

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 13, 2025

REDWOOD TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-13759
(Commission
File Number)

68-0329422
(I.R.S. Employer
Identification No.)

One Belvedere Place
Suite 300
Mill Valley, California 94941
(Address of principal executive offices and Zip Code)

(415) 389-7373
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	RWT	New York Stock Exchange
10% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock, par value \$0.01 per share	RWT PRA	New York Stock Exchange
9.125% Senior Notes Due 2029	RWTN	New York Stock Exchange
9.0% Senior Notes Due 2029	RWTO	New York Stock Exchange
9.125% Senior Notes Due 2030	RWTP	New York Stock Exchange

Item 2.02. Results of Operations and Financial Condition;

Item 7.01. Regulation FD Disclosure.

On February 13, 2025, Redwood Trust, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended December 31, 2024, the *Redwood Trust Shareholder Letter – 4th Quarter 2024* and *The Redwood Review – 4th Quarter 2024*, copies of which are attached as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, respectively, to this current report on Form 8-K.

In addition, on February 13, 2025, the Company made available Supplemental Financial Tables presenting certain financial results for the quarter ended December 31, 2024. A link to the Supplemental Financial Tables is available at the Company's website at <http://www.redwoodtrust.com>, in the Investor Relations section of the website under "Financials."

The information contained in this Item 2.02 and Item 7.01 and the attached Exhibits 99.1, 99.2 and 99.3 is furnished to and not filed with the SEC, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1	Press Release issued February 13, 2025
Exhibit 99.2	Redwood Trust Shareholder Letter – 4th Quarter 2024
Exhibit 99.3	The Redwood Review – 4th Quarter 2024
Exhibit 104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 13, 2025

REDWOOD TRUST, INC.

By: /s/ BROOKE E. CARILLO

Name: Brooke E. Carillo

Title: Chief Financial Officer

**R E D W O O D
T R U S T**

REDWOOD TRUST REPORTS FOURTH QUARTER 2024 FINANCIAL RESULTS

MILL VALLEY, CA – Redwood Trust, Inc. (NYSE:RWT; "Redwood", the "Company"), a leader in expanding access to housing for homebuyers and renters, today reported its financial results for the quarter ended December 31, 2024.

Key Q4 2024 Financial Results and Metrics

- GAAP book value per common share was \$8.46 at December 31, 2024, relative to \$8.74 per share at September 30, 2024
 - Economic return on book value of (1.1)% for the fourth quarter and 5.7% for the full year 2024⁽¹⁾
- GAAP net loss related to common stockholders of \$(8.4) million or \$(0.07) per basic and diluted common share
- Non-GAAP Earnings Available for Distribution ("EAD") of \$18.4 million or \$0.13 per basic common share⁽²⁾
- Recourse leverage ratio of 2.4x at December 31, 2024, relative to 2.5x at September 30, 2024⁽³⁾
- Declared and paid a regular quarterly dividend of \$0.18 per common share, a 5.9% increase from the third quarter 2024

Q4 2024 Operational Business Highlights

Sequoia (formerly Residential Consumer) Mortgage Banking

- Generated 23% annualized GAAP Return on Capital ("ROC")
- Locked \$2.3 billion of loans⁽⁴⁾, a 4% increase from \$2.2 billion in the third quarter of 2024
 - Achieved gross margins well in excess of our historical target range of 75bps to 100bps, driven by spread tightening on securitization execution during the quarter
 - Lock volume split 23% / 77% between bulk and flow
 - Quarterly flow volume increased 57% from Q3'24 and was the highest since the first quarter 2022
- Distributed \$2.5 billion of loans through a combination of securitizations (\$1.1 billion) and whole loan sales (\$1.4 billion)
 - Securitization activity consisted of a variety of loan products, including fixed-rate jumbo loans, hybrid adjustable-rate mortgages ("ARMs") and Agency-eligible investor loans

CoreVest (formerly Residential Investor) Mortgage Banking

- Generated 12% and 25% annualized GAAP ROC and non-GAAP EAD ROC⁽²⁾
- Funded \$501 million of loans (55% bridge and 45% term), a 9% increase from \$458 million in the third quarter of 2024
 - Term loan volume increased by 43% to \$227 million, the highest level since mid-2022
 - Bridge loan production saw continued record quarterly volumes from single-asset bridge ("SAB") product, which represented over 50% of total quarterly bridge loan fundings
- Continued to deepen distribution channels, selling \$547 million of loans through securitizations, whole loan sales and sales to joint ventures ("JVs")
 - Closed our inaugural securitization of loans out of our JV (backed by \$299 million of bridge loans)

Redwood Investments (formerly Investment Portfolio)

- Accretively deployed approximately \$81 million of capital into internally sourced and third-party investments; deployed \$525 million of Redwood Investments capital in 2024
- Trends in portfolio credit were generally stable
 - Re-performing loan ("RPL") and jumbo securities saw steady trends in 90 day+ delinquency rates
 - The CoreVest portfolio saw a modest increase in delinquencies for the securitized term portfolio, largely on a smaller pool balance, which was partially offset by successful bridge loan resolutions
- Payoffs in the CoreVest portfolio increased 20% in the fourth quarter to \$418 million, including \$320 million of bridge loans
- Redwood Investments recourse leverage ratio remained low at 0.8x at December 31, 2024

Financing / Corporate Highlights

- Unrestricted cash and cash equivalents of \$245 million and unencumbered assets of approximately \$325 million at December 31, 2024
- Total excess warehouse financing capacity of \$4.7 billion at December 31, 2024
- Completed an opportunistic \$40 million reopening of our 7.75% convertible notes due 2027; primary use of proceeds to repurchase convertible notes due 2025, effectively extending the overall maturity profile of our convertible debt outstanding
- We renewed or established four financing facilities representing \$1.0 billion of total financing capacity

Q1 2025 Highlights to Date⁽⁵⁾

- Distributed approximately \$1.4 billion of Sequoia loans through two securitizations and various whole loan sales⁽⁶⁾
- Distributed approximately \$400 million of CoreVest loans through whole loan sales and sales to JVs⁽⁶⁾
- Formally launched new expanded loan programs through Aspire
- Issued \$90 million of senior unsecured notes due 2030

"We are proud of the significant progress we made in 2024 in growing our operating businesses, establishing key capital partnerships, raising our dividend, and achieving solid profitability amidst a challenging market," said Christopher Abate, Chief Executive Officer of Redwood Trust. "Looking ahead to 2025, we expect further progress towards our core operating goals, with the added potential for housing policy and regulatory changes to transform our opportunity set. Our focus on strategic bank relationships and innovative new loan products positions Redwood to continuing growing market share and enhance earnings power. We remain committed to providing critical liquidity to the housing finance market and supporting our partners and shareholders in this evolving landscape."

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1. *Economic return on book value is based on the period change in GAAP book value per common share plus dividends declared per common share in the period.*
 2. *Earnings available for distribution and EAD ROC are non-GAAP measures. See Non-GAAP Disclosures section that follows for additional information on this measure.*
 3. *Recourse leverage ratio is defined as recourse debt at Redwood divided by tangible stockholders' equity. Recourse debt excludes \$14.3 billion of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood, and tangible stockholders' equity excludes \$42.4 million of goodwill and intangible assets.*
 4. *Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.*
 5. *Represents Q1'25 activity through February 12, 2025 unless otherwise noted.*
 6. *Includes securitizations and sales that have priced but not yet closed as of February 12, 2025.*

Fourth Quarter 2024 Redwood Review and Supplemental Tables Available Online

A further discussion of Redwood's business and financial results is included in the fourth quarter 2024 Shareholder Letter and Redwood Review which are available under "Financial Info" within the Investor Relations section of the Company's website at redwoodtrust.com/investor-relations. Additional supplemental financial tables can also be found within this section of the Company's website.

Conference Call and Webcast

Redwood will host an earnings call today, February 13, 2025, at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time to discuss its fourth quarter 2024 financial results. The number to dial in order to listen to the conference call is 1-877-423-9813 in the U.S. and Canada. International callers must dial 1-201-689-8573. A replay of the call will be available through midnight on Thursday, February 27, 2025, and can be accessed by dialing 1-844-512-2921 in the U.S. and Canada or 1-412-317-6671 internationally and entering access code #13750895.

The conference call will be webcast live in listen-only mode through the News & Events section of Redwood's Investor Relations website at <https://www.redwoodtrust.com/investor-relations/news-events/events>. To listen to the webcast, please go to Redwood's website at least 15 minutes before the call to register and to download and install any needed audio software. An audio replay of the call will also be available on Redwood's website following the call. Redwood plans to file its Annual Report on Form 10-K with the Securities and Exchange Commission by Monday, March 3, 2025, and also make it available on Redwood's website.

About Redwood

Redwood Trust, Inc. (NYSE: RWT) is a specialty finance company focused on several distinct areas of housing credit where we provide liquidity to growing segments of the U.S. housing market not well served by government programs. We deliver customized housing credit investments to a diverse mix of investors through our best-in-class securitization platforms, whole-loan distribution activities, and our publicly traded shares. We operate our business in three segments: Sequoia Mortgage Banking, CoreVest Mortgage Banking and Redwood Investments. Through RWT Horizons®, our venture investing initiative, we invest in early-stage companies that have a direct nexus to our operating platforms. Additionally, through Aspire, we directly originate home equity investment options to homeowners and purchase expanded home loan products from mortgage originators. Our goal is to provide attractive returns to shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. Redwood Trust is internally managed and structured as a real estate investment trust ("REIT") for tax purposes. For more information about Redwood, please visit our website at www.redwoodtrust.com or connect with us on [LinkedIn](#).

Cautionary Statement; Forward-Looking Statements:

This press release and the related conference call contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including the expected timing for the filing of Redwood's Annual Report on Form 10-K. Forward-looking statements involve numerous risks and uncertainties. Redwood's actual results may differ from Redwood's beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, opportunities, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2023 under the caption "Risk Factors". Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the Securities and Exchange Commission, including reports on Forms 10-K, 10-Q and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

REDWOOD TRUST, INC.

(\$ in millions, except per share data)

	Three Months Ended	
	12/31/2024	9/30/2024
Financial Performance		
Net (loss) income per diluted common share	\$ (0.07)	\$ 0.09
Net (loss) income per basic common share	\$ (0.07)	\$ 0.09
EAD per basic common share (non-GAAP)	\$ 0.13	\$ 0.18
Return on Common Equity ("ROE") (annualized)	(3.0)%	4.5 %
EAD Return on Common Equity ("EAD ROE") (annualized, non-GAAP)	6.6 %	8.7 %
Book Value per Common Share	\$ 8.46	\$ 8.74
Dividend per Common Share	\$ 0.18	\$ 0.17
Economic Return on Book Value ⁽¹⁾	(1.1)%	2.1 %
Recourse Leverage Ratio ⁽²⁾	2.4x	2.5x
Operating Metrics		
Residential Investor (CoreVest) Loans		
Term fundings	\$ 227	\$ 159
Bridge fundings	274	299
Term sold	248	207
Bridge sold	259	81
Residential Consumer (Sequoia) Loans		
Locks	\$ 2,322	\$ 2,226
Purchases	2,189	2,024
Securitized	1,069	1,528
Sold	1,404	39

(1) Economic return on book value is based on the periodic change in GAAP book value per common share plus dividends declared per common share during the period.

(2) Recourse leverage ratio is defined as recourse debt at Redwood divided by tangible stockholders' equity. At December 31, 2024, and September 30, 2024, recourse debt excluded \$14.3 billion and \$14.3 billion, respectively, of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood, and tangible stockholders' equity excluded \$19 million and \$45 million, respectively, of goodwill and intangible assets.

REDWOOD TRUST, INC.

