

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): April 30, 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 April 30, 2025, Redwood Trust, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2025 and *The Redwood Review – 1st Quarter 2025*, copies of which are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this current report on Form 8-K.

In addition, on April 30, 2025, the Company made available Supplemental Financial Tables presenting certain financial results for the quarter ended March 31, 2025. 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 and 99.2 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 April 30, 2025](#)

Exhibit 99.2 [The Redwood Review – 1st Quarter 2025](#)

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: April 30, 2025

REDWOOD TRUST, INC.

By: /s/ BROOKE E. CARILLO

Name: Brooke E. Carillo

Title: Chief Financial Officer

**REDWOOD
TRUST**

REDWOOD TRUST REPORTS FIRST QUARTER 2025 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 March 31, 2025.

Key Q1 2025 Financial Results and Metrics

- GAAP book value per common share was \$8.39 at March 31, 2025, relative to \$8.46 per share at December 31, 2024
 - Economic return on book value of 1.3% for the first quarter⁽¹⁾
- GAAP net income related to common stockholders of \$14.4 million or \$0.10 per basic and diluted common share
- Non-GAAP Earnings Available for Distribution ("EAD") of \$19.8 million or \$0.14 per basic common share⁽²⁾
- Recourse leverage ratio of 2.5x at March 31, 2025, relative to 2.4x at December 31, 2024⁽³⁾
- Unrestricted cash and cash equivalents of \$260 million and unencumbered assets of approximately \$290 million at March 31, 2025
- Declared and paid a regular quarterly dividend of \$0.18 per common share

(\$ in millions, except per share data)	Three Months Ended	
	3/31/2025	12/31/2024
Financial Performance		
Book Value per Common Share	\$ 8.39	\$ 8.46
Economic Return on Book Value ⁽¹⁾	1.3 %	(1.1)%
Net Income (Loss) per Basic Common Share	\$ 0.10	\$ (0.07)
EAD per Basic Common Share (non-GAAP) ⁽²⁾	\$ 0.14	\$ 0.13
Return on Equity ("ROE") (annualized)	5.2 %	(3.0)%
EAD Return on Equity ("EAD ROE") (annualized, non-GAAP) ⁽²⁾	7.1 %	6.6 %
Dividends per Common Share	\$ 0.18	\$ 0.18
Recourse Leverage Ratio ⁽³⁾	2.5x	2.4x

Q1 2025 Segment Highlights

Segment Net Income (Loss) Results Summary (\$ in millions)			
		Three Months Ended	
		3/31/2025	12/31/2024
Sequoia Mortgage Banking	\$	25.8	\$ 21.8
CoreVest Mortgage Banking		1.3	1.5
Total Mortgage Banking Net Income	\$	27.2	\$ 23.3
Retained Operating Investments		23.0	27.3
Third-Party Portfolio Investments		33.8	2.0
Legacy Bridge Investments		(33.9)	(26.6)
Total Redwood Investments Net Income	\$	22.9	\$ 2.8
Corporate Expenses		(35.6)	(34.5)
GAAP Net Income (Loss)	\$	14.4	\$ (8.4)

Sequoia Mortgage Banking

- Segment GAAP net income of \$25.8 million
- Generated 28% annualized GAAP Return on Equity ("ROE")
- Locked \$4.0 billion of loans⁽⁴⁾, a 73% increase from \$2.3 billion in the fourth quarter 2024 and a 125% increase from \$1.8 billion in the first quarter 2024
 - Includes \$111 million of expanded Aspire loans⁽⁵⁾
- Distributed \$2.0 billion of loans through a combination of securitizations (\$1.6 billion) and whole loan sales (\$421 million)
 - Gain on sale margin of 123 basis points, compared to historical target range of 75 to 100 basis points

CoreVest Mortgage Banking

- Segment GAAP net income of \$1.3 million
- Generated 9% and 20% annualized GAAP ROE and non-GAAP EAD ROE, respectively⁽²⁾
- Funded \$482 million of loans (61% bridge and 39% term), a 4% decrease from \$501 million in the fourth quarter 2024 and a 48% increase from \$326 million in the first quarter 2024
- Distributed \$421 million of loans through whole loan sales and sales to joint ventures ("JVs")

Redwood Investments⁽⁶⁾

- Segment net income of \$22.9 million
 - Net income from Retained Operating Investments decreased in the first quarter 2025 relative to the fourth quarter 2024, as lower net interest income and spread widening offset some of the benefit of lower interest rates
 - Net income from Third-Party Portfolio Investments increased in the first quarter 2025 relative to the fourth quarter 2024, as a decline in interest rates resulted in higher valuations
 - Net (loss) from Legacy Bridge Loan Investments in the first quarter 2025 increased relative to the fourth quarter 2024, as higher bridge delinquencies resulted in incremental negative fair value changes on certain 2021 and 2022 vintage bridge loans
- Redwood Investments recourse leverage ratio remained low at 1.1x at March 31, 2025⁽⁷⁾
- Accretively deployed approximately \$100 million of capital primarily into Retained Operating Investments with target returns of 15% to 20%⁽⁸⁾

Q2 2025 Highlights to Date⁽⁹⁾

- Distributed approximately \$520 million of loans across our operating platforms through securitizations, whole loans sales and sales to JVs⁽¹⁰⁾

"We are pleased to report first quarter results that we believe highlight substantial strategic progress and market share gains across our platforms," said Christopher Abate, Chief Executive Officer of Redwood. "Our Sequoia business produced its highest lock volumes in three years, CoreVest saw ongoing strength in fundings for smaller balance loans and we successfully launched our expanded Aspire loans to our network of loan sellers. With nearly \$2.5 billion of distributions in the first quarter, investor demand for the assets we source continues to grow significantly. In line with this demand, we remain focused on migrating capital towards our operating platforms to execute further on our business plans and grow our earnings profile."

Abate added, "As previously reported, our businesses have remained strong through April, as we continue to support our partners with our full suite of products while actively safeguarding book value amid market volatility. Looking ahead, we plan to use our solid capital footing to continue providing class-leading service to our origination and sponsor networks, with the objective of further growing market share as the year progresses."

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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 ROE 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. At March 31, 2025, and December 31, 2024, recourse debt excluded \$15.8 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 \$40 million and \$42 million, respectively, 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. *Aspire lock volume is included in the Sequoia Mortgage Banking business segment results.*
 6. *Redwood Investments is comprised of: (i) Retained Operating Investments (includes investments retained from our Sequoia securitizations and CoreVest term and bridge loan securitizations), (ii) Third-Party Portfolio Investments (includes reperforming loan (SLST) securities, other third-party securities that reflect the Company's long-term thesis on housing credit, third-party HEI and other bespoke investments) and (iii) Bridge loan and REO Investments (includes unsecuritized CoreVest multifamily and single-family bridge loans).*
 7. *Redwood Investments Recourse leverage ratio is defined as recourse debt at Redwood Investments divided by capital invested. Recourse debt excludes \$14.8 billion of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood at Redwood Investments. At March 31, 2025, recourse debt at Redwood Investments includes our \$200 million secured financing facility which had previously been presented as Corporate debt. Prior periods have been conformed for this presentation.*
 8. *Represents management's targets and actual results may differ materially.*
 9. *Represents Q2'25 activity through April 29, 2025 unless otherwise noted.*
 10. *Includes securitizations and sales that have priced but not yet closed as of April 29, 2025.*

First Quarter 2025 Redwood Review and Supplemental Tables Available Online

A further discussion of Redwood's business and financial results is included in the first quarter 2025 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, April 30, 2025, at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time to discuss its first quarter 2025 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 Wednesday, May 14, 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 #13752516.

