PennyMac Mortgage Investment Trust

First Quarter 2019 Earnings Report

May 2, 2019

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 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 our investment objectives or investment or operational strategies, including any new lines of business or new products and services that may subject us to additional risks; volatility in our industry, the debt or equity markets, the general economy or the real estate finance and real estate markets specifically, whether the result of market events or otherwise; events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large depository institutions or other significant corporations, terrorist attacks, natural or man-made disasters, or threatened or actual armed conflicts; changes in general business, economic, market, employment and political conditions, or in consumer confidence and spending habits from those expected; declines in real estate or significant changes in U.S. housing prices or activity in the U.S. housing market; the availability of, and level of competition for, attractive risk-adjusted investment opportunities in mortgage loans and mortgage-related assets that satisfy our investment objectives; the inherent difficulty in winning bids to acquire mortgage loans, and our success in doing so; the concentration of credit risks to which we are exposed; the degree and nature of our competition; our dependence on our manager and servicer, potential conflicts of interest with such entities and their affiliates, and the performance of such entities; changes in personnel and lack of availability of qualified personnel at our manager, servicer or their affiliates; the availability, terms and deployment of short-term and long-term capital; the adequacy of our cash reserves and working capital; our ability to maintain the desired relationship between our financing and the interest rates and maturities of our assets; the timing and amount of cash flows, if any, from our investments; unanticipated increases or volatility in financing and other costs, including a rise in interest rates; the performance, financial condition and liquidity of borrowers; the ability of our servicer, which also provides us with fulfillment services, to approve and monitor correspondent sellers and underwrite loans to investor standards; incomplete or inaccurate information or documentation provided by customers or counterparties, or adverse changes in the financial condition of our customers and counterparties; our indemnification and repurchase obligations in connection with mortgage loans we purchase and later sell or securitize; the quality and enforceability of the collateral documentation evidencing our ownership and rights in the assets in which we invest; increased rates of delinquency, default and/or decreased recovery rates on our investments; our ability to foreclose on our investments in a timely manner or at all; increased prepayments of the mortgages and other loans underlying our mortgage-backed securities or relating to our mortgage servicing rights , excess servicing spread and other investments; the degree to which our hedging strategies may or may not protect us from interest rate volatility; the effect of the accuracy of or changes in the estimates we make about uncertainties, contingencies and asset and liability valuations when measuring and reporting upon our financial condition and results of income; our failure to maintain appropriate internal controls over financial reporting; technologies for loans and our ability to mitigate security risks and cyber intrusions; our ability to obtain and/or maintain licenses and other approvals in those jurisdictions where required to conduct our business; our ability to detect misconduct and fraud; our ability to comply with various federal, state and local laws and regulations that govern our business; developments in the secondary markets for our mortgage loan products; legislative and regulatory changes that impact the mortgage loan industry or housing market; changes in regulations or the occurrence of other events that impact the business, operations or prospects of government agencies or government-sponsored entities, or such changes that increase the cost of doing business with such entities; the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations and regulatory agencies, and any other legislative and regulatory changes that impact the business, operations or governance of mortgage lenders and/or publicly-traded companies; the Consumer Financial Protection Bureau and its issued and future rules and the enforcement thereof; changes in government support of homeownership; changes in government or government-sponsored home affordability programs; limitations imposed on our business and our ability to satisfy complex rules for us to qualify as a real estate investment trust (REIT) for U.S. federal income tax purposes and qualify for an exclusion from the Investment Company Act of 1940 and the ability of certain of our subsidiaries to qualify as REITs or as taxable REIT subsidiaries for U.S. federal income tax purposes, as applicable, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules; changes in governmental regulations, accounting treatment, tax rates and similar matters (including changes to laws governing the taxation of REITs, or the exclusions from registration as an investment company); the effect of public opinion on our reputation; the occurrence of natural disasters or other events or circumstances that could impact our operations; and our organizational structure and certain requirements in our charter documents.

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

First Quarter Highlights

- Net income attributable to common shareholders of $47.3 million; diluted earnings per common share of $0.68
  - Annualized return on average common equity of 14%, up from 11% in the prior quarter
  - Dividend of $0.47 per common share declared on March 26, 2019 and paid on April 29, 2019
  - Book value per common share increased to $20.72 from $20.61 at December 31, 2018
- Results reflect:
  - Solid performance of our GSE credit risk transfer (CRT) investments, which benefited from continued investment growth and reversal of the credit spread widening we experienced in the fourth quarter
  - Hedging of interest rate sensitive assets mitigated the impact of significant value losses on mortgage servicing rights (MSRs) as interest rates declined; $100.6 million decrease in fair value of MSRs and excess servicing spread (ESS) partially offset by $80.7 million in gains on MBS and hedges
- Segment pretax results: Credit Sensitive Strategies: $58.4 million; Interest Rate Sensitive Strategies: $0.8 million; Correspondent Production: $3.6 million; Corporate: $(12.9) million
- Continued investment in CRT and MSRs resulting from PMT's correspondent production
  - Conventional loan production totaled $9.0 billion in unpaid principal balance (UPB), down 10% from the prior quarter[1]
  - CRT deliveries totaled $7.7 billion in UPB, expected to result in approximately $282 million of new CRT investments
  - New MSR investments totaled $132 million
- Pioneered a groundbreaking structure in the financing of certain of our settled CRT investments
  - Issued $296 million of 3-year term notes secured by our first three CRT deals; replaced short term repurchase agreements at a similar effective cost with improved capital efficiency

[1] Includes conventional loan acquisitions from PennyMac Financial Services, Inc. (NYSE: PFSI), which totaled $0.7 billion in the first quarter, down 17% from the prior quarter

First Quarter Highlights (continued)

- Entered into agreements during and after the quarter to sell approximately $49 million in UPB of nonperforming loans from the distressed portfolio[(1)]
  – Sales represent approximately 26% of the distressed loan portfolio UPB at March 31, 2019
- Raised approximately $147 million in net proceeds from common equity capital raises during the quarter
  – Raised approximately $143 million in net proceeds from an issuance of 7 million common shares in an underwritten equity offering
  – Launched a $200 million "At The Market" (ATM) common equity issuance program; issued 221,000 common shares during the quarter for approximately $4.5 million in net proceeds

[(1)] These transactions are subject to continuing due diligence and customary closing conditions. There can be no assurance regarding the size of these transactions or that these transactions will be completed at all.

Current Market Environment

- The U.S. economy remains on strong footing, despite global growth concerns
  - Greater clarity from the Federal Reserve on expectations for further rate increases
- The average 30-year fixed mortgage rate in the first quarter was 41 basis points lower than 4Q18
  - Interest rate decline driving increased refinance activity; Mortgage Bankers Association (MBA) Refinance Application Index at quarter end was 1,786 compared to 730 at December 31, 2018
- Moderating home price appreciation combined with lower rates improves affordability
  - Purchase originations are expected to grow by mid-single digit percentages over the next two years
- Spreads on GSE credit risk transfer (CRT) securities largely retraced the 40 - 80 basis points of the widening experienced in 4Q18
- Total U.S. mortgage delinquency rates remain near their recent all-time lows at 3.65% as of March 31, 2019
  - Down from 3.88% at December 31, 2018 and 3.73% at March 31, 2018[3]

Average 30-year fixed rate mortgage[1]