Consolidated Income Statements ⁽¹⁾

(\$ in millions, except share and per share data)

	Three Months Ended				
	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23
Net Interest Income From:					
Redwood investments	\$ 29.2	\$ 32.7	\$ 29.9	\$ 29.6	\$ 30.8
Sequoia mortgage banking	17.0	9.5	11.2	6.0	0.7
CoreVest mortgage banking	1.1	1.8	1.5	0.9	0.9
Corporate/other	(19.7)	(18.6)	(17.3)	(12.3)	(12.3)
Net Interest Income	\$ 27.6	\$ 25.5	\$ 25.3	\$ 24.2	\$ 20.1
Non-interest income					
Sequoia mortgage banking activities, net	16.8	26.7	6.2	7.8	8.4
CoreVest mortgage banking activities, net	9.6	12.9	12.7	6.7	6.3
Investment fair value changes, net	(25.5)	(12.2)	1.1	21.8	15.2
HEI income, net	6.3	10.7	15.8	9.0	11.7
Other income, net	10.7	6.0	6.3	4.5	1.8
Realized gains, net	(0.3)	0.2	—	0.4	0.6
Total non-interest income, net	\$ 17.6	\$ 44.2	\$ 42.2	\$ 50.3	\$ 44.0
General and administrative expenses	(32.5)	(36.0)	(33.3)	(34.6)	(32.2)
Portfolio management costs	(6.1)	(6.4)	(4.9)	(3.6)	(4.3)
Loan acquisition costs	(3.6)	(3.2)	(3.7)	(2.2)	(2.6)
Other expenses	(3.3)	(2.2)	(5.2)	(3.4)	(2.9)
(Provision for) benefit from income taxes	(6.3)	(7.1)	(4.9)	(0.5)	(1.0)
Net (loss) income	\$ (6.6)	\$ 14.8	\$ 15.5	\$ 30.3	\$ 21.0
Dividends on preferred stock	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Net (loss) income (related) available to common stockholders	\$ (8.4)	\$ 13.1	\$ 13.8	\$ 28.5	\$ 19.3
Weighted average basic common shares (thousands)					
	132,294	132,218	132,116	131,570	121,927
Weighted average diluted common shares (thousands) ⁽²⁾					
	132,294	132,358	132,124	131,570	122,474
(Loss) earnings per basic common share	\$ (0.07)	\$ 0.09	\$ 0.10	\$ 0.21	\$ 0.15
(Loss) earnings per diluted common share	\$ (0.07)	\$ 0.09	\$ 0.10	\$ 0.21	\$ 0.15
Regular dividends declared per common share	\$ 0.18	\$ 0.17	\$ 0.16	\$ 0.16	\$ 0.16

(1) Certain totals may not foot due to rounding.

(2) Actual shares outstanding (in thousands) at December 31, 2024, September 30, 2024, March 31, 2024 and December 31, 2023 were 132,520, 132,237, 132,216, 131,871, and 131,486, respectively.

Analysis of Income Statement - Changes from Third Quarter 2024 to Fourth Quarter 2024

- Net interest income increased from the third quarter due to accretive capital deployment, partially offset by higher interest expense on corporate debt and a higher cost of funds on secured financing transactions completed in the third quarter.
- Income from Sequoia Mortgage Banking activities, net decreased slightly from the third quarter, but gain on sale margins remained above our historic target range of 75 - 100 basis points, benefiting from continued hedge outperformance and accretive distribution activities.
- Despite higher volume in the fourth quarter, income from CoreVest Mortgage Banking activities, net decreased due to non-recurring fee revenue experienced in the third quarter.
- Fair value changes on our Redwood Investments portfolio in the fourth quarter primarily reflected the net impact from higher benchmark interest rates on our re-performing loan securities and incremental negative fair value changes on our bridge loans.
- HEI income, net decreased in the fourth quarter as home price appreciation slowed from elevated levels the past few quarters, resulting in lower fair market value gains relative to the third quarter. Notwithstanding the slower pace of growth in the fourth quarter, home price appreciation remains in line with modeled expectations.
- General and administrative ("G&A") expenses decreased primarily as a result of lower performance-based variable and equity compensation expenses relative to the third quarter based on quarterly earnings performance.
- Our provision for income taxes in the fourth quarter decreased as a result of lower income from mortgage banking activities relative to the third quarter.

REDWOOD TRUST, INC.**Consolidated Balance Sheets ⁽¹⁾**

(\$ in millions, except share and per share data)

	<u>12/31/24</u>	<u>9/30/24</u>	<u>6/30/24</u>	<u>3/31/24</u>	<u>12/31/23</u>
Residential consumer loans	\$ 11,078	\$ 11,157	\$ 9,210	\$ 7,617	\$ 7,051
Residential investor loans	4,587	4,746	4,880	5,182	5,220
Consolidated Agency multifamily loans	425	426	422	423	425
Real estate securities	405	334	264	212	128
Home equity investments (HEI)	590	590	574	561	550
Other investments	376	342	350	337	344
Cash and cash equivalents	245	254	276	275	293
Other assets	553	579	515	451	493
Total assets	<u>\$ 18,258</u>	<u>\$ 18,427</u>	<u>\$ 16,491</u>	<u>\$ 15,058</u>	<u>\$ 14,504</u>
Asset-backed securities issued, net	\$ 13,270	\$ 13,020	\$ 11,556	\$ 10,628	\$ 9,812
Debt obligations, net	3,463	3,801	3,415	2,959	3,239
Other liabilities	337	383	300	247	251
Total liabilities	<u>\$ 17,070</u>	<u>\$ 17,204</u>	<u>\$ 15,270</u>	<u>\$ 13,834</u>	<u>\$ 13,302</u>
Stockholders' equity	1,188	1,223	1,221	1,224	1,203
Total liabilities and equity	<u>\$ 18,258</u>	<u>\$ 18,427</u>	<u>\$ 16,491</u>	<u>\$ 15,058</u>	<u>\$ 14,504</u>
Common shares outstanding at period end (thousands)	132,520	132,237	132,216	131,871	131,486
GAAP book value per common share	\$ 8.46	\$ 8.74	\$ 8.73	\$ 8.78	\$ 8.64

(1) Certain totals may not foot due to rounding.

Non-GAAP Disclosures

Reconciliation of GAAP Net Income Available to Common Stockholders to non-GAAP EAD⁽¹⁾⁽²⁾

(\$ in millions, except per share data)	Three Months Ended	
	12/31/24	9/30/24
GAAP Net income available to common stockholders	\$ (8.4)	\$ 13.1
Adjustments:		
Investment fair value changes, net ⁽³⁾	25.5	12.2
Realized (gains)/losses, net ⁽⁴⁾	0.3	(0.2)
Acquisition related expenses ⁽⁵⁾	2.2	2.2
Tax effect of adjustments ⁽⁶⁾	(1.2)	(2.1)
Earnings available for distribution (non-GAAP)	\$ 18.4	\$ 25.2
Earnings per basic common share (GAAP)	\$ (0.07)	\$ 0.09
EAD per basic common share (non-GAAP)	\$ 0.13	\$ 0.18
GAAP Return on common equity (annualized)	(3.0)%	4.5 %
EAD Return on common equity (non-GAAP, annualized) ⁽⁷⁾	6.6 %	8.7 %

- Certain totals may not foot due to rounding.
- EAD and EAD ROE are non-GAAP measures derived from GAAP Net income (loss) available (related) to common stockholders and GAAP Return on common equity ("GAAP ROE" or "ROE"), respectively. EAD is defined as: GAAP net income (loss) available (related) to common stockholders adjusted to (i) exclude investment fair value changes, net; (ii) exclude realized gains and losses; (iii) exclude acquisition related expenses; (iv) exclude certain organizational restructuring charges (as applicable); and (v) adjust for the hypothetical income taxes associated with these adjustments. EAD ROE is defined as EAD divided by average common equity. We believe EAD and EAD ROE provide supplemental information to assist management and investors in analyzing the Company's results of operations and help facilitate comparisons to industry peers. Management also believes that EAD and EAD ROE are metrics that can supplement its analysis of the Company's ability to pay dividends, by providing an indication of the current income generating capacity of the Company's business operations as of the quarter being presented. EAD and EAD ROE should not be utilized in isolation, nor should they be considered as an alternative to GAAP net income (loss) available (related) to common stockholders, GAAP ROE or other measurements of results of operations computed in accordance with GAAP or for federal income tax purposes.
- Investment fair value changes, net includes all amounts within that same line item on our consolidated statements of income, which primarily represents both realized and unrealized gains and losses on our investments (excluding HEI) and associated hedges. As noted above, realized and unrealized gains and losses on our HEI investments are reflected in a new line item on our consolidated income statements titled "HEI income, net".
- Realized (gains)/losses, net includes all amounts within that line item on our consolidated statements of income.
- Acquisition related expenses include transaction costs paid to third parties, as applicable, and the ongoing amortization of intangible assets related to the Riverbend and CoreVest acquisitions.
- Tax effect of adjustments represents the hypothetical income taxes associated with all adjustments used to calculate EAD.
- EAD ROE is calculated by dividing EAD by average common equity for each respective period.

Non-GAAP Disclosures (Continued)

Reconciliation of GAAP Net Contribution to non-GAAP EAD Net Contribution by Mortgage Banking Segment⁽¹⁾⁽²⁾

(\$ in millions)	Three Months Ended		Three Months Ended	
	12/31/24		9/30/24	
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Sequoia Mortgage Banking	CoreVest Mortgage Banking
GAAP Net contribution	\$ 21.8	\$ 1.5	\$ 22.8	\$ 5.7
Adjustments:				
Acquisition related expenses ⁽³⁾	—	2.2	—	2.2
Tax effect of adjustments ⁽⁴⁾	—	(0.7)	—	(0.6)
EAD Net contribution (non-GAAP)	\$ 21.8	\$ 3.1	\$ 22.8	\$ 7.3
Capital utilized (average for period)	\$ 387	\$ 50	\$ 307	\$ 50
Return on capital (GAAP)	23 %	12 %	30 %	45 %
EAD Net Contribution return on capital (non-GAAP) ⁽⁵⁾	23 %	25 %	30 %	58 %

- Certain totals may not foot due to rounding.
- EAD Net contribution and EAD Net contribution ROC are non-GAAP measures derived from GAAP Net contribution and GAAP Return on capital ("GAAP ROC" or "ROC"), respectively. GAAP ROC is defined as: GAAP Net contribution by segment adjusted to (i) exclude investment fair value changes, net (as applicable); (ii) exclude realized gains and losses (as applicable); (iii) exclude acquisition related expenses; (iv) exclude certain organizational restructuring charges (as applicable); and (v) adjust for the hypothetical income taxes associated with these adjustments. Each of these adjustments to arrive at EAD Net contribution are the same adjustments used to calculate EAD, as applicable to each segment for which it is being calculated. EAD Net contribution ROC presents a measure of profitability relative to the amount of capital utilized in the operations of each segment during a period and is calculated by dividing annualized non-GAAP EAD Net contribution by the average capital utilized by the segment during the period. Management utilizes these measures internally in analyzing each of the Company's business segments' contribution to EAD. See prior page for a further description of how management utilizes EAD and why EAD may assist investors, as well as limitations related to using EAD-based metrics. We caution that EAD Net contribution and EAD Net contribution ROC should not be utilized in isolation, nor should they be considered as alternatives to GAAP Net Contribution, GAAP ROC or other measurements of results of operations computed in accordance with GAAP.
- Acquisition related expenses include transaction costs paid to third parties, as applicable, and the ongoing amortization of intangible assets related to the Riverbend and CoreVest acquisitions.
- Tax effect of adjustments represents the hypothetical income taxes associated with all adjustments used to calculate EAD.
- EAD ROC is calculated by dividing EAD by average capital utilized for each respective period.

CONTACTS

Investor Relations

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SHAREHOLDER LETTER

FOURTH QUARTER 2024

REDWOOD
TRUST



**REDWOOD
TRUST**

Dear Fellow Shareholders:

On the back of the November elections, the last few months have borne witness to an unprecedented dynamic in interest rates – the start of a Fed easing cycle coinciding with a nearly 100 basis point rise in the 10-year Treasury yield. Inflationary rhetoric from the new Administration, and the prospect of significant government borrowing, has acted as a catalyst to keep mortgage rates elevated well into the new year. This dynamic ultimately tempered our investment portfolio valuations and pipeline hedging costs in what was otherwise a very strong operating period for our Company.