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 Quarterly Report on Form 10-Q with the Securities and Exchange Commission by Monday, May 12, 2025, and also make it available on Redwood's website.

REDWOOD TRUST, INC.

Consolidated Income Statements ⁽¹⁾

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

	Three Months Ended	
	3/31/25	12/31/24
Net Interest Income From:		
Sequoia mortgage banking	\$ 18.3	\$ 17.0
CoreVest mortgage banking	2.0	1.1
Redwood investments	23.5	23.7
Corporate/other	(15.9)	(14.2)
Net Interest Income	\$ 27.9	\$ 27.6
Non-interest income		
Sequoia mortgage banking activities, net	22.2	16.8
CoreVest mortgage banking activities, net	10.9	9.6
Investment fair value changes, net	(5.2)	(25.5)
HEI income, net	10.2	6.4
Servicing income, net	3.4	6.4
Fee income, net	2.4	3.6
Other income, net	1.6	0.7
Realized gains, net	0.6	(0.3)
Total non-interest income, net	\$ 45.9	\$ 17.6
General and administrative expenses	(37.5)	(32.5)
Portfolio management costs	(6.5)	(6.1)
Loan acquisition costs	(3.6)	(3.6)
Other expenses	(3.9)	(3.3)
(Provision for) income taxes	(6.3)	(6.3)
Net income (loss)	\$ 16.1	\$ (6.6)
Dividends on preferred stock	(1.8)	(1.8)
Net income (loss) available (related) to common stockholders	\$ 14.4	\$ (8.4)
Weighted average basic common shares (thousands)	132,766	132,294
Weighted average diluted common shares (thousands) ⁽²⁾	132,766	132,294
Earnings (loss) per basic common share	\$ 0.10	\$ (0.07)
Earnings (loss) per diluted common share	\$ 0.10	\$ (0.07)
Regular dividends declared per common share	\$ 0.18	\$ 0.18

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

(2) Actual shares outstanding (in thousands) at March 31, 2025 and December 31, 2024 were 133,005 and 132,520, respectively.

REDWOOD TRUST, INC.

Consolidated Balance Sheets ⁽¹⁾

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

	3/31/2025	12/31/24
Residential consumer loans	\$ 12,752	\$ 11,078
Residential investor loans	4,440	4,587
Consolidated agency multifamily loans	424	425
Real estate securities	376	405
Home equity investments (HEI)	600	590
Servicing investments	298	298
Strategic investments	85	78
Cash and cash equivalents	260	245
Other assets	637	553
Total assets	\$ 19,872	\$ 18,258
Asset-backed securities issued, net	\$ 14,458	\$ 13,270
Debt obligations, net	3,761	3,463
Other liabilities	469	337
Total liabilities	\$ 18,688	\$ 17,070
Stockholders' equity	1,183	1,188
Total liabilities and equity	\$ 19,872	\$ 18,258
Common shares outstanding at period end (thousands)	133,005	132,520
GAAP book value per common share	\$ 8.39	\$ 8.46

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

Segment Financial Information

(In Millions)	Three Months Ended March 31, 2025				
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Corporate/ Other	Total
Interest income	\$ 31.7	\$ 4.4	\$ 235.7	\$ 0.3	\$ 272.1
Interest expense	(13.3)	(2.4)	(212.3)	(16.2)	(244.2)
Net interest income (expense)	18.3	2.0	23.5	(15.9)	27.9
Non-interest income					
Mortgage banking activities, net, excluding risk management derivatives	1.4	13.8	—	—	15.2
Risk management derivatives (losses) gains, net ⁽¹⁾	20.8	(2.9)	—	—	17.8
Total Mortgage banking activities, net	22.2	10.9	—	—	33.1
Investment fair value changes, net, excluding risk management derivatives	—	—	(25.7)	(0.1)	(25.8)
Risk management derivatives gains (losses), net ⁽¹⁾	—	—	20.6	—	20.6
Total Investment fair value changes, net	—	—	(5.1)	(0.1)	(5.2)
HEI income, net	—	—	10.2	—	10.2
Servicing Income, net	—	—	3.4	—	3.4
Fee Income, net	—	3.1	(0.7)	—	2.4
Other income, net	—	—	0.4	1.2	1.6
Realized gains, net	—	—	0.6	—	0.6
Total non-interest income, net	22.2	14.0	8.7	1.1	45.9
General and administrative expenses	(6.3)	(10.6)	(1.4)	(19.2)	(37.5)
Portfolio management costs	—	—	(6.5)	—	(6.5)
Loan acquisition costs	(1.1)	(2.5)	—	—	(3.6)
Other expenses	—	(2.2)	(1.7)	—	(3.9)
(Provision for) benefit from income taxes	(7.3)	0.6	0.3	—	(6.3)
Net Income (Loss) ⁽²⁾	\$ 25.8	\$ 1.3	\$ 22.9	\$ (33.9)	\$ 16.1
Total Assets	\$ 1,559.1	\$ 344.0	\$ 17,602.0	\$ 366.7	\$ 19,871.8

(1) Represents market valuation changes of derivatives that were used to manage risks associated with our mortgage banking operations and Redwood Investments. For mortgage banking, also includes other derivative financial instruments such as loan purchase commitments and interest rate locks.

(2) Net Income (Loss) by segment is also referred to as Segment Net Income (Loss).

Segment Financial Information (continued)

(In Millions)	Three Months Ended December 31, 2024				
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Corporate/ Other	Total
Interest income	\$ 36.1	\$ 4.6	\$ 225.2	\$ 0.4	\$ 266.4
Interest expense	(19.1)	(3.5)	(201.6)	(14.6)	(238.8)
Net interest income (expense)	17.0	1.1	23.7	(14.2)	27.6
Non-interest income (loss)					
Mortgage banking activities, net, excluding risk management derivatives	66.5	7.1	—	—	73.7
Risk management derivatives (losses) gains, net ⁽¹⁾	(49.7)	2.4	—	—	(47.3)
Total Mortgage banking activities, net	16.8	9.6	—	—	26.3
Investment fair value changes, net, excluding risk management derivatives	—	—	(34.8)	(0.6)	(35.4)
Risk management derivatives gains, net ⁽¹⁾	—	—	9.9	—	9.9
Total Investment fair value changes, net	—	—	(24.9)	(0.6)	(25.5)
HEI income, net	—	—	6.4	—	6.4
Servicing Income, net	—	—	6.4	—	6.4
Fee Income, net	—	3.7	(0.1)	—	3.6
Other income, net	—	—	1.0	(0.3)	0.7
Realized gains, net	—	—	—	(0.4)	(0.3)
Total non-interest income (loss), net	16.8	13.3	(11.2)	(1.3)	17.6
General and administrative expenses	(5.0)	(9.6)	(0.5)	(17.4)	(32.5)
Portfolio management costs	—	—	(6.0)	(0.1)	(6.1)
Loan acquisition costs	(1.0)	(2.6)	—	—	(3.6)
Other expenses	—	(2.2)	(1.1)	—	(3.3)
(Provision for) benefit from income taxes	(6.0)	1.5	(2.1)	0.3	(6.3)
Net Income (Loss) ⁽²⁾	\$ 21.8	\$ 1.5	\$ 2.8	\$ (32.7)	\$ (6.6)
Total Assets	\$ 1,231.7	\$ 334.5	\$ 16,358.4	\$ 333.7	\$ 18,258.3

(1) Represents market valuation changes of derivatives that were used to manage risks associated with our mortgage banking operations and Redwood Investments. For mortgage banking, also includes other derivative financial instruments such as loan purchase commitments and interest rate locks.