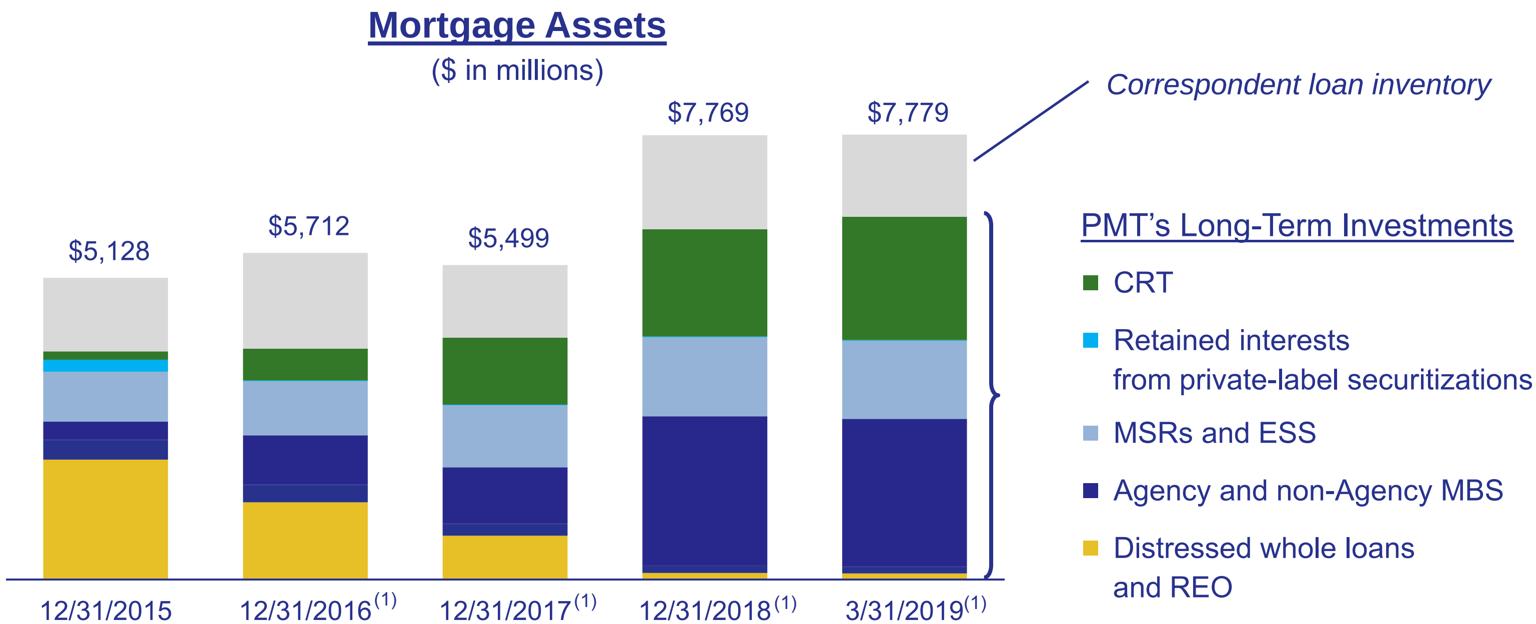
Macroeconomic Forecasts[2]

	2016	2017	2018	2019E	2020E	2021E
New home sales ('000s)	561	616	620	639	666	696
Existing home sales ('000s)	5,440	5,547	5,339	5,411	5,526	5,802
Total originations ($ in billions)	$2,065	$1,810	$1,630	$1,642	$1,663	$1,740
Purchase originations ($ in billions)	$1,037	$1,144	$1,141	$1,196	$1,249	$1,308
U.S. Home Price Appreciation (Y/Y % Change)	5.8%	6.9%	6.3%	4.1%	2.8%	1.9%

Green: denotes improvement since previous earnings report
Red: denotes drop since previous earnings report

(1) Freddie Mac Primary Mortgage Market Survey. 4.20% as of April 25, 2019
(2) Actual Home Sales: National Association of Realtors (existing) and the Census Bureau (new). Home sales Forecast: Average of Mortgage Bankers Association and Fannie Mae. Actual purchase and total originations: Inside Mortgage Finance. Purchase and total originations forecast: Average of Mortgage Bankers Association, Fannie Mae, Freddie Mac. Actual home price appreciation: FHFA House Price Index. Forecasted home price appreciation: Average of Mortgage Bankers Association, Fannie Mae, Freddie Mac.
(3) Black Knight, Inc. Includes loans that are 30 days or more past due but not in foreclosure

PMT Is a Mortgage REIT with Unique Investment Strategies



	12/31/2015	12/31/2016[1]	12/31/2017[1]	12/31/2018[1]	3/31/2019[1]
Leverage ratio[2]	3.1x	3.6x	2.5x	3.9x	3.3x

- High-quality balance sheet comprised of residential mortgage investments focused on CRT and MSRs
- MSRs are part of comprehensive interest rate sensitive strategies which include MSRs, MBS, ESS and hedge instruments
- Capabilities to organically create attractive investments resulting from PMT's loan production; 4th largest conventional conforming mortgage producer in the U.S.[3]
- Strong capital structure and relatively low leverage with access to diverse sources of financing

(1) The fair value of CRT investments is reflected on the balance sheet as restricted cash and derivative assets. Presented on a pro forma basis that reflects the settlement of the commitment to fund deposits securing CRT agreements related to our fourth CRT investment and for December 31, 2018 and March 31, 2019, firm commitment to purchase CRT securities

(2) All borrowings divided by shareholders' equity at period end

(3) Source: Inside Mortgage Finance, for the period of 4Q18

PMT's Strategies for Long-Term Growth

Focused on core strategies of organic investments in CRT and MSRs

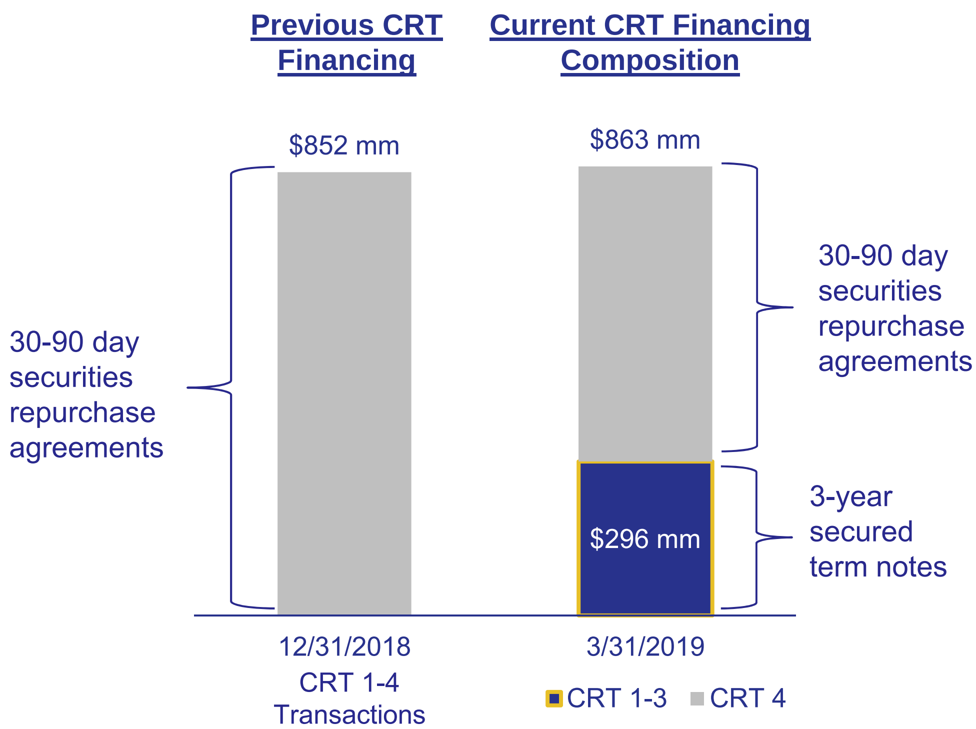
- Leading producer of conventional conforming loans drives organic investment growth
- Seek to deploy approximately $400 - $600 million in equity in CRT & MSRs during 2019
  - Capital deployment into CRT investments estimated to range from $200 million to $300 million
  - Capital deployment into MSRs estimated to range from $200 million to $300 million
  - Levels of capital deployment primarily dependent on conventional conforming production volume

