

EJF INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

EJF INVESTMENTS LIMITED

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EJF INVESTMENTS LIMITED

PERFORMANCE HIGHLIGHTS

Performance

Total Return for the period¹

2022: 10.69%

30 June 2021: 5.45%

Total Return since Inception¹

2022: 88.00%

Delivered on dividends

Dividends Declared

2022: 5.35p

30 June 2021: 5.35p

Market view

Ordinary Share Price

2022: 121.00p

31 December 2021: 129.0p

2022 ZDP Share Price

2022: 128.50p

31 December 2021: 127.0p

2025 ZDP Share Price

2022: 116.50p

31 December 2021: 116.5p

Market Capitalisation

2022: £74.0m

31 December 2021: £78.9m

Asset performance

Net Asset Value

2022: £112.6m

31 December 2021: £104.8m

NAV per ordinary share¹

2022: 184p

31 December 2021: 171p

Share price discount to NAV per ordinary share¹

2022: (34.2)%

31 December 2021: (24.6)%

Portfolio investments

Securitisation & Related Investments

2022: £103.0m

31 December 2021: £99.4m

Specialty Finance

2022: £20.1m

31 December 2021: £13.9m

Other

2022: £0.5m

31 December 2021: £0.4m

¹ These are APMs as defined on pages 48 to 49.

EJF INVESTMENTS LIMITED

CORPORATE SUMMARY

Overview

EJFI is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP, Channel Islands. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's capital comprises Ordinary Shares and ZDP Shares admitted to trading on the SFS.

Investment Objective

The Company seeks to generate attractive risk adjusted returns for its shareholders by investing, through its Subsidiary, in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes, FinTech debt securities and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. Investments consist primarily of Securitisation and Related Investments and Specialty Finance Investments. The Company seeks to make quarterly dividend payments from the Portfolio in addition to targeting Net Asset Value growth.

Purpose

The Company is an essential part of EJF's overall strategy and acts as a public vehicle to provide exposure to investments in the equity tranches of EJF sponsored securitisations, subject to Directors' approval. The Manager believes that through investments in niche asset classes, with a target of making quarterly dividend payments and growing the Net Asset Value, the Company offers attractive risk adjusted returns for its Shareholders.

The Company is targeting a Total Return of 8% to 10% per annum and the Company's Target Dividend for the financial year to 31 December 2022 is 10.7p per Ordinary Share (31 December 2021: paid Target Dividend of 10.7p per Ordinary Share). To date, the Company has paid quarterly dividends which are in line with the Target Dividend for the financial year to 31 December 2022.

Strategy

The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape primarily through Risk Retention and Related Investments and Specialty Finance Investments.

Values

To promote the long-term success of the Company through responsible investing, focussing on the values of the Company in a world with constantly evolving social and economic demographics. We believe that a strong corporate governance structure is crucial to the pursuit of this goal along with trusted relationships with our advisors.

The Company's detailed Investment Policy can be found on pages 78 to 81 of its Prospectus, which is available on the Company's website, www.ejfi.com.

EJF INVESTMENTS LIMITED

CORPORATE SUMMARY (CONTINUED)

Structure

The Company has one subsidiary: EJFIH (incorporated on 9 June 2017), of which it owns 100% of the stated capital.

The holding of assets via EJFIH allows the Company to manage the upstreaming of portfolio income with greater flexibility and cash flow management and conduct its affairs in accordance with the criteria for the non-UK investment trust exemption to the UK Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013.

Manager

The Company is externally managed by the Manager. EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC.

The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

Listing information

As at 30 June 2022

	ORDINARY SHARES	2022 ZDP SHARES	2025 ZDP SHARES
UK	JE00BF0D1M25	JE00BDG12N48	JE00BK1WV903
SEDOL	BF0D1M2	BDG12N4	BK1WV90
TICKER	EJFI	EJFZ	EJFO
Total issued shares at period end	76,953,707	4,978,708	16,996,857
Total issued shares held in treasury at period end	15,808,509	-	-
Total issued shares with voting rights at period end	61,145,198	-	-

As at 31 December 2021

	ORDINARY SHARES	2022 ZDP SHARES	2025 ZDP SHARES
UK	JE00BF0D1M25	JE00BDG12N48	JE00BK1WV903
SEDOL	BF0D1M2	BDG12N4	BK1WV90
TICKER	EJFI	EJFZ	EJFO
Total issued shares at year end	76,953,707	15,000,000	6,000,000
Total issued shares held in treasury at year end	15,808,509	-	-
Total issued shares with voting rights at year end	61,145,198	-	-

EJF INVESTMENTS LIMITED

CORPORATE SUMMARY (CONTINUED)

Significant Events during the Period

Appointment of Corporate Broker

On 10 January 2022, Liberum Capital Limited was appointed to act as the Company's broker.

Rollover Offer and launch of ZDP Placing Programme and Publication of a Prospectus

On 4 April 2022, the Board published a prospectus approved by the FCA in relation to the Rollover Offer to convert existing 2022 ZDP Shares into 2025 ZDP shares as well as a Placing Programme of up to 70 million new Ordinary Shares and/or new C Shares and up to 25 million new 2025 ZDP Shares as detailed further below.

Extraordinary General Meeting

On 5 April 2022, the Board announced it had published a shareholder circular containing a notice convening an EGM of the Company on 5 May 2022, shareholders could vote on the following resolutions:

Ordinary Resolutions

- 1) Resolution 1 – Continuation vote.
- 2) Resolution 2 – Rollover Offer to convert existing 2022 ZDP Shares into 2025 ZDP shares.
- 3) Resolution 3 – Early repayment of 2022 ZDP Shares.

Special Resolutions

- 4) Resolution 4 – Placing Programme to allot and issue of up to 70 million Ordinary Shares and/or C Shares.
- 5) Resolution 5 – Allot and issue up to 25 million new 2025 ZDP Shares.

Result of Extraordinary General Meeting

On 5 May 2022, the Board announced that all ordinary and special resolutions put to shareholders at the EGM were duly passed. Votes were cast for a total of 42,472,378 Shares, representing 55.19% of the total number of votes capable of being cast at the EGM.

Result of the Rollover Offer

On 5 May 2022, the result of the Rollover Offer was announced with valid elections received to roll 10,021,292 2022 ZDP Shares into 2025 ZDP Shares, representing approximately 66.8% of the total number of 2022 ZDP Shares in issue. 10,996,857 2025 ZDP Shares were issued on the basis of each 2022 ZDP Share converting into 1.09735 new 2025 ZDP Shares.

Change in Hedging Strategy

On 10 May 2022, the Company announced a change to its hedging strategy. Until the date of the announcement, the Company had adopted a hedging strategy whereby its US dollar exposure was hedged against Sterling to cover the final Sterling capital entitlement of its outstanding ZDP Shares. Following the weakening of Sterling against the US dollar, the Manager recommended increasing the level of the Company's foreign exchange hedge to lock- in a portion of currency gains.

Effective 10 May 2022, the Board approved an increase in the level of the Company's foreign exchange hedge so that approximately 40% of the Company's US dollar assets were hedged against currency movements, and also approved that this level may be moved up or down to hedge between 60% of US dollar assets and the final capital entitlement of the ZDP Shares only. As at period end, approximately 50% of that exposure was hedged. The Board will review the Company's hedging policy regularly and will communicate any material changes to the strategy in future.

Annual General Meeting

On 27 May 2022, the Board announced that a circular had been issued convening an annual general meeting to be held on 22 June 2022. On 22 June 2022, the Board announced that all resolutions tabled were duly passed.

EJF INVESTMENTS LIMITED

CORPORATE SUMMARY (CONTINUED)

Related Parties

Related party balances and transactions are disclosed in note 16.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of approving the financial statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity and fair value of its investments. The assessment was completed with reference to the cash position of the Company and its Subsidiary, their operating expenses, the valuation of the assets subsequent to the period-end and the potential default risk of the investments held.

The majority of 2022 ZDP Shareholders (representing approximately 66.8% of the total number of 2022 ZDP Shares in issue) elected to convert their investment into new 2025 ZDP Shares, with the remainder of 2022 ZDP Shares maturing on 30 November 2022. The Directors are satisfied that the Company has sufficient resources to cover repayment of the maturing 2022 ZDP Shares on 30 November 2022.

The Continuation Resolution was passed at the EGM on 5 May 2022. The next Continuation Resolution will take place on or around 7 April 2027, being five years from the most recent vote.

In light of the above, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

EJF INVESTMENTS LIMITED

GENERAL INFORMATION

Board of Directors

Joanna Dentskevich (Chair)
Alan Dunphy
Nick Watkins
Neal J. Wilson
All c/o the Company's registered office

Registered Office

IFC1
The Esplanade
St Helier
Jersey JE1 4BP
Channel Islands

Administrator and Company Secretary

BNP Paribas Securities Services S.C.A. Jersey Branch
IFC1
The Esplanade
St. Helier
Jersey JE1 4BP
Channel Islands

Manager

EJF Investments Manager LLC
The Corporation Trust Company Corporation Trust
Center
1209 Orange Street
Wilmington, DE 19801-1120
US

Corporate Broker & Financial Adviser

Liberum Capital Limited¹
Ropemaker Place
Level 12
25 Ropemaker Street
London EC2Y 9LY
UK

Custodians

Citigroup Global Markets Inc.
390 Greenwich Street
New York City
NY 10013-2396
US

Registrar

Computershare Investor Services (Jersey) Limited
Hilgrove Street
St. Helier
Jersey
JE1 1ES
Channel Islands

Citibank N.A.
399 Park Avenue
New York City
NY 10043
US

Legal Adviser to the Company

Carey Olsen
47 Esplanade
St. Helier
Jersey
JE1 0BD
Channel Islands

Independent Auditor

KPMG LLP
15 Canada Square
London E14 5GL
UK

Investor Screening Service

The ID Register
5th Floor Market Building
Fountain Street
St. Peter Port
Guernsey
GY1 1BX
Channel Islands

Websites

Company: www.ejfi.com
Manager: ww.ejfimanager.com

¹ Appointed on 10 January 2022 to replace Numis Securities Limited.

EJF INVESTMENTS LIMITED

CHAIR'S STATEMENT

Introduction

On behalf of the Board, I am pleased to present the Interim Report for the period ended 30 June 2022.

During the period, the Portfolio provided strong performance for investors generating a Total Return of 10.69%¹ despite the volatile market backdrop. Amidst raised concerns about future economic growth, rising interest rates, inflation and increasing geopolitical uncertainty, to mention a few of the current headwinds, I believe the Company's continued performance to be particularly pleasing.

Performance and Portfolio Activity

Underlying performance during the period was primarily driven by steady income accruals on the Company's underlying Securitisations and Related Investments and a continuation of strong mark-to-market gains on MSR investments from increasing US interest rates.

Inflation and a general "risk-off" trend has negatively impacted some of the Company's other investments, from a mark-to-market perspective, notwithstanding that they continue to accrue income as expected. What should be highlighted is that this environment also provides opportunities for the Company and as a result, the Manager has made several small investments into higher yielding FinTech debt investment positions.

The strengthening USD on the unhedged portion of the Portfolio has also positively contributed to the strong year to date performance. To lock in some of those gains, the Board authorised the Manager to put on further foreign currency hedges to hedge between up to 60% of US dollar assets and the final capital entitlement of the ZDP Shares. At the period end, approximately 50% of that exposure was hedged.

Corporate Activity

In May 2022, the Company held an EGM in respect of the Rollover Offer to convert the existing 2022 ZDP shares into new 2025 ZDP shares and the Continuation Resolution. All resolutions were duly passed, with approximately 67% of the 2022 ZDP Shareholders electing to roll their holdings, thereby taking advantage of a small uptick in yield to 6% whilst also increasing the size of 2025 ZDP Shares in issue.

The remaining 2022 ZDP Shares will mature on 30 November 2022 and the Company may consider the issue of further 2025 ZDP Shares, most likely once the remaining 2022 ZDP Shares have been repaid, subject to market conditions.