(2) Net Income (Loss) by segment is also referred to as Segment Net Income (Loss).

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	
	3/31/2025	12/31/24
GAAP Net income available to common stockholders	\$ 14.4	\$ (8.4)
Adjustments:		
Investment fair value changes, net ⁽³⁾	5.2	25.5
Realized (gains)/losses, net ⁽⁴⁾	(0.6)	0.3
Acquisition related expenses ⁽⁵⁾	2.2	2.2
Tax effect of adjustments ⁽⁶⁾	(1.4)	(1.2)
Earnings available for distribution (non-GAAP)	\$ 19.8	\$ 18.4
Earnings per basic common share (GAAP)	\$ 0.10	\$ (0.07)
EAD per basic common share (non-GAAP)	\$ 0.14	\$ 0.13
GAAP Return on common equity (annualized)	5.2 %	(3.0)%
EAD Return on common equity (non-GAAP, annualized) ⁽⁷⁾	7.1 %	6.6 %

1. Certain totals may not foot due to rounding.
2. 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.
3. 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 separate line item on our consolidated income statements titled "HEI income, net".
4. Realized (gains)/losses, net includes all amounts within that line item on our consolidated statements of income.
5. 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.
6. Tax effect of adjustments represents the hypothetical income taxes associated with all adjustments used to calculate EAD.
7. EAD ROE is calculated by dividing EAD by average common equity for each respective period.

Non-GAAP Disclosures (Continued)

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

(\$ in millions)	Three Months Ended		Three Months Ended	
	3/31/25		12/31/24	
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Sequoia Mortgage Banking	CoreVest Mortgage Banking
GAAP Net Income	\$ 25.8	\$ 1.3	\$ 21.8	\$ 1.5
Adjustments:				
Acquisition related expenses ⁽³⁾	—	2.2	—	2.2
Tax effect of adjustments ⁽⁴⁾	—	(0.6)	—	(0.7)
EAD (non-GAAP)	\$ 25.8	\$ 2.9	\$ 21.8	\$ 3.1
Capital utilized (average for period)	\$ 367	\$ 58	\$ 387	\$ 50
Return on equity (GAAP)	28 %	9 %	23 %	12 %
EAD return on equity (non-GAAP) ⁽⁵⁾	28 %	20 %	23 %	25 %

1. Certain totals may not foot due to rounding.

2. Segment EAD and Segment EAD ROE are non-GAAP measures derived from GAAP Net Income and GAAP Return on equity ("GAAP ROE" or "ROE"), respectively. GAAP ROE is defined as: GAAP Net Income 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 are the same adjustments used to calculate EAD, as applicable to each segment for which it is being calculated. EAD ROE 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 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' Net Income 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 and EAD ROE should not be utilized in isolation, nor should they be considered as alternatives to GAAP Net Income, GAAP ROE or other measurements of results of operations computed in accordance with GAAP.

3. 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.

4. Tax effect of adjustments represents the hypothetical income taxes associated with all adjustments used to calculate EAD.

5. EAD ROE is calculated by dividing EAD by average capital utilized for each respective period.

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 Aspire, we directly originate home equity investment options to homeowners and purchase expanded home loan products from mortgage originators. Additionally, RWT Horizons®, our venture investing initiative, we invest in early-stage companies that have a direct nexus to our operating platforms. 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 target returns we are seeking on portfolio investments and the expected timing for the filing of Redwood's Quarterly Report on Form 10-Q. 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, 2024 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.

CONTACTS

Investor Relations

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Head of Investor Relations

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Exhibit 99.2

Q1 2025 Redwood Review

April 30, 2025

REDWOODTRUST.COM



Cautionary Statement; Forward-Looking Statements

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This presentation contains forward-looking statements, including statements regarding our 2025 forward outlook and strategic priorities, key drivers to increase earnings, book value, and mortgage banking volumes, current target annualized non-GAAP EAD returns on equity, 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, 2024 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 Network of Businesses

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Consumer Home Loan
Products for Originators



Homeownership and
Home Equity Access
Solutions



Business Purpose
Loans to Housing
Investors



Portfolio Manager of
Housing Related
Investments



Venture Fund Manager-
Fintech/Proptech
Startups

We serve areas of the housing market not well served by government "Agency" home loan programs

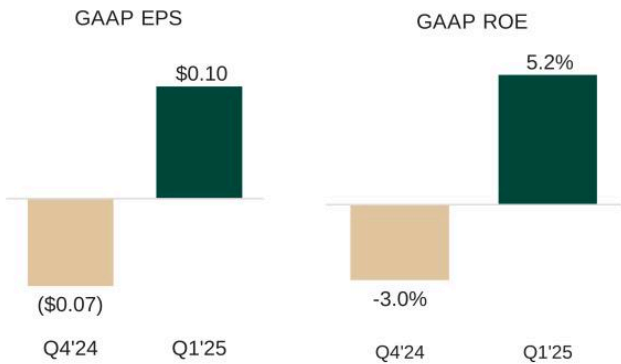
- Founded 1994
- 30 Year+ Track Record
- \$2.5 Billion of Cumulative Dividends Since Inception
- 360%+ Total Shareholder Return Since Inception
- 166 Securitizations Across Products
- \$130 Billion+ Loans Originated / Locked Since 2012

Detailed Endnotes are included at the end of this presentation.

First Quarter 2025 Financial Performance

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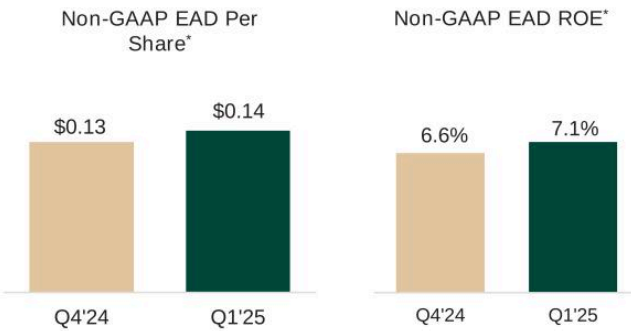
GAAP



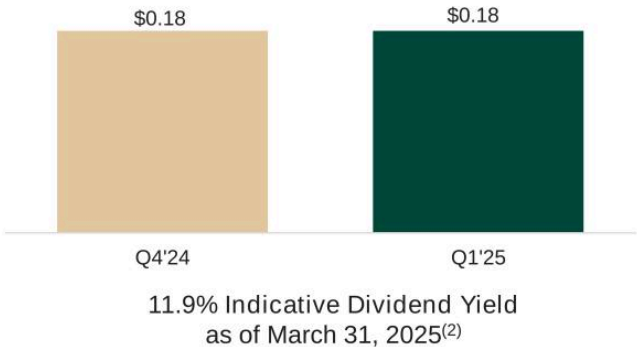
GAAP Book Value Per Share



Non-GAAP EAD



Common Dividend Per Share



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.