Our fourth quarter GAAP earnings were \$(0.07) per share, and our non-GAAP earnings available for distribution (“EAD”) were \$0.13 per share. GAAP book value at December 31, 2024, was \$8.46 per share. Our full-year 2024 results demonstrated tangible progress, returning our operating businesses to strong profitability and delivering a 5.7% total economic return amidst three separate 100 basis point swings in Treasury yields. We also significantly improved our operating efficiency and raised our common stock dividend in each of the final two quarters of the year.

As we move through 2025, we like to remind our shareholders of our long-held view that most challenges and opportunities in our markets get their start in Washington, D.C. With such a significant shift in governing philosophy from the new Administration, much is likely to change in the arenas of housing policy and regulation, the vast majority of which we expect to benefit Redwood. Though mortgage rates remain elevated and overall housing activity will likely remain flat in 2025, we see several strategic opportunities that could drive sizable market share gains for our platform, supporting greater earnings power.

Our top strategic priority remains positioning ourselves for more of the downsizing of mortgage activity within the banking sector, something that has significantly accelerated in recent weeks. In the first month of 2025, three large regional banks have already spurred nearly \$10 billion of seasoned mortgage pools to change hands, a trend that we expect will continue throughout the year. The logic supporting more such activity is intuitive. With continued “higher for longer” interest rate expectations dampening prospects for near-term production growth, the risk/reward dynamic for banks funding fixed-rate mortgages with deposits has clearly changed. As such, we expect the last two years of spadework we have done with our bank seller network to begin to pay increased dividends, with the potential for flow relationships to evolve into more sizable bulk opportunities for which we are the ideal non-bank partner. We believe that banks appreciate the value we provide – long-term, quality partnership with reliable and seamless execution – and that we do not compete for their customer.

Divestment from mortgage lending also reflects the prospect for many banks to seek renewed opportunities for capital redeployment, notably through M&A. After largely being stymied the past four years, increased activity in this area would likely shake free large mortgage pools once they are marked to market under M&A accounting rules. When paired with the likelihood of further consolidation amongst non-bank originators, this is a meaningful opportunity for a company such as ours with a recognized track record for acquiring businesses that help us meet our strategic objectives. Banks represent a growing portion of our recently re-branded Sequoia seller network - over 40% of our 2024 lock volume was with banks, doubling from 2023 and up from just 8% prior to the regional bank crisis. These relationships underscore the headroom we have to drive meaningful scale in 2025.

This Shareholder Letter contains time-sensitive information and may contain forward-looking statements. The information contained herein is only accurate as of February 13, 2025. We undertake no obligation to update or revise the information contained herein, including forward-looking statements, whether as a result of new information, future events, or otherwise. Additional detail regarding the forward-looking statements in this Shareholder Letter and the important factors that may affect our actual results in 2024 are described at the end of this Shareholder Letter under the heading “Forward-Looking Statements.”

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As persistently higher mortgage rates and constrained housing supply continue to impede the path to homeownership for many American households, demand from our loan sellers for non-traditional loan products has grown significantly. Our Aspire platform – which we launched in early 2024 to provide innovative solutions for homeowners to unlock equity – recently broadened its mandate to include expanded loan products that serve prospective homebuyers requiring alternative methods to demonstrate ability to repay underwriting standard. For those less familiar with this segment of the market, this focus represents a sizable market for both our existing seller network as well as new originators to Redwood.

In the last few weeks, Aspire has begun acquiring these loans, leveraging our track record as a reliable source of liquidity through best-in-class operations and common-sense underwriting practices. The market for alternative loan products continues to grow and remains poised for disruption through artificial intelligence (“AI”) and other emerging technologies that reduce cycle times and expand the funnel of qualified consumers.

We are also in the early stages of a new Administration that has emphasized the need for policy reform to address housing affordability and accessibility. GSE reform is once again a topic of discussion, and while privatization would take extraordinary resolve from the federal government, addressing areas such as GSE mission creep and overall government overreach in housing is a viable possibility in the near-term. To wit, loan limits for GSE-insured loans have increased by 60% over the past five years, versus just a 10% rise in average household income. A much more rational approach would ensure that loan limits align with actual purchasing power, thereby encouraging further investment by private market participants and redirecting more of the GSEs’ efforts to address core impediments to homeownership – particularly for low to moderate income homebuyers. We believe such progress and realignment would directly benefit our Sequoia platform, as we are best positioned to provide liquidity to non-conforming borrowers. As many in the industry know, our nonconforming mortgage rates have been at or lower than comparable conforming rates in many instances. We are optimistic that new housing regulators may reverse what has become known as an era of enablement for the GSEs to “crowd out” the private sector, and we look forward to playing a key role in de-risking the American taxpayer as the Administration works toward greater privatization of housing finance.

It is hard to overstate the scale of opportunity these trends can bring to bear for Redwood, making our recent strategic process all the more critical. Beyond our securitization and whole loan distribution efforts, our strategic joint ventures (“JVs”) in 2024 with large private credit institutions have set us further apart from our competitors. We recently crossed the \$1 billion threshold of cumulative fundings in these JVs, and over the past year have securitized \$5.5 billion of loans and sold \$2.1 billion of loans directly across our platforms. Our expanded distribution avenues have enabled us to broaden our reach in the housing finance market, leveraging partnerships and asset management to drive growth of our operating businesses while minimizing the capital required from our own balance sheet.

These distribution capabilities have helped drive the re-scaling of our operating businesses. Lock volume for our Sequoia jumbo loan platform totaled \$9 billion in 2024, up close to 300% from 2023. This growth enabled us to reach a new threshold for our share of the jumbo market, which doubled from our historical 2%-3% range. We expect to continue this growth into 2025 through new and existing bank relationships, and an expanded product suite. Full-year 2024 origination volume at our business purpose lending platform, CoreVest, was nearly 10% higher than 2023, with the fourth quarter our most active quarter of the year as we built momentum across the business. The vast majority of these loans are now distributed into joint ventures, leading to more efficient use of Redwood’s portfolio capital as well as growth in asset management fee generation. Our CoreVest volume mix continues to focus increasingly on smaller-balance, more liquid loan products such as single-asset bridge (“SAB”)

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and debt service coverage ratio (“DSCR”) loans that garner deep investor demand and whose production metrics are responsive to further scale through technology.

For our shareholders, the key takeaway is our unwavering focus on growth - both within our core business lines and through new initiatives designed to expand access to the non-Agency housing finance market. In 2025, we are setting ambitious new benchmarks for volume and distribution, reinforcing our leadership position in the space. We are also focused on identifying and capitalizing on transformational opportunities, be they frontier technologies like AI or more established asset classes – such as homebuilder finance – with an intriguing macro-overlay. With the recent addition of a new Chief Technology Officer, we believe we are well-positioned to scale these initiatives meaningfully in the year ahead.

Before we conclude, as a California headquartered company, we want to take a moment to express our deepest sympathy to all those who lost their homes in the devastating fires that swept through the Los Angeles area in January. While we anticipate minimal financial impact to our business due to our limited exposure to the directly affected regions, we are reminded of the significant losses experienced by homeowners and tenants across the state, including some with ties to our workforce and a small number who have received financing through our platforms. Our servicing team is actively engaging impacted homeowners, and we are profoundly grateful to the first responders, firefighters, and countless volunteers who have selflessly assisted all those impacted. Their efforts are a testament to the power of community, and the vital role we all play in rebuilding, restoring, and protecting the dream of homeownership.

Thank you for your continued support,



Christopher J. Abate
Chief Executive Officer



Dashiell I. Robinson
President



Brooke E. Carillo
Chief Financial Officer

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Note to Readers

We file annual reports (on Form 10-K) and quarterly reports (on Form 10-Q) with the Securities and Exchange Commission. These filings, our Redwood Review presentation and our earnings press releases provide information about Redwood and our financial results in accordance with generally accepted accounting principles (GAAP). These documents, as well as information about our business and a glossary of terms we use in this and other publications, are available through our website, www.redwoodtrust.com. We encourage you to review these documents. Within this document, in addition to our GAAP results, we may also present certain non-GAAP measures. When we present a non-GAAP measure, we provide a description of that measure and a reconciliation to the comparable GAAP measure within the Non-GAAP Measures section of the Endnotes to the Redwood Review, which can be found on our website, www.redwoodtrust.com, under “Financials” within the “Investor Relations” section. References herein to “Redwood,” the “company,” “we,” “us,” and “our” include Redwood Trust, Inc., and its consolidated subsidiaries. Note that because we generally round numbers in the tables to millions, except per share amounts, some numbers may not foot due to rounding. References to the “third quarter” refer to the quarter ended September 30, 2024 and references to the “fourth quarter” refer to the quarter ended December 31, 2024, unless otherwise specified.

Cautionary Statement; Forward-Looking Statements

This shareholder letter may contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as “anticipate,” “estimate,” “will,” “should,” “expect,” “believe,” “intend,” “seek,” “plan,” “could” and similar expressions or their negative forms, or by references to strategy, plans, goals, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K under the caption “Risk Factors.” Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports we file with the Securities and Exchange Commission, including reports on Forms 10-K, 10-Q, and 8-K. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Statements regarding the following subjects, among others, are forward-looking by their nature: statements we make regarding Redwood's business strategy and strategic focus, statements related to our financial outlook and expectations for 2025 and future years, and strategic opportunities that could drive sizable market share gains for our Sequoia and CoreVest mortgage banking businesses. Additional detail regarding the forward-looking statements in this shareholder letter and the important factors that may affect our actual results in 2025 are described in the Redwood Review under the heading “Forward-Looking Statements,” which can be found on our website, www.redwoodtrust.com, under “Financials” within the “Investor Relations” section.

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Exhibit 99.3

Q4 2024 Redwood Review

February 13, 2025

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 Cautionary Statement; Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding our 2025 forward outlook and strategic priorities, key drivers to increase earnings and book value, current target returns related to capital deployment opportunities and estimates of upside and potential earnings in our Redwood Investments segment from embedded discounts to par value on securities.

Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as “anticipate,” “estimate,” “will,” “should,” “expect,” “believe,” “intend,” “seek,” “plan” and similar expressions or their negative forms, or by references to strategy, plans, opportunities, or intentions.

These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 and any subsequent Quarterly Reports on Form 10-K, Form 10-Q and Form 8-K under the caption “Risk Factors.”

Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports the Company files with the Securities and Exchange Commission, including Current Reports on Form 8-K.

Additionally, this presentation contains estimates and information concerning our industry, including market size and growth rates of the markets in which we participate, that are based on industry publications and reports. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates.

We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to above, that could cause results to differ materially from those expressed in these publications and reports.