Expanding organic investment strategies

- Leveraging PMT's partnership with PennyMac Financial to invest in Home Equity Line of Credit (HELOC) and prime non-qualified mortgage (non-QM) loan securitization interests
  - PennyMac Financial launched a HELOC product, offering its servicing portfolio customers the opportunity to tap into the equity in their homes
  - Also launched an innovative prime non-QM loan product in January in our correspondent channel, offering a technology-based solution to streamline the underwriting process

Recent equity raise to be deployed in these attractive strategies

New CRT Financing Extends Maturities and Reduces Risk



Expect to utilize new financing structure across all CRT investments and to become a repeat issuer of term notes as CRT investments grow

- Term financing structure that increases the duration and enhances expected returns on equity for PMT's CRT investments
  - Secured term notes replace short-term securities repurchase agreements for CRT 1-3
  - Financing is better aligned to the expected life of the asset
  - Effective advance rate increases from approximately 70% to 75%
  - Potential margin call risk associated with securities repurchase agreements is eliminated; improves returns on equity by reducing internal cash reserves
  - Cost of funds is similar to securities repurchase agreements
  - Financing counterparties diversified to include institutional investors

Run-Rate Return Potential from PMT's Investment Strategies

	Annualized Return on Equity (ROE)	Equity Allocated (%)[1]
Credit sensitive strategies:		
GSE credit risk transfer[2]	18.2%	46%
Distressed loan investments	-9.3%	4%
Other credit sensitive strategies	8.1%	1%
Net credit sensitive strategies	**16.1%**	**50%**
Interest rate sensitive strategies:		
MSRs (incl. recapture)	13.0%	23%
ESS (incl. recapture)	10.8%	4%
Agency MBS	24.2%	6%
Non-Agency senior MBS (incl. jumbo)	22.2%	0%
Interest rate hedges	-3.1%	0%
Net interest rate sensitive strategies	**11.8%**	**34%**
Correspondent production	**11.4%**	**9%**
Cash, short term investments, and other	0.4%	8%
Management fees & corporate expenses[3]	-2.8%	
Net Corporate[3]	**-2.8%**	
Provision for income tax expense[3]	-0.3%	
Net income	**9.9%**	**100%**
Dividends on preferred stock	**8.3%**	**16%**
Net income attributable to common shareholders	**10.1%**	**84%**
Diluted earnings per common share	**$0.51**	

Note: This slide presents estimates for illustrative purposes only, using PMT's base case assumptions (e.g., for credit performance, prepayment speeds, financing economics) and does not contemplate significant changes or shocks to current market conditions. Actual results may differ materially. Please refer to slide 2 for important disclosures regarding forward-looking statements.

- New investments in CRT and MSRs are accretive to and drive PMT's overall return on equity potential
  - CRT and MSR growth driven by PMT's correspondent production
  - Growth in MBS to hedge the interest rate sensitivity of a growing MSR asset
- Correspondent production return potential reflects the continuation of a highly competitive market environment
- Reduced impact of distressed loan portfolio due to significant sales in 2018

(1) Management's internal allocation of equity. Equity allocated to MSR, ESS and distressed loan investments reflects an allocation of exchangeable senior notes and associated expenses
(2) Projected CRT income includes fair value recognition upon loan delivery under CRT agreements
(3) ROE calculated as a percentage of total equity

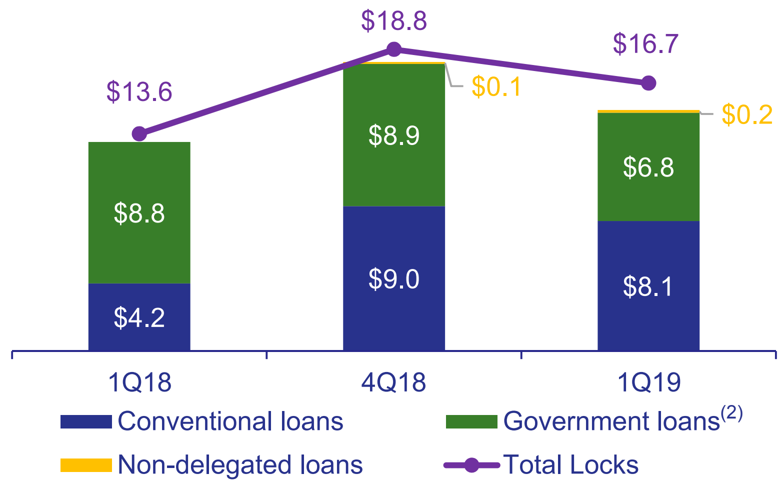
Mortgage Investment Activities

Correspondent Production Highlights

- Correspondent acquisitions from nonaffiliates in 1Q19 totaled $15.1 billion in UPB, seasonally down 17% Q/Q and up 15% Y/Y[(1)]
  - 45% government loans; 55% conventional loans
  - $8.3 billion in UPB of conventional acquisitions, down 10% Q/Q and up 96% Y/Y
  - $6.8 billion in UPB of government acquisitions, down 24% Q/Q and 23% Y/Y, for which PMT earns a sourcing fee from PFSI
  - Non-delegated acquisitions increased 45% Q/Q to $174 million in UPB
- Acquired $730 million in UPB of conventional loans originated by PFSI, down 17% Q/Q and up 3% Y/Y
- Conventional lock volume of $9.0 billion in UPB, down 7% Q/Q and up 108% Y/Y
- While the correspondent market remains highly competitive, margins have stabilized
- April correspondent acquisitions totaled $6.5 billion in UPB; locks totaled $7.5 billion in UPB

Correspondent Production Volume and Mix

(UPB in billions)

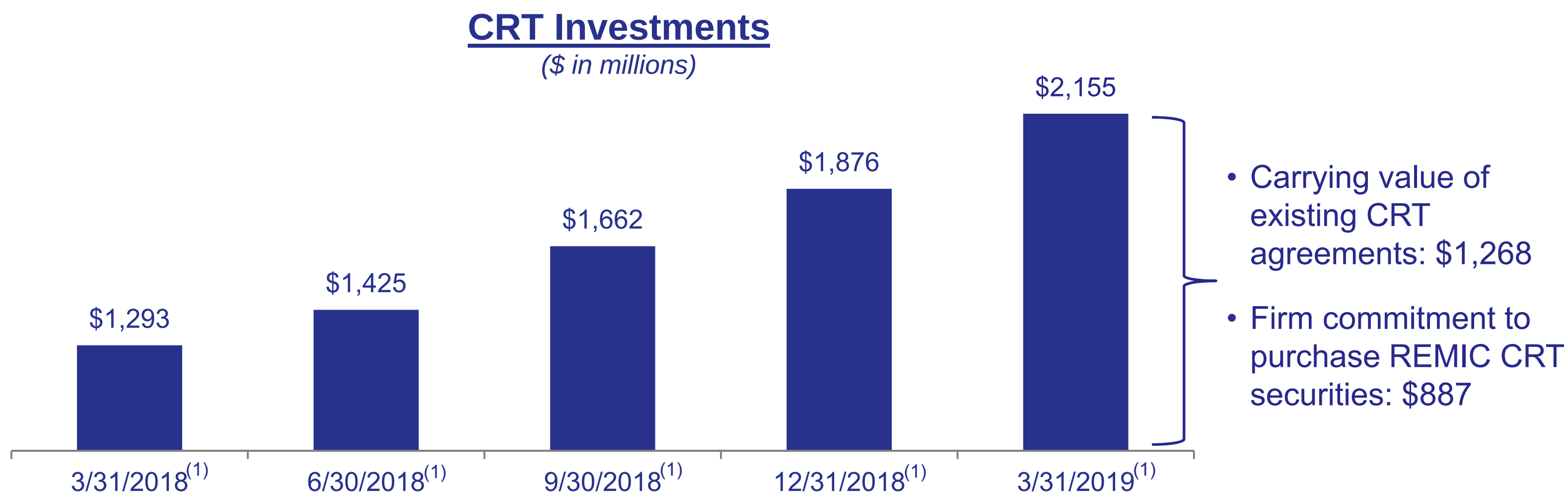


Key Financial Metrics	4Q18	1Q19
Pretax income as a percentage of interest rate lock commitments[(3)]	0.00%	0.02%
Fulfillment Fee[(4)]	0.32%	0.34%