Additional First Quarter 2025 Metrics

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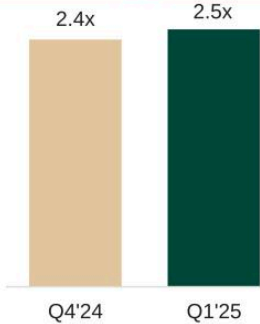
Illustrative Book Value Upside

- Our 3/31/25 market capitalization sits ~\$310 million (\$2.32/share) below book value
- 3/31/25 book value also reflects an additional ~\$250 million (\$1.87/share) of embedded discount within our portfolio⁽¹⁾

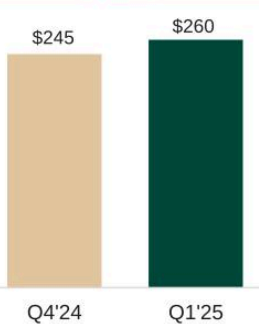
At March 31, 2025



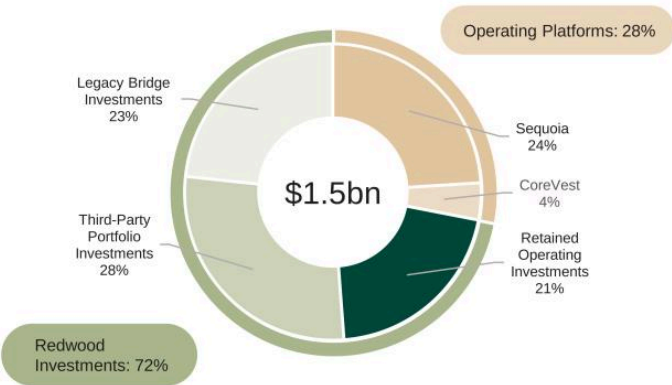
Recourse Leverage Ratio⁽²⁾



Unrestricted Cash (\$mm)






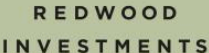
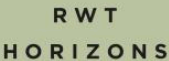
Average Allocated Capital⁽³⁾



Detailed Endnotes are included at the end of this presentation.

First Quarter 2025 & Recent Business Performance

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	<ul style="list-style-type: none"> GAAP segment net income of \$25.8 million Segment GAAP ROE of 28% \$4.0 billion of lock volume (+73% QoQ and +125% YoY)⁽¹⁾⁽²⁾
	<ul style="list-style-type: none"> Launched new expanded loan products (e.g. Bank Statement and DSCR loans) in January 2025 \$111 million of lock volume across 25 sellers⁽¹⁾⁽²⁾
	<ul style="list-style-type: none"> GAAP segment net income of \$1.3 million Segment Non-GAAP EAD ROE of 20%* \$482 million of loan fundings (-4% QoQ and +48% YoY)
	<ul style="list-style-type: none"> GAAP Segment net income of \$22.9 million Deployed approximately \$100 million of capital primarily into accretive Retained Operating Investments with target returns of 15% to 20%⁽³⁾
	<ul style="list-style-type: none"> Four new investments, including two new investments in AI-driven companies and one follow-on investment in an existing RWT Horizons company

QTD Q2'25, we have distributed approximately \$520 million of loans across our operating platforms⁽⁴⁾

Detailed Endnotes are included at the end of this presentation.

*EAD return on equity 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.

Sequoia First Quarter 2025 Performance

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SEQUOIA

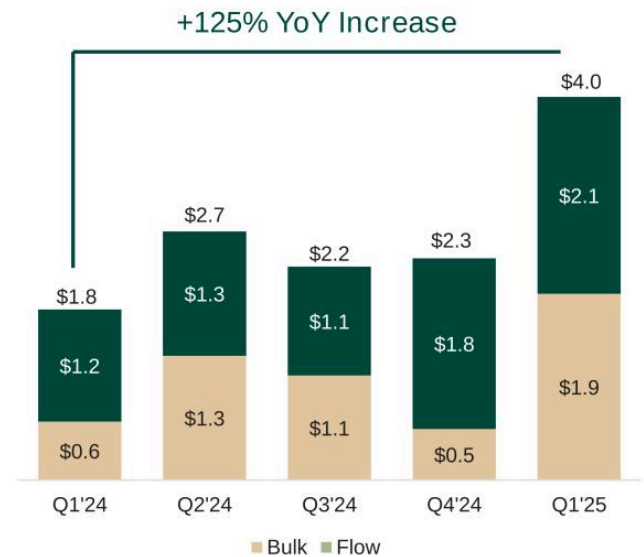
Correspondent jumbo platform, serving large network of mortgage originators (bank and non-bank)

Q1'25 Overview

- Q1'25 GAAP return on equity of 28%, compared to 23% in Q4'24
- Gain on sale margins of 123bps, compared to historical target range of 75 to 100bps
- \$4.0 billion of locks⁽¹⁾
 - 73% QoQ volume increase driven by:
 - Strength in bulk (+265% QoQ) and flow (+15% QoQ) volumes
 - Elevated locks from bank activity
- Cost per loan of 21bps remains historically efficient⁽²⁾
- Distributed \$2.0 billion of loans
- Have remained active in Q2'25 locking and distributing loans, including closing one SEMT securitization in April⁽³⁾
 - Sequoia remains the most active non-bank issuer of jumbo loan securitizations⁽⁴⁾

Bulk vs Flow Quarterly Lock Volumes⁽¹⁾

\$ billions



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

FY'25 Growth Drivers

- Ongoing bank balance sheet management
 - Bulk transfers of seasoned loans
 - Banks continue to hold over \$1 trillion of legacy jumbo collateral on their balance sheets⁽¹⁾
- Further wallet share with existing network of loan sellers
- Growth in industry ARM production
- Potential housing policy changes and GSE reform
- Healthy margins

We believe growth in our volumes will continue to significantly outpace industry activity⁽²⁾

Sequoia vs. Industry Changes in Volumes			
	'22-'23	'23-'24	Q4'24-Q1'25
Industry (MBA)	(26%)	9%	(22%)
Industry (Jumbo)	(55%)	15%	(22%)
Sequoia	(16%)	158%	73%

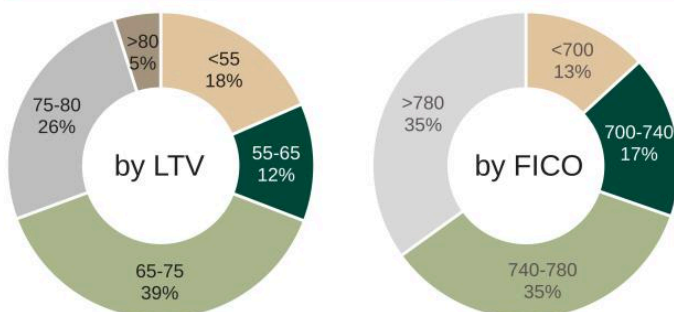
Aspire First Quarter 2025 Performance

Expanded non-QM consumer correspondent business – tailored to borrowers requiring an alternative underwriting approach

Q1'25 Overview

- Launched our expanded loan strategy in January 2025
 - Locked \$111 million of loans⁽¹⁾
 - 72% expanded / 28% DSCR
 - Since the launch, have locked loans with 25 sellers and are actively adding new origination partners
 - Target gain on sale range of 75 to 100bps
- To date in Q2'25, executed whole loan sales to multiple counterparties⁽²⁾

Composition of Q1'25 Quarterly Locks



2025 Platform Expansion Strategy



Scale existing products



Leverage Redwood's
leadership brand



Connect with existing seller
network



Onboard additional sellers



Utilize AI for underwriting
and efficiency



Efficient distribution through
securitizations and whole loan
sales

Detailed Endnotes are included at the end of this presentation.

