PennyMac Mortgage Investment Trust

PennyMac®

Citi 2012 Financial Services Conference

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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 general business, economic, market and employment conditions from those expected; continued declines in residential real estate and disruption in the U.S. housing market; the availability of, and level of competition for, attractive risk-adjusted investment opportunities in residential mortgage loans and mortgage-related assets that satisfy our investment objectives and investment strategies; changes in our investment or operational objectives and strategies, including any new lines of business; the concentration of credit risks to which we are exposed; the availability, terms and deployment of short-term and long-term capital; unanticipated increases in financing and other costs, including a rise in interest rates; the performance, financial condition and liquidity of borrowers; increased rates of delinquency or decreased recovery rates on our investments; increased prepayments of the mortgage and other loans underlying our investments; changes in regulations or the occurrence of other events that impact the business, operation or prospects of government sponsored enterprises; changes in government support of homeownership; changes in governmental regulations, accounting treatment, tax rates and similar matters; and our ability to satisfy complex rules in order to qualify as a REIT for U.S. federal income tax purposes. 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.

Investment Opportunity Overview

PennyMac Mortgage Investment Trust (NYSE: PMT)	• Unique externally-managed specialty finance firm that is dedicated to U.S. residential mortgage opportunities • Only public mortgage REIT with current focus on distressed residential whole loans • Long-term strategy is to participate in a wide range of residential mortgage investments as the new mortgage markets continue to emerge • Our Manager established Correspondent Lending Group to purchase and securitize newly originated GSE conventional, non-agency (jumbo) and government loans
Key Investment Highlights	• Enterprise with access to a unique operational platform able to participate in the substantial opportunities in the residential mortgage market • Attractive return investments with prudent use of leverage • Distinguished management team with deep expertise in all aspects of residential mortgages • Flexible strategy and full set of capabilities to capitalize on the convergence of the distressed and new mortgage markets

The U.S. Residential Mortgage Industry Is Transforming

Pre-Crisis	*Today*	*Revitalized Market*
• Vibrant mortgage market that had been built effectively for over 20 years • Many market participants including numerous banks, mortgage banks, community and independent banks • Many outlets for loans including the GSEs and non-agency conduits • High levels of securitization	• Substantial overhang of legacy assets and foreclosures, creating an uncertain outlook for housing • Remaining mortgage market dominated by 5 large banks • Only reliable outlets are Fannie Mae, Freddie Mac, and Ginnie Mae, with few viable entities to serve as an aggregator / intermediary for smaller banks and lenders • Smaller origination market with strict lending guidelines	• New firms and capital entering the market as the “mega-banks” and GSEs retreat • Mortgage servicing moving away from the large banks to specialized firms • Re-establishment of the non-agency markets • Need for new intermediary institutions to “sponsor” securitizations, establish transparent standards, and invest in ongoing risk

Industry Forces Are Creating the Need for New Mortgage Entities

Bank legacy issues, including foreclosures, repurchases, and litigation, causing them to reduce their mortgage exposure

New capital requirements for banks including Basel III making it unattractive for them to hold mortgage servicing rights (MSRs) and subordinate bonds

New risk retention requirements for securitization sponsors and originators favor well-capitalized non-bank entities

GSE reform – although the exact outcome remains uncertain, likely to create more opportunity for the non-agency market and private firms

Regulators and others seeking to reduce market concentration in a handful of mega-banks

Need for a new non-bank mortgage firm such as PMT

Growth Opportunities in Distressed Loans and New Originations

Legacy Mortgage Assets

- Approximately $420 billion non-agency whole loans are delinquent or in foreclosure (1)
  - Mostly held by large banks, which are reducing their exposure
  - To date most sales have been non-performing loans; however, re-performing loans are beginning to come to market
- Banks continue to remain under pressure to sell mortgage servicing rights (MSR's)

PMT will continue to pursue distressed whole loan investments, while also seeking new opportunities, such as MSRs

New Mortgage Market

- $1 trillion in annual originations expected in 2012 (2)
  - Approximately $300 billion of this expected through the correspondent channel
  - Regulatory and capital issues are causing some large banks to retreat
- Evolving potential for more attractive investment in mortgage servicing, e.g., with servicing fee reform