The Continuance Resolution was also passed with just over 80% of Ordinary Shareholders voting in favour which the Directors and Manager take as a positive affirmation of belief of Shareholders in the ability of the Company to deliver on its mandate.

With respect to the Ordinary Share Price discount, the Directors are very aware of the additional pressure this puts on the Company and are frustrated with the restrictions it brings. The discount remains an ongoing focus for the Board, and we continue to work with the Manager and the Company's advisers on potential methods to reduce it. The Company has shareholder authority to complete share buybacks and will consider utilising this authority where appropriate.

The AGM was held on 22 June 2022. All resolutions were approved by the Ordinary Shareholders, including the re-election of all the Directors to the Board.

ESG

In the 2021 Annual Report we set out our ESG Strategy and goals for 2022. The Board and the Manager are working towards these goals with the aim of providing reasonable transparency at both Company and investment level bearing in mind the nature of the asset class.

¹Inclusive of dividends declared for the period.

EJF INVESTMENTS LIMITED

CHAIR'S STATEMENT (CONTINUED)

Principal Risks and Uncertainties

The Directors consider the Principal Risks of the Company to be those risks, or a combination thereof, that materially threaten the Company's ability to meet its Investment Objective, solvency or liquidity.

As of the Company's 2021 financial year end, in determining the Principal Risks, the Directors carried out a robust review of all the risks they believed the Company was exposed to including the uncertainties around the macro-economic impact of the COVID-19 pandemic and the invasion of Ukraine by Russia.

Having reviewed these risks at the Audit and Risk Committee for the purpose of this Interim Report, the Directors are of the belief that those Principal Risks will remain unchanged for the next six months until the end of the 2022 financial year, albeit there are some changes in the underlying nature of those risks as detailed in the summary of the Principal Risks and Uncertainties on pages 16 to 18.

Outlook

Even in this challenging economic environment the Company continues to benefit from its core regulatory driven investments in the financial services sector. The Company also expects to see additional specialty financing and FinTech opportunities to further diversify the Portfolio through the skills, network and knowledge of the Manager.

The Company continues to represent an attractive risk-adjusted investment and the dividend yield as at 30 June 2022 is 8.8%.

Joanna Dentskevich

Chair

Date: 8 September 2022

EJF INVESTMENTS LIMITED

MANAGER'S REPORT

Company Update and Investment Outlook

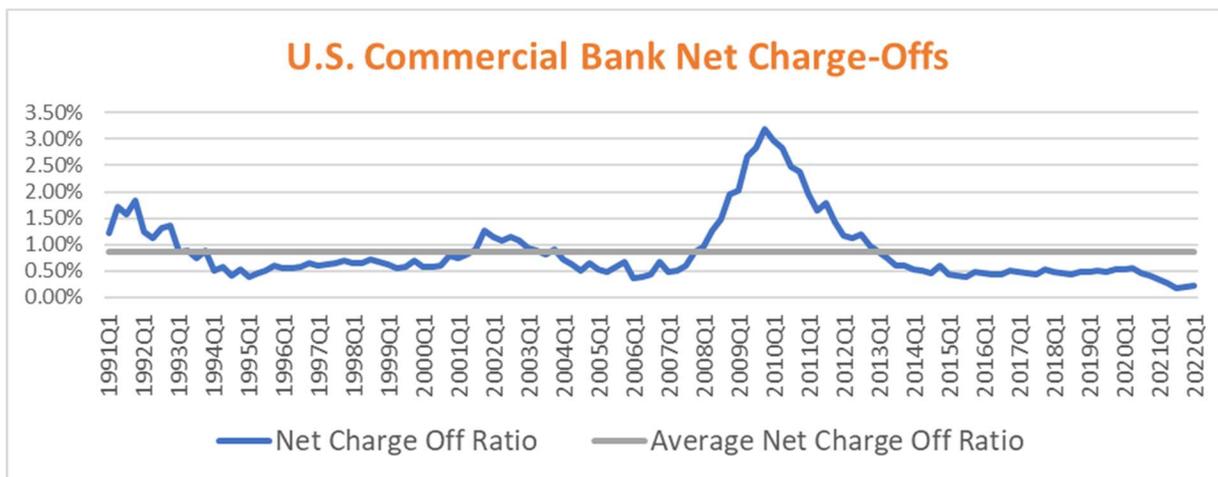
We are pleased to present our review for the period ending 30 June 2022 and our outlook for the remainder of the year.

For the first half of 2022, the Company delivered a Total Return of 10.69%, inclusive of dividends declared totalling 5.35 pence per Ordinary Share, in line with its Target Dividend. The positive performance was driven by expected accruals on the Securitisations and Related Investments and significant mark-to-market gains on the MSRs investment as the 10 year treasury rates continued their upward trend, reducing the probability of prepayments. The Company's NAV per share has also experienced gains as a result of the unhedged portion of USD exposure benefitting from the strengthening of the USD over the first half of the year.

US Community Bank Market Update

Market volatility continued in the second quarter as banking sector share performance was weak due to uncertainty around the path of future monetary policy as well as an increased likelihood of an economic downturn. At 30 June 2022, Fed funds futures priced-in approximately seven additional 25 basis point interest rate hikes, implying a rate of 3.37% by year-end. Additionally, the Fed has indicated that it will sell \$95 billion in Treasuries and MBS securities monthly and has kept options open for outright sales of longer-dated securities sitting on its \$8.9 trillion balance sheet. Given the potential for a dramatic tightening of financial conditions over the next twelve months, market-based recession indicators such as high yield spreads, widened significantly to a 579 basis points spread above the 5-year High Yield Credit Default Swap Index. Given elevated and persistent inflation, markets believe that the Fed will have a challenging task of accomplishing price stability while avoiding a recession.

While the prospect of higher credit costs for banking institutions appears to be on the horizon, we do not believe that there is enough evidence at this juncture to suggest more than a garden variety recession. Underwriting standards remain very healthy within traditional community bank lending categories of Commercial Real Estate, C&I lending and 1-4 Family Residential. Typically, debt covenants are very strict and often include personal guarantees. After the experiences of 2008, which still factor into regulatory oversight and decision making today, loan-to-value ratios in the 50-60% range and debt service coverage ratios above 1.3x are the norm. As can be seen in the chart below which tracks commercial credit for the past 30 years, credit costs have remained well-below normal as defined by Net Charge-offs to Average Loan balances.



EJF INVESTMENTS LIMITED

MANAGER'S REPORT (CONTINUED)

Remaining on the asset side of the balance sheet, loan growth was particularly strong in the second quarter of 2022. The Fed's H.8 (an estimate of commercial bank balance sheets) data through June 2022 suggested that small banks, which includes all banks below the Top 25, grew loans at an annualised rate of 14.8% in the second quarter. This data confirms conversations we had with bank management teams throughout recent months. Even though loan balances are increasing, and deposits are shrinking at the typical bank in the US, we are comfortable with system-wide liquidity as industrywide loan to deposit ratios ended 30 June 2022 at just 63.5%, far below the 76% level seen in late 2019 prior to the pandemic.

Moving to liabilities, traditional banks with high quality deposit bases should see their assets reprice more quickly than liabilities as interest rates rise. Interest rate increases are historically very beneficial for bank earnings as 80% of a typical bank's revenue is derived from spread revenue. As the Fed increased short-term rates by another 75bps at the 27 July 2022 meeting, we believe that the quality of a bank's deposit base will become a more significant variable to investors. Over the past two years since the pandemic, the banking system has been flooded with excess liquidity and bank customers have had few alternatives other than to have cash earning near zero in a savings account. We expect much of that excess cash is already in process of finding higher yielding alternatives to deposits and the end result is likely higher deposit 'betas' as management teams are forced to raise deposit rates. As a result, deposit growth is expected to be negative in 2022.

Although funding costs for the industry will rise, certain banks with higher levels of 'non-interest bearing' funding will likely be the winners this cycle. These banks typically have up to 50% of their deposits in the form of zero cost checking accounts of consumers or operating accounts of businesses. These service-oriented deposits are less likely to move to another bank as direct deposit/withdrawal and the digitisation of banking makes it extremely cumbersome to change relationships. As a result, expansion in net interest margins and profitability will be most evident in those banks with high quality, low-cost deposit funding.

Regarding consolidation in the banking sector, the first half of the year had 84 announcements for total deal value of \$17.15 billion. These metrics are well-behind the 209 deals with \$77 billion of deal value seen for full-year 2021. Given market concerns over a recession in the near-term, we expect M&A to slow as bank management teams wait for better visibility as it relates to credit and interest rate marks. Subordinated debt markets remain open for community banks with a cost between ~5% to 7%, but the preferred equity market has slowed. We expect that once the macro environment stabilises, we will see a resumption of a robust merger market for banks.

Insurance Market Overview

Although US life insurance stocks have outperformed year to date (-11% vs. the S&P 500 -20% and financials at -19%), the sector has experienced tremendous volatility with higher long-term interest rates the main driver. As the market moves from inflation trades gradually towards recession trades, we are seeing life insurance stocks getting hit negatively as many are exposed to the equity market through AUM-based fees. Moreover, life insurance also typically has substantial BBB corporate risk, so although higher interest rates and lower COVID mortality are favourable, we're cautious on the space in the short term, given near-term equity headwinds and emerging credit concerns. However, as the US life insurance is well-capitalised in this cycle, we believe the long-term opportunities are essentially unchanged.

EJF INVESTMENTS LIMITED

MANAGER'S REPORT (CONTINUED)

On the P&C side, it was a mixed bag for reinsurers from a catastrophe loss event perspective, as it was relatively quiet outside the US. However, there were a high number of medium-sized events throughout the US that will add up for domestic players. Currently, most forecasts indicate a challenging hurricane and fire season this year. This leaves us favouring international reinsurers rather than the US names.

Regarding commercial players, the focus is still on the inflation tailwind with margin expansion. While we are expecting price deceleration to continue, we remain positive on this segment.

TruPS and Subordinated Debt CDO Market Update

During the second quarter of 2022 and into the first part of the third, broader debt and equity market volatility took hold. Despite the sell-off in markets, bank credit held up well. On a mark-to-market basis, CDO equity remained relatively flat while debt tranches sold off modestly.

During the course of the second quarter of 2022 we saw a new EJF TruPS securitisation deal, TruPS Financials Note Securitization 2022-1 ("TFINS 2022-1"). Pricing indicated the relative resilience shown by the asset class as execution was wider than previous deals but better than anticipated in the current markets. In July 2022, on our recommendation, the Company elected not to purchase a portion of the preferred shares of TFINS 2022-1.

Provision expenses have generally increased compared to the first half of 2021 when many banks were releasing reserves that were built up in 2020. However, most banks are not seeing large reserve builds, as the provisions are mainly to keep a rather consistent reserve ratio to total loans, and loans are growing. Credit remains pristine and net charge-offs are stable at very low levels. Most banks are seeing non-performing loans/assets and early stage delinquencies continue to decline.

Most small banks do not have much, if any, exposure to lower-end or subprime consumer credit, particularly unsecured consumer credit. The largest banks have credit card divisions, but most small banks do not. The only consumer exposure that many small banks have is on the residential mortgage side. While new residential mortgage origination volume has been weak with the sharp rise in interest rates, hurting gain-on-sale revenue, the credit quality of the mortgages on bank balance sheets remains strong. Additionally, much of the on-balance sheet exposure to consumer mortgages is via mortgage-backed securities held in their investment portfolios. Most of these mortgage-backed securities will be issued by the US government agencies with the implicit government guarantee.

Regarding capitalisation, many banks are seeing regulatory capital ratios remaining more or less steady as strong earnings are offset by strong risk-weighted asset growth. Tier 1 leverage ratios are generally stable to increasing slightly as overall balance sheet growth is muted by deposit outflows, while risk-weighted ratios are stable to down slightly as zero risk-weighted cash is replaced by higher-risk weighted assets such as loans.

Prepayments slowed down around April 2022 and picked up into June 2022. We generally remain constructive on prepay levels in the medium and long run. The following charts show the prepayment activity on each underlying securitisation, the make-up of each deal and the current forecast IRRs with and without the CDO Management Fees earned by the Company.