Redwood's 2025 Strategic Priorities

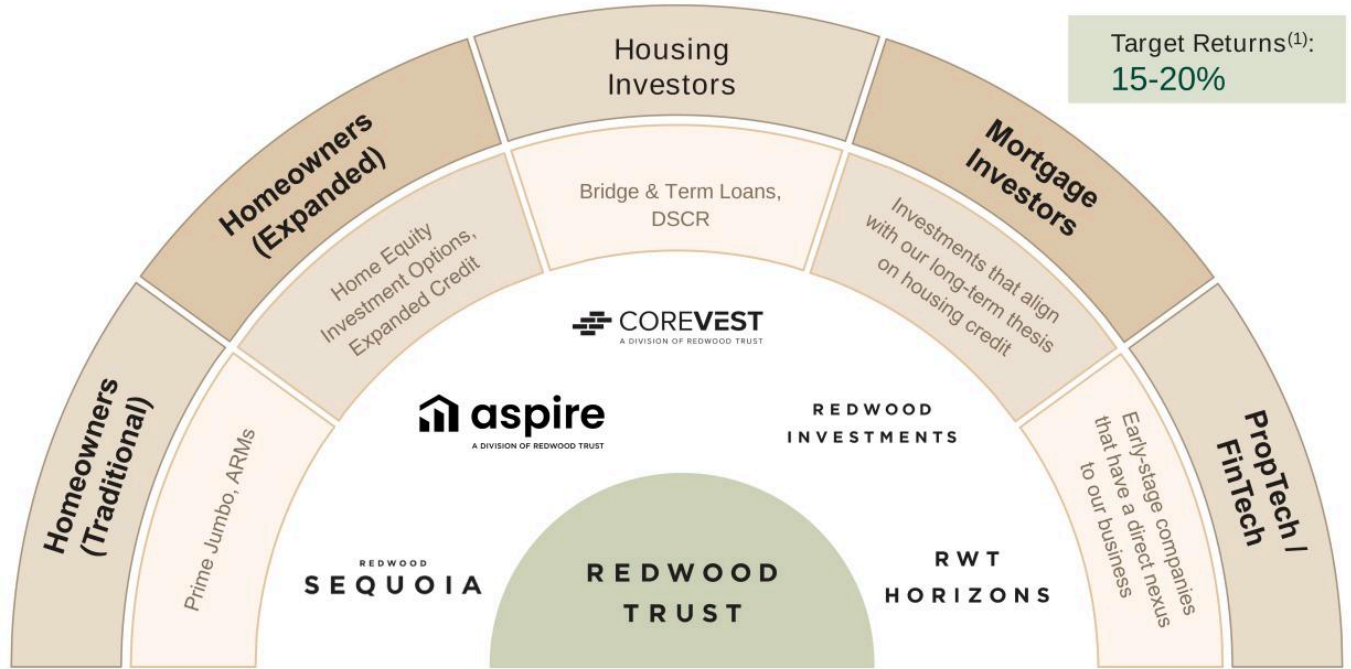
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- ▶ Capture market share across operating platforms, including through new Aspire loan programs
- ▶ Grow volumes with ongoing distribution efficiency and portfolio optimization
 - ▶ Deepen partnerships with banks given anticipated industry consolidation and balance sheet management
- ▶ Provide transformational solutions to drive sustainable access to homeownership
- ▶ Utilize our market-leading platform to help support potential housing policy and regulatory reform

Redwood Provides Liquidity Across the Entire Single-Family Residential Market

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Detailed Endnotes and Summary of Terms are included at the end of this presentation.

Full Year 2024 Financial & Operational Highlights

Our full year results demonstrate improved financial and operating metrics in 2024

FINANCIAL HIGHLIGHTS

↑ Grew Earnings

GAAP Earnings
Per Share



Non-GAAP EAD*
Per Share



↑ Delivered **\$0.67** in Common
Dividends per Share

↑ Grew Common Dividend **12.5%**

↑ Delivered **5.7%** Total Economic Return⁽¹⁾

OPERATIONAL HIGHLIGHTS

\$9.0bn Sequoia Loans Locked
+158% YoY

\$1.7bn CoreVest Loans Funded
+9% YoY

\$8.4bn Total Loans Distributed
+152% YoY

#1 Non-Bank Distributer
of Jumbo Loans⁽²⁾

13 Total
Securizations

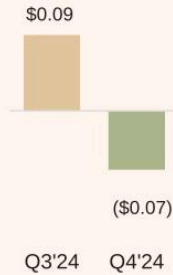
CPP Investments Closed CPP Investments
Strategic Partnership

* Earnings Available for Distribution ("EAD") is a non-GAAP measure. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics. Detailed Endnotes are included at the end of this presentation.

Fourth Quarter 2024 Financial Performance

Earnings Per Share

GAAP EPS



Non-GAAP EAD Per Share*



GAAP Book Value Per Share

\$8.74

\$8.46

Q3'24

Q4'24

Q4'24 Total Economic Return:
(1.1)%⁽¹⁾

Common Dividend Per Share

\$0.17

\$0.18

Q3'24

Q4'24

11.0% Indicative Dividend Yield
as of December 31, 2024⁽²⁾

Return on Equity

GAAP ROE

4.5%

(3.0%)

Q3'24

Q4'24

Non-GAAP EAD ROE*

8.7%

6.6%

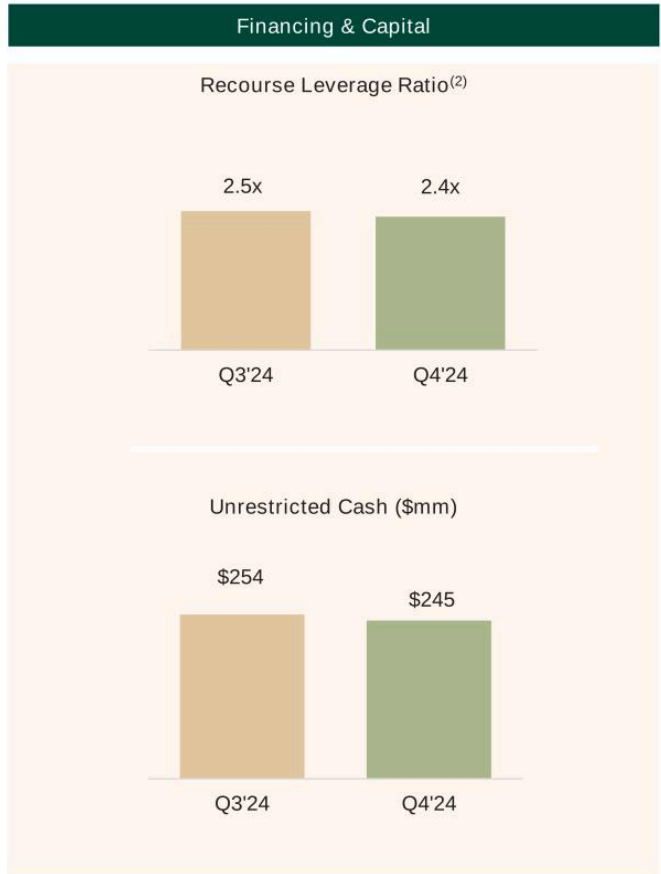
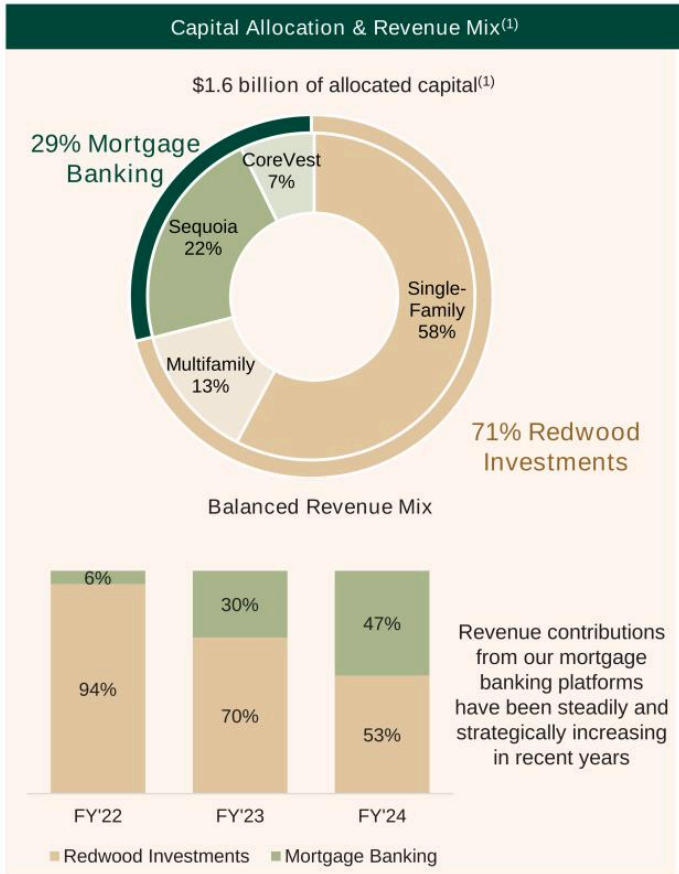
Q3'24

Q4'24

Detailed Endnotes are included at the end of this presentation.

*Earnings Available for Distribution ("EAD") and EAD Return on Equity ("EAD ROE") are non-GAAP measures. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics.

Fourth Quarter 2024 Financial Performance (Continued)



Detailed Endnotes are included at the end of this presentation.

Fourth Quarter 2024 & Recent Business Performance

<p>Financing & Capital</p>	<ul style="list-style-type: none"> ▪ At December 31, 2024: <ul style="list-style-type: none"> ▪ Unrestricted cash and cash equivalents of \$245 million ▪ Unencumbered assets of approximately \$325 million ▪ Completed an opportunistic \$40 million reopening of our 7.75% convertible notes due 2027, effectively extending the overall maturity profile of our convertible debt outstanding
<p>REDWOOD SEQUOIA <small>(formerly Residential Consumer Mortgage Banking)</small></p>	<ul style="list-style-type: none"> ▪ \$2.3 billion of lock volume (+4% QoQ)⁽¹⁾ <ul style="list-style-type: none"> ▪ Lock volume composition: 23% bulk / 77% flow ▪ Quarterly flow volume increased 57% from Q3'24 and was the highest since the first quarter 2022 ▪ Distributed \$2.5 billion of collateral through three SEMT securitizations (\$1.1 billion) and whole loan sales (\$1.4 billion)
<p>COREVEST <small>A DIVISION OF REDWOOD TRUST</small> <small>(formerly Residential Investor Mortgage Banking)</small></p>	<ul style="list-style-type: none"> ▪ \$501 million of loan fundings (+9% QoQ) <ul style="list-style-type: none"> ▪ Funding volume composition: 55% bridge / 45% term ▪ Term loan volume increased by 43% to \$227 million, the highest level since mid-2022 ▪ Distributed \$547 million of loans through securitizations, whole loan sales and sales to JVs
<p>REDWOOD INVESTMENTS <small>(formerly Investment Portfolio)</small></p>	<ul style="list-style-type: none"> ▪ Deployed approximately \$81 million of capital into accretive internally sourced and third-party investments
<p>Q1'25 QTD Activity⁽²⁾</p>	<ul style="list-style-type: none"> ▪ Distributed approximately \$1.4 billion of Sequoia loans through two securitizations and various whole loan sales⁽³⁾ ▪ Distributed nearly \$400 million of CoreVest loans through whole loan sales and sales to JVs⁽³⁾ ▪ Formally launched new expanded loan programs through Aspire ▪ Issued \$90 million of senior unsecured notes due 2030

Detailed Endnotes are included at the end of this presentation.

Aspire Expanded Programs Address Growing Market Demand

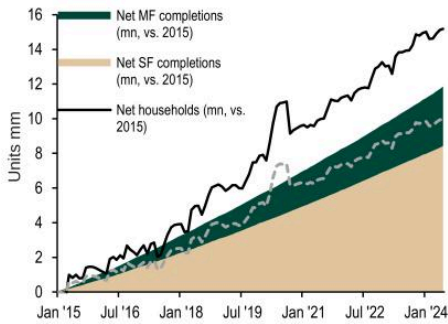
In January 2025, we announced the formal launch of new Aspire loan programs to meet the growing borrower demand

Broadened mandate designed to meet growing consumer need for flexible financing solutions

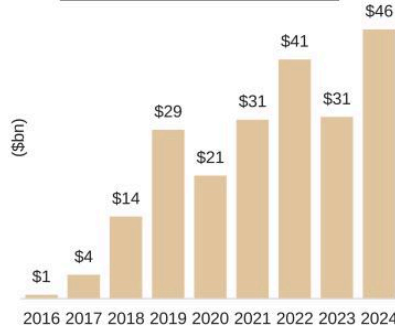
- Represents large and growing addressable market
- Provides additional revenue streams to Redwood
- Supports our existing seller base with new products as overall volumes remain pressured
- Addresses deep demand from our investors (securitization and whole loan) who are interested in these products
- Presents opportunity to disrupt production processes via automation and AI
- Leverages our leadership role in providing quality solutions to the housing market

Market Trends Supporting Expanded Product Opportunity

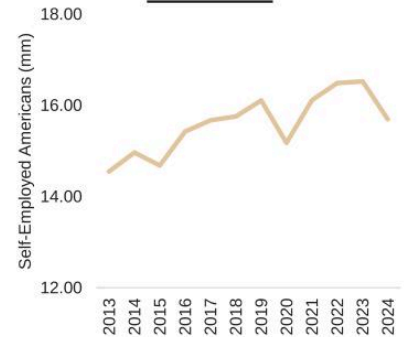
Undersupply of Housing⁽¹⁾



Ongoing Strength in Expanded Securitization Issuance⁽¹⁾



Elevated Number of Self-Employed Borrowers⁽²⁾



Detailed Endnotes are included at the end of this presentation.

