

## Ellington Residential Mortgage REIT Announces Tax Treatment of 2018 Distributions

OLD GREENWICH, Conn., Jan. 30, 2019 -- Ellington Residential Mortgage REIT (NYSE: EARN) (the "Company") today announced the federal income tax treatment of the distributions on the Company's common shares paid in 2018. This information is being provided to assist shareholders with tax reporting requirements related to distributions by the Company.

Shareholders should review their Forms 1099 as well as other 2018 tax statements that they will receive from their brokerage firms or other institutions to ensure that the statements agree with the information provided below. Additionally, shareholders are encouraged to consult with their own professional tax advisors with respect to their individual tax consequences.

During 2018, the Company paid total distributions of \$1.4800 per share, of which \$0.7684 will be treated as ordinary dividends for the tax year 2018, while \$0.7116 will be treated as a return of shareholder capital. The fourth quarter 2018 dividend of \$0.34 per share, announced on December 11, 2018 and paid on January 25, 2019, will be reportable to our shareholders as part of their 2019 dividend income. The Federal income tax classification of the 2018 distributions, as they are expected to be reported on Form 1099-DIV, is set forth in the following table:

Declaration Date	Record Date	Payable Date	Total Distribution Per Share	Box 1a Total Ordinary Dividends	Box 3 Return of Capital <sup>1</sup>	Box 5 199A Dividends (Included in Box 1a)
12/12/2017	12/29/2017	1/25/2018	\$0.3700	\$0.1921	\$0.1779	\$0.1921
3/7/2018	3/29/2018	4/25/2018	\$0.3700	\$0.1921	\$0.1779	\$0.1921
6/13/2018	6/29/2018	7/25/2018	\$0.3700	\$0.1921	\$0.1779	\$0.1921
9/12/2018	9/28/2018	10/25/2018	\$0.3700	\$0.1921	\$0.1779	\$0.1921

<sup>1</sup> Reported as nondividend distributions on Form 1099

During 2018, the Company did not generate qualified dividend income (QDI). As set forth above, all of the ordinary dividends paid in 2018 are considered qualified REIT dividends for the purpose of IRC 199A. Further, no portion of the Company's 2018 dividend distributions is expected to consist of unrelated business taxable income (UBTI), which is subject to special tax reporting for certain tax exempt investors, or excess inclusion income.

### Cautionary Statement Regarding Forward-Looking Statements

*This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "may," "expect," "project," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. For example, our results can fluctuate from month to month and quarter to quarter depending on a variety of factors, some of which are beyond our control and/or difficult to predict, including, without limitation, changes in interest rates, changes in default rates and prepayment speeds, and other changes in market and economic conditions. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A to the Company's Annual Report on Form 10-K filed on March 14, 2018 which can be accessed through the link to our SEC filings under "For Our Shareholders" on our website ([www.earnreit.com](http://www.earnreit.com)) or at the SEC's website ([www.sec.gov](http://www.sec.gov)). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

### About Ellington Residential Mortgage REIT

Ellington Residential Mortgage REIT is a mortgage real estate investment trust that specializes in acquiring, investing in and managing residential mortgage- and real estate-related assets, with a primary focus on residential mortgage-backed securities for which the principal and interest payments are guaranteed by a U.S. Government agency or a U.S. government-sponsored

enterprise. Ellington Residential Mortgage REIT is externally managed and advised by Ellington Residential Mortgage Management LLC, an affiliate of Ellington Management Group, L.L.C.

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