EJF INVESTMENTS LIMITED

MANAGER'S REPORT (CONTINUED)

EJF Investments Ltd – Risk Retention Investments as of 30 June 2022

	TFINS 2017-2 October 2017	TFINS 2018-1 May 2018	TFINS 2018-2 December 2018	TFINS 2019-1 March 2019	TFINS 2019-2 December 2019	TFINS 2020-1 September 2020	TFINS 2020-2 December 2020
EJFI – CDO Equity amount (\$ million)	14.5	22.7	17.4	15.7	16.4	11.6	8.9
Estimated return profile¹							
Yield to Call ² (%)	13.00	9.53	8.64	8.18	12.68	14.33	15.15
Yield to Call² including CDO management fee income (%)	13.20	10.16	9.24	8.68	13.32	15.00	16.11
Collateral overview (on closing date) TruPS, senior, subordinated and surplus notes issued by US banks and insurers.							
• Insurance companies • Banks							
CDO structure							
Original collateral principle balance (\$ million)	353.0	537.8	351.0	313.9	338.4	282.9	177.2
Implied rating	Ba1	Baa3	Baa3	Baa3	Ba1	Ba2	Ba3
Leverage ratio	4.3x	6.7x	5.7x	4.6x	5.8x	4.5x	5x
Other key terms							
Non call/Auction call	Passed/ Sept 2025	Passed/ Mar 2026	Passed/ Dec 2026	Passed/ Feb 2026	Jan 2023/ Nov 2027	July 2022/ July 2028	Oct 2022/ Oct 2028
Senior collateral management fee (bps)	10	20	20	20	20	30	30

¹ Estimated returns are as of 30 June 2022 and they reflect the fair valuation of the bonds. Estimated returns assume, among other things, no delinquency, deferral or other non-payment by collateral, and do not include cash flows previously received. Prepayments are estimated by EJF based on past experience and judgements. Any changes in cash flows can materially impact returns. There can be no assurances that the estimated returns will be realised as portrayed in this document and investors should place no reliance on such estimated returns in making any investment decision. Estimated returns are targets only and not a profit forecast. This information is intended to be illustrative only and is not designed to predict the future performance of the Company or its investment portfolio.

² Call assumed to be in 5 years from yield calculation date.

TFINS 2018-1		TFINS 2018-2		TFINS 2019-1		TFINS 2019-2	
Issued:	May 2018	Issued:	December 2018	Issued:	March 2019	Issued:	January 2020
Original Collateral Balance:	537,754,000	Original Collateral Balance:	351,015,000	Original Collateral Balance:	313,904,883.00	Original Collateral Balance:	338,396,000
Redemptions:		Redemptions:		Redemptions:		Redemptions:	
7/18 - E*trade	15,000,000	12/18 - Quincy Mutual	1,500,000	3/19 - Builders Insurance	1,800,000.00	11/20 - Manhattan Insurance	500,000
12/18 - Metro North Bancshares	2,000,000	12/18 - American Fidelity	2,000,000	4/19 - Tiers Corp	166,516.84	2/21 - United Community Banks	2,250,000
6/19 - Slade's Ferry Bancorp	10,000,000	12/18 - Capital City Bancshares	3,750,000	4/19 - Heritage Bancorp	5,000,000.00	12/21 - Clear Blue	9,000,000
8/19 - CommFirst Bancorporation	3,000,000	1/19 - First State Bank	3,000,000	6/19 - Builders Insurance Group	900,000.00	1/22 - Encore	7,000,000
9/19 - MB Financial	15,000,000	2/19 - Healthmarkets, Inc.	4,500,000	8/19 - National Grange Mutual Ins Co (Main)	4,500,000.00	2/22 - Manhattan Insurance	500,000
12/19 - Metro North Bancshares	3,000,000	4/19 - Builders Insurance Group	500,000	9/19 - Builders Insurance Group	900,000.00		
3/20 - Wesbanco	4,000,000	7/19 - Builders Insurance Group	666,000	9/19 - Unum Group (Provident)	9,000,000.00		
3/20 - Amarillo National Bank	9,600,000	9/19 - National Grange Mutual Ins Co	5,600,000	10/19 - GCB144A Tiers Trust	172,865.39		
9/21 - OMNI Bancshares	7,500,000	9/19 - Pacific Premier	5,000,000	12/19 - Builders Insurance Group	900,000.00		
12/21 - Siuslaw Stat Trust (Banner Corp)	8,000,000	10/19 - Builders Insurance Group	834,000	2/20 - American Equity Capital III	4,500,000.00		
3/22 - Oxford	15,000,000	2/20 - American Equity Capital III	3,800,000	10/20 - GCB144A Tiers Trust	179,455.85		
3/22 - Northpointe Trust	815,000	9/20 - Quincy Mutual	1,500,000	10-20 GCB144A Tiers Trust	186,297.67		
		10/20 - Manhattan Insurance	24,000	4/21 - GCB144A Tiers Trust	193,400.12		
		7/21 - FNS Bancshares, Inc.	2,000,000	10/21 - GCB144A Tiers Trust	200,773.63		
		10/21 - Manhattan Insurance	24,000	1/22 - Encore	552,000.00		
		12/21 - SAG Stat Trust	3,000,000	2/22 - First Place	2,500,000.00		
		1/22 - Manhattan Insurance	24,000	4/22 - GCB144A Tiers Trust	208,428.03		
		3/22 - Oxford	5,000,000				
		4/22 - Manhattan Insurance	24,000				
		6/22 - CalWest	3,000,000				
Ending Balance:	444,839,000	Ending Balance:	305,269,000	Ending Balance:	282,045,145.47	Ending Balance:	319,146,000
% Collateral Redeemed:	17.28%	% Collateral Redeemed:	13.03%	% Collateral Redeemed:	10.15%	% Collateral Redeemed:	5.69%
Class A Original Balance:	384,490,000	Class A Original Balance:	268,500,000	Class A Original Balance:	212,600,000.00	Class A Original Balance:	233,500,000
Class A Current Balance:	291,575,000	Class A Current Balance:	222,754,000	Class A Current Balance:	179,841,726.60	Class A Current Balance:	214,250,000
% Class A Notes Paid-Off:	24.17%	% Class A Notes Paid-Off:	17.04%	% Class A Notes Paid-Off:	15.41%	% Class A Notes Paid-Off:	8.24%

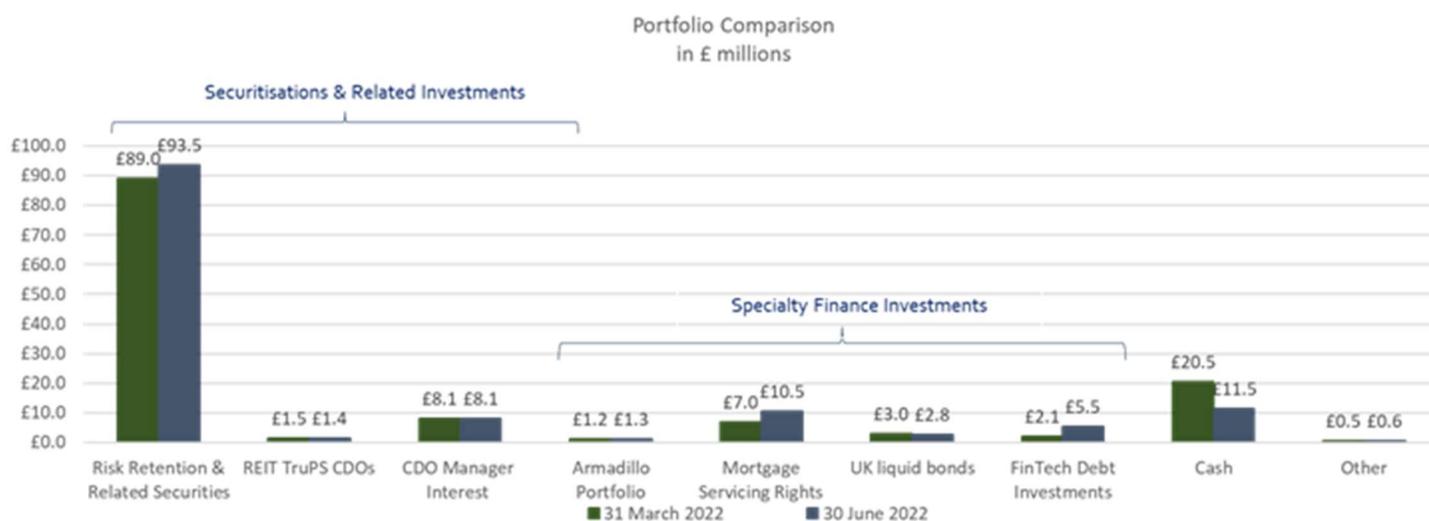
EJF INVESTMENTS LIMITED

MANAGER'S REPORT (CONTINUED)

TFINS 2020-1		TFINS 2020-2		FINF 2020	
Issued:	August 2020	Issued:	December 2020	Issued:	May 2020
Original Collateral Balance:	282,925,000	Original Collateral Balance:	177,245,000	Original Collateral Balance:	220,000,000
Redemptions:		Redemptions:		Redemptions:	
12/20 - New London Insurance	625,000	11/21 - Catskill Hudson	5,200,000	10/30/21 - Marquis Bancorp	4,000,000
5/21 - Ally Financial	3,743,325	3/22 - Oriental	7,500,000	10/15/21 - Tri-County	5,500,000
7/21 - Ally Financial	2,759,900			12/21 - Home Bancorp	8,000,000
10/21 - Ally Financial	496,775				
11/21 - Catskill Hudson	5,000,000				
12/21 - Mainstreet Bancorp	600,000				
1/22 - Cadence Bancorp	3,200,000				
3/22 - Oriental	7,000,000				
3/22 - New London	625,000				
3/22 - Farmers Mutual	200,000				
Ending Balance:	258,675,000	Ending Balance:	164,545,000	Ending Balance:	202,500,000
% Collateral Redeemed:	8.57%	% Collateral Redeemed:	7.17%	% Collateral Redeemed:	7.95%
Class A Original Balance:	367,700,000	Class A Original Balance:	113,400,000	Class A Original Balance:	132,000,000
Class A Current Balance:	343,450,000	Class A Current Balance:	100,700,000	Class A Current Balance:	114,500,000
% Class A Notes Paid-Off:	6.60%	% Class A Notes Paid-Off:	11.20%	% Class A Notes Paid-Off:	13.26%

Portfolio Update

During the first half of 2022, a further investment was made into the MSRs portfolio alongside several opportunistic investments in FinTech debt investments.



EJF INVESTMENTS LIMITED

MANAGER'S REPORT (CONTINUED)

Interest accruals on the Risk Retention and Related Securities were the main underlying driver of positive portfolio performance as interest rate movements and inflation continued to grab the market's attention. The steepening US yield curve was the main contributor to the appreciation in value of the Company's MSRs investment which have now returned an IRR greater than 40% to 30 June 2022 since the initial investment in December 2020. We believe that the MSRs can continue to provide good cash flow yields after seeing significant gains over the last 18 months due to US interest rate increases, reducing the assumption for prepayments on mortgages.

Elsewhere, the Company's investment portfolio continued to perform in line with expectations from an income yield perspective. There were some modest unrealised mark-to-market declines in the small opportunistic debt positions in FinTech and the UK bank bonds reflecting wider geopolitical uncertainty. The Company has no direct exposure to Russia or Eastern Europe.

Outlook

The Company remains focused on investment opportunities driven by changing financial regulations in the US, the UK and Europe. Even in this challenging economic environment we believe TruPS, subordinated notes and other debt securities of many community banks, regional banks and insurance companies remain, and will continue to provide, very attractive risk-reward opportunities for the Company as a result of the underlying credit quality of the issuers. We also anticipate evaluating further potential niche FinTech debt investments as that market matures and funding conditions evolve.

Overall, it is our opinion, based on our modelling and cash flow forecasts, that the Company's Investment Portfolio continues to be well positioned to achieve its Target Return and Target Dividend.

