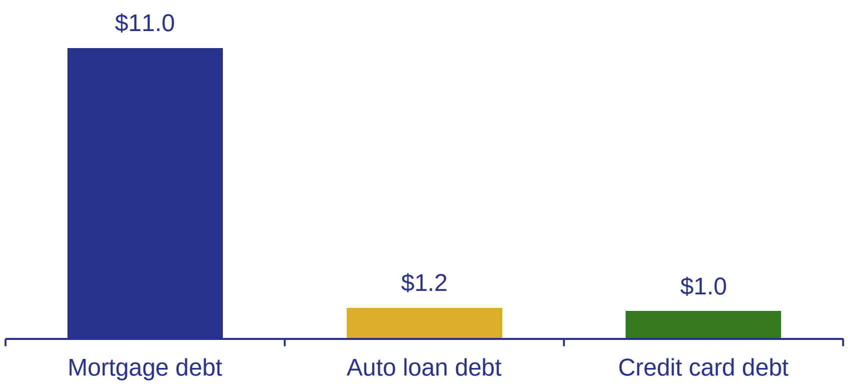
Dividend Initiation

- $0.12 per share cash dividend declared for third quarter of 2019
- Establishment of quarterly cash dividend is an important component in the structure of providing long-term, sustainable stockholder returns, while continuing to invest in long-term growth of the business
- Reflects PFSI's strong capital base and balanced business model across different market environments
- Dividend level will be reviewed each quarter and determined based on a number of factors, including, among other things, PFSI's earnings, liquidity, growth outlook, the capital required to support ongoing growth opportunities, the forward-looking economic environment, and compliance with other internal and external requirements
- Provides opportunity to broaden universe of potential investors

Large Opportunity in the U.S. Mortgage Market

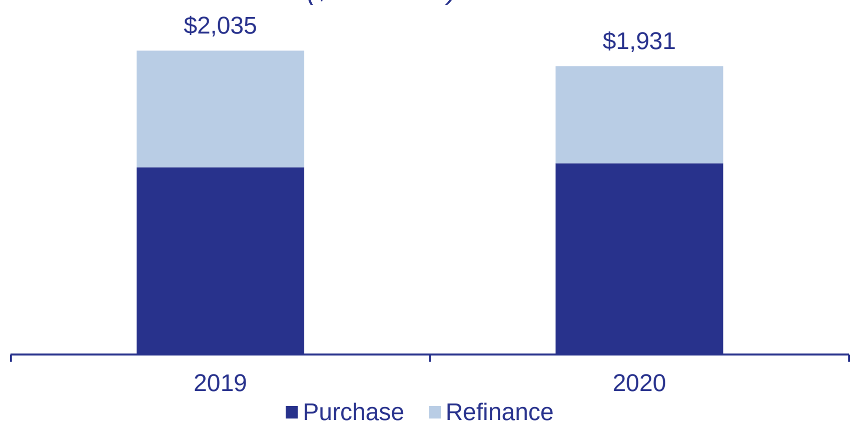
U.S. Consumer Debt Outstanding[1]

($ in trillions)



U.S. Mortgage Origination Market[2]

($ in billions)



- The mortgage market is the largest consumer finance market in the U.S.
- Banks have reduced their presence, representing a significant opportunity for specialists with the requisite operational capabilities, scale and capital
  - The market share of banks in the top 15 mortgage producers has fallen to 19% from 33% in 2015[3]

- Mortgage originations have increased substantially with the decline in interest rates
  - The 30-year fixed rate mortgage remains at lowest levels since 2016[4]
  - Forecasts for 2020 have increased by $230 billion since June; current forecasts assume 10-year Treasury yields range from 1.8% to 2.1%[2]
  - Purchase-money volumes drive the majority of mortgage originations and are expected to continue growing

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(1) Source: Federal Reserve Consumer Credit Report as of October 7, 2019. Data as of June 30, 2019
(2) Average of Mortgage Bankers Association, Fannie Mae, Freddie Mac forecasts as of October 2019
(3) Inside Mortgage Finance for 9M2019 and full year 2015, respectively
(4) Freddie Mac Primary Mortgage Market Survey. 3.69% as of November 7, 2019

PFSI Is a Leader and Growing in Each of Its Business Segments

Loan Production

- Largest correspondent aggregator in the U.S. in 3Q19[(1)]
  - 770 seller relationships at September 30, 2019
  - Scalable platform delivers high service levels and fast turn times
- Growing consumer direct and broker direct channels
  - Substantial consumer direct opportunity from existing servicing portfolio customers; lock and funding volumes have more than doubled from a year ago
  - Broker direct launched in 2018 to address growing market and purchase money loans