Redwood's Deepening Opportunities with Banks

Redwood is a preferred partner to our bank loan sellers as they evaluate their evolving approach to residential lending

Banks are pulling back from residential lending...

- "Higher for longer" interest rate expectations reduce prospects for profitable lending growth versus funding costs
- Observable asset/liability and convexity challenges
- Loosening regulatory environment creates more avenues for redeployment (including M&A)

...providing a unique opportunity for Redwood as a non-bank partner:

- We offer reliable take-out for on-the-run production without competing for the customer
- We provide accretive liquidity for seasoned portfolios

Recent Bank Activity

3

Large Leading Banks that have Announced Pullbacks / Departures from Residential Lending

Redwood's Connectivity & Opportunity with Banks

118

Total Bank Relationships

\$1.3tr

Estimated Amount of Jumbo Loans on Bank Balance Sheets⁽¹⁾

\$10bn+

Jumbo Portfolios that have Recently Come for Sale

\$3.8bn

FY'24 Loans Locked with Banks

143%

Increase in Bank Lock Volume YoY

Housing Policy and Regulatory Reform

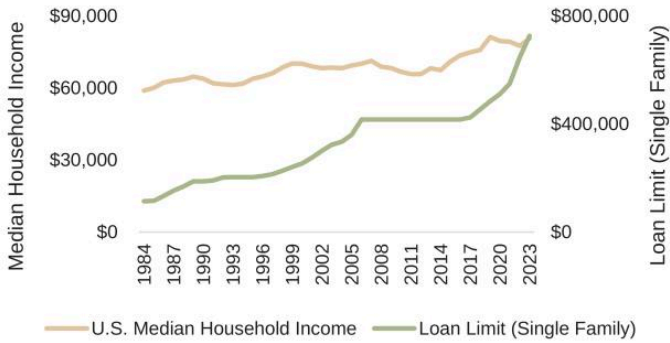
Redwood's business model is well-positioned to respond to potential changes to housing policy and regulations

Key areas of potential housing policy and regulatory reform:

- Rationalization of GSE Footprint
 - Loan Limits
 - Product Suite
- Refocus GSEs on Core Mission
- Evolving Mandate of Consumer Financial Protection Bureau ("CFPB")

Household Income vs. Loan Limit⁽¹⁾

In the last five years, loan limits have increased 60% compared to only a 10% increase in household income



Detailed Endnotes are included at the end of this presentation.

Redwood's GSE-Style Offerings

Our operating model is primed to benefit from potential narrowing of GSE mandates

	GSEs	Redwood
Product	Agency Mortgages	Non-Agency Mortgages
No Direct Customer Touchpoints	✓	✓
Underwriting Guidelines	Standard Buy-Box	Standard Buy-Box with Flexibility
Capital Provider to the Housing Market	✓	✓
Permanent Capital Vehicle	✓	✓
Securitization Capabilities	✓	✓
Mission to Support Housing Accessibility	✓	✓
Robust Financing Capabilities	✓	✓

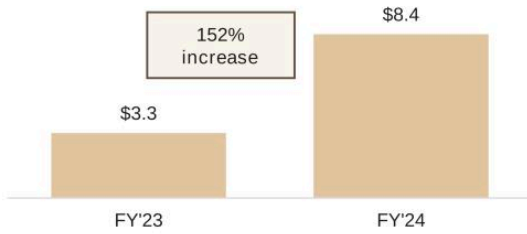
Operating Businesses & Investments

Operating Businesses: Market Leading Distribution Platforms REDWOOD TRUST

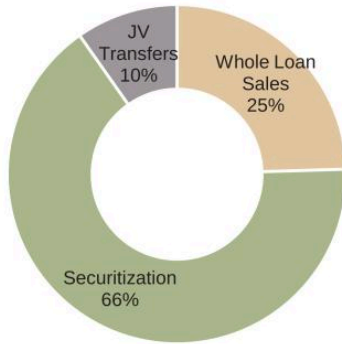
Through securitizations, whole loan sales and sales to JVs, Redwood continues to demonstrate leading distribution capabilities across our operating businesses

FY'24 Distribution Achievements

Total Distribution (\$bn)



Total Distribution Mix by Channel*



Detailed Endnotes are included at the end of this presentation.
*Numbers may not foot due to rounding.

Securitizations	<ul style="list-style-type: none"> Completed <u>13 securitizations</u> backed by <u>\$5.5 billion</u> of collateral Redwood ranked <u>#1 non-bank</u> distributor of jumbo loans⁽¹⁾ Closed our first securitization with collateral from our JV
Whole Loans	<ul style="list-style-type: none"> Distributed <u>\$2.1 billion</u> of collateral through whole loan sales Established a number of repeat whole loan buyers across both operating platforms
Joint Venture Distributions	<ul style="list-style-type: none"> <u>Closed 2nd JV</u> with leading institutional counterparty Sold <u>~\$820 million</u> of CoreVest collateral into JVs

Operating Businesses: Increased Efficiency & Profitability

We have strengthened our operations, improving our efficiency metrics and supporting higher returns for shareholders

Increased Efficiency⁽¹⁾

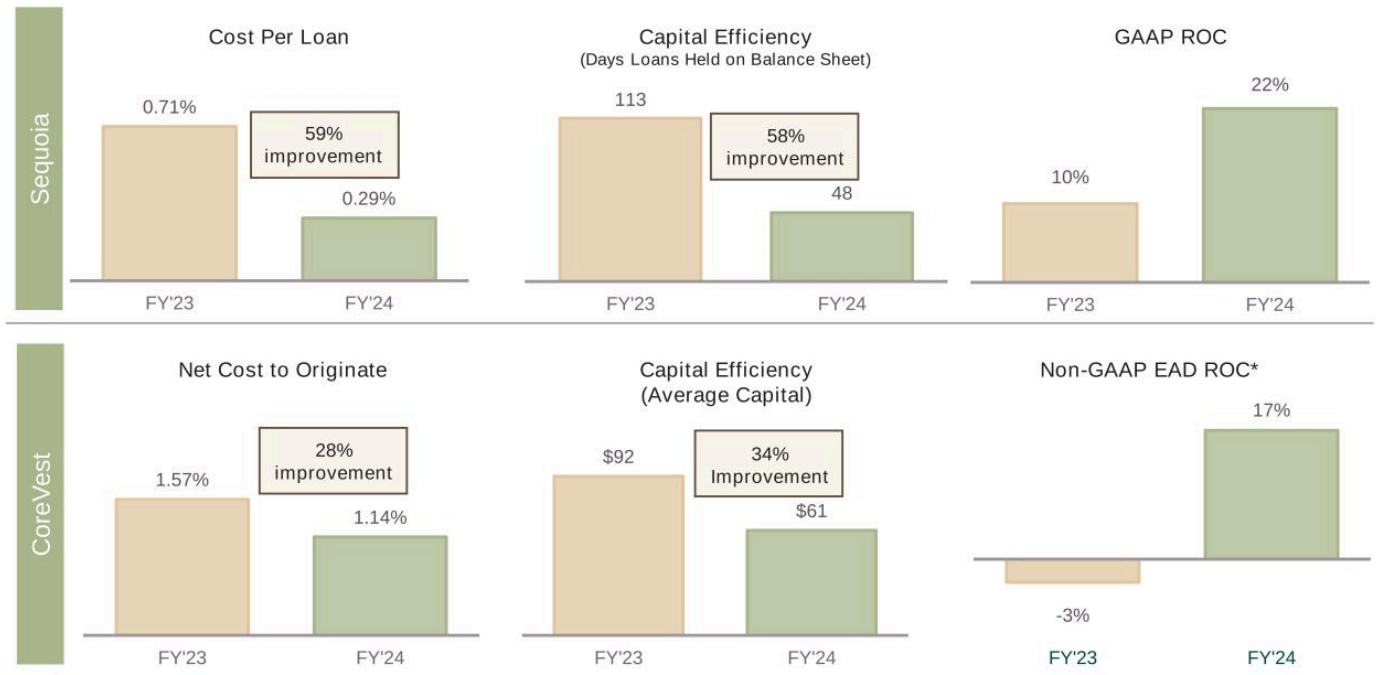
Our operating platforms demonstrated improvements in efficiency in 2024

Optimized Use of Capital⁽²⁾

We were successful in 2024 achieving higher volumes while utilizing less capital

Return on Capital⁽³⁾

Increased efficiencies resulted in greater profitability



Detailed Endnotes are included at the end of this presentation.

*EAD return on capital is a non-GAAP measure. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics.

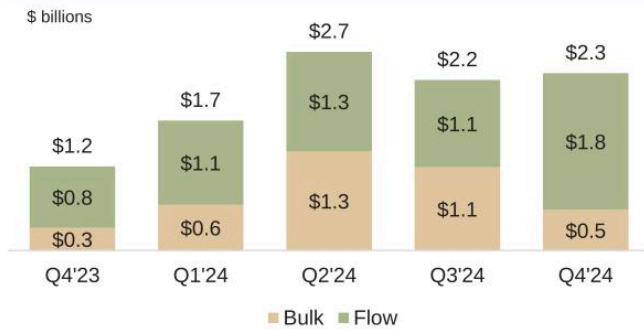
Sequoia Mortgage Banking Fourth Quarter 2024 Performance

In addition to ongoing market share growth, we see additional opportunities to support banks with balance sheet solutions

Q4'24 Quarterly Overview

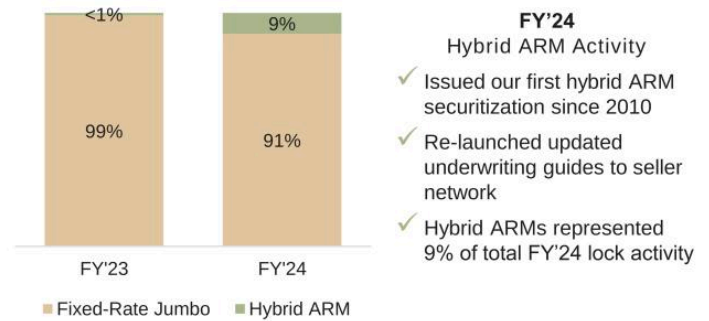
- Q4'24 GAAP return on capital of 23%, compared to 30% in Q3'24
- \$2.3 billion of locked loans⁽¹⁾, +4% QoQ despite seasonal factors
 - 77% flow / 23% bulk
 - Quarterly flow volume was the highest since Q1'22
 - 57% QoQ increase in quarterly flow lock volume
- Achieved gross margins of 181 bps during the quarter, compared to 204 bps in Q3'24 and well above our historical target range of 75 bps to 100 bps
- Securitized three different types of loan products: jumbo, hybrid ARM and Agency-eligible investor
- To date in Q1'25, distributed \$1.4 billion of loans through a combination of securitizations and whole loan sales⁽²⁾

Bulk vs Flow Quarterly Volumes



Flow lock volume across 2024 was elevated

Lock Volume by Product Type



FY'24

- Hybrid ARM Activity
 - ✓ Issued our first hybrid ARM securitization since 2010
 - ✓ Re-launched updated underwriting guides to seller network
 - ✓ Hybrid ARMs represented 9% of total FY'24 lock activity

We expect hybrid ARM volumes to continue to increase in the coming quarters

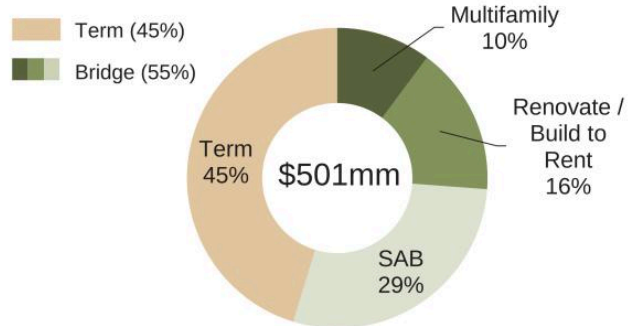
CoreVest Mortgage Banking Fourth Quarter 2024 Performance

Q4'24 capped off a strong year in funding activity for CoreVest, which delivered 9% YoY growth in volumes

Q4'24 Quarterly Overview

- GAAP return on capital of 12% and non-GAAP EAD return on capital of 25%*
 - Segment profitability driven by operating efficiencies and volume growth in higher-margin loan products
- \$501 million of total loan fundings (55% bridge / 45% term), +9% QoQ
 - 43% QoQ increase in term loan volumes
 - Bridge loan volumes supported by another record quarter of single-asset bridge ("SAB") production
- Distributed \$547 million of loans through securitizations, whole loan sales and sales to JVs
- Q1'25 distribution volume to date of nearly \$400 million⁽¹⁾
 - \$1 billion of cumulative contributions to JVs since inception

Composition of Q4'24 Quarterly Fundings⁽²⁾



Quarterly Funded Volume (\$mm)



Detailed Endnotes are included at the end of this presentation.