CoreVest First Quarter 2025 Performance

Direct life-cycle lender to housing investors

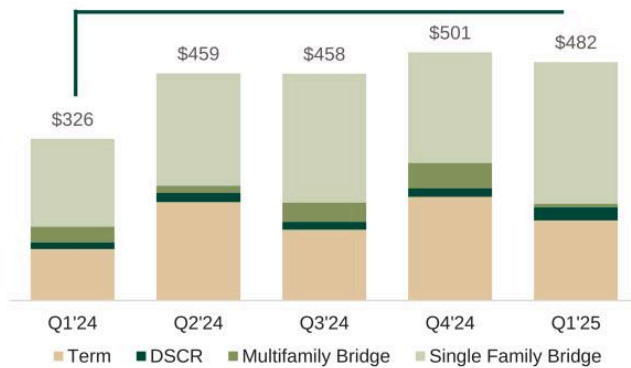
Q1'25 Overview

- GAAP return on equity of 9% and non-GAAP EAD return on equity of 20%*
- \$482 million of fundings
 - Down 4% QoQ and up 48% YoY
 - Ongoing strength in bridge loan (17% YoY increase) and RTL production (84% YoY increase) amidst historical Q1 seasonality
 - Repeat borrower activity remains elevated (~70% of Q1'25 fundings)
- Net cost to originate of 122bps⁽¹⁾
- Distributed \$421 million of loans
- Have remained active in Q2'25 funding and distributing loans⁽²⁾

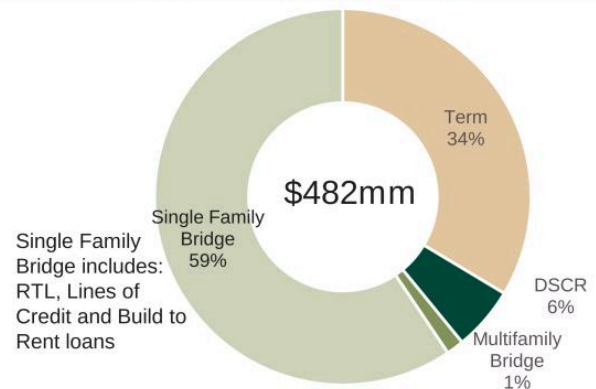
Quarterly Funded Volume (\$mm)

\$ millions

+48% YoY Increase



Q1'25 Fundings by Strategy⁽³⁾



Detailed Endnotes are included at the end of this presentation. *EAD return on equity 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.

FY'25 Growth Drivers

- Deeper footprint and greater market share in small-balance loans (RTL and DSCR represent ~\$250 billion TAM⁽¹⁾)
- Homebuilder strategy shift from sale to rental
- Increase in term and bridge production as rates stabilize or move lower
- Repeat borrower activity
- Capturing market share from banks
- Ongoing distribution momentum (e.g. JV, whole loan sale, securitization)
- Popularity of aggregation facilities for newly built homes

Growth in Market Volumes⁽¹⁾

\$ billions The small-balance loan market is estimated to grow 16% over the next 2 years



Redwood Investments First Quarter 2025 Performance

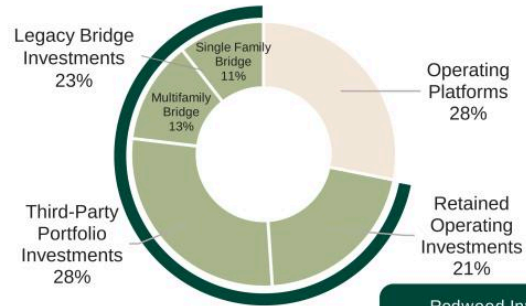
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INVESTMENTS

Portfolio of residential housing investments sourced from our operating platforms or third parties

Q1'25 Overview

- Deployed approximately \$100 million of capital primarily into accretive Retained Operating Investments with target returns of 15% to 20%⁽¹⁾
- Ongoing focus on:
 - Reducing exposure to Legacy Bridge Investments
 - Redeploying capital towards Retained Operating Investments
 - Enhancing returns through efficient financing

Q1'25 Average Capital Allocation⁽²⁾



Redwood Investments represented 72% of Q1'25 average allocated capital

Summary of Redwood Investment Portfolio Strategies

Retained Operating Investments

- Sequoia, CoreVest (Term & Securitized Bridge) and Aspire retained securities
- JV Investments

Legacy Bridge Investments

- Unsecuritized bridge loans (primarily 2021/2022 vintage)

Third-Party Portfolio Investments

- SLST (reperforming loans)
- SLS (servicer investments)
- HEI Investments
- Other third-party securities that reflect our long-term thesis on housing credit

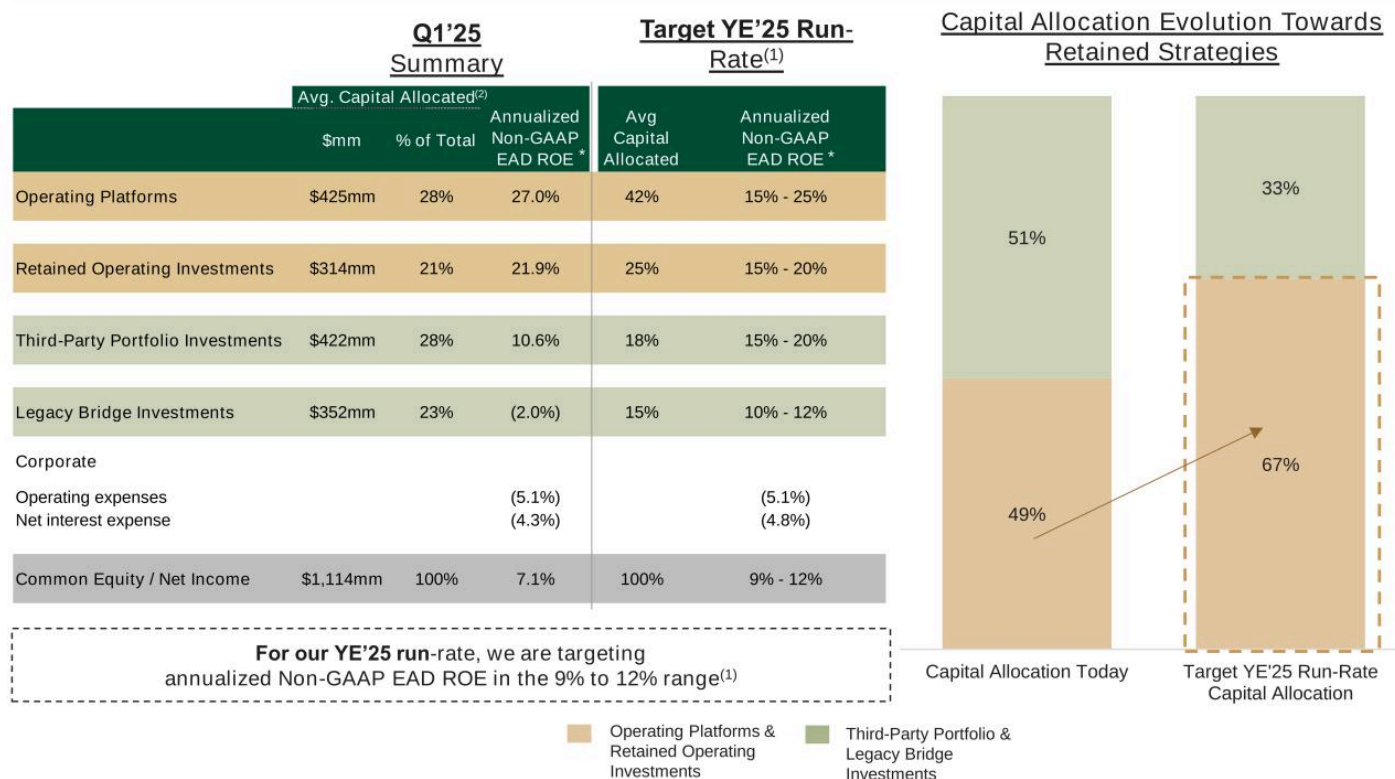
Detailed Endnotes are included at the end of this presentation.