Loan Servicing

- Large and growing servicing portfolio of over 1.7 million customers
- Organic growth due to substantial loan production volumes, supplemented by opportunistic bulk mortgage servicing rights (MSR) acquisitions
- Scale and technology investments driving greater efficiencies and increased profitability

Investment Management

- External manager of PMT, a leading residential mortgage REIT
- Unique, attractive investment strategies for PMT enabled by PFSI's platform, e.g., government-sponsored enterprise (GSE) credit risk transfer (CRT) and MSRs
- PMT has successfully raised over $600 million in new equity capital in 2019 given its investment opportunity and outlook[(2)]
- PFSI earns management fees and incentive income based on PMT's performance

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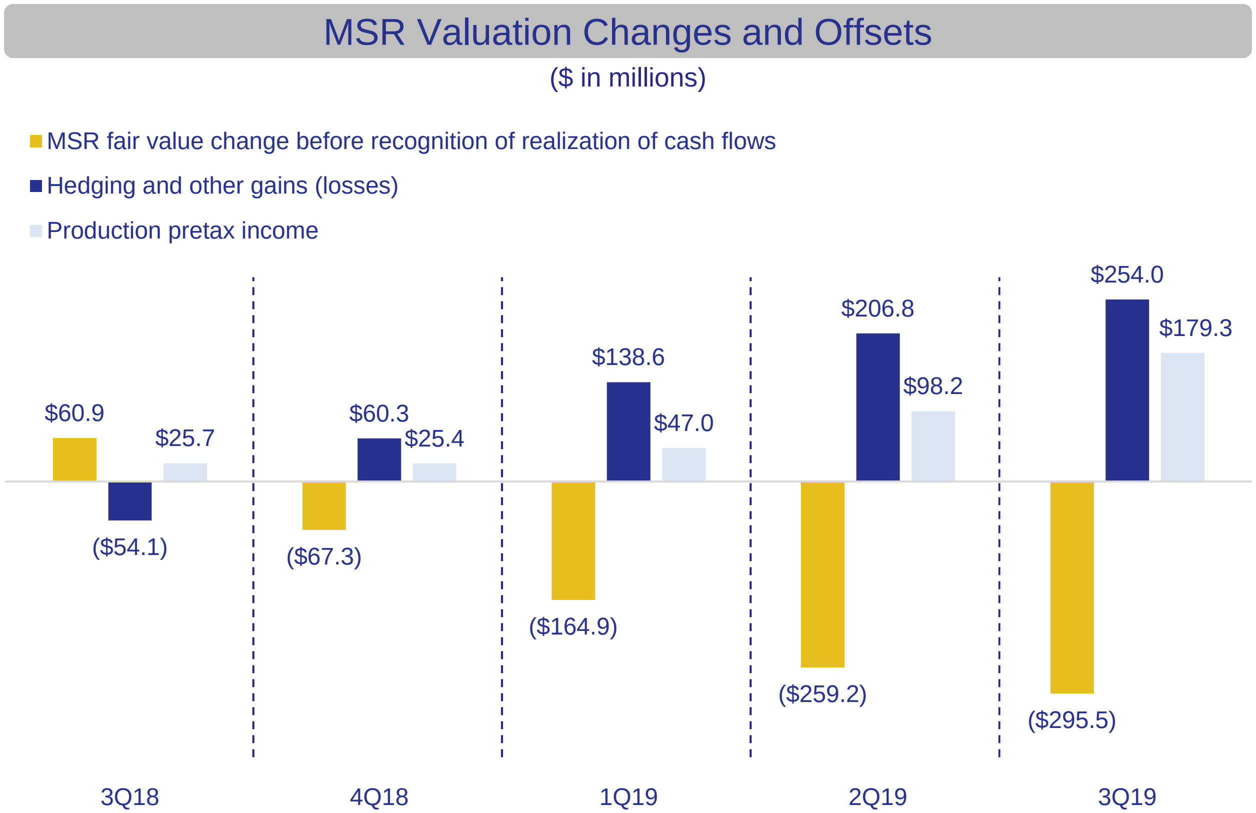
[(1)] According to Inside Mortgage Finance
[(2)] In addition to new equity capital, on November 7, PennyMac Corp., an indirect, wholly-owned subsidiary of PMT, completed a private offering of $200 million of 5.50% exchangeable senior notes due 2024