*EAD return on capital is a non-GAAP measure. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics. Capital allocated to mortgage banking platforms is inclusive of risk-based capital.

Redwood Investments Fourth Quarter 2024 Performance

Our Redwood Investments portfolio is supported by our organically-created and third-party investments that align with our long-term view on housing credit

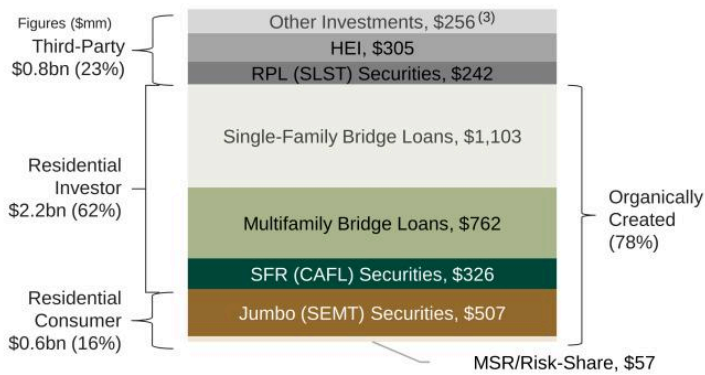
Q4'24 Quarterly Performance

- Continue to focus on accretive capital deployment, particularly organic and third-party investments for our portfolio with target returns in the mid-teens⁽¹⁾
- Continued to reduce CoreVest balance sheet exposure through joint venture and whole loan sales
- Portfolio secured recourse leverage remained low at 0.8x
- We maintain significant embedded net discount within our Redwood Investments portfolio

Summary of Redwood Investments at 12/31/24

by Economic Investments⁽²⁾

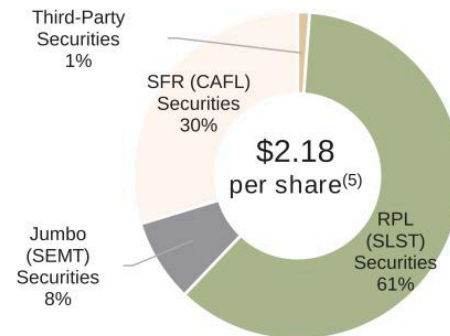
\$3.6 of Billion Housing Credit Investments



Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Portfolio Net Discount by Security Type

As of 12/31/24, the weighted average carrying value of our securities portfolio was 67% of face value⁽⁴⁾



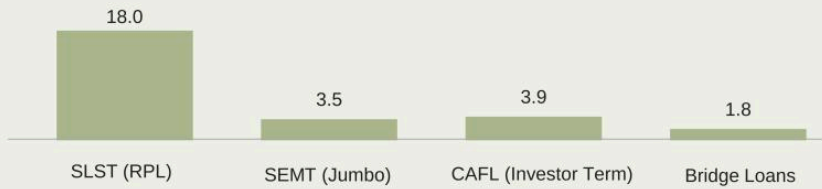
Redwood Investments: Summary of Credit Characteristics

Strong underlying fundamentals could contribute to further upside in book value and recovery of portfolio discount over time

Summary of Portfolio Characteristics

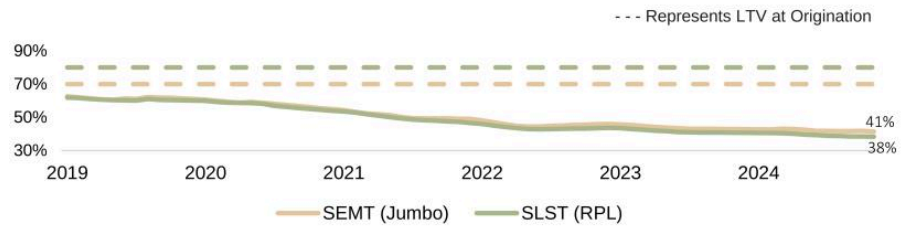
Underlying Loan Seasoning (Years)⁽¹⁾

Lower sensitivity to changes in interest rates and market conditions



HPA Adjusted LTVs⁽²⁾

Continuing to decline steadily, driven by strong house price appreciation



Delinquencies (% 90+ DQ)

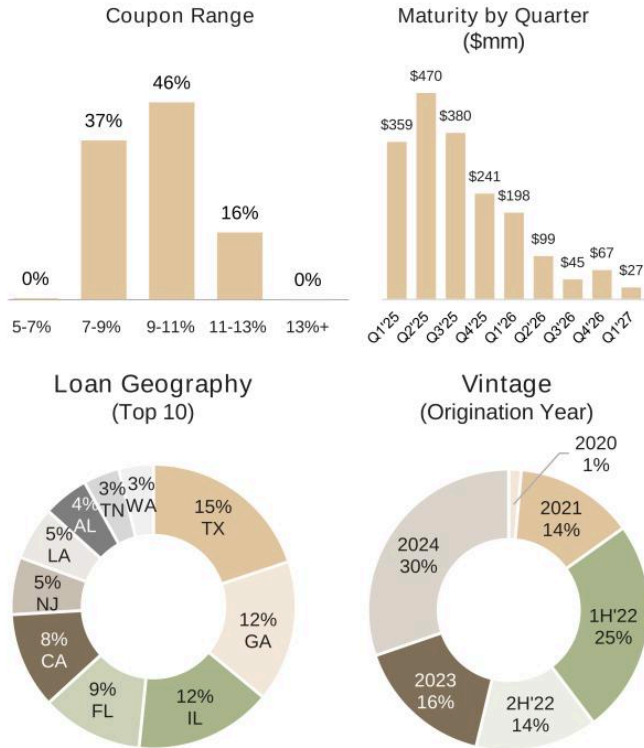
Trends in portfolio credit were generally stable



Redwood Investments: CoreVest Bridge Loans

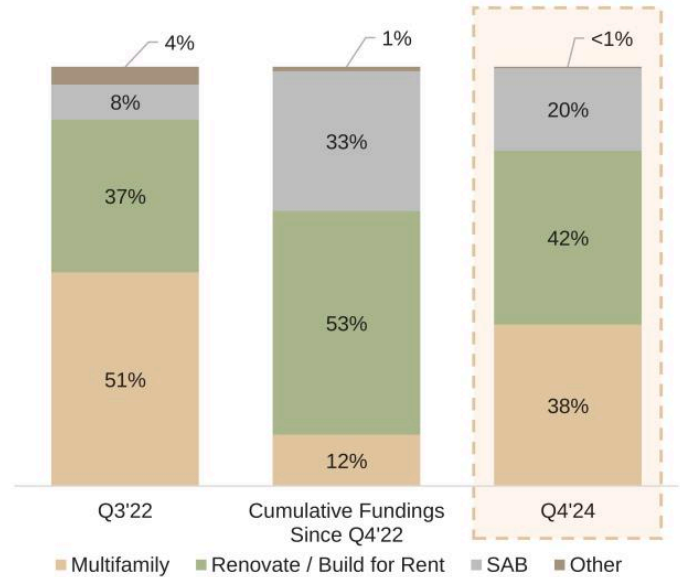
We maintain a diversified portfolio of organically created bridge loans

CoreVest Bridge Portfolio Characteristics at 12/31/24



Evolution of CoreVest Bridge Portfolio

- Since the end of 2022, we have strategically increased focus on single-family Renovate/BFR and SAB production
 - Since Q4'22, 88% of total funded volume has been backed by single-family real estate



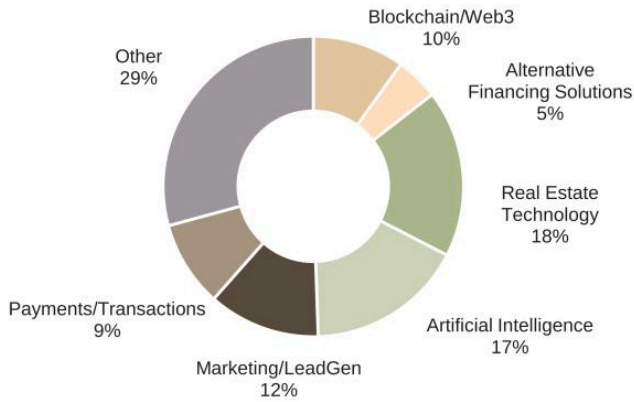
Detailed Endnotes are included at the end of this presentation.
 Note: Composition percentages are based on unpaid principal balance. Numbers may not foot due to rounding.

We added three new RWT Horizons investments in Q4'24, including a follow-on to an existing RWT Horizons portfolio company

RWT Horizons Opportunity Thesis

 Enhance efficiency and scale in Redwood businesses	 Early-stage companies with opportunity for valuation upside	 Partnerships drive growth and technological enhancements	 Alignment with Redwood's mission , values and goals
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Q4'24 Portfolio Composition



RWT Horizons by the Numbers

\$31mm+
of Investment Commitments

3
New Investments in Q4'24

38
Active Investments

28
Active Portfolio Companies

Detailed Endnotes are included at the end of this presentation.