EJF INVESTMENTS LIMITED

STATEMENT OF PRINCIPAL RISKS

Principal Risks and Uncertainties

Having reviewed the Principal Risks for the period ending 30 June 2022, the Directors have updated two Principal Risks to reflect both geopolitical/macro-economic and corporate activity events that have occurred since their last assessment for the year ended 31 December 2021, as detailed in the 2021 Annual Report.

Firstly, 'Changes in the macro-economic environment' has become 'Changes in the geopolitical and macro-economic environment' to reflect the ongoing war in Ukraine and the impact that it is having on global economies. This Principal Risk now incorporates the 'Geopolitical Risk' that the Directors had previously considered to be an Uncertainty for the Company and the Directors consider the residual risk of this to have increased since their previous assessment as detailed further below.

Secondly, the Directors have updated the Principal Risk of 'Availability of cash for investment opportunities and payment of liabilities' to reflect the upcoming maturity of the 2022 ZDPs. The Directors consider the residual risk of this Principal Risk to have remained stable since their previous assessment as detailed further below.

The Directors do not consider the residual risk profiles of the other Principal Risks, as summarised below, to have changed and expect them to remain relevant for the remainder of the current financial year.

Principal Risks that have changed during the period	
Strategic	
Changes in the geopolitical and macro-economic environment	
Changes to global geopolitical and macro-economic conditions may adversely impact the Company's investment performance, the availability of investment opportunities, the Manager's ability to source and securitise investments and prevent the Company from meeting its Investment Objective.	
Mitigants	Analysis and Change during the Period
The Manager evaluates and monitors the macro, economic, political and market cycle risks it deems material to the Company's Investment Policy, both on an ongoing basis and ahead of any new investment. The Manager can control the timing of entry into investments and markets to ensure that the Portfolio adheres to the Investment Policy and to manage the aforementioned risks. The Board is kept informed on a regular basis by the Manager and is also updated at quarterly Board meetings.	Notwithstanding that the Manager continues to see a healthy pipeline of investments, as the world continues to recover from the economic and societal costs of COVID-19, the impact of the increases in energy prices as a result of geopolitical tensions is beginning to have significant macro-economic implications for the global economy and financial markets including inflation at levels not seen for decades, the strong likelihood of recession for some countries, continued supply chain disruptions and weaker currencies and interest rate hikes.
Availability of cash for investment opportunities and payment of liabilities	
The Company requires cash to be readily available to be able to take full advantage of investment opportunities as and when they arise and to meet its liabilities when they fall due. It also needs to have sufficient unencumbered cash to meet margin calls on its currency hedge. The size of the Company, its Ordinary Share Price discount to NAV, the nature of its underlying assets and the volatility of Sterling could adversely impact the Company's ability to meet its Investment Objective.	

EJF INVESTMENTS LIMITED
STATEMENT OF PRINCIPAL RISKS (CONTINUED)

Principal Risks that have changed during the period (continued)

Strategic

Availability of cash for investment opportunities and payment of liabilities (continued)

Mitigants

The Manager continually monitors the current and projected cash flows required by the Company to meet its current and future liabilities, including control over the timing of entry into investments, currency hedging and the potential calling and/or refinancing of underlying securitisations.

On at least a quarterly basis, the Manager produces a working capital memo showing forecast balances covering a period of at least 18 months which is also supplemented every six months by appropriate scenario analysis.

In addition, the Manager continually seeks to improve the discount of the Ordinary Share Price to NAV and the liquidity of the Ordinary Shares by working with its Corporate Broker, meeting with investors and conducting roadshows to raise market awareness and explain the Company's strategy and investment thesis.

Analysis and Change during the Period

In addition to increasing the level of currency hedging following continued weakness of Sterling, the Company needs to ensure that sufficient cash is available to repay the 2022 ZDP Shareholders who did not elect to roll into new 2025 ZDP Shares pursuant to the Roll Over Offer.

Summary of Principal Risks that have remained the same during the period

Strategic

Changes in law, taxes and regulation reduce investment opportunities

The Group's investments are subject to regulations enacted by national and local governments, changes to which may reduce the investment opportunities available and make it difficult to pursue the Investment Policy.

Changes in law, taxes and regulation undermine the Company's or Subsidiary's legal, tax or regulatory structure

The Group is subject to taxes, laws and regulations enacted by national and local governments, changes to which may undermine or invalidate the tax, legal or regulatory rationale for the group structure.

Dependency on the Manager

The Company is dependent on the Manager for successfully pursuing its Investment Objective and on its ability to retain and recruit staff. The loss of one of a small number of key individuals in key operational roles at the Manager could adversely impact the ability of the Manager to support the Company in pursuing its Investment Objective.

Financial

Valuation

The nature of the Group's investments can make them inherently difficult to value compared to more liquid investments due to the number of assumptions involved. Furthermore, a general market collapse and/or a seizing-up of credit markets may render it difficult to price certain investments with any degree of accuracy, or at all.

EJF INVESTMENTS LIMITED
STATEMENT OF PRINCIPAL RISKS (CONTINUED)

Summary of Principal Risks that have remained the same during the period (continued)

Investments

Credit Risk

The value of the Group's investments may be impacted by adverse credit events with recovery of initial investments being lengthy and uncertain.

Operational

Dependency on service providers

The Company is dependent on the ability of all its service providers for the successful management and administration of the Company's affairs. This includes a reliance on the strength of their internal controls, their ability to retain and recruit sufficient appropriately qualified and experienced staff as well as cyber security, data protection and business continuity planning.

Uncertainties

COVID-19

The Manager continues to monitor the element of residual uncertainty that the pandemic may bring including the possibility of new variants emerging as the winter months approach in conjunction with its impact on the macro-economic environment, as described above, and the tapering of COVID-19 related subsidies and government funding. The Manager believes that the Company's underlying assets remain robust and able to withstand further stress with all expected near-term cash inflows still having been received to date.

Emerging Risks

The Directors do not consider there to be any new emerging risks for the Company.

EJF INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the UK's FCA's DTR.
- The Interim Report meets the requirements of an interim management report, and include a fair review of the information required by:
 - DTR 4.2.7R of the DTR of the UK's FCA, being an indication of important events that have occurred during the period from 1 January 2022 to 30 June 2022 and their impact on the unaudited condensed interim financial statements; and a description of the Principal Risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the DTR of the UK's FCA, being related party transactions that have taken place during the period from 1 January 2022 to 30 June 2022 and have materially affected the financial position or performance of the Company during that period.

By Order of the Board
Joanna Dentskevich
Chair
8 September 2022

EJF INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REVIEW REPORT TO EJF INVESTMENTS LIMITED

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the Interim Report for the six months ended 30 June 2022, which comprises the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity, the condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the Interim Report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the company to cease to continue as a going concern, and the above conclusions are not a guarantee that the company will continue in operation.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the DTR of the UK FCA.

The annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as issued by IASB.

The directors are responsible for preparing the condensed set of financial statements included in the Interim Report in accordance with IAS 34 as issued by the IASB.

In preparing the condensed set of financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the Interim Report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

EJF INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REVIEW REPORT TO EJF INVESTMENTS LIMITED (CONTINUED)

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Fang Fang Zhou
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London, E14 5GL
8 September 2022

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 January 2022 to 30 June 2022 (Unaudited) £	1 January 2021 to 30 June 2021 (Unaudited) £
Dividend income	6	4,500,000	4,300,000
Net foreign exchange (loss)/gain		(380)	455
Net gain on financial assets held at fair value through profit or loss	8	8,050,144	2,426,102
Bank interest income		1,165	-
Total income		12,550,929	6,726,557
Investment Management fee	16	(473,381)	(439,964)
Legal fees		(11,200)	(21,039)
Professional fees		(116,514)	(45,739)
Administration fees		(90,450)	(88,789)
Directors' fees	16	(67,500)	(67,500)
Insurance	16	(30,646)	(64,013)
Audit fees		(90,038)	(93,003)
Printing fees		(15,322)	(14,877)
Other expenses		(10,304)	(5,814)
Total operating expenses		(905,355)	(840,738)
Expenses reimbursed by the Manager	16	261,199	286,952
Net operating expenses		(644,156)	(553,786)
Operating profit		11,906,773	6,172,771
Finance costs - ZDP Shares	9	(876,641)	(778,899)
Profit and total comprehensive income for the period attributable to shareholders		11,030,132	5,393,872
Weighted average number of Ordinary Shares in issue during the period	17	61,145,198	61,145,198
Basic and diluted earnings per Ordinary Share	17	18.0p	8.8p

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 (Unaudited) £	As at 31 December 2021 (Audited) £
Non-current assets			
Financial assets at fair value through profit or loss	8	137,568,167	129,518,023
Current assets			
Cash and cash equivalents		465,480	592,603
Balance due from the Manager	16	228,467	329,711
Prepaid expenses and other assets		48,100	18,030
Total current assets		742,047	940,344
Total assets		138,310,214	130,458,367
Non-current liabilities			
ZDP shares	9	(18,914,459)	(6,484,818)
Current liabilities			
Accounts payable and accrued expenses	10	(458,459)	(448,509)
ZDP Shares	9	(6,379,094)	(18,725,704)
Total current liabilities		(6,837,553)	(19,174,213)
Total liabilities		(25,752,012)	(25,659,031)
Net assets		112,558,202	104,799,336
Equity			
Stated capital	11	85,254,127	85,254,127
Retained earnings		27,304,075	19,545,209
Total equity		112,558,202	104,799,336
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)			
		61,145,198	61,145,198
Net Asset Value per Ordinary Share			
		184p	171p

The unaudited condensed interim financial statements were approved by the Board of Directors on 8 September 2022 and signed on their behalf by:

Alan Dunphy
Director
8 September 2022

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to shareholders (Unaudited) £
Balance at 1 January 2022		61,145,198	85,254,127	19,545,209	104,799,336
Total comprehensive profit for the period		-	-	11,030,132	11,030,132
Dividends paid	12	-	-	(3,271,266)	(3,271,266)
Balance at 30 June 2022		61,145,198	85,254,127	27,304,075	112,558,202

FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to shareholders (Unaudited) £
Balance at 1 January 2021		61,145,198	85,254,127	15,314,534	100,568,661
Total comprehensive profit for the period		-	-	5,393,872	5,393,872
Dividends paid	12	-	-	(3,271,266)	(3,271,266)
Balance at 30 June 2021		61,145,198	85,254,127	17,437,140	102,691,267

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Notes	1 January 2022 to 30 June 2022 (Unaudited) £	1 January 2021 to 30 June 2021 (Unaudited) £
Cash flows from operating activities			
Profit and total comprehensive income for the period		11,030,132	5,393,872
Adjustments for:			
- Amortisation of ZDP Shares	9	876,641	778,899
- ZDP Shares conversion costs	9	(793,610)	-
- Net unrealised gain on financial assets at fair value through profit or loss	8	(8,050,144)	(2,426,102)
- Net foreign exchange loss/(gain)		380	(455)
Changes in net assets and liabilities:			
Decrease in balance due from the Manager		101,244	244,641
Increase in prepaid expenses and other assets		(30,070)	(71,679)
Increase/(decrease) in accounts payable and accrued expenses		9,950	(182,194)
Net cash generated from operating activities		3,144,523	3,736,982
Cash flow from financing activities			
Dividends paid	12	(3,271,266)	(3,271,266)
Net cash used in financing activities		(3,271,266)	(3,271,266)
Net (decrease)/increase in cash and cash equivalents		(126,743)	465,716
Cash and cash equivalents at the start of the period		592,603	347
Effect of movements in exchange rates on cash held		(380)	455
Cash and cash equivalents at the end of the period		465,480	466,518

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

1. General information

EJFI is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC1, The Esplanade, St. Helier, Jersey JE1 4BP, Channel Islands. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's stated capital comprises Ordinary Shares admitted to trading on the SFS.