12

Return Potential from Our Operating Platforms & Investments

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INVESTMENTS

Q1'25 & Target Returns & Capital Allocation



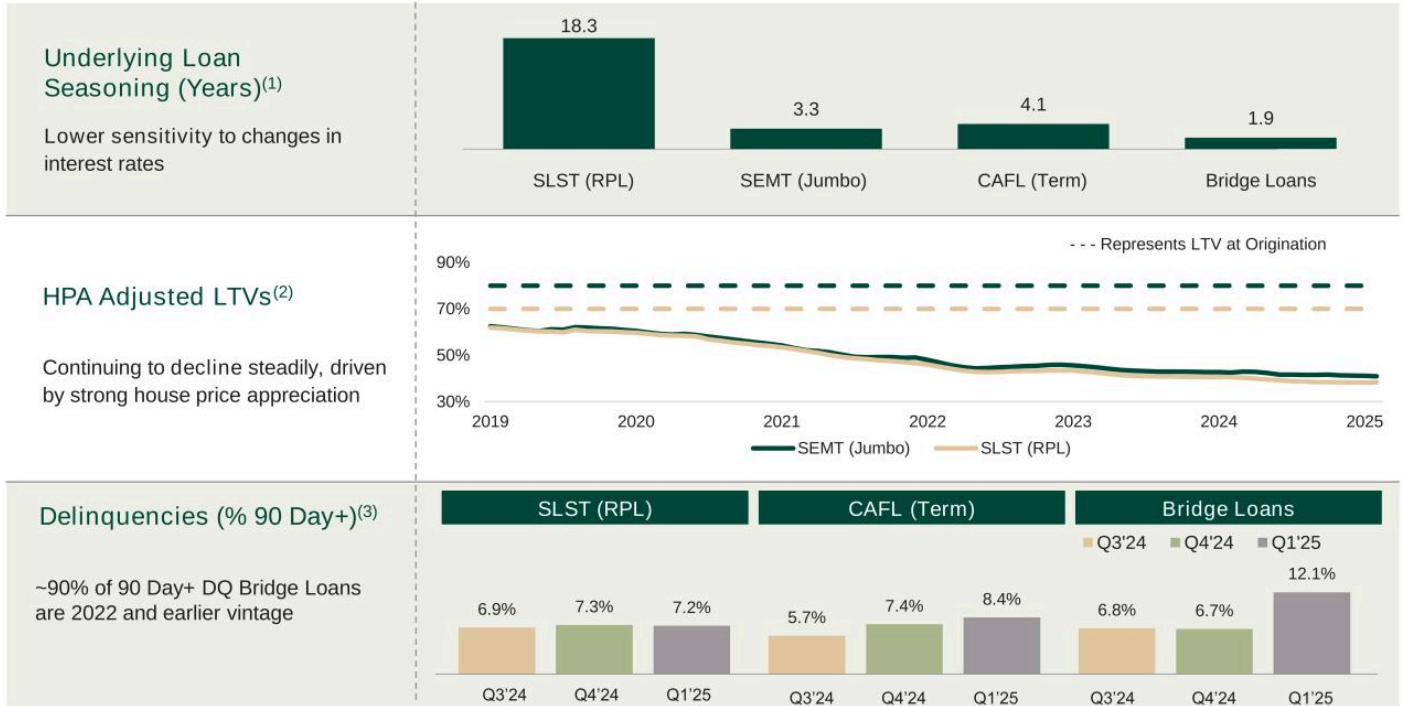
Detailed Endnotes are included at the end of this presentation.

*EAD ROE is a non-GAAP measures. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics.

Redwood Investments: Summary of Credit Characteristics

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INVESTMENTS

Summary of Portfolio Credit Characteristics



Detailed Endnotes are included at the end of this presentation.

*Not shown are SEMT (Jumbo) 90 day+ delinquencies which are 0.2% for all the periods shown.

Financial Results

Income Statement			
(\$ in millions, except per share data)			
	Three Months Ended		
	3/31/2025	12/31/2024	
Net interest income			
Sequoia mortgage banking	\$ 18.3	\$ 17.0	
CoreVest mortgage banking	2.0	1.1	
Redwood Investments	23.5	23.7	
Corporate (unsecured debt) ⁽¹⁾	(15.9)	(14.2)	
Total net interest income	\$ 27.9	\$ 27.6	
Non-interest income			
Sequoia mortgage banking activities, net	22.2	16.8	
CoreVest mortgage banking activities, net	10.9	9.6	
Investment fair value changes, net	(5.2)	(25.5)	
HEI income, net	10.2	6.4	
Servicing Income	3.4	6.4	
Fee Income	2.4	3.6	
Other income, net	1.6	0.7	
Realized gains, net	0.6	(0.3)	
Total non-interest income, net	\$ 45.9	\$ 17.6	
General and administrative expenses	(37.5)	(32.5)	
Portfolio management costs	(6.5)	(6.1)	
Loan acquisition costs	(3.6)	(3.6)	
Other expenses	(3.9)	(3.3)	
(Provision for) income taxes	(6.3)	(6.3)	
Net income (loss)	\$ 16.1	\$ (6.6)	
Dividends on preferred stock	(1.8)	(1.8)	
Net income (loss) available (related) to common stockholders	\$ 14.4	\$ (8.4)	
Earnings (loss) per basic and diluted common share	\$ 0.10	\$ (0.07)	

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

Balance Sheet			
(\$ in millions)			
		3/31/2025	12/31/2024
Residential consumer loans	\$	12,752.3	\$ 11,077.8
Residential investor loans		4,439.8	4,587.1
Consolidated Agency multifamily loans		423.7	424.6
Real estate securities		376.0	405.2
Home equity investments		600.4	589.8
Servicer Investments		298.3	297.7
Strategic Investments		84.9	78.1
Cash and cash equivalents		259.9	245.2
Other assets		636.6	552.9
Total assets	\$	19,871.8	\$ 18,258.3
ABS issued	\$	14,458.2	\$ 13,270.2
Debt obligations, net		3,760.7	3,462.9
Other liabilities		469.4	337.4
Total liabilities		18,688.3	17,070.5
Equity		1,183.5	1,187.9
Total liabilities and equity	\$	19,871.8	\$ 18,258.4