Correspondent volume should steadily increase as this becomes a greater component of PMT's earnings over the year

(1) Total Single Family 1-4 loan data as of September 30, 2011, and delinquency rate of 12.63% (loans that are either delinquent or in foreclosure) as of September 30, 2011
(2) Mortgage Bankers Association forecast, January 18, 2012 (2012

Agency MSRs Are Attractive Potential Investments for PMT

- Opportunities enabled by PennyMac Loan Services' operational platform and seller/servicer approvals
- Returns highly dependent on the ability to recapture borrowers who refinance
- Transactions would be structured in a manner so that investments qualify as REIT assets

Unlevered Return

Recapture \ Life[1] CPR	16%	20%	25%
0%	14.6%	11.0%	5.6%
10%	17.7%	14.5%	9.8%
20%	21.0%	18.5%	14.8%

Return on Equity assuming 1.0x leverage

Recapture \ Life[1] CPR	16%	20%	25%
0%	24.0%	17.0%	6.2%
10%	30.6%	24.5%	15.1%
20%	38.0%	33.3%	25.7%

(1) Year 1 CPR is modeled to be 20%, 25%, and 30%, respectively.

PennyMac Is Capable of Capitalizing on Upcoming Opportunities

PNMAC Capital Management (PCM) – Investment Manager

Asset Acquisition

- **Sourcing investment opportunities** and **building institutional relationships** with banks, investment banks and government entities
- **Best-in-class valuation methodology and analytics**
- **Due Diligence** including reviews of credit, property valuations, and loan underwriting
- **Proven track record** in structuring transactions and executing appropriate financing arrangements

Portfolio Management

- **Proprietary portfolio strategy platform**, LENE, utilizes loan-level analytics to identify the optimal approach for each borrower / loan
- **Modification and restructuring programs** deliver long-term solutions for borrowers
- Interaction with servicer enables **proactive contact with borrowers** who, although current, may be at risk

Asset Management

- **Capital Markets**
- **Correspondent Lending Group** – established to manage the purchase of newly originated loans from direct mortgage lenders

PennyMac Loan Services (PLS) - Servicer

Primary Servicing

- **All activities of loan administration**, call center and web-based customer service, and payment processing
- **Sophisticated investor accounting** and **loan-level reporting** for whole loans and securitizations

Special Servicing

- **Workout / resolution for troubled borrowers**
- **Implementation of HAMP and PennyMac programs** as directed by proprietary Portfolio Strategy function
- **Dedicated Property Resolution resources** employ broad range of liquidation alternatives when necessary

Origination & Fulfillment

- **Originate new loans via multiple channels:**
- Portfolio refinance
- Consumer direct lending
- **Underwriting and closing of loan modifications**