Financial Results

Income Statement			
(\$ in millions, except per share data)			
	Three Months Ended		
	12/31/2024	9/30/2024	
Net interest income			
Redwood Investments	\$ 29.2	\$ 32.7	
Sequoia mortgage banking	17.0	9.5	
CoreVest mortgage banking	1.1	1.8	
Corporate (unsecured debt) ⁽¹⁾	(19.7)	(18.6)	
Total net interest income	\$ 27.6	\$ 25.5	
Non-interest income			
Sequoia mortgage banking activities, net	16.8	26.7	
CoreVest mortgage banking activities, net	9.6	12.9	
Investment fair value changes, net	(25.5)	(12.2)	
HEI income, net	6.3	10.7	
Other income, net	10.7	6.0	
Realized gains, net	(0.3)	0.2	
Total non-interest income, net	\$ 17.6	\$ 44.2	
General and administrative expenses	(32.5)	(36.0)	
Portfolio management costs	(6.1)	(6.4)	
Loan acquisition costs	(3.6)	(3.2)	
Other expenses	(3.3)	(2.2)	
Provision for income taxes	(6.3)	(7.1)	
Net (loss) income	\$ (6.6)	\$ 14.8	
Dividends on preferred stock	(1.8)	(1.8)	
Net (loss) income (related) available to common stockholders	\$ (8.4)	\$ 13.1	
(Loss) earnings per basic and diluted common share	\$ (0.07)	\$ 0.09	

Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Balance Sheet			
(\$ in millions)			
		12/31/2024	9/30/2024
Residential consumer loans - held-for-sale	\$	1,013.5	\$ 1,362.3
Residential consumer loans - held-for-investment		10,064.3	9,794.8
Residential investor loans - held-for-sale		237.2	265.9
Residential investor loans - held-for-investment		4,349.9	4,480.3
Consolidated Agency multifamily loans		424.6	425.6
Real estate securities		405.2	334.1
Home equity investments		589.8	590.1
Other investments		375.8	341.6
Cash and cash equivalents		245.2	253.7
Other assets		552.9	578.9
Total assets	\$	18,258.3	\$ 18,427.4
ABS issued	\$	13,270.2	\$ 13,019.5
Debt obligations, net		3,462.9	3,801.4
Other liabilities		337.4	383.5
Total liabilities		17,070.5	17,204.4
Equity		1,187.9	1,223.0
Total liabilities and equity	\$	18,258.3	\$ 18,427.4

Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Capital Allocation Summary

(\$ in millions)

	As of December 31, 2024			As of 9/30/24	
	Fair Value of Assets ⁽¹⁾	Recourse Debt	Non-Recourse Debt ⁽²⁾	Total Capital	Total Capital
Sequoia Mortgage Banking					
Loans and other working capital ⁽³⁾	\$ 1,306	\$ (903)	\$ (53)	\$ 350	\$ 300
CoreVest Mortgage Banking					
Loans and other working capital ⁽³⁾	229	(138)	(15)	75	50
Platform premium	42	—	—	42	45
Total	271	(138)	(15)	117	95
Redwood Investments					
Residential consumer organic investments	565	(142)	(184)	239	190
Residential investor organic investments	2,191	(529)	(1,217)	445	488
Third-party investments	802	(193)	(148)	461	468
Total	3,557	(863)	(1,549)	1,145	1,146
Corporate (excluding debt) ⁽⁴⁾	469	—	—	469	495
Total / Capital	5,603	(1,904)	(1,618)	2,081	2,035
Corporate debt	—	(893)	—	(893)	(812)
Total / Equity	\$ 5,603	\$ (2,797)	\$ (1,618)	\$ 1,188	\$ 1,223

Detailed Endnotes are included at the end of this presentation
Note: Numbers may not foot due to rounding.

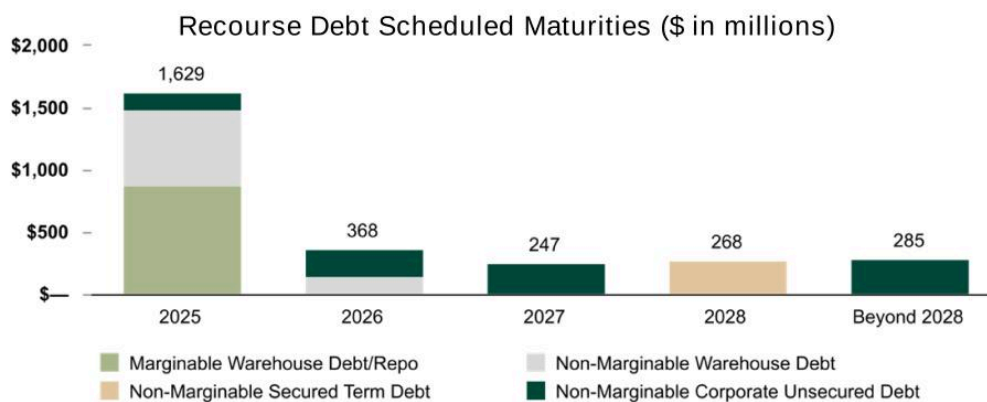
Mortgage Banking Key Results (\$ in millions)				
	Q4 2024		Q3 2024	
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Sequoia Mortgage Banking	CoreVest Mortgage Banking
Net interest income	\$ 17.0	\$ 1.1	\$ 9.5	\$ 1.8
Mortgage banking activities, net	16.8	9.6	26.7	12.9
Other income, net	—	3.7	—	5.4
Mortgage banking income	33.8	14.4	36.3	20.1
Operating expenses	(6.0)	(14.4)	(6.5)	(13.4)
Provision from income taxes	(6.0)	1.5	(7.0)	(1.0)
Net contribution (GAAP)	\$ 21.8	\$ 1.5	\$ 22.8	\$ 5.7
Adjustments:				
Acquisition related expenses	—	2.2	—	2.2
Tax effect of adjustments	—	(0.7)	—	(0.6)
EAD Net Contribution (non-GAAP) ⁽¹⁾	\$ 21.8	\$ 3.1	\$ 22.8	\$ 7.3
Capital utilized (average for period) ⁽²⁾	\$ 387	\$ 50	\$ 307	\$ 50
Return on capital (GAAP)	22.5 %	12.2 %	29.6 %	45.5 %
EAD Net Contribution return on capital (non-GAAP) ⁽¹⁾	22.5 %	24.5 %	29.6 %	58.4 %
Production Volumes				
Residential investor (CoreVest) term loan fundings		\$ 226.8		\$ 158.6
Residential investor (CoreVest) bridge loan fundings		\$ 274.3		\$ 299.5
Residential consumer (Sequoia) loan locks	\$ 2,322.1		\$ 2,225.8	
Residential consumer (Sequoia) loan purchase commitments (fallout adjusted)	\$ 1,872.7		\$ 1,773.7	

Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Redwood Investments Key Results		
(\$ in millions)		
	Three Months Ended	
	12/31/2024	09/30/2024
Net interest income	\$ 29.2	\$ 32.7
Investment fair value changes, net	(24.9)	(12.0)
HEI income, net	6.3	10.7
Realized gains/(losses), net	—	0.2
Other income, net	7.3	0.4
Operating expenses	(7.6)	(7.1)
(Provision for) benefit from income taxes	(2.1)	0.6
Net contribution (GAAP)	\$ 8.2	\$ 25.6
Adjustments:		
Investment fair value changes, net	24.9	12.0
Realized (gains)/losses, net	—	(0.2)
Tax effect of adjustments	(0.6)	(1.5)
EAD Net Contribution (non-GAAP) ⁽¹⁾	\$ 32.5	\$ 35.9
Capital utilized (average for period)	\$ 1,175	\$ 1,216
Return on capital (GAAP)	2.8 %	8.4 %
EAD Net Contribution return on capital (non-GAAP) ⁽¹⁾	11.1 %	11.8 %
<u>At period end</u>		
Carrying values of assets	\$ 3,557.3	\$ 3,452.0
Secured recourse debt	(863.2)	(854.9)
Secured non-recourse debt	(1,549.3)	(1,451.5)
Capital invested	\$ 1,144.7	\$ 1,145.7
Recourse leverage ratio ⁽²⁾	0.8x	0.7x

Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Recourse Debt Balances (\$ in millions)									
	December 31, 2024							September 30, 2024	
	Fair Value of Secured Assets	Secured Debt			Unsecured Debt	Total Recourse Debt	Average Borrowing Cost ⁽²⁾	Total Recourse Debt	Average Borrowing Cost ⁽²⁾
		Non-Marginable Debt ⁽¹⁾	Marginable Debt ⁽¹⁾	Total Secured Debt					
Corporate debt	\$ 400	\$ 225	\$ —	\$ 225	\$ 668	\$ 893	8.0 %	\$ 812	8.0 %
Securities portfolio	600	268	210	479	—	479	6.8 %	454	7.1 %
Term loans	108	88	—	88	—	88	6.5 %	77	7.0 %
Bridge loans	417	279	—	279	—	279	8.2 %	291	8.7 %
Sequoia loans ⁽³⁾	945	301	602	903	—	903	6.2 %	1,114	6.7 %
HEI Options	207	97	—	97	—	97	9.0 %	100	9.5 %
MSR ⁽⁴⁾	92	—	58	58	—	58	7.7 %	54	8.3 %
Total	\$ 2,770	\$ 1,259	\$ 870	\$ 2,129	\$ 668	\$ 2,797	7.2 %	\$ 2,903	7.5 %



Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Endnotes

Non-GAAP Measures

Earnings Available for Distribution (“EAD”) and EAD Return on Common Equity (“EAD ROE”)

EAD and EAD ROE are non-GAAP measures derived from GAAP Net income (loss) available (related) to common stockholders and GAAP return on common equity (“GAAP ROE”), respectively. EAD is defined as: GAAP net income (loss) available (related) to common stockholders adjusted to (i) exclude investment fair value changes, net; (ii) exclude realized gains and losses; (iii) exclude acquisition related expenses; (iv) exclude certain organizational restructuring charges (as applicable); and (v) adjust for the hypothetical income taxes associated with these adjustments. EAD ROE is defined as EAD divided by average common equity. We believe EAD and EAD ROE provide supplemental information to assist management and investors in analyzing the Company’s results of operations and help facilitate comparisons to industry peers. Management also believes that EAD and EAD ROE are metrics that can supplement its analysis of the Company’s ability to pay dividends, by providing an indication of the current income generating capacity of the Company’s business operations as of the quarter being presented. EAD and EAD ROE should not be utilized in isolation, nor should they be considered as an alternative to GAAP net income (loss) available (related) to common shares, GAAP ROE or other measurements of results of operations computed in accordance with GAAP or for federal income tax purposes.

(\$ in millions, except per share data)	Three Months Ended		Year Ended	
	12/31/2024	9/30/2024	12/31/2024	12/31/2023
GAAP net (loss) income available to common shares	\$(8.4)	\$13.1	\$47.0	\$(9.0)
Adjustments:				
Investment fair value changes, net ⁽¹⁾	\$25.5	\$12.2	\$14.8	\$45.5
Realized (gains)/losses, net ⁽²⁾	0.3	(0.2)	(0.3)	(1.7)
Acquisition related expenses ⁽³⁾	2.2	2.2	9.4	12.4
Organizational restructuring charges ⁽⁴⁾	—	—	2.8	1.6
Tax effect of adjustments ⁽⁵⁾	(1.2)	(2.1)	(0.4)	—
Earnings Available for Distribution (non-GAAP)	\$18.4	\$25.2	\$73.2	\$48.8
(Loss) earnings per basic common share (GAAP)	\$(0.07)	\$0.09	\$0.32	\$(0.11)
EAD per basic common share (non-GAAP)	\$0.13	\$0.18	\$0.52	\$0.39
GAAP Return on common equity (annualized)	(3.0)%	4.5%	4.1%	(0.8)%
EAD Return on common equity (non-GAAP, annualized) ⁽⁶⁾	6.6%	8.7%	6.4%	4.6%

Footnotes:

- Investment fair value changes, net includes all amounts within that same line item on our consolidated statements of income, which primarily represents both realized and unrealized gains and losses on our investments (excluding HEI) and associated hedges. Realized and unrealized gains and losses on our HEI are reflected in a line item on our consolidated income statements titled “HEI income, net”.
- Realized (gains)/losses, net includes all amounts within that line item on our consolidated statements of income.
- Acquisition related expenses include transaction costs paid to third parties, as applicable, and the ongoing amortization of intangible assets related to the Riverbend, CoreVest and 5 Arches acquisitions.
- Organizational restructuring charges for 2024 and 2023 represent costs associated with employee severance and transition expenses.
- Tax effect of adjustments represent the hypothetical income taxes associated with all adjustments used to calculate EAD.
- EAD ROE is calculated by dividing EAD by average common equity for each respective period.

Non-GAAP Measures

EAD Net Contribution and EAD Net Contribution Return on Capital ("ROC")

EAD Net Contribution and EAD Net Contribution Return on Capital are non-GAAP measures derived from GAAP Net Contribution and GAAP Return on Capital, respectively. EAD Net Contribution presents a measure of the profitability of our business operations and is defined as: GAAP Net Contribution adjusted to (i) exclude investment fair value changes, net; (ii) exclude realized gains and losses; (iii) exclude acquisition related expenses; (iv) exclude certain organizational restructuring charges (as applicable); and (v) adjust for the hypothetical income taxes associated with these adjustments. Each of these adjustments to arrive at EAD Net Contribution are the same adjustments used to calculate EAD, as applicable to each segment for which it is being calculated. EAD Net Contribution Return on Capital presents a measure of profitability relative to the amount of capital utilized in the operations of each segment during a period and is calculated by dividing annualized non-GAAP EAD Net Contribution by the average capital utilized by the segment during the period. Management utilizes these measures internally in analyzing each of the Company's business segments' contribution to EAD. See prior slide for a further description of how management utilizes EAD and why EAD may assist investors, as well as limitations related to using EAD-based metrics. We caution that EAD Net Contribution and EAD Net Contribution Return on Capital should not be utilized in isolation, nor should they be considered as alternatives to GAAP Net Contribution, GAAP Return on Capital or other measurements of results of operations computed in accordance with GAAP. The following table presents a reconciliation of GAAP net contribution from our segments, reconciled to EAD Net Contribution, and the associated GAAP return on capital and non-GAAP EAD Net Contribution Return on Capital.