The Company does not have a fixed life. Under the Company's Articles, on or about each fifth anniversary of the Company's Shares being admitted to trading on LSE, the Directors shall procure that an EGM of the Company be convened at which a Continuance Resolution will be proposed. The first Continuance Resolution was passed at the EGM held on 5 May 2022. The next Continuation Resolution will take place on or around 7 April 2027, being five years from the most recent vote.

The Manager has been appointed by the Company to provide management and investment management services and the Administrator has been appointed to provide administration services to the Company.

EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC. The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

The Company has one subsidiary: EJFIH (incorporated on 9 June 2017), of which it owns 100% of the share capital. Refer to note 13.

EJFIH holds 85% (31 December 2021: 85% held by EJFIH) of the Partnership's interests (refer to note 13 for further information).

Through the Subsidiary, the Company primarily invests in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities can include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats, issued by entities domiciled in the US, UK and Europe.

2. Statement of Compliance

The unaudited condensed interim financial statements of the Company for the period from 1 January 2022 to 30 June 2022 have been prepared in accordance with IAS 34, as issued by the International Accounting Standards Board, together with applicable legal and regulatory requirements of the Companies Law and the Listing Rules of the SFS.

The unaudited condensed interim financial statements should be read in conjunction with the Company's Annual Report for the year ended 31 December 2021, which was prepared in accordance with IFRS which comprise standards and interpretations approved by the International Accounting Standards Board together with the interpretations of the International Accounting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee which remain in effect.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of approving the financial statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity and fair value of its investments.

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

2. Statement of Compliance (continued)

Going Concern (continued)

The assessment was completed with reference to the cash position of the Company and its Subsidiary, their operating expenses, the valuation of the assets subsequent to the period-end and the potential default risk of the investments held.

The majority of 2022 ZDP Shareholders (representing approximately 66.8% of the total number of 2022 ZDP Shares in issue) elected to convert their investment into new 2025 ZDP Shares, with the remainder of 2022 ZDP Shares maturing on 30 November 2022. The Directors are satisfied that the Company has sufficient resources to cover repayment of the maturing 2022 ZDP Shares on 30 November 2022.

The Continuation Resolution was passed at the EGM on 5 May 2022. The next Continuation Resolution will take place on or around 7 April 2027, being five years from the most recent vote.

In light of the above analysis, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

3. Significant accounting policies

In the current financial period, there have been no changes to the significant accounting policies from those applied in the Company's Annual Report for the year ended 31 December 2021 and as set out in note 2 therein.

4. Use of judgements and estimates

In the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical judgements and estimations of uncertainty at the unaudited condensed statement of financial position date that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as set out in note 3 of the Annual Report for the year ended 31 December 2021.

In the current financial period, there have been no changes to the significant critical accounting judgements, estimates and assumptions from those applied in the most recent Annual Report and as set out in note 3 therein.

5. Segmental reporting

The Directors have considered the requirements of IFRS 8, and are of the view that the Company is engaged in a single segment of business via its Subsidiary mainly in one geographical area, Jersey, and therefore the Company has only a single operating segment.

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

6. Dividend Income

The Company received the following dividends from EJFIH during the period ended 30 June 2022 and 30 June 2021:

Date received	30 June 2022 (Unaudited) £	30 June 2021 (Unaudited) £
26 February 2021	-	2,100,000
31 May 2021	-	2,200,000
10 February 2022	2,100,000	-
27 April 2022	2,400,000	-
Total dividend income	4,500,000	4,300,000

7. Derivative financial instruments at fair value through profit or loss

There were no derivative financial instruments held by the Company at 30 June 2022 or 31 December 2021.

The following forward foreign exchange contracts were held by EJFIH:

Maturity date	Counterparty	Contract notional amount £	Buy	Sell	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
30 November 2022	Citibank N.A.	19,837,500	GBP	USD	(2,818,782)	(653,194)
21 February 2023	Citibank N.A.	8,400,000	GBP	USD	(1,171,376)	(268,528)
30 November 2022	Citibank N.A.	21,514,501	GBP	USD	(265,318)	-
30 November 2022	Citibank N.A.	9,818,728	GBP	USD	(314,364)	-
30 November 2022	Citibank N.A.	5,524,449	GBP	USD	79,926	-
Derivative financial instruments held by EJFIH (Note 8)					(4,489,914)	(921,722)

8. Financial assets at fair value through profit or loss

Investment in EJFIH

During the period ended 30 June 2022, the Company made no further investments in EJFIH (31 December 2021: nil investments made).

The investment in EJFIH is used to acquire exposure to a portfolio comprising a large number of investments. The investment in EJFIH is measured at FVTPL. The Company has determined that the fair value of EJFIH is its net asset value.

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8. Financial assets at fair value through profit or loss (continued)

Below is a summary of the movement in the Company's investment in EJFIH:

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Opening balance	129,518,023	124,151,399
Net gains on investment in EJFIH ¹	8,050,144	5,366,624
Investment in EJFIH at FVTPL at the end of the period/year	137,568,167	129,518,023

¹ Net gains or losses comprise of distributions received during the reporting period/year in the amount of £4,500,000 (31 December 2021: £8,200,000) and unrealised gains on investment in EJFIH in the amount of £12,550,144 (31 December 2021: gains in the amount of £13,566,624).

On a look-through basis, the following table discloses EJFIH's financial assets at FVTPL which agrees to the Company's financial assets at FVTPL:

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Subsidiary's investments at FVTPL :		
Armadillo Portfolio	1,287,638	1,169,018
Investment in the Partnership	92,067,460	88,051,619
Investment in the CDO Manager	8,134,604	8,711,100
CDO securities	1,405,001	1,395,298
Preference Shares	1,382,766	1,246,613
Net derivative financial assets and liabilities (Note 7)	(4,489,914)	(921,722)
Investment in Seneca	10,451,902	6,671,007
UK listed fixed rate notes	2,779,110	3,161,940
Fintech debt securities	5,527,640	2,830,682
Total Subsidiary's investments at FVTPL	118,546,207	112,315,555
Subsidiary's other assets and liabilities:		
Cash and cash equivalents	11,002,050	14,319,541
Cash and cash equivalents held as margin	7,746,334	2,836,856
Other receivables	273,576	46,071
Subsidiary's net asset value at the end of the period/year	137,568,167	129,518,023

(i) Subsidiary's Investments in private investment companies

Investments in the Armadillo Portfolio

EJFIH's investments in private investment companies include the partnership interests in the Armadillo Portfolio. The investment strategy of the Armadillo Portfolio is to make high interest rate loans to third-party law firms engaged in mass tort litigation.

The Company, through its investment in EJFIH, had a 50.6% share of NAV in Armadillo I and 0.9% share of NAV in Armadillo II as at 30 June 2022 (50.3% share of NAV in Armadillo I and 1% share of NAV in Armadillo II at 31 December 2021).

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8. Financial assets at fair value through profit or loss (continued)

(i) Subsidiary's Investments in private investment companies (continued)

Investments in the Armadillo Portfolio (continued)

The following table summarises activity for the investment in the Armadillo Portfolio:

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Opening balance	1,169,018	2,053,370
Distributions	-	(1,738,360)
Realised gains on distributions ¹	-	84,335
Unrealised gains ¹	118,620	769,673
Investments in the Armadillo Portfolio at FVTPL	1,287,638	1,169,018

¹ Includes fluctuations in foreign exchange rates.

Investment in the Partnership

As at 30 June 2022, EJFIH held 85% or 122,851,798 units (31 December 2021: 85% or 122,851,798 units) issued by the Partnership. The Partnership's purpose is to retain an interest of at least 5% in securitisations sponsored by EJF pursuant to regulatory requirements within the Dodd-Frank reforms in the US and EU risk retention rules. The investment in the Partnership is valued at £92,067,460 (31 December 2021: £88,051,619).

As at 30 June 2022, the remaining units outstanding are held by the Manager (19,651,293 units) (31 December 2021: 20,012,174 units) and the General Partner (165 units) (31 December 2021: 165 units).

The following table summarises activity for the investment in the Partnership:

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Opening balance	88,051,619	88,334,641
Additions	-	17,640,992
Return of capital	(4,878,647)	(22,044,476)
Distributions	(2,617,214)	(5,997,811)
Realised gains on distributions ¹	2,539,489	5,997,811
Unrealised gains ¹	8,972,213	4,120,462
Investment in the Partnership at FVTPL	92,067,460	88,051,619

¹ Includes fluctuations in foreign exchange rates.

Investment in Seneca

EJFIH's investments in private investment companies include the partnership and loan interests in Seneca. The investment strategy of Seneca is to invest in MSRs.

MSRs represent a stream of servicing income attached to mortgages originated in the US, producing regular and predictable cash-flows. Seneca only invests in MSRs originally attached to prime mortgages underwritten by Fannie Mae and Freddie Mac standards.

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8. Financial assets at fair value through profit or loss (continued)

(i) Subsidiary's Investments in private investment companies (continued)

Investment in Seneca (continued)

The following table summarises activity for the investment in Seneca:

	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	£	£
Opening balance	6,671,007	1,244,059
Additions	1,861,580	4,367,696
Unrealised gains ¹	1,919,315	1,059,252
Investment in Seneca at FVTPL	10,451,902	6,671,007

¹Includes fluctuations in foreign exchange rates.

(ii) Subsidiary's Investment in private operating company

Investment in the CDO Manager

The CDO Manager, which is 51% owned by the Manager and 49% owned by EJFIH, provides collateral management services to various CDO structures. The CDO Manager provides such services directly to those CDO structures on commercially reasonable terms. The CDO Manager is also expected to provide collateral management services to future EJF Securitisations as it will have the benefit, for so long as the Manager is the manager of the Company, of a right of first refusal to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation. The CDO Manager may also provide collateral management services to non-EJF securitisations. The CDO Manager is expected to benefit from collateral management fees on all CDOs it services and manages until maturity of such CDOs.

The following table summarises activity for the investment in the CDO Manager:

	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	£	£
Opening balance	8,711,100	9,463,395
Distributions	(316,591)	(426,213)
Unrealised losses ¹	(259,905)	(326,082)
Investment in the CDO Manager at FVTPL	8,134,604	8,711,100

¹Includes fluctuations in foreign exchange rates.

EJFIH through its 49% interest in the CDO Manager, has an exposure to the cash flows of four REIT TruPS CDO collateral management contracts plus cash flow from TFINS 2017-2, TFINS 2018-1, TFINS 2018-2, TFINS 2019-1, TFINS 2019-2, TFINS 2020-1 and TFINS 2020-2. The CDO Manager has a total net asset value of £16,601,233 as at 30 June 2022 (31 December 2021: £17,777,755). EJFIH's interest in the CDO Manager has a value of £8,134,604 as at 30 June 2022 (31 December 2021: £8,711,100).

The management fees of each REIT TruPS CDO collateral management contract vary, ranging from 15bps to 20bps of the outstanding collateral balance. The TFINS 2017-2 securitisation produces management fees of 10bps on outstanding collateral. The TFINS 2018-1, TFINS 2018-2, TFINS 2019-1 and TFINS 2019-2 securitisations produce management fees of 20bps on outstanding collateral. TFINS 2020-1 and TFINS 2020-2 securitisations produce management fees of 30bps on outstanding collateral.

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8. Financial assets at fair value through profit or loss (continued)

(iii) Subsidiary's Investments in trading securities

CDO securities

The Subsidiary's CDO securities portfolio is held by EJFIH and consists of REIT TruPS CDO securities issued prior to the financial crisis by an unaffiliated third-party sponsor. The remaining CDO security is generating current income. The bond holdings range from senior class A bonds to subordinated class F bonds. For the period ended 30 June 2022, EJFIH accrued £44,232 (30 June 2021: £9,565) of interest income presented as investment income in EJFIH.

The following table summarises activity for the investment in CDO securities:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	£	£
Opening balance	1,395,298	772,225
Distributions	-	(20,334)
Unrealised gains from CDO securities ¹	9,703	643,407
CDO securities at FVTPL	1,405,001	1,395,298

¹Includes fluctuations in foreign exchange rates.