Uniquely Seasoned Management Team* *(Years of Experience in Parenthesis)*

- **Stanford Kurland**, Chief Executive Officer *(34)*
  - **Steve Bailey**, Chief Servicing Officer *(25)*
    - Mark Acosta, MD, Servicing (Default) *(25)*
    - Timothy Nicholson, MD, Servicing (Non-Default) *(19)*
    - John Tone, MD, Servicing (Loan Administration) *(19)*
    - Scott Bridges, Chief of Consumer Direct Lending *(18)*
  - **Doug Jones**, Chief Correspondent Lending Officer *(33)*
    - Paul Szymanski, MD, Warehouse Lending *(25)*
    - Jim Follette, MD, Correspondent Fulfillment *(8)*
    - Mike Quinn, MD, Products & Pricing *(20)*
    - Abbie Tidmore, Regional Sales Manager (Central/East) *(25)*
    - Kimberly Nichols, Regional Sales Manager (West) *(23)*
  - **Dave Walker**, Chief Operating Officer *(23)*
    - Brandon Ohnemus, MD, Portfolio Strategy *(10)*
    - Lee Trumble, MD & Chief Underwriter *(28)*
    - Sherry Pauline, Director, Quality Control *(28)*
    - Lior Ofir, MD, Infrastructure Technology *(9)*
    - Mehrdad Rashidfarrukhi, MD, Application Development *(20)*
  - **David Spector**, President & Chief Investment Officer *(25)*
    - Andrew Chang, Chief Business Development Officer *(12)*
    - Aric Mizrahi, Director, Transaction Management *(10)*
    - Vandy Fartaj, Chief Capital Markets Officer *(15)*
      - Tim Wang, MD, Mortgage Trading *(13)*
      - Tom Rettinger, MD, Risk Management *(20)*
      - Maurice Watkins, MD, Capital Markets Operations *(20)*
  - **Jeff Grogin**, Chief Administrative & Legal Officer *(24)*
    - Derek Stark, General Counsel, Corporate & Securities *(16)*
    - Mallory Garner, General Counsel, Mortgage Operations *(21)*
    - Patrick Benton, MD, Administration *(20)*
    - Craig Butler, Director, Human Resources *(30)*
  - **Anne McCallion**, Chief Financial Officer *(20)*
    - Rod Nonato, MD, Investor Accounting *(25)*
    - Greg Hendry, MD, Accounting *(27)*
    - Brian Stack, MD, Treasurer *(20)*
    - Dan Perotti, MD, Financial Analysis & Valuation *(9)*
    - Kathy Milner, Chief Strategy Officer *(27)*
    - Bettina Vagnoni, Chief Compliance Officer *(26)*
    - Kevin Chamberlain, MD, Corporate Communications *(10)*
    - John Brown, Director, Tax *(35)*

- **Nearly 500 full-time staff across PennyMac**
- **Management, processes, and infrastructure in place for sustainable growth**
- **Ready to adapt rapidly in a changing market**

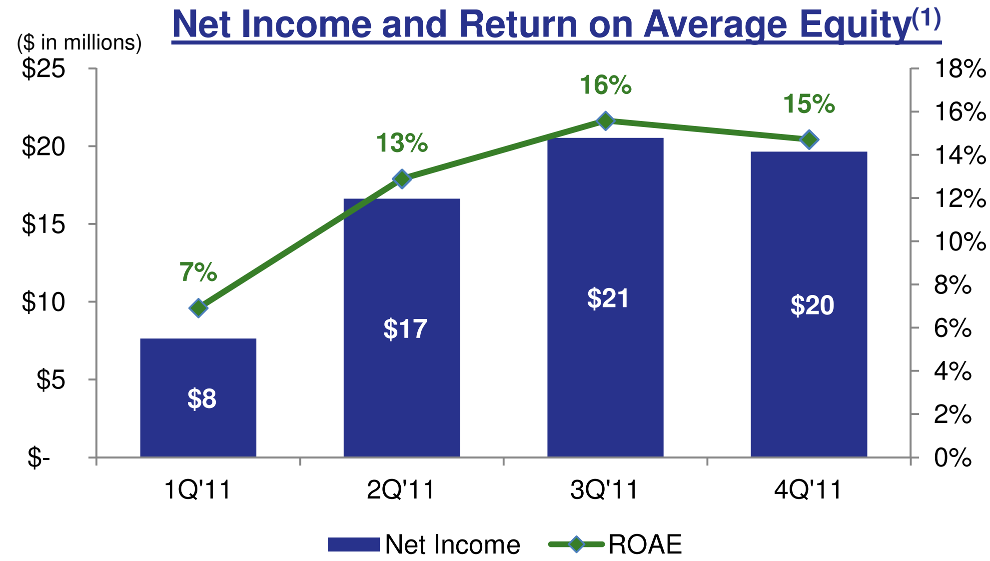
** Titles reflect Private National Mortgage Acceptance Company, LLC titles*