Selected Operational Metrics	4Q18	1Q19
Correspondent Seller Relationships	710	743
Purchase money loans, as a % of total acquisitions	88%	85%

(1) Includes delegated and non-delegated acquisitions
(2) For delegated Government loans, PMT earns a sourcing fee and interest income for its holding period and does not pay a fulfillment fee
(3) Conventional conforming and non-Agency interest rate lock commitments
(4) Based on funded loans subject to fulfillment fees

GSE CRT Investments Growing and Credit Performance Remains Strong



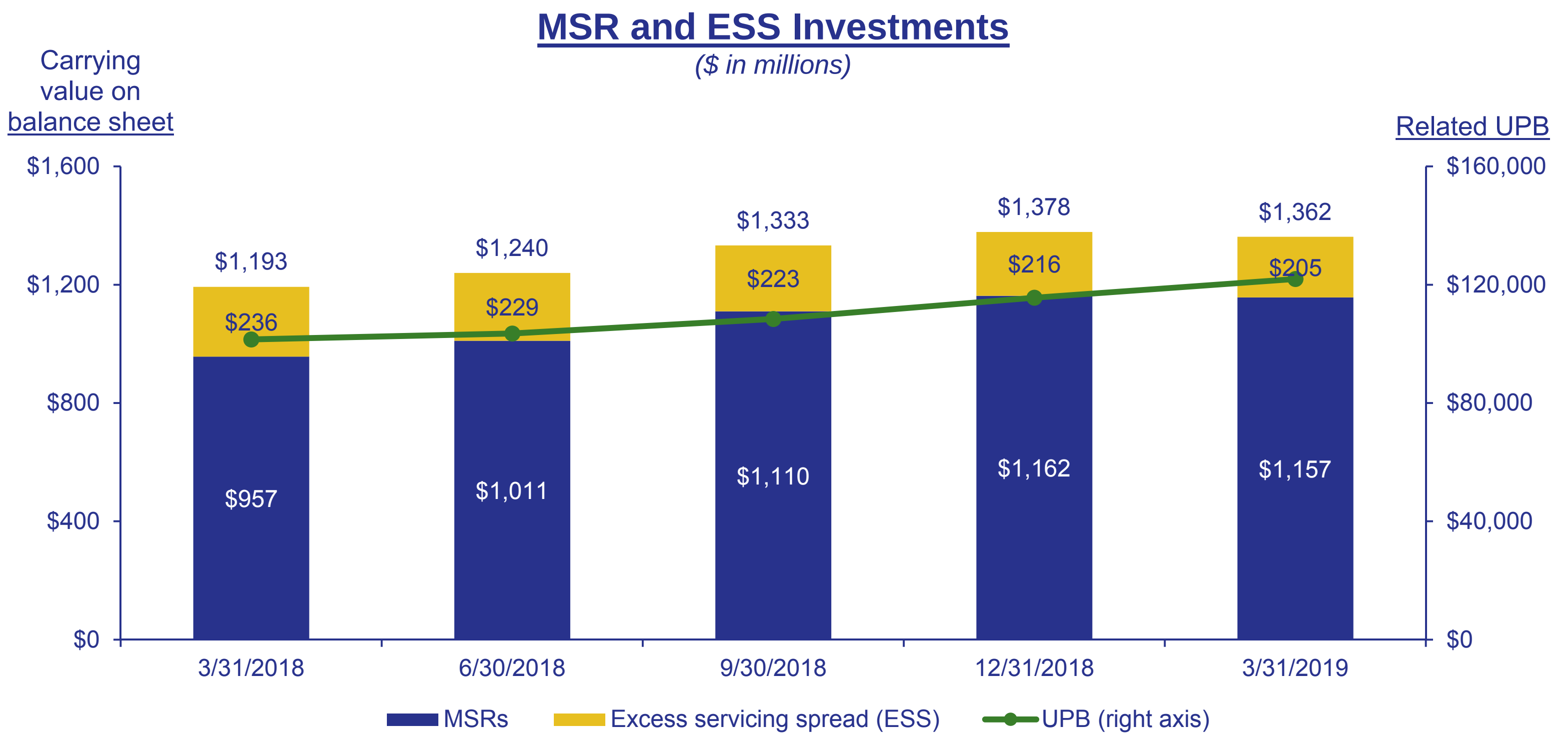
% of conventional production delivered into CRT				
1Q18	**2Q18**	**3Q18**	**4Q18**	**1Q19**
65%	64%	80%	80%	86%

- Loans eligible for CRT investments totaled $7.7 billion during 1Q19, resulting in a firm commitment to purchase $282 million of CRT securities from Fannie Mae under a new REMIC structure
  - Total firm commitments were $887 million at March 31, 2019
- Outstanding UPB of mortgage loans subject to CRT agreements totaled $52.9 billion at March 31, 2019
- Delinquency levels and incurred losses increased modestly in 1Q19, from normal seasoning of loans
  - Losses recognized during the quarter were $0.9 million, bringing lifetime losses to $4.5 million; reflect portfolio seasoning and are in line with expectations

Note: See slides 15, 16 and 25 - 28 for financial performance and additional details regarding CRT investments

(1) The fair value of CRT investments is reflected on the balance sheet as restricted cash and derivative assets. Presented on a pro forma basis that reflects the settlement of the commitment to fund deposits securing CRT agreements related to our fourth CRT investment and for December 31, 2018 and March 31, 2019, firm commitment to purchase CRT securities

Trends in MSR and ESS Investments



- MSR investments decreased modestly to $1.2 billion driven by fair value losses resulting from the decline in mortgage rates during the quarter and expectations for higher prepayments in the future
  - Partially offset by additions from new production volumes
  - UPB associated with MSR investments increased to $99.3 billion, up from $92.4 billion at December 31, 2018
- ESS investments relating to bulk, mini-bulk and flow MSR acquisitions by PFSI between 2013 and 2015 decreased modestly to $205 million, driven by repayments of the underlying loans and interest rate-driven fair value losses
  - UPB associated with ESS investments decreased to $22.7 billion from $23.2 billion at December 31, 2018