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 March 31, 2025				As of 12/31/24	
	Fair Value of Assets ⁽¹⁾	Recourse Debt	Non-Recourse Debt ⁽²⁾	Total Capital	Total Capital	
Sequoia Mortgage Banking						
Loans and other working capital ⁽³⁾	\$ 1,635	\$ (874)	\$ (336)	\$ 425	\$ 350	
CoreVest Mortgage Banking						
Loans and other working capital ⁽³⁾	239	(83)	(57)	100	75	
Platform premium	40	—	—	40	42	
Total CoreVest Mortgage Banking	280	(83)	(57)	140	117	
Redwood Investments						
Retained Operating Investments	1,779	(521)	(984)	274	301	
Third-Party Investments	814	(243)	(141)	430	376	
Bridge Loan Portfolio	1,105	(421)	(328)	356	320	
Total Redwood Investments	3,698	(1,184)	(1,453)	1,060	997	
Corporate ⁽⁴⁾	315	(757)	—	(442)	(277)	
Total / Equity	\$ 5,927	\$ (2,898)	\$ (1,846)	\$ 1,183	\$ 1,188	

Detailed Endnotes are included at the end of this presentation
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Mortgage Banking Key Results (\$ in millions)				
	Q1 2025		Q4 2024	
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Sequoia Mortgage Banking	CoreVest Mortgage Banking
Net interest income	\$ 18.3	\$ 2.0	\$ 17.0	\$ 1.1
Mortgage banking activities, net	22.2	10.9	16.8	9.6
Fee Income	—	3.1	—	3.7
Mortgage banking income	40.5	16.0	33.8	14.4
Operating expenses	(7.4)	(15.3)	(6.0)	(14.4)
(Provision for) Benefit from income taxes	(7.3)	0.6	(6.0)	1.5
Net Income (GAAP)	\$ 25.8	\$ 1.3	\$ 21.8	\$ 1.5
Adjustments:				
Acquisition related expenses	—	2.2	—	2.2
Tax effect of adjustments	—	(0.6)	—	(0.7)
EAD net contribution (non-GAAP) ⁽¹⁾	\$ 25.8	\$ 2.9	\$ 21.8	\$ 3.1
Capital utilized (average for period) ⁽²⁾	\$ 367	\$ 58	\$ 387	\$ 50
Return on equity (GAAP)	28.2 %	9.2 %	22.5 %	12.2 %
EAD net contribution return on equity (non-GAAP) ⁽¹⁾	28.2 %	20.1 %	22.5 %	24.5 %
<u>Production Volumes</u>				
CoreVest term loan fundings		\$ 188.2		\$ 226.8
CoreVest bridge loan fundings		\$ 293.5		\$ 274.3
Sequoia and Aspire loan locks	\$ 4,007.6		\$ 2,322.1	
Sequoia and Aspire loan purchase commitments (fallout adjusted)	\$ 3,303.8		\$ 1,872.7	

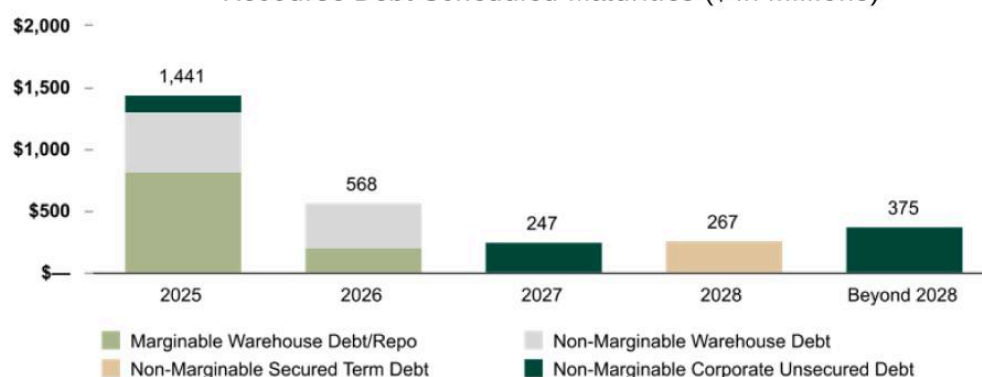
Detailed Endnotes are included at the end of this presentation.
Note: Numbers may not foot due to rounding.

Redwood Investments Key Results			
(\$ in millions)			
	Three Months Ended		
	3/31/2025	12/31/2024	
Net interest income	\$ 23.5	\$ 23.7	
Investment fair value changes, net	(5.1)	(24.9)	
HEI income, net	10.2	6.4	
Servicing Income, net	3.4	6.4	
Fee Income, net	(0.7)	(0.1)	
Other income, net	0.4	1.0	
Realized gains, net	0.6	—	
Operating expenses	(9.6)	(7.6)	
Benefit from (provision for) income taxes	0.3	(2.1)	
Net Income (GAAP)	\$ 22.9	\$ 2.8	
Adjustments:			
Investment fair value changes, net	5.1	24.9	
Realized (gains), net	(0.6)	—	
Tax effect of adjustments	(0.8)	(0.6)	
EAD net contribution (non-GAAP) ⁽¹⁾	\$ 26.6	\$ 27.0	
Capital utilized (average for period)	\$ 1,088	\$ 1,030	
Return on equity (GAAP)	8.4 %	1.1 %	
EAD net contribution return on equity (non-GAAP) ⁽¹⁾	9.8 %	10.5 %	
<u>At period end</u>			
Carrying values of assets	\$ 3,697.6	\$ 3,635.1	
Secured recourse debt	(1,184.4)	(1,088.2)	
Secured non-recourse debt	(1,452.8)	(1,549.3)	
Capital invested	\$ 1,060.4	\$ 997.5	
Recourse leverage ratio ⁽²⁾	1.1x	1.1x	

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

Recourse Debt Balances (\$ in millions)									
	March 31, 2025							December 31, 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	\$ —	\$ —	\$ —	\$ —	\$ 757	\$ 757	7.7 %	\$ 668	7.5 %
Secured financing facility	303	200	—	200	—	200	9.3 %	225	9.5 %
Securities portfolio	632	267	236	503	—	503	6.6 %	479	6.8 %
Term loans	86	70	—	70	—	70	6.5 %	88	6.5 %
Bridge loans	570	334	—	334	—	334	8.2 %	279	8.2 %
Sequoia loans ⁽³⁾	921	158	716	874	—	874	6.2 %	903	6.2 %
HEI Options	208	92	—	92	—	92	8.8 %	97	9.0 %
MSR ⁽⁴⁾	150	—	68	68	—	68	7.6 %	58	7.7 %
Total	\$ 2,870	\$ 1,121	\$ 1,021	\$ 2,141	\$ 757	\$ 2,898	7.2 %	\$ 2,797	7.2 %

Recourse Debt Scheduled Maturities (\$ in millions)



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

Endnotes

Non-GAAP Measures

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Earnings Available for Distribution ("EAD") and EAD Return on 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 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	
	3/31/2025	12/31/2024
GAAP net income (loss) available to common shares	\$14.4	\$(8.4)
Adjustments:		
Investment fair value changes, net ⁽¹⁾	\$5.2	\$25.5
Realized (gains)/losses, net ⁽²⁾	(0.6)	0.3
Acquisition related expenses ⁽³⁾	2.2	2.2
Tax effect of adjustments ⁽⁴⁾	(1.4)	(1.2)
Earnings Available for Distribution (non-GAAP)	\$19.8	\$18.4
Earnings (loss) per basic common share (GAAP)	\$0.10	\$(0.07)
EAD per basic common share (non-GAAP)	\$0.14	\$0.13
GAAP Return on equity (annualized)	5.2%	(3.0)%
EAD Return on equity (non-GAAP, annualized) ⁽⁵⁾	7.1%	6.6%

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, and CoreVest acquisitions.
- 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

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EAD and EAD Return on Equity ("ROE")

EAD and EAD Return on Equity are non-GAAP measures derived from GAAP Net Income and GAAP Return on Equity, respectively. EAD presents a measure of the profitability of our business operations and is defined as: GAAP Net Income 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 are the same adjustments used to calculate EAD, as applicable to each segment for which it is being calculated. EAD Return on Equity 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 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' net income 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 and EAD Return on Equity should not be utilized in isolation, nor should they be considered as alternatives to GAAP Net Income, GAAP Return on Equity or other measurements of results of operations computed in accordance with GAAP. The following table presents a reconciliation of GAAP net income from our segments, reconciled to EAD, and the associated GAAP Return on Equity and non-GAAP EAD Return on Equity.