\$ in millions	Q4 2024			Q3 2024		
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments
Net contribution (GAAP)	\$ 21.8	\$ 1.5	\$ 8.2	\$ 22.8	\$ 5.7	\$ 25.6
Adjustments: ⁽¹⁾						
Investment fair value changes, net	—	—	24.9	—	—	12.0
Realized (gains)/losses, net	—	—	—	—	—	(0.2)
Acquisition related expenses	—	2.2	—	—	2.2	—
Tax effect of adjustments	—	(0.7)	(0.6)	—	(0.6)	(1.5)
EAD Net Contribution (non-GAAP)	\$ 21.8	\$ 3.1	\$ 32.5	\$ 22.8	\$ 7.3	\$ 35.9
Capital utilized (average for period)	\$ 387	\$ 50	\$ 1,175	\$ 307	\$ 50	\$ 1,216
Return on capital (GAAP)	22.5 %	12.2 %	2.8 %	29.6 %	45.5 %	8.4 %
EAD Net Contribution return on capital (non-GAAP)	22.5 %	24.5 %	11.1 %	29.6 %	58.4 %	11.8 %

(1) See footnotes to table on prior page for a full description of these adjustments.
Note: Numbers may not foot due to rounding.

Non-GAAP Measures

EAD Net Contribution and EAD Net Contribution Return on Capital ("ROC") (continued from prior slide)

\$ in millions	Year Ended 2024		Year Ended 2023	
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Sequoia Mortgage Banking	CoreVest Mortgage Banking
Net contribution (GAAP)	\$ 61.5	\$ 2.3	\$ 10.1	\$ (12.6)
Adjustments: ⁽¹⁾				
Investment fair value changes, net	—	—	—	—
Realized (gains)/losses, net	—	—	—	—
Acquisition related expenses	—	9.4	—	12.4
Organizational restructuring charges	—	1.1	—	0.5
Tax effect of adjustments	—	(2.7)	—	(3.0)
EAD Net Contribution (non-GAAP)	\$ 61.5	\$ 10.2	\$ 10.1	\$ (2.6)
Capital utilized (average for period)	\$ 278	\$ 67	\$ 100	\$ 92
Return on capital (GAAP)	22.1 %	3.4 %	10.1 %	(13.7)%
EAD Net Contribution return on capital (non-GAAP)	22.1 %	15.2 %	10.1 %	(2.8)%

(1) See footnotes to table on prior page for a full description of these adjustments.
Note: Numbers may not foot due to rounding.

Slide 4 (Redwood Provides Liquidity Across the Entire Single-Family Residential Market)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Target returns represent management's estimates and actual results may differ materially.

Slide 5 (Full Year 2024 Financial and Operating Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Total economic return is based on the periodic change in GAAP book value per common share plus dividends declared per common share during the period, divided by beginning period GAAP book value per common share.
2. Source: JP Morgan Research. Based on all jumbo securitization activity in 2024.

Slide 6 (Fourth Quarter 2024 Financial Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted. Market data per Bloomberg as of December 31, 2024.

1. Total economic return is based on the periodic change in GAAP book value per common share plus dividends declared per common share during the period, divided by beginning period GAAP book value per common share.
2. Indicative dividend yield based on RWT closing stock price of \$6.53 on December 31, 2024.

Slide 7 (Fourth Quarter 2024 Financial Performance (Continued))

Source: Company financial data as of December 31, 2024 unless otherwise noted. Market data per Bloomberg as of December 31, 2024.

1. Allocated capital includes working capital and platform premium for mortgage banking operations and all investments net of associated debt for Redwood Investments. Capital allocation excludes corporate capital and RWT Horizons. Further detail on the components of allocated capital is included in the Financial Results section of this presentation. Single-Family Redwood Investments capital allocation includes all capital allocated to Redwood Investments, including nominal amount of capital allocated to Freddie K-Series and CAFL securities with multifamily collateral, and excludes capital allocated to Multifamily Bridge, which is depicted as its own sub-category on this chart.
2. Recourse leverage ratio is defined as recourse debt at Redwood divided by tangible stockholders' equity. Recourse debt excludes \$14.3 billion of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood, and tangible stockholders' equity excludes \$42.4 million of goodwill and intangible assets.

Slide 8 (Fourth Quarter 2024 and Recent Business Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted. References to "QoQ" are comparisons of the quarterly performances between Q3'24 and Q4'24.

1. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
2. Includes Q1'25 activity through February 12, 2025.
3. Includes securitizations and sales that have priced but not yet closed as of February 12, 2025.

Slide 9 (Aspire Expanded Programs Address Growing Market Demand)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Source: JP Morgan Research.
2. Source: Bureau of Labor

Slide 10 (Redwood's Deepening Opportunities with Banks)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Source: JP Morgan Research.

Slide 11 (Housing Policy and Regulatory Reform)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Source: US Median Household Income per Federal Reserve Economic Data, Federal Reserve Bank of St. Louis. Loan Limit (Single Family) per History of FHFA, FNMA, FHLMC.

Slide 13 (Operating Businesses: Market Leading Distribution Platforms)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Source: JP Morgan Research. Based on all jumbo securitization activity in 2024.

Slide 14 (Operating Businesses: Increased Efficiencies & Profitability)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Net Cost to Originate represents the cost to originate loans for the CoreVest business unit. Cost per Loan represents the cost to acquire a loan for the Sequoia business units.
2. Funded volume is the amount of disbursements made to CoreVest customers, both initial fundings and subsequent draws. LPC volume represents the amount of purchased locked loans by the Sequoia business unit.
3. Capital allocated to mortgage banking platforms is inclusive of risk-based capital.

Slide 15 (Sequoia Mortgage Banking Fourth Quarter 2024 Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
2. Includes Q1'25 activity through February 12, 2025.

Slide 16 (CoreVest Mortgage Banking Fourth Quarter 2024 Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted. References to "QoQ" are comparisons of the quarterly performances between Q3'24 and Q4'24.

1. Includes Q1'25 activity through February 12, 2025.
2. Composition percentages are based on unpaid principal balance.

Slide 17 (Redwood Investments Fourth Quarter 2024 Performance)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Target returns represents management's estimates and actual results may differ materially.
2. Figures reflect our investments held in our Redwood Investments on balance sheet and our economic interests in securities we own in securitizations we consolidate in accordance with GAAP (and excludes the assets within these consolidated securitizations that appear on our balance sheet) as of December 31, 2024.
3. \$256 million of "Other Investments" includes \$35 million net investment of multifamily securities, \$121 million of third-party securities, and \$99 million of other investments.
4. Represents the market value of subordinate securities at December 31, 2024 divided by the outstanding principal balance at December 31, 2024 as a dollar price per \$100 par value.
5. Represents management's estimates of potential book value per share upside on securities acquired prior to 2023 in our Redwood Investments portfolio due to the net discount to par value, net of portfolio hedges. There are several factors that may impact our ability to realize all, or a portion, of this amount which may be outside our control, including credit performance and prepayment speeds. Actual realized book value returns may differ materially.

Slide 18 (Redwood Investments – Summary of Credit Characteristics)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

1. Averages are calculated using a weighted average.
2. Source: Bloomberg (HPI LTV (Amort) %), Home Price Indexed Amortized Loan to Value.

Slide 19 (Redwood Investments – CoreVest Bridge Loans)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

Slide 20 (RWT Horizons)

Source: Company financial data as of December 31, 2024 unless otherwise noted.

Slide 22 (Appendix: Income Statement)

1. Net interest expense from "Corporate (unsecured debt)" consists primarily of interest expense on corporate unsecured debt.

Slide 24 (Appendix: Capital Allocation Summary)

1. Amounts of assets in our Redwood Investments, as presented in this table, represent our economic interests (including our economic interests in consolidated VIEs) and do not present the assets within VIEs that we consolidate under GAAP (except for our CAFL Bridge VIEs and SLST resecuritization). See our GAAP Balance Sheet and Reconciliation to Non-GAAP Economic Balance Sheet in the Supplemental Financial Tables available on our website for additional information on consolidated VIEs.
2. Consistent with our presentation of assets within this table, non-recourse debt presented within this table excludes ABS issued from certain securitizations consolidated on our balance sheet, including Residential Jumbo (SEMT), BPL Term (CAFL), Freddie Mac SLST and K-Series, and HEI, as well as non-recourse debt used to finance certain servicing investments.
3. Capital allocated to mortgage banking operations represents the working capital we have allocated to manage our loan inventory at each of our operating businesses. This amount generally includes our net capital in loans held on balance sheet (net of financing), capital to acquire loans in our pipeline, net capital utilized for hedges, and risk capital.
4. Corporate capital includes, among other things, capital allocated to RWT Horizons and other strategic investments as well as available capital.

Slide 25 (Appendix: Mortgage Banking Key Results)

1. EAD Net Contribution and EAD Net Contribution Return on Capital are non-GAAP measures. Please refer to Non-GAAP Measures within the Endnotes section of this presentation for additional information on these measures.
2. Capital utilized for CoreVest operations does not include \$45 million of platform premium.

Slide 26 (Appendix: Redwood Investments Key Results)

1. EAD Net Contribution and EAD Net Contribution Return on Capital are non-GAAP measures. Please refer to Non-GAAP Measures within the Endnotes section of this presentation for more information on these measures.
2. Recourse leverage ratio is calculated as Secured recourse debt balances divided by Capital invested, as presented within this table.

Slide 27 (Appendix: Recourse Debt Balances)

1. Non-marginable debt and marginable debt refers to whether such debt is subject to margin calls based solely on the lender's determination in its discretion of the market value of underlying collateral that is non-delinquent. Non-marginable debt may be subject to a margin call due to delinquency or another credit event related to the mortgage or security being financed, a decline in the value of the underlying asset securing the collateral, an extended dwell time (i.e., period of time financed using a particular financing facility) for certain types of loans, or a change in the interest rate of a specified reference security relative to a base interest rate amount, among other reasons.
2. Average borrowing cost represents the weighted average contractual cost of recourse debt outstanding at the end of each period presented and does not include deferred issuance costs or debt discounts.
3. Represents unsecuritized residential consumer loans.
4. Includes certificated mortgage servicing rights.

Glossary of Terms

Term	Definition
ARM	Adjustable-Rate Mortgage
BFR	Build for rent
bps	Basis points
CAFL®	CoreVest securitization program
CES	Closed end second liens
DQ	Delinquency
DSCR	Debt Service Coverage Ratio
EAD	Earnings available for distribution*
EPS	Earnings per share
FY	Full year
HEI	Home equity investment
HPA	Home price appreciation
IMB	Independent mortgage banker
JV	Joint venture
LTC	Loan to cost

Term	Definition
MB	Mortgage banking
MSR	Mortgage servicing rights
Non-QM	Non-qualified mortgage
QM	Qualified mortgage
QoQ	Quarter over quarter
RMBS	Residential mortgage backed security
RPL	Reperforming loans
SAB	Single asset bridge
SEMT®	Residential Consumer (Sequoia) securitization program
SFR	Single-family rental
SLST	Residential subordinate securities issued by Freddie Mac SLST securitization trusts
SMA	Separately managed accounts
TAM	Total addressable market
UPB	Unpaid principal balance
WA	Weighted average
YoY	Year over year

*Earnings Available for Distribution ("EAD") is a non-GAAP measure- See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics. 35