Preference Shares

EJFIH owns an interest in a depositor vehicle which holds an interest in the TFINS 2017-2 Preference Shares originally issued as part of the securitisation in October 2017.

The following table summarises activity for the investment in Preference Shares:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	£	£
Opening balance	1,246,613	1,234,324
Distribution	-	(122,410)
Unrealised gains from Preference Shares ¹	136,153	134,699
Preference Shares at FVTPL	1,382,766	1,246,613

¹Includes fluctuations in foreign exchange rates.

Investment in UK listed bond

At 30 June 2022, the Company, through its investment in EJFIH, was invested in a Sterling denominated UK listed fixed rate note held with a large UK bank. The security has a fixed coupon of 5.875% and is due to mature in 2049.

The following table summarises activity for the investment in listed fixed rate notes:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	£	£
Opening balance	3,161,940	-
Additions	-	3,228,750
Unrealised losses	(382,830)	(66,810)
Listed fixed rate notes at FVTPL	2,779,110	3,161,940

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8. Financial assets at fair value through profit or loss (continued)

(iii) Subsidiary's Investments in trading securities (continued)

FinTech debt securities

At 30 June 2022, the Company, through its investment in EJFIH, was invested in FinTech debt securities held with entities in the US and Europe. The securities are denominated in different currencies, have fixed coupons between 4 – 13.25% and have varied call dates and maturities between 2023 and 2027.

The following table summarises activity for the investment in FinTech debt securities:

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Opening balance	2,830,682	-
Additions	3,634,519	3,048,735
Unrealised losses ¹	(937,561)	(218,053)
FinTech debt securities at FVTPL	5,527,640	2,830,682

¹ Includes fluctuations in foreign exchange rates.

9. ZDP Shares

On 1 December 2017, the Company issued 15,000,000 2022 ZDP shares at a gross redemption yield of 5.75%. Approximately 30% of the available 2022 ZDP Shares were issued pursuant to the initial placing and offer for subscription at a price per 2022 ZDP Share of 100 pence. The holders of the 2022 ZDP Shares will have a final capital entitlement of 132.35 pence on the repayment date of 30 November 2022. As of 30 June 2022, there were 4,978,708 (31 December 2021:15,000,000) 2022 ZDP Shares outstanding.

On 17 June 2020, the Company issued 6,000,000 2025 ZDP shares at a gross redemption yield of 7.00%. Such 2025 ZDP Shares were issued pursuant to the initial placing and offer for subscription at a price per 2025 ZDP Share of 100 pence. The holders of the 2025 ZDP Shares will have a final capital entitlement of 140 pence on the repayment date of 18 June 2025.

On 4 April 2022, the Company published a Prospectus containing details of a Rollover Offer to convert existing 2022 ZDP Shares into 2025 ZDP Shares.

On 5 May 2022, the result of the Rollover Offer was announced and valid elections were received to roll 10,021,292 2022 ZDP Shares into new 2025 ZDP Shares, representing approximately 66.8% of the total number of 2022 ZDP Shares in issue. 10,996,857 new 2025 ZDP Shares were issued on the basis of each 2022 ZDP Share converting into 1.09735 new 2025 ZDP Shares.

As of 30 June 2022, there were 16,996,857 (31 December 2021:6,000,000) 2025 ZDP Shares outstanding.

The 2022 ZDP Shares rank senior to the 2025 ZDP Shares which in turn rank senior to the Ordinary Shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and do not carry the right to vote at general meetings of the Company.

Holders of ZDP Shares are not entitled to any dividends paid by the Company. The following table reconciles the liability for ZDP Shares, held at amortised cost, for the reporting period and details changes in the Company's liabilities from financing activities, including both cash and non-cash changes.

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9. ZDP Shares (continued)

	2022 ZDP Shares 30 June 2022 (Unaudited) £	2025 ZDP Shares 30 June 2022 (Unaudited) £	2022 ZDP Shares 31 December 2021 (Audited) £	2025 ZDP Shares 31 December 2021 (Audited) £
Opening balance	18,725,704	6,484,818	17,588,170	6,018,268
Conversion of ZDP Shares	(12,845,293)	12,845,293	-	-
Conversion costs	-	(793,610)	-	-
Finance costs	498,683	377,958	1,137,534	466,550
ZDP Shares closing balance	6,379,094	18,914,459	18,725,704	6,484,818

Capitalised issue costs are being amortised using the effective interest rate method. For the period ended 30 June 2022 the amortization of the 2022 ZDP Shares and 2025 ZDP Shares issue costs have been included in finance costs.

10. Accounts payable and accrued expenses

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Amount due to EJFIH	2,632	1,662
Legal fees payable	-	42,167
Professional fees payable	77,292	-
Investment management fees payable	244,330	228,983
Audit fees payable	90,038	142,750
Sundry creditors	44,167	32,947
Total accounts payable and accrued expenses	458,459	448,509

The amount due to EJFIH is interest free and repayable on demand. The balance consists of amounts paid by EJFIH in respect of the Company's expenses.

11. Stated Capital

The Ordinary Shares are classified as equity based on the substance of the contractual arrangements and in accordance with the definition of equity instruments under IAS 32. The proceeds from the issue of Ordinary Shares are recognised in the unaudited condensed statement of changes in equity, and are net of the incremental issuance costs when applicable.

Net assets attributable to shareholders is represented by Ordinary Shares that carry one vote each and have equal voting rights. Ordinary Shares are entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and repurchase of Ordinary Shares. The analysis of movements in the number of Ordinary Shares and the corresponding changes to the Company's stated capital as a result of transactions with shareholders during the period/year was as follows:

	Number of Shares (Unaudited)	Stated Capital (Unaudited) £
Opening balance as at 1 January 2022	61,145,198	85,254,127
Closing balance as at 30 June 2022	61,145,198	85,254,127
	Number of Shares (Audited)	Stated Capital (Audited) £
Opening balance as at 1 January 2021	61,145,198	85,254,127
Closing balance as at 31 December 2021	61,145,198	85,254,127

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11. Stated Capital (continued)

As at 30 June 2022, the Company had 15,808,509 treasury shares (31 December 2021: 15,808,509).

12. Dividends

The Company paid the following dividends on its Ordinary Shares during the period ended 30 June 2022:

Period to	Date declared	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (Unaudited)	Net dividend Paid (Unaudited)
					£	£
31 Dec 2021	27 Jan 2022	3 Feb 2022	4 Feb 2022	28 Feb 2022	0.02675	1,635,633
31 Mar 2022	26 Apr 2022	5 May 2022	6 May 2022	31 May 2022	0.02675	1,635,633
Total dividends						3,271,266

The Company paid the following dividends on its Ordinary Shares during the period ended 30 June 2021:

Period to	Date declared	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (Unaudited)	Net dividend Paid (Unaudited)
					£	£
31 Dec 2020	28 Jan 2021	4 Feb 2021	5 Feb 2021	26 Feb 2021	0.02675	1,635,633
31 Mar 2021	28 Apr 2021	6 May 2021	7 May 2021	28 May 2021	0.02675	1,635,633
Total dividends						3,271,266

13. Interest in unconsolidated subsidiaries and associates

The table below discloses the unconsolidated subsidiaries and associates in which the Company holds an interest, but does not consolidate in accordance with IFRS 12:

Name of entity	Type of entity	Principal place of business	Nature of purpose	Interest beneficially held by the Company	Interest held
EJFIH	Private Company	Jersey	To hold a portfolio of investments in order to generate capital appreciation and investment income.	100%	Direct
Partnership	Limited Partnership	Delaware	To hold a portfolio of investments in order to generate capital appreciation and investment income.	85%	Indirect
CDO Manager	Limited Liability Company	Delaware	To generate management fee income.	49%	Indirect
Armadillo I	Limited Partnership	Delaware	To generate income from high-yielding loans to US law firms engaged in mass tort litigation.	50.6% (31 December 2021: 50.3%)	Indirect
Seneca	Limited Partnerships	Delaware	To generate income from MSRs.	100%	Indirect

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14. Financial Risk Management

At 30 June 2022, there has been no change to the Company's financial risk management objectives and policies to those disclosed in note 15 of the Company's Annual Report for the year ended 31 December 2021.

Fair value of financial instruments

This section should be read in conjunction with note 15 of the Annual Report for the year ended 31 December 2021 which provides more detail about accounting policies adopted, the definitions of the three levels of fair value hierarchy, valuation methods used in calculating fair value, and the valuation framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

The Company holds all of the shares in EJFIH which is a holding vehicle used to hold the Company's investments. The Board believes it is appropriate to value this entity based on the fair value of its portfolio of investment assets held plus its other assets and liabilities.

Fair value hierarchy

The Company classifies financial instruments measured at fair value in the investment Portfolio according to the following hierarchy:

- Level 1** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the unaudited condensed statement of financial position as at 30 June 2022. All fair value measurements below are recurring.

	Level 1 (Unaudited)	Level 2 (Unaudited)	Level 3 (Unaudited)
	£	£	£
As at 30 June 2022			
Investment held in EJFIH	-	-	137,568,167
Financial assets at FVTPL	-	-	137,568,167

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14. Financial Risk Management (continued)

Fair value hierarchy (continued)

The following table shows the movement of level 3 assets during the period ended 30 June 2022:

	Opening fair value (Unaudited) £	Additions (Unaudited) £	Realised gains (Unaudited) £	Unrealised gains (Unaudited) £	Distributions (Unaudited) £	Ending fair value (Unaudited) £
EJFIH	129,518,023	-	-	8,050,144	-	137,568,167
Total financial assets	129,518,023	-	-	8,050,144	-	137,568,167

The table below analyses financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 31 December 2021. All fair value measurements below are recurring.

	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £
As at 31 December 2021			
Investment held in EJFIH	-	-	129,518,023
Financial assets at FVTPL	-	-	129,518,023

The following table shows the movement of level 3 assets during the year ended 31 December 2021:

	Opening fair value (Audited) £	Additions (Audited) £	Realised gains (Audited) £	Unrealised gains (Audited) £	Distributions (Audited) £	Ending fair value (Audited) £
EJFIH	124,151,399	-	-	5,366,624	-	129,518,023
Total financial assets	124,151,399	-	-	5,366,624	-	129,518,023

The table below is a supplemental disclosure of the financial instruments, held by the Subsidiary, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the unaudited condensed statement of financial position as at 30 June 2022. All fair value measurements below are recurring.

	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £
As at 30 June 2022			
Armadillo Portfolio	-	-	1,287,638
Investment in the Partnership	-	-	92,067,460
Investment in CDO Manager	-	-	8,134,604
CDO securities	-	-	1,405,001
Investment in Preference Shares	-	-	1,382,766
Seneca	-	-	10,451,902
Investment in UK listed bond	-	2,779,110	-
Fintech debt securities	-	5,527,640	-
Financial assets at FVTPL	-	8,306,750	114,729,371

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14. Financial Risk Management (continued)

Fair value hierarchy (continued)

	Level 1 (Unaudited)	Level 2 (Unaudited)	Level 3 (Unaudited)
As at 30 June 2022	£	£	£
Net derivative financial liabilities	-	(4,489,914)	-
Financial liabilities at FVTPL	-	(4,489,914)	-

The following table shows the movement of level 3 assets held by the Subsidiary during the period ended 30 June 2022:

	Opening fair value (Unaudited)	Additions (Unaudited)	Realised gains (Unaudited)	Unrealised gains/(losses) (Unaudited)	Disposals, repayment, write-offs (Unaudited)	Ending fair value (Unaudited)
	£	£	£	£	£	£
Armadillo Portfolio	1,169,018	-	-	118,620	-	1,287,638
Investment in the Partnership	88,051,619	-	2,539,489	8,972,213	(7,495,861)	92,067,460
Investment in CDO Manager	8,711,100	-	-	(259,905)	(316,591)	8,134,604
CDO securities	1,395,298	-	-	9,703	-	1,405,001
Investment in Preference Shares	1,246,613	-	-	136,153	-	1,382,766
Investment in Seneca	6,671,007	1,861,580	-	1,919,315	-	10,451,902
Total financial assets	107,244,655	1,861,580	2,539,489	10,896,099	(7,812,452)	114,729,371

The table below is a supplemental disclosure of the financial instruments, held by the Subsidiary, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 31 December 2021. All fair value measurements below are recurring.