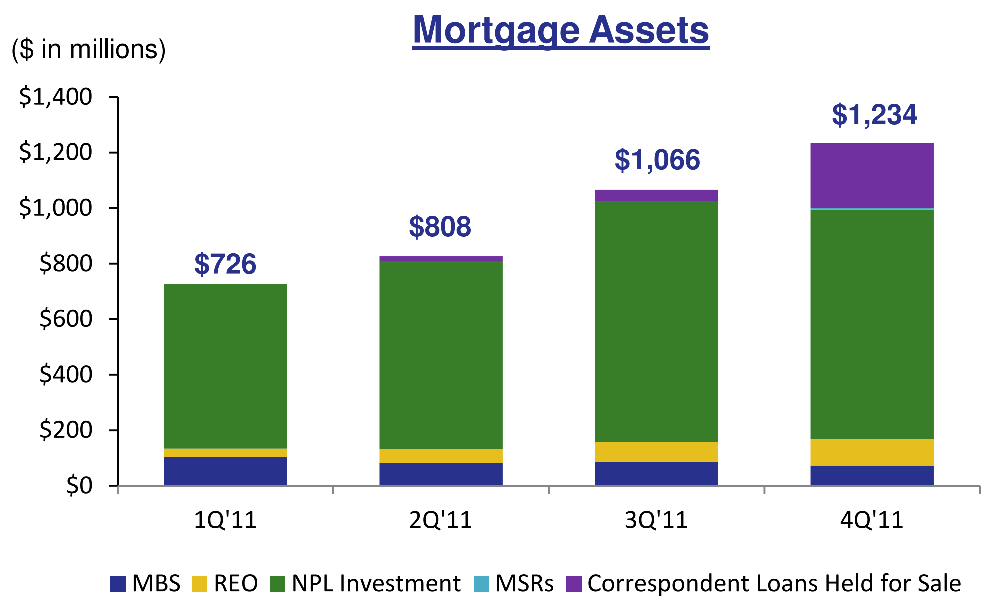
Fourth Quarter Highlights

- Earned $0.70 per diluted share
- Increased dividend to $0.55 per share
- Return on average equity of over 15%
- Pre-tax income from correspondent segment of $7.4 million
  - Correspondent fundings of nearly $1 billion
  - Correspondent locks of over $1.3 billion
- Raised $8.7 million of equity to support dramatic growth of correspondent lending business
- Continued expansion of secured credit facilities to over $1 billion
  - $590 million in NPL facilities
  - $450 million in correspondent facilities
- Entered into a forward trade to purchase $49 million in unpaid principal balance (UPB) of distressed whole loans

Full Year 2011 Highlights

- **Earned consolidated net income of $64.4 million, or $2.41 per diluted share**
  - Over 15% return on average equity for 2011
  - Net investment income: $129 million
- **Continued progress in building correspondent lending business**
  - Funded over $500 million in December with a target to fund over $1 billion per month by the end of 2012
- **Continued consistent and disciplined growth of assets**
  - Assets have grown 135% since Q4'10
  - Correspondent loans held for sale comprised 19% of mortgage assets as of 12/31/11





[1]Return on equity calculated using average monthly equity values

Correspondent Lending is a Growing Portion of PMT's Earnings

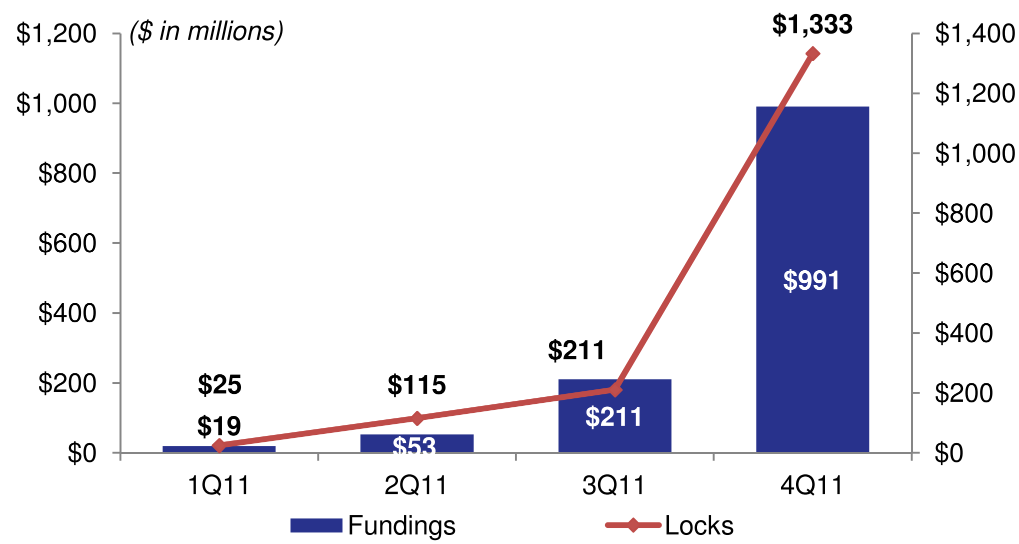
- **Pre-tax income in Q4 2011: $21.3 million**
  - **Investment Activities: $13.9 million**
  - **Correspondent Activities: $7.4 million**