Financial Results

First Quarter Income and Return Contributions by Strategy

($ in millions)	Total Income Contribution[1]	Market-Driven Value Changes	Income Excluding Market-Driven Value Changes[1]	WA Equity Allocated[2]	Annualized Return on Equity (ROE)[1]
Credit sensitive strategies:					
GSE credit risk transfer[3]	$ 61.5	$ 31.4	$ 30.1	$ 452	54.5%
Distressed loan investments[2]	(3.5)	$ -	(3.5)	136	-10.4%
Other credit sensitive strategies	0.4	0.3	0.2	12	15.0%
Net credit sensitive strategies	**$ 58.4**	**$ 31.7**	**$ 26.7**	**$ 599**	**39.0%**
Interest rate sensitive strategies:					
MSRs (incl. recapture)[2]	$ (85.0)	$ (96.5)	$ 11.5		
ESS (incl. recapture)[2]	(2.3)	(4.1)	1.8		
Agency MBS	39.5	32.4	7.2		
Non-Agency senior MBS (incl. jumbo)	0.1	(0.2)	0.2		
Interest rate hedges	48.5	48.5			
Net interest rate sensitive strategies	**$ 0.8**	**$ (19.8)**	**$ 20.6**	**$ 846**	**0.4%**
Correspondent production	**$ 3.6**		**$ 3.6**	**$ 184**	**7.9%**
Cash, short term investments, and other	$ 0.4		$ 0.4	$ 35	5.0%
Management fees & corporate expenses	(13.4)	n/a	(13.4)		
Corporate	**$ (12.9)**	**n/a**	**$ (12.9)**	**$ 35**	**n/a**
Benefit for income tax expense	$ 3.7	n/a	$ 3.7		
Net income	**$ 53.5**	**$ 11.8**	**$ 41.7**	**$ 1,664**	**12.9%**
Dividends on preferred stock	**$ 6.2**			**$ 300**	**8.3%**
Net income attributable to common shareholders	**$ 47.3**			**$ 1,364**	**13.9%**
Diluted earnings per common share	**$ 0.68**				

Note: Amounts may not sum exactly due to rounding

(1) Income contribution and the annualized return on equity calculated net of any direct expenses associated with investments (e.g., loan fulfillment fees and loan servicing fees), but before tax expenses. Some of the income associated with the investment strategies may be subject to taxation.

(2) Equity allocated represents management's internal allocation. MSR, ESS and distressed loan investments reflect an allocation of exchangeable senior notes and associated expenses.

(3) Market-driven value changes include fair value recognition upon loan delivery under firm commitment to purchase CRT securities and valuation changes. See slide 16 for details

Performance of the GSE Credit Risk Transfer Investments in 1Q19

($ in millions)

	Income Contribution		Comments
Market-driven value changes:			
Valuation-related changes included in Net gain (loss) on investment	$	20.4	• Reflects effects of credit spread tightening on CRT investments, reversing valuation-related losses in 4Q18
Net gain on mortgage loans acquired for sale		11.0	• Fair value recognition upon loan delivery under firm commitment to purchase CRT securities totaled $19.6 million; $8.6 million was attributed to the Correspondent Production segment
	$	**31.4**	
Income excluding market-driven value			
Realized gains and carry included in Net gain (loss) on investment	$	33.6	• Spread income earned on CRT investments
Losses recognized during period		(0.9)	
Interest income		6.8	• Interest income on cash deposits securing CRT investments
Interest expense		(9.5)	• Financing expense related to CRT investments
	$	**30.1**	
Total income contribution	**$**	**61.5**	

Appendix

PMT's Business Model Is Unique Among Mortgage REITs

Diversified Investment Strategy

- Organically produced investments in credit risk and interest-sensitive assets driven by production activities
- Demonstrated ability to invest in multiple residential mortgage strategies to capitalize on market trends: newly originated loans, CRT, MSRs, ESS[1], RMBS[2] and distressed whole loans
- Securitization interests in HELOC[3] and prime non-QM[4] loans

Access to Mortgage Origination and Servicing Assets

- Exclusive rights to the conventional correspondent production business and resulting assets
- Right of first refusal on other investment opportunities sourced by its manager and service provider, PFSI

PennyMac Mortgage Investment Trust

Strong Balance Sheet with Significant Sources of Liquidity

- Strong capital structure with modest leverage and diversified sources of funding
- Securitization structure that allows for issuance of term notes on Fannie Mae MSRs to institutional investors

Synergistic Partnership with PFSI

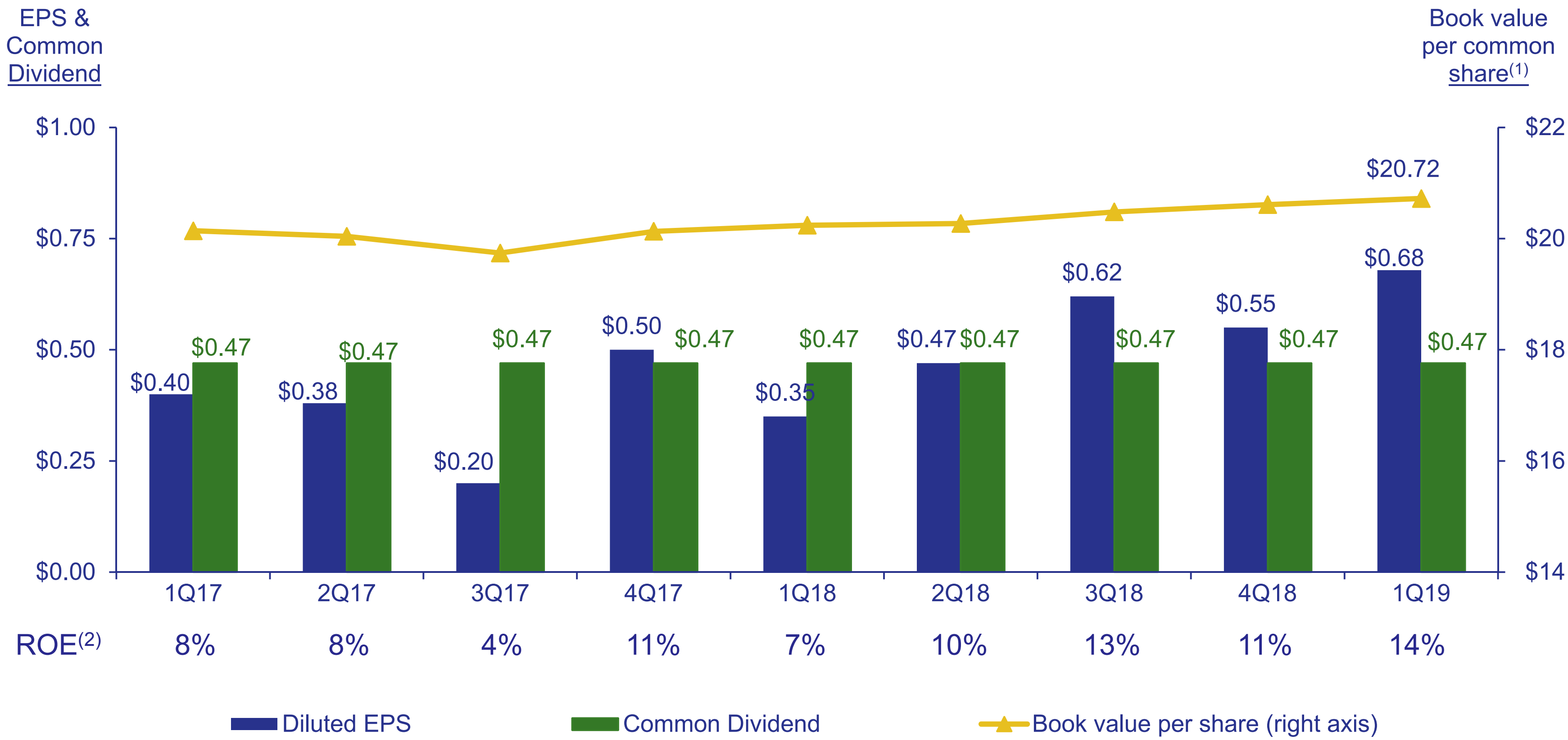
- Access to specialized mortgage capabilities, including origination and servicing operations
- PFSI has expertise across all mortgage functions with over 3,400 employees led by a highly experienced management team
- Enables PMT to aggregate quality investments in residential mortgage products with minimal operational risk
- Established appropriate agreements, controls and oversight to identify and manage potential conflicts

Risk Management and Governance

- Substantial expertise and resources dedicated to risk management
- Sophisticated program to actively manage and hedge interest rate risk
- Governance led by board of trustees which includes seven independent trustees