Hedging Approach Moderates the Volatility of PFSI's Results



- PFSI seeks to moderate the impact of interest rate changes on the fair value of its MSR asset through a comprehensive hedge strategy that also considers production-related income
- In 2019, MSR fair value has decreased due to higher expected prepayments related to declining interest rates
- Gains from hedging activities have largely offset MSR fair value losses
  - Ongoing hedge costs reduced these gains, which totaled $599 million for the first 9 months of 2019

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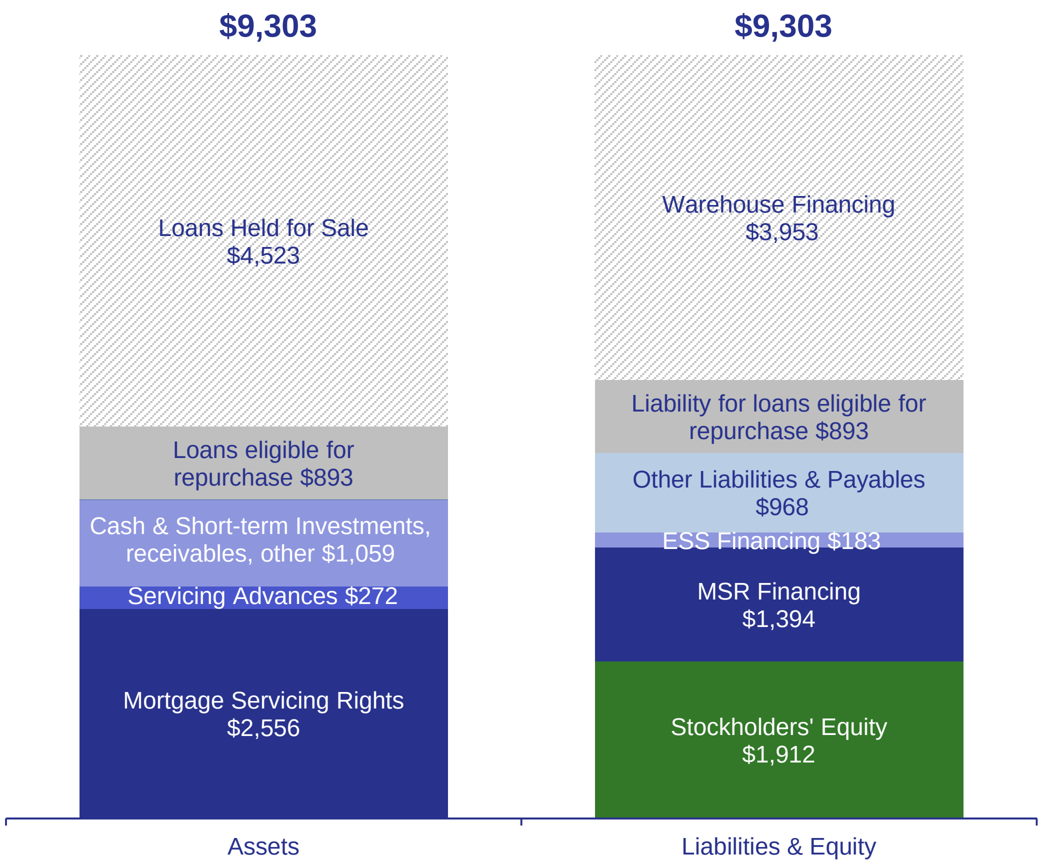
Balance Sheet Strength and Low Leverage Are Key to Our Success

As of September 30, 2019

($ in millions)



- Strong balance sheet with low leverage versus competitors
  - Debt to equity of 2.9x
- Diversified liquidity sources and term debt that finances the largest long-term asset (MSRs)
- Considerable oversight from State regulators, the CFPB, GSEs, ratings agencies and bank counterparties

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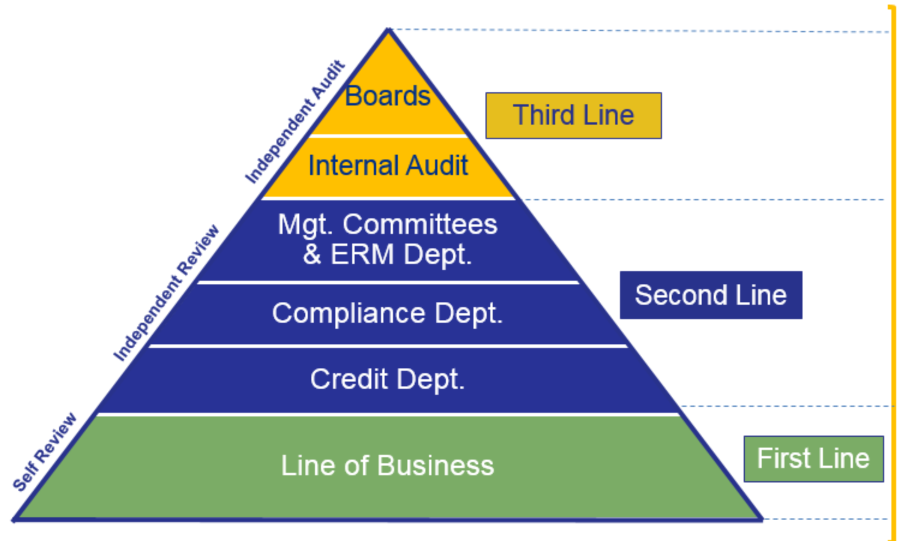
PennyMac's Enterprise Risk Management (ERM) Foundation

