

Annaly Capital Management, Inc. and PennyMac Financial Services, Inc. Enter Into Strategic Subservicing Relationship and Agreement to Purchase Mortgage Servicing Rights

NEW YORK, October 1, 2025 – Annaly Capital Management, Inc. (NYSE: NLY) (“Annaly”), the world’s largest residential mortgage real estate investment trust, and PennyMac Financial Services, Inc. (NYSE: PFSI) (“Pennymac”), a top mortgage lender and servicer, today announced the companies have entered into a subservicing agreement and a master purchase agreement. Concurrent with the execution of the agreements, Annaly agreed to purchase a portfolio of mortgage servicing rights (“MSR”) from Pennymac. Under the agreements, Pennymac will handle all servicing and recapture activities for the MSR sold to Annaly.

“We look forward to collaborating with Pennymac through this strategic partnership, which enhances our best-in-class network of servicing and recapture relationships with a well-respected, industry-leader that has a proven track record of excellence,” remarked Chief Executive Officer & Co-Chief Investment Officer David Finkelstein. “Since bringing MSR on balance sheet in 2020, Annaly has become a top 10 servicer of Agency MBS with one of the highest-quality and most differentiated portfolios in the industry. We stand to benefit from Pennymac’s strong recapture capabilities and our borrowers will be well-served by their diligent focus on the customer experience.”

Annaly is a leader in housing finance with approximately \$90 billion in assets invested across its Agency MBS, Residential Credit and MSR strategies. Annaly’s MSR portfolio consists of approximately 680,000 loans, totaling \$219 billion in unpaid principal balance and \$3.3 billion in market value as of June 30, 2025. The company’s MSR portfolio is made up of high-quality conventional loans with a weighted average FICO of 757 at origination and average note rate of 3.24%.

“As we continuously look to optimize our capital and maintain prudent leverage, we are very pleased to announce this strategic, long-term partnership with a premier market participant like Annaly,” said David Spector, Chairman and CEO of Pennymac. “We’re especially excited to continue subservicing and providing recapture activities for this portfolio, which accelerates the growth of our new subservicing business. This sale continues our efforts to drive the concentration of our MSR portfolio toward higher-rate loans with significant recapture potential, and is a prime example of our active capital management activities.”

As the second largest mortgage loan producer and sixth largest residential home loan servicer, Pennymac has established itself as a leading and respected mortgage lender and servicer, helping more than 5 million homeowners achieve their aspirations of homeownership. Pennymac is a leader in providing innovative mortgage solutions that empower their customers and partners with the tools and resources needed to succeed in today’s competitive market.

About Annaly

Annaly is a leading diversified capital manager with investment strategies across mortgage finance. Annaly's principal business objective is to generate net income for distribution to its stockholders and to optimize its returns through prudent management of its diversified investment strategies. Annaly is internally managed and has elected to be taxed as a real estate investment trust, or REIT, for federal income tax purposes. Additional information on the company can be found at www.annaly.com.

About Pennymac

PennyMac Financial Services, Inc. is a specialty financial services firm focused on the production and servicing of U.S. mortgage loans and the management of investments related to the U.S. mortgage market. Founded in 2008, the company is recognized as a leader in the U.S. residential mortgage industry and employs approximately 4,400 people across the country. For the twelve months ended June 30, 2025, PennyMac Financial's production of newly originated loans totaled \$134 billion in unpaid principal balance, making it a top lender in the nation. As of June 30, 2025, PennyMac Financial serviced loans totaling \$700 billion in unpaid principal balance, making it a top mortgage servicer in the nation.

Forward-Looking Statements

Some of the statements contained in this document are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are generally identified by the use of words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. These forward-looking statements reflect the respective views of Annaly or Pennymac with respect to future events as of the date of this document and are based on such company's management's current expectations, estimates, forecasts, projections, assumptions, beliefs and information. Although the management of Annaly or Pennymac respectively believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. All such forward-looking statements are subject to risks and uncertainties, many of which are outside of Annaly's or Pennymac's respective control, and could cause future events or results to be materially different from those stated or implied in this document. It is not possible to predict or identify all such risks. These risks include, but are not limited to, the risk factors that are described under the section titled "Risk Factors" in the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the Securities and Exchange Commission ("SEC") of Annaly and Pennymac respectively. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document and in the SEC filings of Annaly and Pennymac. Annaly and Pennymac each expressly disclaims any obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Contact

Annaly Capital Management, Inc.
Investor Relations
1-888-8Annaly
investor@annaly.com

Pennymac Media
Kristyn Clark
mediarelations@pennymac.com
805.395.9943

Pennymac Investors
Kevin Chamberlain
Isaac Garden
PFSI_IR@pennymac.com
818.264.4907