(1) Excess Servicing Spread
(2) Residential Mortgage Backed Securities
(3) Home Equity Line of Credit
(4) Non-qualified mortgage

Track Record of Stable Dividends and Book Value

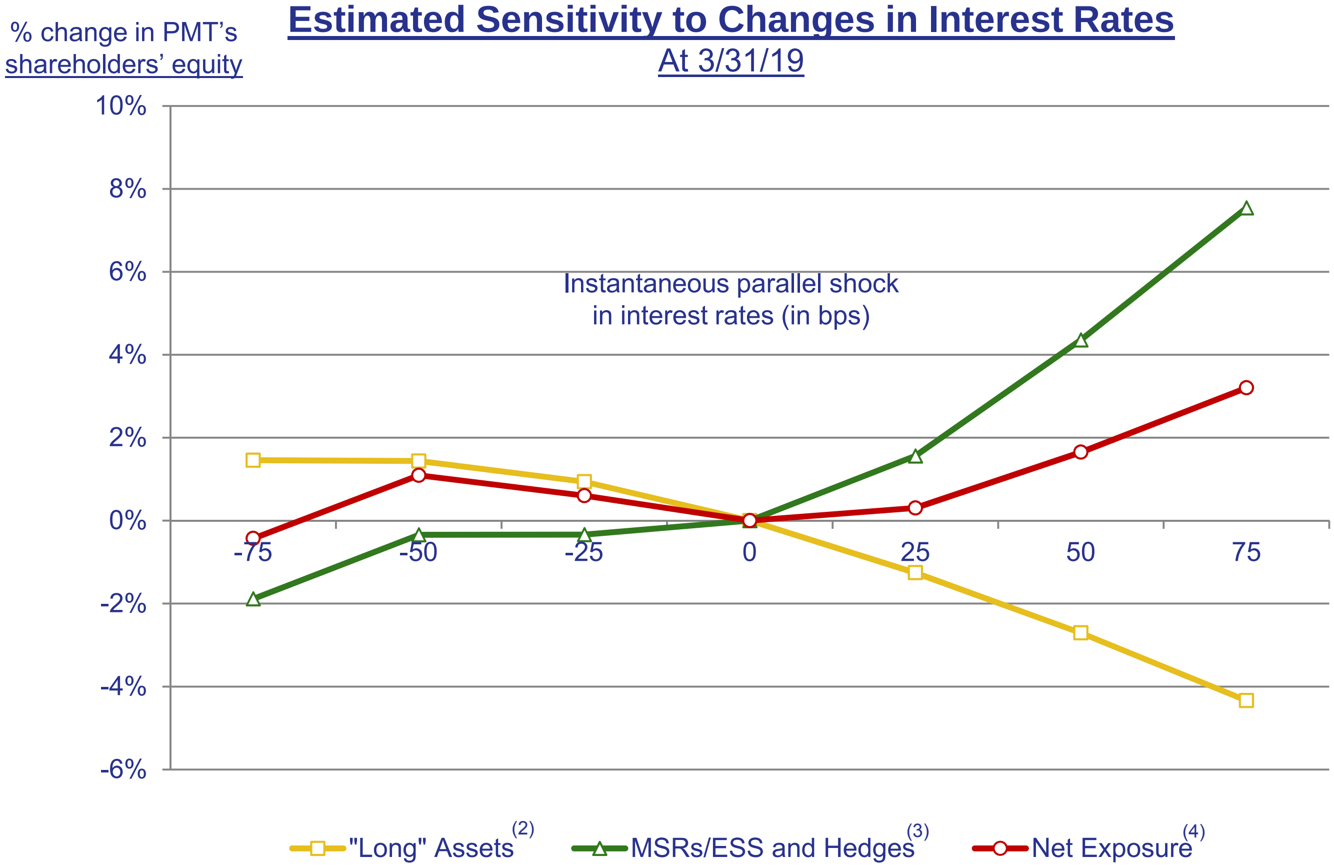


- Repurchased 14.7 million common shares at a cost of $216 million from 3Q15 through 1Q18
- Issued 7 million common shares through an underwritten equity offering and our ATM program in 1Q19

(1) At period end

(2) Return on average common equity is calculated based on annualized quarterly net income attributable to common shareholders as a percentage of monthly average common equity during the period

Management of PMT's Interest Rate Risk(1)



- PMT's interest rate risk exposure is managed on a "global" basis
  - Disciplined hedging
  - Multiple mortgage-related investment strategies with complementary interest rate sensitivities
  - Utilization of financial hedge instruments
  - Also considers recapture benefit on MSRs and ESS and revenue opportunities from correspondent production

(1) Analysis does not include PMT assets for which interest rates are not a key driver of values, i.e., distressed mortgage loans and REO. The sensitivity analyses on the slide and the associated commentary are limited in that they are estimates as of March 31, 2019; only reflect movements in interest rates and do not contemplate other variables; do not incorporate changes in the variables in relation to other variables; are subject to the accuracy of various models and assumptions used; and do not incorporate other factors that would affect the Company's overall financial performance in such scenarios, including operational adjustments made by management to account for changing circumstances. For these reasons, the preceding estimates should not be viewed as earnings forecasts.

(2) Includes loans acquired for sale and IRLCs, net of associated hedges, Agency and Non-Agency MBS assets

(3) Includes MSRs, ESS, and hedges which include put and call options on MBS, Eurodollar futures, Treasury futures, and Exchange-traded swaps

(4) Net exposure represents the net position of the "Long" Assets and the MSRs/ESS and Hedges

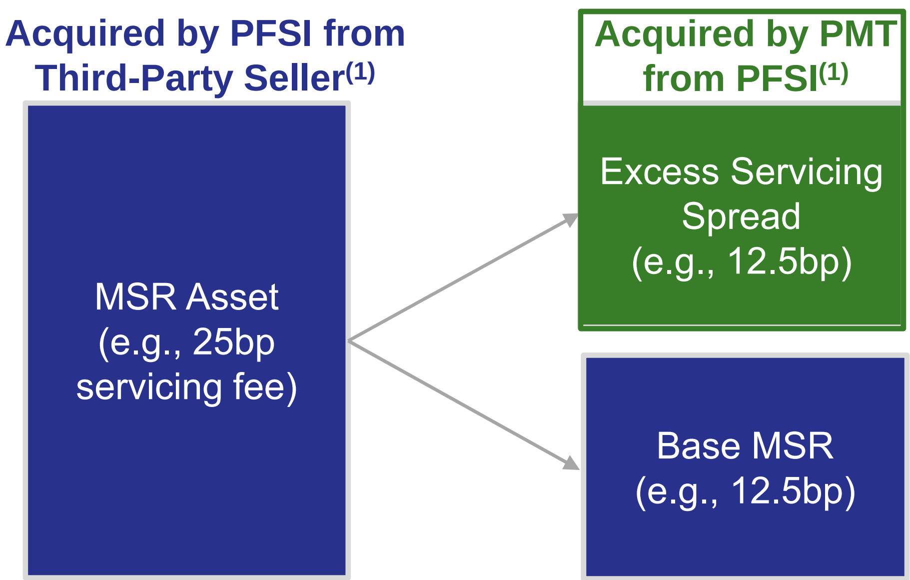
MSRs and ESS Asset Valuation

($ in millions)	Mortgage Servicing Rights	Excess Servicing Spread[1]
At 3/31/19		
Pool UPB	$99,280	$22,664
Pool weighted average coupon	4.29%	4.19%
Weighted-average pool prepayment speed assumption (CPR)	11.6%	10.4%
Weighted average servicing fee/spread	0.26%	0.19%
Fair value	$1,157	$205
As multiple of servicing fee	4.47	4.85

(1) Pool UPB, weighted average coupon and expected prepayment speed represent the characteristics of the underlying MSR portfolio owned by PennyMac Financial. Weighted average servicing spread, fair value and valuation multiple relate to the ESS asset owned by PMT. The fair value assessment of ESS gives consideration to expected servicing fee collections on non-MSR collateral that has been bought out of the underlying MSR pools due to ongoing servicer activity. The balance of the non-MSR collateral is reflected in the unpaid principal balance above in the amount of $372 million.