- Effective governance, compliance and operating systems are critical
- PennyMac has utilized a "three-lines of defense" model to monitor the effectiveness of controls
- ERM is a fundamental part of our day-to-day operating activities and a core component of our strategic planning process
- Our risk management infrastructure combines our extensive market expertise and technology to identify and monitor risks across the enterprise

ERM Framework Overview



Three lines of defense are in place to support PennyMac's risk management activities and to safeguard its assets and reputation.

First Line: Primary responsibility for managing risk including policies and procedures, training, reporting, quality assurance testing, monitoring and implementing corrective actions.
Second Line: Assesses risk and identifies changes in internal and external requirements, establishes corporate policies, procedures, and corporate training requirements, assesses the quality of controls and adherence to policies and procedures.
Third Line: Internal Audit assesses the quality of controls and reports these results and the status of corrective actions. The Board has overall responsibility for the assessment of the Company's risk profile.

PFSI's Unique, Synergistic Partnership with PMT

PennyMac Financial Services, Inc.

(NYSE: PFSI)

Best-in-Class Operating Platform

- Market Capitalization: $2.4 billion[(1)]
- Over 3,900 employees

Subsidiaries:

PennyMac Loan Services, LLC (PLS)

- Mortgage production and servicing businesses
- Holder of required state / local licenses and Agency approvals

PNMAC Capital Management, LLC (PCM)

- SEC-registered investment adviser
- Net AUM: $2.2 billion[(2)]

Management Agreements

Services Agreements

PennyMac Mortgage Investment Trust

(NYSE: PMT)

Tax-Efficient Investment Vehicle

- Market Capitalization: $2.0 billion[(1)] and $2.2 billion in shareholders' equity[(2)]
- 10-year history with total annualized return to shareholders of 12% since inception[(3)]
- Efficient investor in residential mortgage-related assets: $10.7 billion in total assets[(2)]
- Organically created attractive investments from its correspondent production
  - Results in core investments in GSE CRT and MSRs[(4)]
- CRT represents up-front credit risk on loans delivered by PMT to FNMA; earns spread income on the portion of risk assumed
- MSRs represent the right to service mortgage loans; earn servicing and ancillary fees

(1) Based on closing price as of November 7, 2019
(2) As of September 30, 2019
(3) Source: Bloomberg, includes dividends and reinvestment of those dividends; as of November 7, 2019
(4) MSRs are owned as part of a comprehensive interest rate sensitive strategy which also includes excess servicing spread (ESS), Agency MBS and hedge instruments.

Substantial Advancements in Technology to Further PFSI's Advantages

Servicing Systems Environment (SSE)

- Recently completed multi-year initiative, investing over $100 million to develop and implement a proprietary, workflow-driven servicing system with a modern, scalable and flexible architecture to meet PennyMac's needs
- Full cloud-based infrastructure, real-time processing and modern data management
- Tested and implemented through the multi-year, phased release of more than 150 modules
- Benefits include reduced costs, increased scalability and greater flexibility to advance workflow management and address regulatory and market changes
- Reduces reliance on third-party vendors and further distinguishes PFSI as an industry leader

Production Enterprise Platform

- Evolving our platform using a combination of vendor and proprietary systems to support business growth across all production channels
- Migrating our correspondent channel to a cloud-based, digital mortgage platform; eventually seek to consolidate consumer direct and broker direct channels onto the same platform
- Enables further efficiencies, process consistency and enhancements to the customer experience across all channels

Customer-Facing Portals

Regular new releases enhancing loan officer and broker productivity:

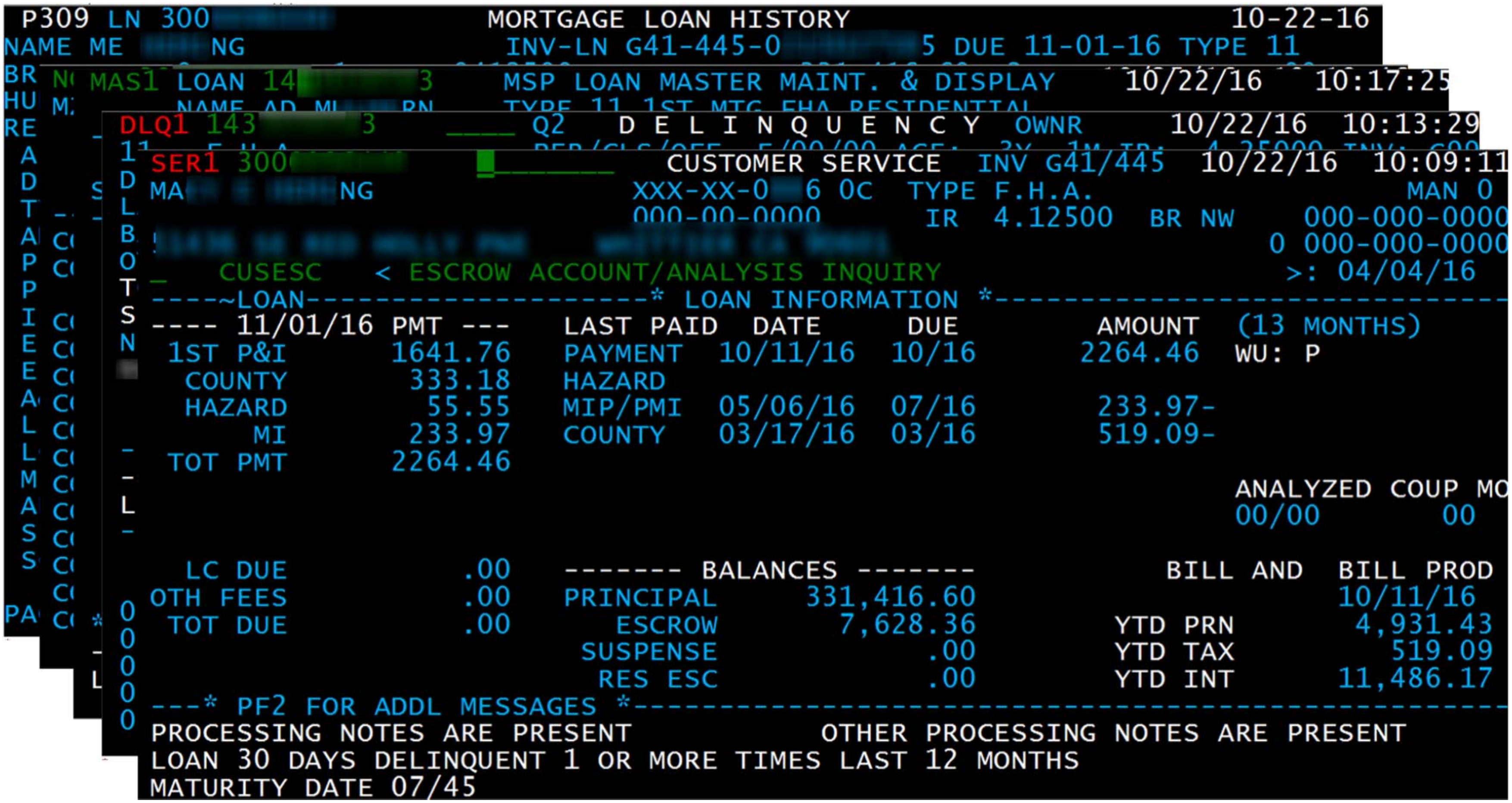
- mac MORTGAGE ACCESS CENTER for connecting consumers with our consumer direct lending division
- POWER for connecting approved brokers with our broker direct lending division

Pricing and Margin Management Systems

- Best-in-industry pricing granularity and real-time pricing updates – can compute and disseminate hundreds of thousands of mid-day price updates within a minute
- Sophisticated, proprietary loan bidding system to granularly optimize margins

Dominant Servicing Technology Platform(1)

Mainframe hosted system with "Green screen" emulator interfaces and loan data disbursed across a plurality of code screens



(1) Leading platform provider's screens extracted from a public facing website at https://www.quia.com/sv/759642.html