	PMT consolidated	Correspondent lending	Investment activities
Revenues:			
External			
Net gain on investments	$ 19,155		$ 19,155
Interest income	12,136	1,598	10,538
Other	406	839	(433)
Net gain on mortgage loans acquired for sale	7,426	7,426	-
Total revenues	$ 39,123	$ 9,863	$ 29,260
Expenses:			
Interest	6,473	905	5,568
Other	11,321	1,558	9,763
Total expenses	$ 17,794	$ 2,463	$ 15,331
Pre-tax income	$ 21,329	$ 7,400	$ 13,929
Total assets at period end	$ 1,386,062	$ 237,382	$ 1,148,680

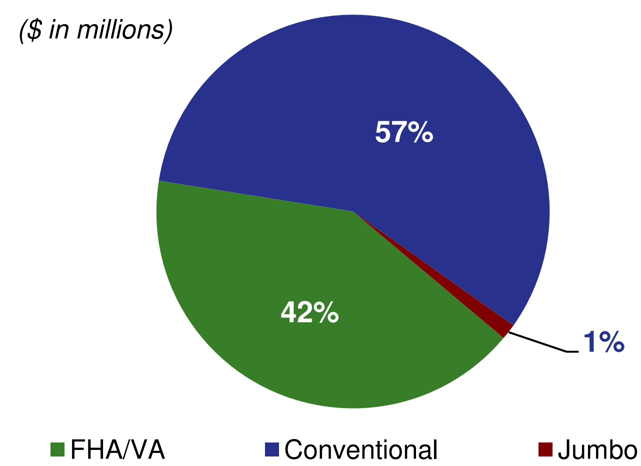
Correspondent Lending Continues Its Accelerated Growth

- **Fundings of $991 million in 4Q'11**
- **Volume continues to grow**
  - January volume:
    - Locks – Over $600 million
    - Fundings – Over $450 million
- **First quarter targets**
  - $1.8 billion in locks
    - $1.1 billion from conventional and jumbo loans
- **Raised $8.7 million of equity in 4Q'11 through PMT's Controlled Equity Offering program to support dramatic growth of correspondent lending business**