PMT's Excess Servicing Spread Investments in Partnership with PFSI

- PMT has co-invested in Agency MSRs acquired from third-party sellers by PFSI; presently only related to Ginnie Mae MSRs
- PMT acquires the right to receive the excess servicing spread cash flows over the life of the underlying loans
- PFSI owns the MSRs and services the loans



Example transaction: actual transaction details may vary materially

<u>Excess Servicing Spread</u>[2]

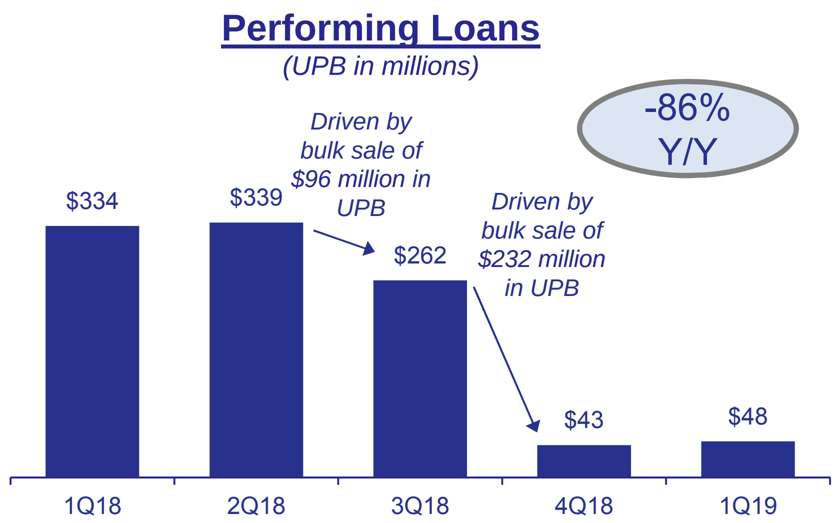
- Interest income from a portion of the contractual servicing fee
  - Realized yield dependent on prepayment speeds and recapture

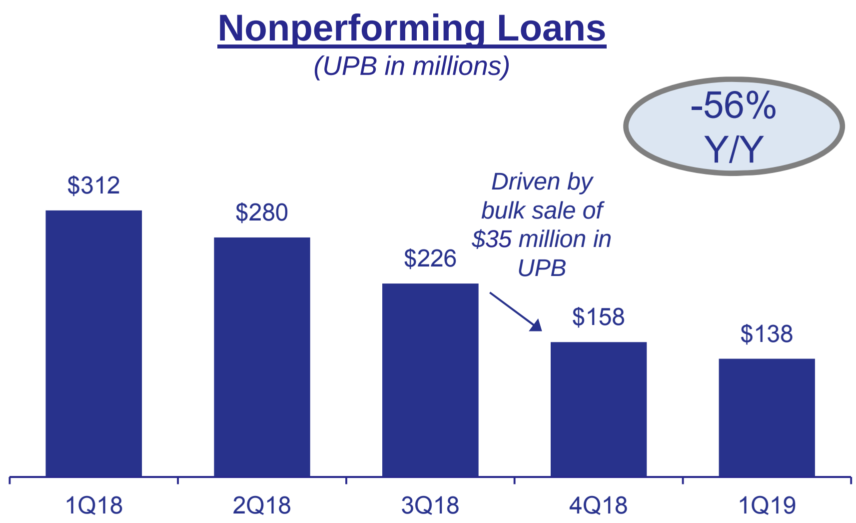
<u>Base MSR</u>

- Income from a portion of the contractual servicing fee
- Also entitled to ancillary income
- Bears expenses of performing loan servicing activities
- Required to advance certain payments largely for delinquent loans

[1] The contractual servicer and MSR owner is PennyMac Loan Services, LLC, an wholly-owned subsidiary of PFSI
[2] Subject and subordinate to Agency rights (under the related servicer guide); does not change the contractual servicing fee paid by the Agency to the servicer.

Distressed Loan Portfolio Is Declining Through Liquidation and Sales





- Entered into agreements during the quarter and after quarter end to sell approximately $49 million in UPB of nonperforming loans from the distressed portfolio[1]
  - These sales represent approximately 26% of the distressed portfolio UPB at March 31, 2019

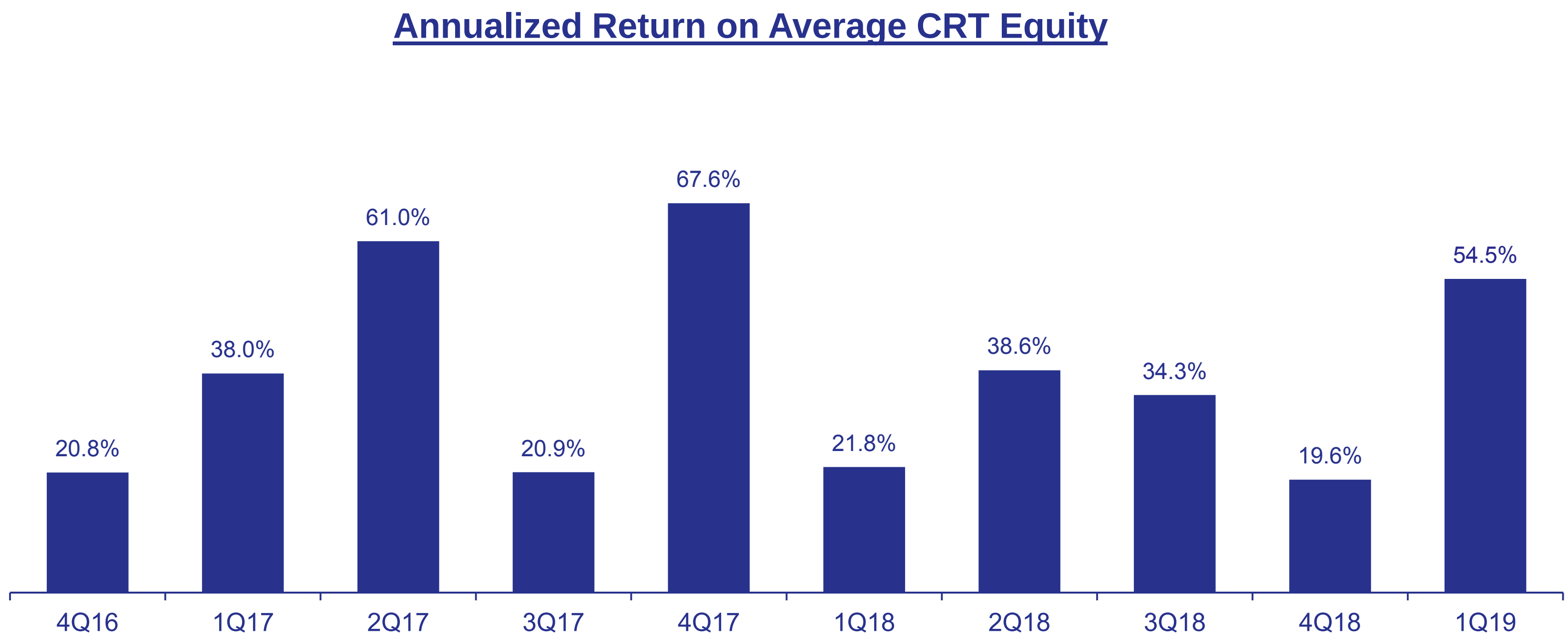
[1] These transactions are subject to continuing due diligence and customary closing conditions. There can be no assurance regarding the size of these transactions or that these transactions will be completed at all