	Level 1 (Audited)	Level 2 (Audited)	Level 3 (Audited)
As at 31 December 2021	£	£	£
Financial assets at FVTPL			
Armadillo Portfolio	-	-	1,169,018
Investment in the Partnership	-	-	88,051,619
Investment in CDO Manager	-	-	8,711,100
CDO securities	-	-	1,395,298
Investment in Seneca	-	-	6,671,007
Investment in Preference Shares	-	-	1,246,613
Investment in UK listed bond	-	3,161,940	-
Fintech debt securities	-	2,830,682	-
Financial assets at FVTPL	-	5,992,622	107,244,655

	Level 1 (Audited)	Level 2 (Audited)	Level 3 (Audited)
As at 31 December 2021	£	£	£
Derivative financial liabilities	-	(921,722)	-
Financial liabilities at FVTPL	-	(921,722)	-

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14. Financial Risk Management (continued)

Fair value hierarchy (continued)

The following table shows the movement of level 3 assets held by the Subsidiary during the period ended 31 December 2021:

	Opening fair value (Audited)	Additions (Audited)	Realised gains (Audited)	Unrealised gains/(losses) (Audited)	Disposals, repayment, write-offs (Audited)	Ending fair value (Audited)
	£	£	£	£	£	£
Armadillo Portfolio	2,053,370	-	84,335	455,788	(1,424,475)	1,169,018
Investment in the Partnership	88,334,641	17,640,992	1,203,661	4,120,455	(23,248,130)	88,051,619
Investment in CDO Manager	9,463,395	-	-	(752,295)	-	8,711,100
CDO securities	772,225	-	5,276	623,287	(5,490)	1,395,298
Investment in Seneca	1,244,059	4,367,696	-	1,059,252	-	6,671,007
Investment in Preference Shares	1,234,324	-	-	12,289	-	1,246,613
Total financial assets	103,102,014	22,008,688	1,293,272	5,518,776	(24,678,095)	107,244,655

15. Capital risk management

The Company's issued capital is represented by Ordinary Shares.

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of its shares. The Company's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
- to achieve consistent returns while safeguarding capital by investing in a diversified Portfolio;
- to maintain sufficient liquidity to meet the expenses of the Company; and
- to maintain sufficient size to make the operation of the Company cost-efficient.

The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, as well as the level of dividends to Ordinary Shareholders.

The Company may utilise borrowings for share buybacks, short-term liquidity purposes and investments, seeking leverage via bank financing, term loans, or debt instruments. The Company has the availability to borrow up to 35% of its NAV (calculated at the time of drawdown), provided that:

- i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30% of the NAV; and
- ii) borrowings for long-term investment purposes may only be incurred when the minimum cover amount, 3.5x for ZDP Shares, is met (calculated at the time of drawdown).

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

15. Capital risk management (continued)

The Company's net debt equity ratio at period/year end was as follows:

	30 June 2022	31 December 2021
	(Unaudited)	(Audited)
	£	£
ZDP shares	25,293,553	25,210,522
Accounts payable and accrued expenses	458,459	448,509
Less: cash and cash equivalents	(465,480)	(592,603)
Net debt	25,286,532	25,066,428
Total equity	112,558,202	104,799,336
Net debt to adjusted equity ratio	0.22	0.24

16. Related Party Transactions and other material contracts

Transactions

During the period, the Company made further investments of approximately £1.9 million into Seneca.

Investment management fee

In accordance with the terms of the Management Agreement, the Company pays a management fee calculated monthly and payable quarterly in arrears. Subject to certain limitations, the monthly management fee is equal to 0.0833% (one-twelfth of 1%) of the Company's NAV.

For the period from 1 January 2022 to 30 June 2022, the Company incurred management fees of £473,381 (30 June 2021: £439,964), which is presented within operating expenses on the unaudited condensed statement of comprehensive income, and had an outstanding liability of £244,330 (31 December 2021: £228,983), which is presented within accounts payable and accrued expenses (see Note 10) on the unaudited condensed statement of financial position.

Directors' fees

The Directors are entitled to a fee for their services at a rate to be determined from time to time by the Board. For the period ended 30 June 2022, the Company recorded Directors' fees of £67,500 (30 June 2021: £67,500). As at 30 June 2021 and 31 December 2020, there were no Directors' fees outstanding.

Directors' fees are currently £40,000 each per annum. Neal Wilson has waived his right to receive remuneration for his service as Director.

Joanna Dentskevich is entitled to an additional fee of £10,000 per annum in respect of her role as Chair of the Board.

Alan Dunphy is entitled to an additional fee of £5,000 per annum in respect of his role as Chair of the Audit and Risk Committee.

Neal Wilson also serves as an officer (Chief Executive Officer) of the Manager and an officer and director of other affiliates of the Manager including EJF, the General Partner of the Partnership, and the general partner of Armadillo I and Armadillo II. Therefore, conflicts may arise as this individual allocates his time between the Company, EJF and other programmes and activities in which they are involved. The independent Directors must consent to and approve any of the Company's conflicted trades, which also involve approval by one of these affiliates and its officers, directors and employees. With respect to EJF Risk Retention Investments to be issued in connection with all future EJF Securitisations, the Partnership has the right of first refusal over other funds managed by EJF.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. During the period ended 30 June 2022, the Company an insurance expense of £30,646 (30 June 2021: £64,013).

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

16. Related Party Transactions and other material contracts (continued)

Incentive Fee

The Manager is entitled to an incentive fee which is calculated in relation to the assets attributable to Ordinary Shares, in accordance with the Management Agreement. The Incentive Fee amount is equal to 10% of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee is calculated in respect of each Incentive Fee Period, save for the final Incentive Fee Period being the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the non-retained services as defined in the Management Agreement.

For the period from 1 January 2022 to 30 June 2022, no Incentive Fee liabilities were accrued (31 December 2021: nil).

Ordinary Shares held by related parties

On 29 June 2022, Neal J. Wilson purchased 96,274 Ordinary Shares at a price of 121 pence per share in a private off-market transaction.

Shareholdings by the Directors in the Company as at the period/year end were as follows:

Name	Ordinary Shares	Percentage of Ordinary Shares in Issue	Ordinary Shares	Percentage of Ordinary Shares in Issue
	30 June 2022 ¹ (Unaudited)	30 June 2022 ² (Unaudited)	31 December 2021 ¹ (Audited)	31 December 2021 ² (Audited)
Neal Wilson	1,718,881	2.811%	1,622,607	2.654%
Joanna Dentskevich	77,896	0.127%	77,896	0.127%
Nick Watkins	3,000	0.005%	3,000	0.005%

¹ The Directors' holdings of Ordinary Shares are either direct and/or indirect holdings of Ordinary Shares in the Company.

² The calculation of shareholding % is based on number of Ordinary Shares in issue after adjusting for treasury shares.

Shareholdings by officers of the Manager and its affiliates as at the period/year end were as follows:

Name	Ordinary Shares	Percentage of Ordinary Shares in Issue	Ordinary Shares	Percentage of Ordinary Shares in Issue
	30 June 2022 ¹ (Unaudited)	30 June 2022 ² (Unaudited)	31 December 2021 ¹ (Audited)	31 December 2021 ² (Audited)
EJF Capital Limited	1,878,246	3.072%	1,878,246	3.072%
Peter Stage	141,501	0.231%	141,501	0.231%
Matthew Gill	1,000	0.002%	1,000	0.002%
Emmanuel Friedman ³	11,816,558	19.325%	11,816,558	19.325%
Jason Ruggiero	165,336	0.270%	165,336	0.270%

¹ The stated holdings of Ordinary Shares are either direct and/or indirect holdings of Ordinary Shares in the Company.

² The calculation of shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares.

³ Ordinary Shares held by Cheetah Holdings Limited, a charitable foundation co-founded by Emanuel Friedman.

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
 FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

16. Related Party Transactions and other material contracts (continued)

Ordinary Shares held by related parties (continued)

The officers of the Manager are Neal J. Wilson (Chief Executive Officer and Co-chief Investment Officer of the Manager), Peter Stage (Co-Chief Investment Officer) and Matthew Gill (Chief Financial Officer). As Neal Wilson is also a Director of the Company, his shareholdings are presented in the table detailing the shares held by the Directors in the Company at the period end.

Emanuel Friedman is Co-Chief Executive Officer of EJF and in particular is a voting member of the investment committee of the Manager. Jason Ruggiero (Co-Chief Investment Officer and Senior Portfolio Manager of EJF) is also a voting member of the investment committee.

ZDP Shares held by related parties

ZDP shareholdings in the Company by the Directors as at the period/year end were as follows:

Name	2025 ZDP Shares	Percentage of 2025	2025 ZDP Shares	Percentage of 2025
	30 June 2022	ZDP Shares in Issue	31 December 2021	ZDP Shares in Issue
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Neal Wilson	1,000,000	5.883%	1,000,000	16.667%
Joanna Dentskevich	30,000	0.177%	30,000	0.500%
Nick Watkins	10,000	0.059%	10,000	0.167%

ZDP shareholdings in the Company by officers of the Manager and its affiliates as at the period/year end were as follows:

Name	2025 ZDP Shares	Percentage of 2025	2025 ZDP Shares	Percentage of 2025
	30 June 2022	ZDP Shares in Issue	31 December 2021	ZDP Shares in Issue
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Matthew Gill	1,000	0.006%	1,000	0.020%

No related party owned 2022 ZDP Shares as at 30 June 2022 or 31 December 2021.

Other Material Contracts

With effect from 1 January 2022 the Manager has voluntarily committed to absorb 60% (previously 75%) of future ongoing operating expenses, aside from management and incentive fees, incurred by the Company for at least the next twelve months from 1 January 2022, or if earlier, until the date on which the unaudited NAV of the Company reaches £300 million.

For the period ended 30 June 2022, £261,199 (30 June 2021: £286,952) of operating expenses were offset by reimbursements from the Manager and are presented in the unaudited condensed statement of comprehensive income.

As at 30 June 2022, the Company had a receivable balance of £228,467 (31 December 2021: £329,711) from the Manager relating to the reimbursement of these operating expenses which is included in the balance due from the Manager on the unaudited condensed statement of financial position.

EJF INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

17. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings for the period by the weighted average number of Ordinary Shares in issue during the period.

The weighted average number of Ordinary Shares in issue as at 30 June 2022 is 61,145,198 (30 June 2021: 61,145,198). As at 30 June 2022, the Company had basic and diluted earnings per Ordinary Share of 18.0p (30 June 2021: 8.8p).

The diluted earnings per share is calculated by considering adjustments required to the earnings and weighted average number of shares for the effects of potential dilutive Ordinary Shares. The weighted average of the number of Ordinary Shares is adjusted for any convertible instruments. At 30 June 2022 and 30 June 2021, there were no convertible instruments which would have an impact on the weighted average number of Ordinary Shares.

18. Events after the Reporting Period

The Board and the Manager have evaluated subsequent events for the Company through 8 September 2022, the date the financial statements were available to be issued, and has concluded that the material events listed below do not require adjustment of the financial statements.

On 28 July 2022, the Company declared a dividend of 2.675p per share in respect of the quarter ended 30 June 2022. The dividend was payable to shareholders on the register as at close of business on 5 August 2022, and the corresponding ex-dividend date was 4 August 2022. Payment was made on 31 August 2022.

EJF INVESTMENTS LIMITED

GLOSSARY OF TERMS

TERM

Adjusted NAV attributable to Ordinary Shares

DEFINITION

Adjusted NAV attributable to Ordinary Shares is calculated as an amount equal to the NAV attributable to Ordinary Shares: (i) excluding any increases or decreases in NAV attributable to Ordinary Shares attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; (iii) excluding the aggregate amount of dividends and distributions accrued but unpaid in respect of any Ordinary Shares; and (iv) excluding the amount of any accrued but unpaid Incentive Fees payable in relation to the NAV attributable to Ordinary Shares, in each case without double counting.