	Q1 2025			Q4 2024		
	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Sequoia Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments
\$ in millions						
Net Income (GAAP)	\$ 25.8	\$ 1.3	\$ 22.9	\$ 21.8	\$ 1.5	\$ 2.8
Adjustments: ⁽¹⁾						
Investment fair value changes, net	—	—	5.1	—	—	24.9
Realized (gains)/losses, net	—	—	(0.6)	—	—	—
Acquisition related expenses	—	2.2	—	—	2.2	—
Tax effect of adjustments	—	(0.6)	(0.8)	—	(0.7)	(0.6)
EAD (non-GAAP)	\$ 25.8	\$ 2.9	\$ 26.6	\$ 21.8	\$ 3.1	\$ 27.0
Capital utilized (average for period)	\$ 367	\$ 58	\$ 1,088	\$ 387	\$ 50	\$ 1,030
Return on equity (GAAP)	28.2 %	9.2 %	8.4 %	22.5 %	12.2 %	1.1 %
EAD return on equity (non-GAAP)	28.2 %	20.1 %	9.8 %	22.5 %	24.5 %	10.5 %

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

Endnotes

Slide 3 (Redwood's Network of Businesses)

Source: Company financial data as of March 31, 2025 unless otherwise noted. Market data per Bloomberg as of March 31, 2025.

Slide 4 (First Quarter 2025 Financial Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted. Market data per Bloomberg as of March 31, 2025.

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 \$6.07 on March 31, 2025.

Slide 5 (Additional First Quarter 2025 Metrics)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. 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.
2. At March 31, 2025 and December 31, 2024, recourse debt excluded \$15.8 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 \$40.2 million and \$42.4 million, respectively, of goodwill and intangible assets.
3. Average allocated capital includes average working capital for mortgage banking operations and average investments net of associated average debt for Redwood Investments. Capital allocation excludes corporate capital and RWT Horizons. Further detail on the components of Q1'25 allocated capital is included in the Financial Results section of this presentation.

Slide 6 (First Quarter 2025 and Recent Business Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted. References to "QoQ" are comparisons of the quarterly performances between Q4'24 and Q1'25. References to "YoY" are comparisons for the quarterly performances between Q1'24 and Q1'25.

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. Aspire lock volume is included in the Sequoia Mortgage Banking business segment results.
3. Represents management's targets and estimates and actual results may differ materially.
4. Includes securitizations and sales that have priced but not yet closed as of April 29, 2025.

Slide 7 (Sequoia First Quarter 2025 Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted. References to "QoQ" are comparisons of the quarterly performances between Q4'24 and Q1'25. References to "YoY" are comparisons for the quarterly performances between Q1'24 and Q1'25.

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. Cost per loan for the Sequoia Mortgage Banking segment is calculated as annual operating expenses of this segment divided by annual loan purchase commitments of this segment.
3. Includes Q2'25 activity through April 29, 2025.
4. Source: JP Morgan Research.

Slide 8 (Sequoia Volume Drivers)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. Source: JP Morgan Research.
2. Source: Industry volume per MBA Mortgage Finance disclosed numbers for the periods presented.

Slide 9 (Aspire First Quarter 2025 Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. Aspire lock volume is included in the Sequoia Mortgage Banking business segment results. 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 Q2'25 activity through April 29, 2025 and may include sales that have priced but not yet closed as of April 29, 2025.

Slide 10 (CoreVest First Quarter 2025 Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted. References to "QoQ" are comparisons of the quarterly performances between Q4'24 and Q1'25. References to "YoY" are comparisons for the quarterly performances between Q1'24 and Q1'25.

1. Net cost to originate for the CoreVest Mortgage Banking segment is calculated as annual operating expenses of this segment, less upfront origination fees of this segment, divided by origination volume of this segment.
2. Includes sales that have priced but not yet closed as of April 29, 2025.
3. Composition percentages are based on unpaid principal balance.

Slide 11 (CoreVest Volume Drivers)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. RTL volume based on Fannie Mae Single Family Total Home Sales and Attom Data Fix & Flip Percentage. DSCR/Term based on the same for the rest of the investor owned %. Analysis uses Wells Fargo Research. Figures are rounded. Actual results may vary materially.

Slide 12 (Redwood Investments First Quarter 2025 Performance)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. Represents management's targets and estimates and actual results may differ materially.
2. Average allocated capital includes average working capital for mortgage banking operations and average investments net of associated average debt for Redwood Investments. Capital allocation excludes corporate capital and RWT Horizons. Further detail on the components of Q1'25 allocated capital is included in the Financial Results section of this presentation.

Slide 13 (Return Potential from Our Operating Platforms & Investments)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

1. Represents management's targets and estimates and actual results may differ materially. Target returns reflect a variety of management's estimates and assumptions that could prove to be incorrect, such as an investment's coupon, amortization of premium or discount, costs and fees, and our assumptions regarding prepayments, defaults and loan losses, among other things. Income and cash flows recognized in future periods may be significantly less than the income and cash flows that would have been recognized had target returns been realized.
2. Average allocated capital includes average working capital for mortgage banking operations and average investments net of associated average debt for Redwood Investments. Capital allocation excludes corporate capital and RWT Horizons. Further detail on the components of Q1'25 allocated capital is included in the Financial Results section of this presentation.

Slide 14 (Redwood Investments: Summary of Credit Characteristics)

Source: Company financial data as of March 31, 2025 unless otherwise noted.

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

Slide 16 (Appendix: Income Statement)

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

Slide 18 (Appendix: Capital Allocation Summary)

1. Amounts of assets in our Redwood Investments segment, 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 securitization). 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 mortgage banking segments. This amount generally includes our net capital in loans held on balance sheet (net of financing), capital to acquire / originate 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 19 (Appendix: Mortgage Banking Key Results)

1. EAD Net Contribution and EAD Net Contribution Return on Equity 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 \$40 million of platform premium.

Slide 20 (Appendix: Redwood Investments Key Results)

1. EAD Net Contribution and EAD Net Contribution Return on Equity 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 21 (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, inclusive of Aspire loans.
4. Includes certificated mortgage servicing rights.

Glossary of Terms

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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
GoS	Gain on Sale
HEI	Home equity investment
HPA	Home price appreciation
IMB	Independent mortgage banker
JV	Joint venture
LOC	Line of credit
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
RTL	Residential transitional loans
RPL	Reperforming loans
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. 27