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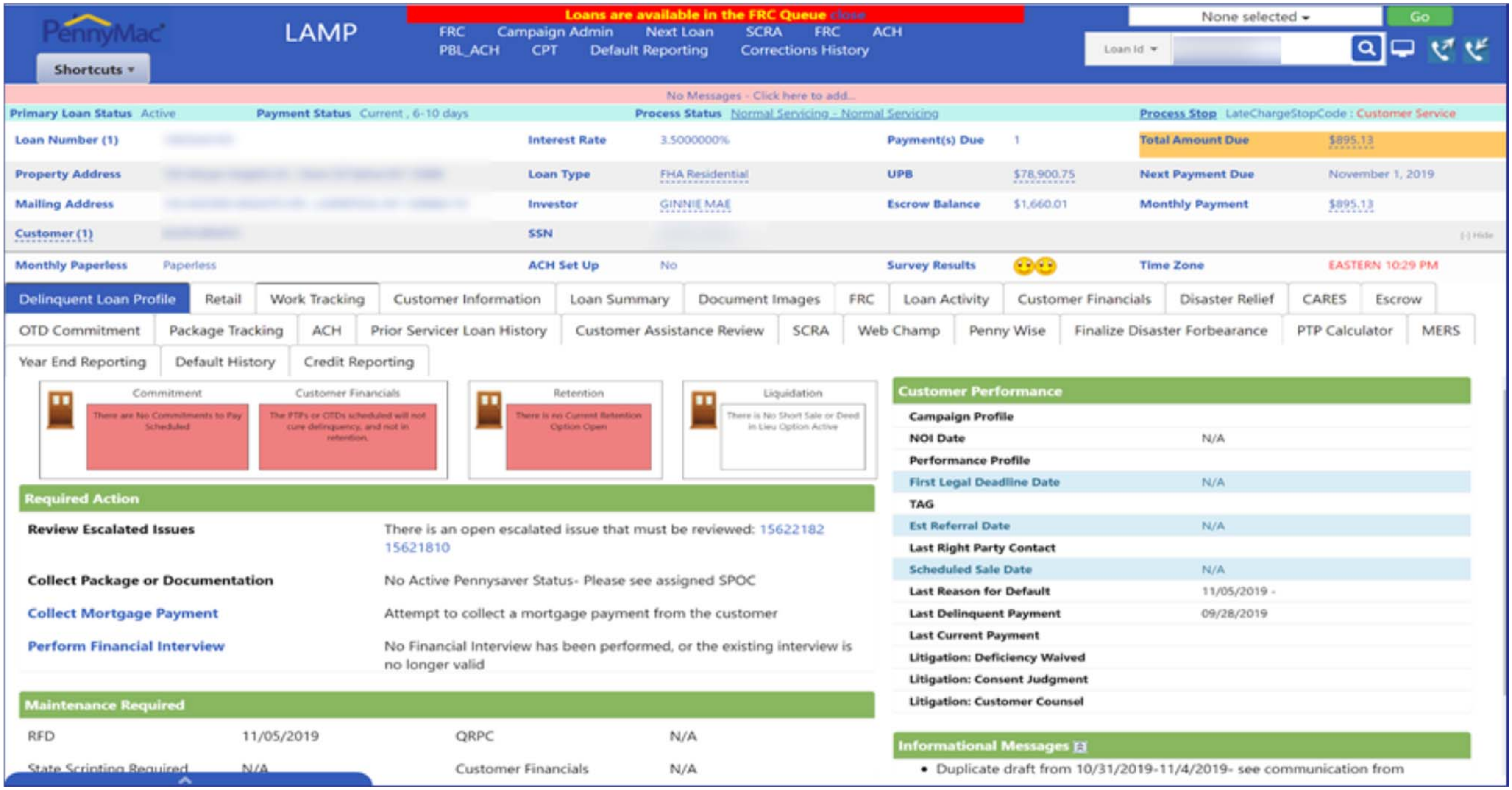
SSE Is a Substantial Advancement for PennyMac's Servicing Capabilities

Suite of applications specifically designed for actual operational workflows; associates can conduct most activities on a rich and integrated screen to maximize productivity and streamline training time



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Key Attributes of PennyMac's Servicing Systems Environment

Architecture	▪ Modern cloud-based architecture delivered to users through thin-client websites
User Interface	▪ Modern point-and-click user navigation with aggregated PennyMac loan content
Processing	▪ Real-time processing of financial and other transactions instantly updating key loan attributes ▪ Built-in reporting and work queues that leverage real-time processing for up-to-the-second accuracy ▪ Systematic documentation of user time spent, navigation and screen interaction in real-time ▪ Intelligence to reduce exceptions and increase efficiency based on historical customer activities
Workflow Capabilities	▪ Departmental workflows with rich data forms and document image integration ▪ Intelligent exception-based system generated workflows ▪ Systematic fulfillment of customer requests ▪ Error prevention controls to trap and escalate issues