Administrator

BNP Paribas Securities Services S.C.A, Jersey Branch.

Admission

The Company's Ordinary Shares which were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on the 7th April 2017.

AGM

Annual General Meeting.

AIFM

An alternative investment fund manager, as defined in the AIFM Directive.

AIFMD or AIFM Directive

The Alternative Investment Fund Managers Directive 2011/61/EU.

Annual Report

Annual Report and Audited Financial Statements.

APM

Alternative performance measure. The calculation methodology and rationale for disclosing each of the APMs has been disclosed on pages 48 and 49.

Armadillo I

Armadillo Financial Fund LP.

Armadillo II

Armadillo Financial Fund II LP.

Armadillo Portfolio

A portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of the holding of limited partner interests in Armadillo I and Armadillo II.

Articles

The articles of association of the Company.

Auditor

KPMG LLP.

Board

The board of Directors of the Company.

CDO

Collateralised Debt Obligation.

CDO Manager

EJF CDO Manager LLC, a Delaware limited liability company.

CDO Securities

Bonds issued by Kodiak, Attentus and Taberna, which are unaffiliated third-party CDO sponsors.

CFTC

US Commodities and Futures Trading Commission.

Chair

Joanna Dentskevich, Chair of the Board of Directors.

Companies Law

The Companies (Jersey) Law 1991, as amended.

Company or EJFI

EJF Investments Limited, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353.

Continuance Resolution

Ordinary resolution for the business of the Company to continue, to be proposed at an EGM, as procured by the Directors, to be held on or about the fifth anniversary of Admission, and every five years thereafter. If not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Securitisation and Risk Retention Regulations).

EJF INVESTMENTS LIMITED

GLOSSARY OF TERMS (CONTINUED)

TERM	DEFINITION
Corporate Broker/Advisor	Liberum Capital Limited.
CPO	Commodity pool operator.
CTA	Commodity trading adviser.
Dodd-Frank	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
DTR	Disclosure Guidance and Transparency Rules.
EGM	Extraordinary general meeting.
EJF	EJF Capital LLC.
EJFIH	EJF Investments Holdings Limited, incorporated on 9 June 2017.
EJF Securitisations	EJF or EJF Affiliate-sponsored securitisations.
ESG	Environmental, social and governance.
EU	The European Union.
FCA	Financial Conduct Authority.
Fed	US Federal Reserve.
FinTech	Financial Technology.
FSMA	Financial Services and Markets Act 2000.
FVTPL	Fair Value through Profit or Loss.
General Partner	EJF Investments GP Inc., being general partner of the Partnership.
High Watermark	High Watermark is calculated using the Adjusted NAV attributable to Ordinary Shares as determined on the last day of the latest previous Incentive Fee Period in respect of which an Incentive Fee was payable to the Manager.
IAS 32	International Accounting Standard 32, "Financial Instruments: Presentation".
IAS 34	International Accounting Standard 34, "Interim Financial Reporting".
Incentive Fee	The incentive fee to which the Manager is entitled as described in the section entitled "Fees and Expenses" in Part V: "Directors, the Manager and Administration" of the Prospectus.
Incentive Fee Period	Each 12-month period starting on 1 January and ending on 31 December in each calendar year.
Incentive Hurdle	Incentive Hurdle is calculated using the Adjusted NAV attributable to Ordinary Shares on the date of Admission, and then the beginning NAV of each subsequent period, compounded annually (with effect from 31 December 2017) at a rate equal to an internal rate of return of 8% per annum.
Interim Report	This Interim Report and Unaudited Condensed Interim Financial Statements.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.
IFRS 8	International Financial Reporting Standard 8, "Operating Segments".
IFRS 12	International Financial Reporting Standard 12, "Disclosure of Interests in Other Entities".

EJF INVESTMENTS LIMITED

GLOSSARY OF TERMS (CONTINUED)

TERM	DEFINITION
Investment Objective	The Company seeks to generate attractive risk adjusted returns for its shareholders by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes, Fintech debt securities and private equity, in both cash and synthetic formats, and may be issued by entities domiciled in the US, UK and Europe.
Investment Policy	The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified Portfolio of investments that are derived from the changing financial services landscape.
ISIN	International Securities Identification Number.
Listing Rules	The listing rules made by the FCA under Part VI of the FSMA.
LSE	London Stock Exchange plc.
Management Agreement	The Amended and Restated Management Agreement dated 22 August 2019 between the Company, the Partnership, the General Partner, the Manager and EJF.
Manager	EJF Investments Manager LLC acting as manager and/or investment manager of the Company.
MSRs	Mortgage Servicing Rights.
NAV per Ordinary Share	NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in Issue as at such date.
Net Asset Value or NAV	The NAV means the Company's assets less liabilities. The Company's assets and liabilities will be valued in accordance with International Financial Reporting Standards.
Ordinary Shares	The non-redeemable Ordinary Shares of no par value in the share capital of the Company which, for the avoidance of doubt, includes all classes of Ordinary Shares (denominated in such currency) as the Directors may determine in accordance with the Articles (and for the purposes of the Prospectus, the Ordinary Shares shall be denominated in Sterling) having the rights and subject to the restrictions set out in the Articles.
Ordinary Shareholders	The holder or one or more Ordinary Shares.
Ordinary Share Price	Closing price as the respective reporting date as published on the LSE.
P&C	Property and casualty insurance.
Partnership	EJF Investments LP (a Delaware limited partnership formed under the laws of the US state of Delaware).
Placing Programme	The conditional placing programme of Ordinary Shares and/or C Shares and/or 2025 Placing ZDP Shares, as further described/defined in the Prospectus.
Portfolio	The Company's and the Subsidiary's portfolio of investments from time to time.
Preference Shares	Preference shares issued by TFINS 2017-2 depositor vehicle.
Principal Risks	Those risks, or a combination thereof, that are considered to materially threaten the Company's ability to meet its Investment Objective, solvency or liquidity.
Prospectus	The Company's prospectus dated 4 April 2022.
REIT	Real estate investment trust.
Risk Retention Investments	Has the meaning given to it in paragraph 4.1(a) of Part II: "The Company" of the Prospectus.
Risk Retention and Related Investments	Risk Retention Investments, together with investments in non-risk retention securities of EJF securitisations and other non-EJF sponsored securitisations.
Rollover Offer	The offer to 2022 ZDP Shareholders to rollover some or all of their 2022 ZDP Shares into new 2025 ZDP shares.

EJF INVESTMENTS LIMITED

GLOSSARY OF TERMS (CONTINUED)

TERM	DEFINITION
SEC	US Securities and Exchange Commission.
Securitisation and Related Investments	Risk Retention and Related Investments, capital solutions and asset backed securities investments and the CDO Manager interest.
Seneca	A residential mortgage servicer in the United States which is owned and controlled by EJF, and through which MSR investments are made.
SFS	The Specialist Fund Segment of the LSE.
Shareholder	Any Ordinary Shareholder.
Specialty Finance Investments	Represent less liquid UK, European and US specialty finance investments such as (but not limited to): (i) growth equity capital to newly formed companies with scalable specialty finance platforms; (ii) secured and unsecured lending; (iii) investments collateralised by real estate and real estate related assets; and (iv) other illiquid, specialty finance investment opportunities.
Sterling or GBP or £	Pound sterling.
Subsidiary	EJF Investments Holdings Limited.
Target Dividend	The Company targets an annual payment of dividends which equates to 10.7 pence per Ordinary Share.
Target Investments	Investments that consist primarily of securitisation and related investments and specialty finance investments. Has the meaning given to it in Part II: “The Company” of the Prospectus.
Target Return	The Company targets an annual total return of 8% to 10% per annum, inclusive of dividends.
TFINS 2017-2	TruPS Financials Note Securitization 2017-2 Ltd.
TFINS 2018-1	TruPS Financials Note Securitization 2018-1 Ltd.
TFINS 2018-2	TruPS Financials Note Securitization 2018-2 Ltd.
TFINS 2019-1	TruPS Financials Note Securitization 2019-1 Ltd.
TFINS 2019-2	TruPS Financials Note Securitization 2019-2 Ltd.
TFINS 2020-1	TruPS Financials Note Securitization 2020-1 Ltd.
TFINS 2020 -2	TruPS Financials Note Securitization 2020-2 Ltd.
TFINS 2022-1	TruPS Financials Note Securitization 2022-1 Ltd.
Total Return	Has the meaning on page 48.
TruPS	Trust preferred securities.
TruPS CDO Collateral	Has the meaning given in paragraph 3.3 (d) in the section entitled “Risk Factors” in the Prospectus.
UK	United Kingdom.
UK Code	2018 UK Corporate Governance Code effective for periods beginning on or after 1 January 2019.
US	United States of America.
US Dollar or USD or \$	United States Dollar.
2022 ZDP Shares	The redeemable Zero Dividend Preference shares of no par value in the Company with a repayment date during November 2022 and bearing a gross redemption yield of 5.86%.
2025 ZDP Shares	The redeemable Zero Dividend Preference shares of no par value in the Company with a repayment date during June 2025 and bearing a gross redemption yield of 7.00%.
ZDP Shares	2022 ZDP Shares and 2025 ZDP Shares.
ZDP Shareholder	The holder of one or more ZDP Shares.
ZDP Share Price	Closing price of the relevant ZDP Shares as at the respective reporting date as published on the LSE.

EJF INVESTMENTS LIMITED

ALTERNATIVE PERFORMANCE MEASURES

NAV per Ordinary Share

NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in issue as at such date.

Reason for use

Common industry performance benchmark for calculating the Total Return and Share Price (Discount)/Premium to NAV per Ordinary Share.

Recalculation

NAV per Ordinary Share is calculated as follows:

	30 June 2022	31 December 2021
Net Assets as per statement of financial position	£112,558,202	£104,799,336
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	61,145,198	61,145,198
NAV per Ordinary Share	184p	171p

Total Return

Compounded monthly returns per the monthly published performance reports, inclusive of dividends.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded returns of the Company.

Recalculation

Total Return has been calculated using the following monthly returns and compounded as follows:

	2022	2021	2020	2019	2018	2017
Monthly return						
January	0.13%	1.99%	0.47%	0.35%	8.28%	0.51%
February	1.34%	0.15%	0.18%	0.41%	0.70%	2.96%
March	2.22%	2.12%	(13.57%)	1.77%	0.12%	3.65%
April	4.01%	0.44%	0.58%	5.61%	2.70%	0.24%
May	0.72%	(2.09)%	3.33%	0.83%	2.10%	2.85%
June	1.87%	2.80%	0.15%	0.26%	1.62%	0.34%
July	-	(0.01)%	1.25%	0.56%	0.50%	0.90%
August	-	0.55%	0.34%	0.62%	2.39%	1.37%
September	-	3.06%	0.40%	0.21%	0.08%	0.54%
October	-	(0.16)%	(0.73)%	0.04%	0.32%	4.92%
November	-	3.25%	1.16%	0.13%	0.22%	0.59%
December	-	(1.43)%	0.25%	0.63%	(1.13)%	2.53%
Compounded monthly return	10.69%	11.02%	(7.02%)	11.88%	19.08%	23.47%

The Total Return from inception for the period ended 30 June 2022 was 88.0% (31 December 2021: 69.8%).

EJF INVESTMENTS LIMITED

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

Share Price Discount to NAV per Ordinary Share

Closing price as at such date as published on the LSE less the NAV per Ordinary Share divided by the NAV per Ordinary Share.

Reason for use

Common industry measure to understand the price of the Company's shares relative to its net asset valuation. This performance measure has been reclassified as an APM for the current period. This key performance highlight has been classified as an APM following a reassessment of the APMs.

Recalculation

Share Price Discount to NAV per Ordinary Share is calculated as follows:

	30 June 2022	31 December 2021
Closing price as published on the London Stock Exchange	121.0p	129.0p
NAV per Ordinary Share	184.0p	171.0p
Share Price Discount to NAV per Ordinary Share	(34.2)%	(24.6)%