Correspondent Funding Volume

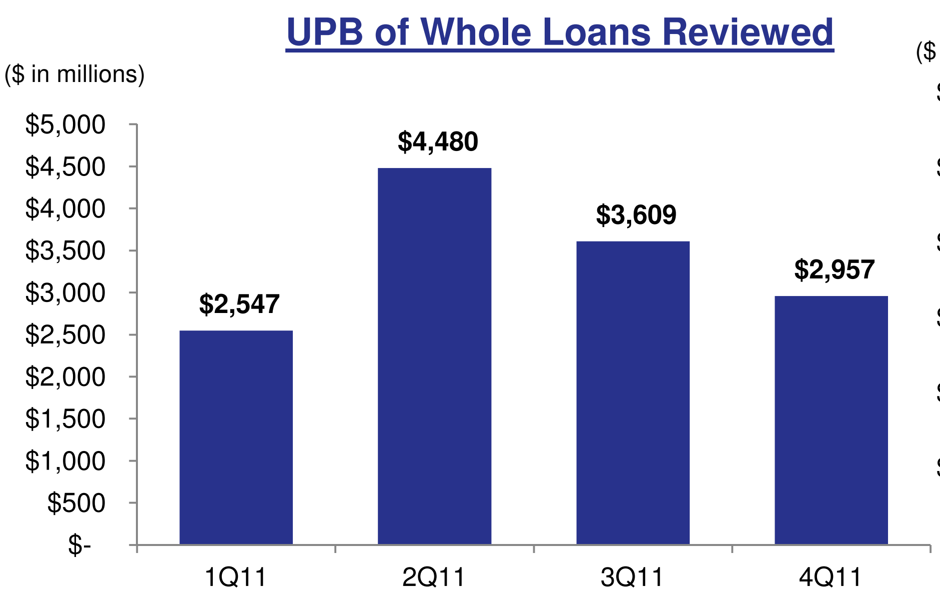


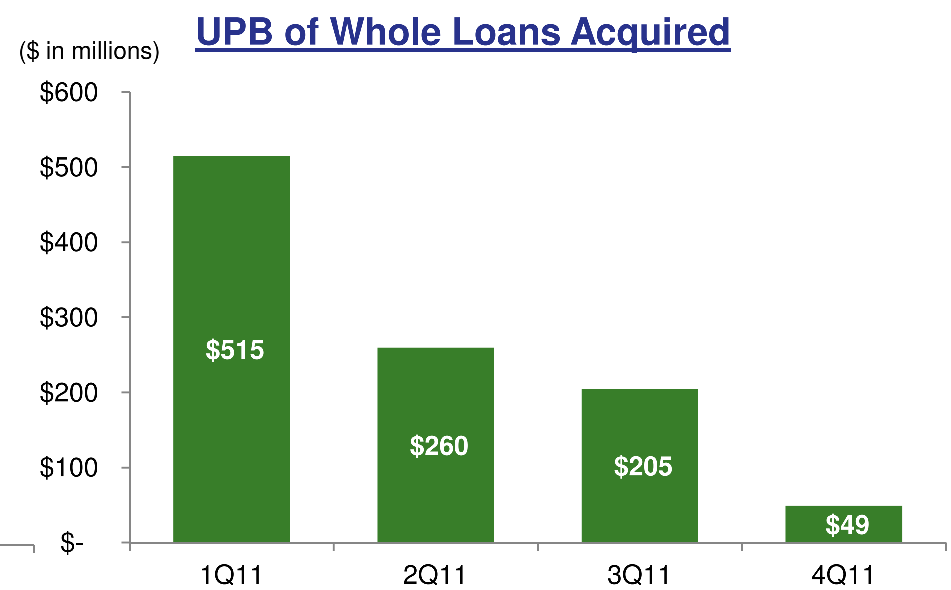
4Q'11 Correspondent Funding Mix



Whole Loan Portfolio Acquisitions

- **Volume of whole loan pools available for purchase was fairly steady throughout 2011**
  - PMT acquired its largest block of loans in the first quarter, in conjunction with its equity offering
- **In the fourth quarter, PCM reviewed $3.0 billion in UPB of whole loans**
  - PMT entered into a forward purchase agreement, pursuant to which it committed to purchase $49 million in UPB





PMT's Manager and Servicer Have Capacity for Growth

- Management, processes, and infrastructure in place to support growth to many times the current volumes of business
- Correspondent Lending can ramp up to $1 billion in monthly originations by the end of 2012
- PLS's high-touch servicing operations can grow to a total of ~500 employees and $40 billion in sub-performing loans in 12 months
- 142,000 square-foot flagship operations facility in Moorpark, Calif.
    - Can accommodate a total of 1,000+ staff
    - Optimal location to attract an ample number of experienced mortgage industry personnel

Highlights of Investing in PMT

- ✓ Unique mortgage REIT able to capitalize on opportunities in residential whole loans
- ✓ Continued leadership in distressed whole loan investing, transitioning into correspondent lending
- ✓ Distinguished management team with deep expertise in all aspects of residential mortgages
- ✓ Access to legacy-free operational platform with full set of residential mortgage capabilities
- ✓ Attractive return investments with prudent use of leverage
- ✓ Flexibility to adapt with the evolution of the mortgage market

Best positioned to capitalize on current and long-term opportunities in residential mortgage finance with the capital, bank relationships, operations, and management across all the critical areas for success