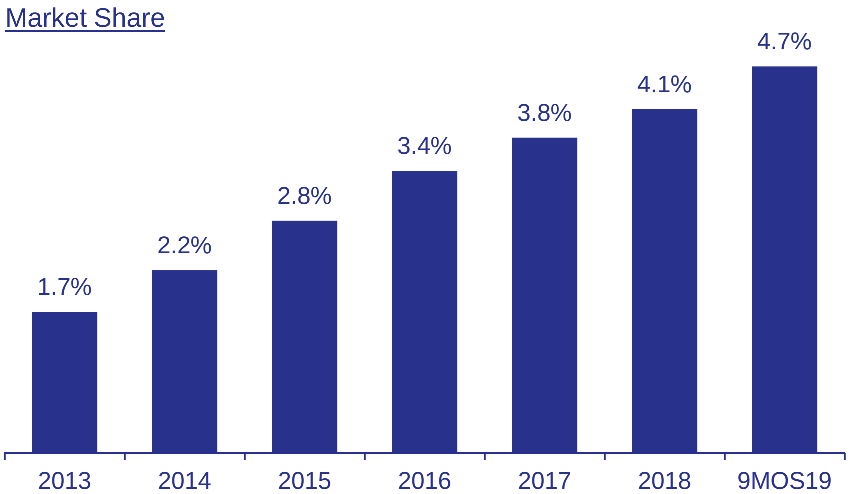
Significant Reduction in Servicing Technology-Related Expenses

($ in millions)	2019E	2020E
Technology Operations and Proprietary Applications	$ 42	$ 49
Vendor Fees	30	7
Legal and Other	4	5
Total Servicing Technology-Related Expenses	**$ 76**	**$ 61**

- Servicing technology-related expenses expected to be approximately $15 million lower in 2020
- Major portion of expense has transitioned from per-loan vendor fees to maintenance expense for proprietary applications
  - SSE will allow PFSI to capture additional scale benefits as the portfolio grows
- Continue to utilize vendor technology for selected functions – e.g., foreclosure and bankruptcy processing activities

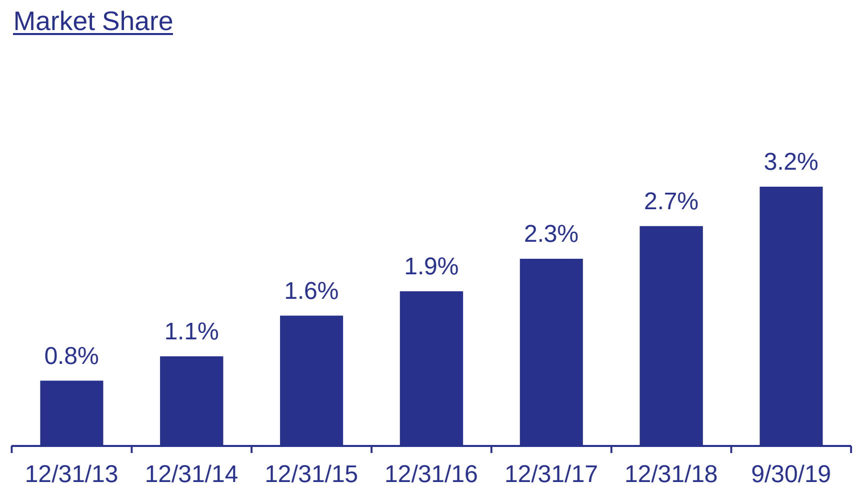
Trends in PennyMac Financial's Businesses

Total Production[1]



- Correspondent production has driven market share growth historically
- Consumer-direct and broker-direct lending channels are expected to drive market share growth going forward

Loan Servicing[1]



- Organic growth of PennyMac's servicing driven by industry-leading production volumes
- Supplemented by opportunistic bulk MSR acquisitions

(1) Source: Inside Mortgage Finance as of 3Q19

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Drivers of Earnings Growth for PennyMac Financial

Expanding our mortgage market presence	▪ **Correspondent** – focus on growth of non-delegated; expanding community bank and credit union relationships ▪ **Broker Direct Lending** – focus on leveraging technology and access to PennyMac platform to drive growth ▪ **Consumer Direct Lending** – expanded refinance opportunities as a result of lower rates; remain focused on growth of purchase-money and non-portfolio volumes
Infrastructure for new products	▪ **Grow investment management activities** with PMT's ability to securitize and invest in new products ▪ **HELOCs**[(1)] - first non-bank lender to directly offer a HELOC to our servicing portfolio customers ▪ **Prime non-QM**[(2)] – already launched in the correspondent channel
Continued technology development	▪ Successfully developing and implementing new technologies throughout the business – loan servicing, production channels, pricing and margin management ▪ Scale allows us to invest while facilitating new business opportunities and furthering our competitive advantages
Scale advantage and efficiency	▪ Expense management initiatives to capture scale efficiencies and increase operating margins, while maintaining capacity to address current refinancing opportunities ▪ Continued focus on automation, workflow optimization and process enhancements throughout the business (e.g., end-to-end process redesign in loan fulfillment)
Organic growth opportunities	▪ Leverage operational expertise, access to capital and technology investments to achieve greater scale benefits and adapt to market changes ▪ Continued distinction in service levels across all channels of mortgage production through operational excellence and technology-driven competitive advantages which are expected to drive market share gains