Performance of the Distressed Mortgage Loan Investments

Net Gains (Losses) on Mortgage Loans

Unaudited ($ in thousands)	Quarter ended December 31, 2018	Quarter ended March 31, 2019
Valuation Changes:		
Performing loans	$ 7,774	$ 388
Nonperforming loans	(4,031)	535
	3,743	**923**
Payoffs	(226)	(214)
Sales	(1,012)	(224)
	$ 2,505	**$ 485**

Return on Equity Contribution of the GSE Credit Risk Transfer Investments



Average CRT equity[1] ($ in millions)	$166	$178	$207	$271	$333	$403	$452	$490	$446	$452

[1] Equity allocated represents management's internal allocation across segments and investment strategies

Credit Risk Transfer – Income Statement and Balance Sheet Treatment

($ in thousands)	Since Inception[1]	
Total UPB of mortgage loans transferred under CRT agreements	$ 59,964,345	Total UPB of loans delivered to the CRT Special Purpose Vehicles (SPVs) and sold to Fannie Mae
UPB of mortgage loans transferred under CRT agreements	$ 35,869,965	
UPB of mortgage loans delivered subject to agreements to purchase REMIC CRT securities	$ 24,094,380	
Deposits of cash to secure guarantees	$ 1,203,220	Cash deposited in the SPV in deposits securing CRT agreements. Represents collateral for the initial credit risk retained
Gains (losses) recognized on assets related to CRT agreements Included in net gain on investments:		
Realized	$ 182,832	Cash income to PMT from the CRT SPVs
Valuation-related	124,801	Includes fair value recognition upon loan delivery under CRT Agreements and market value changes
	$ 307,633	
Included in net gain on mortgage loans acquired for sale	$ 50,195	Recognition upon loan delivery of fair value of firm commitment to purchase REMIC CRT securities
Payments made to settle losses	$ 4,514	Payments made to Fannie Mae, from pledged cash, for losses on loans underlying the CRT agreements

[1] Cumulative for the fourteen quarters ending 3/31/2019

Credit Risk Transfer – Income Statement and Balance Sheet Treatment (cont'd)

($ in thousands)	At March 31, 2019	
UPB of mortgage loans subject to guarantee obligation	$ 52,918,044	Current outstanding UPB of loans delivered to the CRT SPVs and sold to Fannie Mae or delivered subject to agreements to purchase REMIC CRT securities
Delinquency		
Current to 89 days delinquent	$ 52,829,366	
90 or more days delinquent	$ 52,087	
Foreclosure	$ 5,333	
Bankruptcy	$ 31,258	
Carrying value of CRT agreements		
Deposits securing CRT agreements	$ 1,137,283	Current cash collateralizing guarantee included in "Deposits securing credit risk transfer agreements"
Derivative assets	$ 130,447	Derivative represents fair value of expected future cash inflows related to assumption of credit risk net of expected future losses
Firm commitment to purchase CRT security	$ 79,784	Fair value of firm commitment to purchase REMIC CRT securities based on loans delivered to date
Firm commitments to purchase CRT securities	$ 886,969	Face amount of firm commitment to purchase REMIC CRT securities related to mortgage loans delivered

PMT's Investments in GSE Credit Risk Transfer

(UPB in billions)

CRT 2015 -1 (May 2015 - July 2015)	At inception	3/31/2019
UPB	$ 1.3	$ 0.7
Loan Count	4,108	2,725
% Purchase	67.6%	69.8%
WA FICO[(1)]	742	744
WA LTV[(1)]	80.5%	81.0%
60+ Days Delinquent Loan Count		16
60+ Days Delinquent % o/s UPB		0.566%
180+ Days Delinquent Loan Count		15
Actual Losses ($k)		$ 433

CRT 2015 -2 (August 2015 - Feburary 2016)	At inception	3/31/2019
UPB	$ 4.2	$ 2.6
Loan Count	15,255	10,314
% Purchase	71.4%	73.3%
WA FICO[(1)]	743	744
WA LTV[(1)]	81.2%	81.8%
60+ Days Delinquent Loan Count		83
60+ Days Delinquent % o/s UPB		0.810%
180+ Days Delinquent Loan Count		54
Actual Losses ($k)		$ 1,394

CRT 2016 -1 (Feburary 2016 - August 2016)	At inception	3/31/2019
UPB	$ 6.4	$ 5.0
Loan Count	21,615	17,681
% Purchase	67.4%	70.1%
WA FICO[(1)]	748	750
WA LTV[(1)]	81.2%	81.2%
60+ Days Delinquent Loan Count		90
60+ Days Delinquent % o/s UPB		0.485%
180+ Days Delinquent Loan Count		39
Actual Losses ($k)		$ 1,074

CRT 2016 -2 (August 2016 - May 2018)	At inception	3/31/2019
UPB	$ 23.9	$ 21.0
Loan Count	86,057	78,727
% Purchase	73.2%	74.0%
WA FICO[(1)]	747	746
WA LTV[(1)]	82.5%	82.7%
60+ Days Delinquent Loan Count		265
60+ Days Delinquent % o/s UPB		0.340%
180+ Days Delinquent Loan Count		55
Actual Losses ($k)		$ 1,613

CRT 2018 -1 (June 2018 - Current)	At inception	3/31/2019
UPB	$ 23.7	$ 23.7
Loan Count	85,434	85,434
% Purchase	81.5%	81.5%
WA FICO[(1)]	746	746
WA LTV[(1)]	83.8%	83.8%
60+ Days Delinquent Loan Count		72
60+ Days Delinquent % o/s UPB		0.086%
180+ Days Delinquent Loan Count		1
Actual Losses ($k)		$ -

Total	At inception	3/31/2019
UPB	$ 59.5	$ 52.9
Loan Count	212,469	194,881
% Purchase	75.9%	76.9%
WA FICO[(1)]	746	746
WA LTV[(1)]	82.7%	82.9%
60+ Days Delinquent Loan Count		526
60+ Days Delinquent % o/s UPB		0.267%
180+ Days Delinquent Loan Count		164
Actual Losses ($k)		$ 4,514

[(1)] FICO and LTV metrics at origination

Correspondent Production Acquisitions and Locks by Product

(UPB in millions)	1Q18	2Q18	3Q18	4Q18	1Q19
Acquisitions					
Delegated Conventional Conforming	$ 4,229	$ 5,399	$ 7,503	$ 9,052	$ 8,130
Delegated Government	8,830	9,546	8,970	8,885	6,752
Delegated Non-Agency[(1)]	-	8	9	5	5
Non-Delegated	-	-	75	120	174
Total Acquisitions from Nonaffiliates	**$ 13,059**	**$ 14,954**	**$ 16,556**	**$ 18,061**	**$ 15,061**
Acquisitions from PFSI	$ 711	$ 666	$ 902	$ 879	$ 730
Total Acquisitions	**$ 13,771**	**$ 15,619**	**$ 17,458**	**$ 18,940**	**$ 15,791**
Locks					
Delegated Conventional Conforming	$ 4,304	$ 5,979	$ 8,392	$ 9,639	$ 8,974
Delegated Government	9,162	10,082	9,146	8,962	7,385
Delegated Non-Agency[(1)]	13	50	20	11	13
Non-Delegated	88	121	157	227	360
Total Locks	**$ 13,567**	**$ 16,232**	**$ 17,714**	**$ 18,839**	**$ 16,732**

Note: Delegated volumes exclude loans purchased from PennyMac Financial. Amounts may not sum exactly due to rounding.

[(1)] Consists of prime jumbo and non-QM loans