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16 December 2020

EJF Investments Ltd

Recent Investment Announcement

The Board of EJF Investments Ltd (together with its subsidiaries, “EJFI” or the “Company”) is pleased to announce that the Company invested approximately £6.7 million¹ in the preferred shares (the “Investment”) issued by TruPS Financials Note Securitization 2020-2 (“TFINS 2020-2”) on 15 December 2020.

The underlying collateral of TFINS 2020-2 mainly consists of trust preferred securities, subordinated debt, senior notes and surplus notes issued by 26 U.S. banks and 10 insurance companies with an aggregate par value of approximately US\$177.245 million. The Investment represents the Company’s tenth risk retention investment in a securitisation sponsored by EJF Capital LLC (“EJF”) and represents the continuation of the Company’s focus on equity tranches of collateralised debt obligations backed primarily by US small and medium banks and insurance companies.

Approximately 40% of the collateral is indexed to three-month LIBOR, while the balance of the collateral is fixed rate. The weighted average spread of the floating assets is approximately 3.58%. Approximately 14% of the underlying securities have a fixed interest rate with a weighted average coupon of approximately 7.0%. The remaining 46% of the underlying securities have a fixed-to-float interest rate. TFINS 2020-2 has a final maturity date in 2041 and is callable after October 2022 at the option of the majority preferred shareholders, with mandatory auction calls commencing after October 2028. Anticipated return scenarios estimate that the Investment will generate a gross return in the high single digits over the estimated life of the Investment.

EJF CDO Manager LLC (“CDO Manager”) will serve as the collateral manager for TFINS 2020-2 and will receive a 30-basis points p.a. fee in addition to earning an incentive management fee equal to 20% of profits over a 10% hurdle, subject to certain exceptions. The Company will also benefit from the economics generated by the CDO Manager through the Company’s 49% ownership interest in the CDO Manager.

¹ As converted using a GBP/USD foreign exchange rate of 1.3448

ENQUIRIES

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About EJF Investments Ltd

EJFI is a registered closed-ended limited liability company incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, on 20 October 2016 with registered number 122353. The Company is regulated by the Jersey Financial Services Commission (the "**JFSC**"). The JFSC is protected by both the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under such laws.

The JFSC has not reviewed or approved this announcement.

LEI: 549300XZYEQCLA1ZAT25

Investor information & warnings

The latest available information on the Company can be accessed via its website at www.ejfi.com.

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