(1) Home Equity Line of Credit
(2) Non-Qualified Mortgage

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Significant Growth Continues Across All Business Segments

Production volumes remain at elevated levels

- Correspondent acquisitions in October were $14.5 billion in UPB; locks were $14.1 billion in UPB
- Consumer-direct originations in October were $1.1 billion in UPB; locks were $1.9 billion in UPB
  - $2.5 billion committed pipeline at October 31, 2019
- Broker-direct originations in October were $299 million in UPB; locks were $379 million in UPB
  - $361 million committed pipeline at October 31, 2019

Servicing portfolio growth continues, driven by strong organic production volumes

- $348 billion in UPB at September 30, 2019

Net AUM driven by PMT's solid growth prospects

- $2.2 billion[1]

Given the current market environment, we expect exceptional performance for PennyMac Financial to continue through the fourth quarter, while the continued growth of our production, servicing and investment management businesses is expected to drive long-term earnings performance

[1] As of September 30, 2019

Appendix

3Q19 Servicing Profitability Excluding Valuation-Related Changes

	3Q18			2Q19			3Q19		
		$ in millions	basis points[1]		$ in millions	basis points[1]		$ in millions	basis points[1]
Operating revenue	$	198.3	28.5	$	253.7	30.8	$	270.8	31.7
Realization of MSR cash flows		(71.4)	(10.3)		(106.8)	(13.0)		(117.2)	(13.7)
EBO loan-related revenue[2]		40.7	5.9		38.2	4.6		33.6	3.9
Servicing expenses:									
Operating expenses		(70.9)	(10.2)		(75.8)	(9.2)		(87.0)	(10.2)
Interest shortfall		(4.9)	(0.7)		(8.2)	(1.0)		(12.5)	(1.5)
Credit losses and provisions for defaulted loans		(18.6)	(2.7)		(16.0)	(1.9)		(20.8)	(2.4)
EBO loan transaction-related expense		(14.0)	(2.0)		(10.6)	(1.3)		(19.9)	(2.3)
Financing expenses:									
Interest on ESS		(3.7)	(0.5)		(2.8)	(0.3)		(2.3)	(0.3)
Interest to third parties		(25.6)	(3.7)		(24.6)	(3.0)		(19.6)	(2.3)
Pretax income excluding valuation-related changes	**$**	**29.9**	**4.3**	**$**	**47.1**	**5.7**	**$**	**25.2**	**3.0**
Valuation-related changes[3]									
MSR fair value[4]		60.9			(259.2)			(295.5)	
ESS liability fair value		(1.1)			3.6			3.9	
Hedging derivatives gains (losses)		(53.0)			203.2			250.1	
Reversal of liability (provision) for credit losses on active loans[5]		(3.1)			2.6			(1.8)	
Servicing segment pretax income	**$**	**33.6**		**$**	**(2.7)**		**$**	**(18.1)**	
Average servicing portfolio UPB	**$**	**274,421**		**$**	**329,356**		**$**	**341,370**	

- Increased operating revenue driven by a larger servicing portfolio, largely offset by higher realization of MSR cash flows due to higher prepayment expectations
- Interest shortfall increased $4.3 million Q/Q due to higher actual prepayments
- Additional technology-related expenses of $7 million Q/Q primarily related to the development and completion of our servicing system modules; servicing technology-related expenses are expected to be approximately $15 million lower in 2020 versus 2019
- EBO loan-related expense increased by $9.3 million due to $1.0 billion UPB increase in buyout volumes; expected to drive future period income as loans are modified or reperform and become eligible for redelivery

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(1) Of average portfolio UPB, annualized
(2) Comprised of net gains on mortgage loans held for sale at fair value and net interest income related to EBO loans
(3) Changes in fair value do not include realization of MSR cash flows, which are included in amortization and realization of MSR cash flows above
(4) Includes fair value changes and provision for impairment
(5) Considered in the assessment of MSR fair value changes