

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 12, 2021**

Ellington Residential Mortgage REIT

(Exact name of registrant specified in its charter)

Maryland
(State or Other Jurisdiction Of Incorporation)

001-35896
(Commission File Number)

46-0687599
(IRS Employer Identification No.)

53 Forest Avenue
Old Greenwich, CT 06870
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: **(203) 698-1200**

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest, \$0.01 par value per share	EARN	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

The information in this Item 2.02 and the disclosure incorporated by reference in Item 7.01 with respect to Exhibit 99.1 attached to this Current Report on Form 8-K are being furnished by Ellington Residential Mortgage REIT (the "Company") pursuant to Item 7.01 of Form 8-K in satisfaction of the public disclosure requirements of Regulation FD and Item 2.02 of Form 8-K, insofar as they disclose historical information regarding the Company's results of operations or financial condition for the quarter ended December 31, 2020.

On February 16, 2021, the Company issued a press release announcing its financial results for the quarter ended December 31, 2020. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in Item 2.02 and the disclosure incorporated by reference in Item 7.01 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.***Resignation of Director***

Menes O. Chee resigned as a member of the Board of Trustees of the Company (the "Board"), effective February 12, 2021. Mr. Chee has served as a member of the Board since 2013. Mr. Chee's resignation is not due to any disagreement with the Company.

Appointment of New Director

On February 12, 2021, the Board appointed C.C. Melvin Ike to serve on the Board, effective February 12, 2021. Mr. Ike will serve as a member of the Board until the Company's next annual meeting of shareholders or until a successor is elected and qualified. Mr. Ike was appointed to serve on the Board pursuant to the Shareholders' Agreement, dated May 6, 2013, by and among the Company, EMG Holdings, L.P., Blackstone Tactical Opportunities EARN Holdings, L.L.C. and Ellington Residential Mortgage Management, LLC.

Mr. Ike and the Company will enter into the Company's standard indemnification agreement in the form previously filed with the Securities and Exchange Commission providing for indemnification and advancement of expenses.

Item 7.01 Regulation FD Disclosure.

The disclosure contained in Item 2.02 is incorporated herein by reference.

On February 16, 2021, the Company issued a press release relating to the resignation of Mr. Chee as a trustee of the Company and the appointment of Mr. Ike as a trustee of the Company. A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference. This press release shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished herewith this Current Report on Form 8-K.

99.1 [Earnings Press Release dated February 16, 2021](#)

99.2 [Press Release dated February 16, 2021](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

ELLINGTON RESIDENTIAL MORTGAGE REIT

Dated: February 16, 2021

By: /s/ Christopher Smernoff

Christopher Smernoff
Chief Financial Officer

Ellington Residential Mortgage REIT Reports Fourth Quarter 2020 Results

OLD GREENWICH, Connecticut—February 16, 2021

Ellington Residential Mortgage REIT (NYSE: EARN) (the "Company") today reported financial results for the quarter ended December 31, 2020.

Highlights

- Net income of \$7.4 million, or \$0.60 per share; full year 2020 net income of \$20.1 million, or \$1.63 per share.
- Core Earnings¹ of \$4.2 million, or \$0.34 per share.
- Book value of \$13.48 per share as of December 31, 2020, which includes the effect of a fourth quarter dividend of \$0.28 per share. Economic return of 4.5% for the quarter, and 13.1% for the full year.
- Net interest margin² of 2.12%.
- Weighted average constant prepayment rate ("CPR") for the fixed-rate Agency specified pool portfolio of 21.0%.
- Dividend yield of 9.1% based on the February 12, 2021 closing stock price of \$12.26.
- Debt-to-equity ratio of 6.1:1 as of December 31, 2020.
- Net mortgage assets-to-equity ratio of 5.6:1³ as of December 31, 2020.
- Cash and cash equivalents of \$58.2 million as of December 31, 2020, in addition to other unencumbered assets of \$47.4 million.

Fourth Quarter 2020 Results

"During the fourth quarter, our Agency RMBS assets outperformed their hedges, and Ellington Residential had another excellent quarter, concluding what has been a remarkable year of outperformance for us," said Laurence Penn, Chief Executive Officer and President. "Throughout March and early April, our disciplined risk and liquidity management protected book value and preserved liquidity, enabling EARN to withstand the extreme market-wide volatility and liquidity crunch. We emerged with a strong liquidity position and took full advantage of the extraordinary opportunities presented in the aftermath of the crisis. For the full year 2020, EARN generated an economic return of 13.1%, a total return on its stock of 36%⁴, and core earnings that significantly exceeded dividends—dividends that we kept constant throughout the crisis and throughout the year.

"During the fourth quarter, Federal Reserve purchasing activity continued to support the Agency RMBS market, and despite higher long-term interest rates, we again benefited from the strong performance of our specified pools as well as attractive dollar rolls in our long current-coupon TBA positions. In addition, our non-Agency RMBS portfolio had another excellent quarter, as yield spreads in that sector continued to revert towards pre-COVID levels. Meanwhile, the rise in long-term interest rates and underperformance of high-coupon TBAs generated significant net gains on our hedges. Similar to the prior quarter, we held net long positions in current-coupon TBAs and net short positions in high-coupon TBAs, and that positioning again paid off.

"EARN's outstanding 2020 performance follows its excellent performance in 2019, when EARN generated an annual economic return of 14.6%. Clearly, the operating and investment environments of 2019 and 2020 could not have been more different. Nevertheless, EARN was able to prosper in both periods, and by doing so I believe that we have emphatically demonstrated our ability to deliver strong and steady returns in a diversity of market environments, across market cycles. We look forward to meeting the challenges and opportunities to come in 2021."

¹ Core Earnings is a non-GAAP financial measure. See "Reconciliation of Core Earnings to Net Income (Loss)" below for an explanation regarding the calculation of Core Earnings.

² Net interest margin excludes the effect of the Catch-up Premium Amortization Adjustment.

³ The Company defines its net mortgage assets-to-equity ratio as the net aggregate market value of its mortgage-backed securities (including the underlying market values of its long and short TBA positions) divided by total shareholders' equity. As of December 31, 2020 the market value of the Company's mortgage-backed securities and its net short TBA position was \$1.08 billion and \$(156.3) million, respectively, and total shareholders' equity was \$166.4 million.

⁴ Assumes reinvestment of dividends in additional shares.

Financial Results

The following table summarizes the Company's portfolio of RMBS as of December 31, 2020 and September 30, 2020:

(In thousands)	December 31, 2020					September 30, 2020				
	Current Principal	Fair Value	Average Price ⁽¹⁾	Cost	Average Cost ⁽¹⁾	Current Principal	Fair Value	Average Price ⁽¹⁾	Cost	Average Cost ⁽¹⁾
Agency RMBS ⁽²⁾										
15-year fixed-rate mortgages	\$ 77,578	\$ 83,159	\$ 107.19	\$ 80,144	\$ 103.31	\$ 80,451	\$ 86,213	\$ 107.16	\$ 83,106	\$ 103.30
20-year fixed-rate mortgages	42,559	44,763	105.18	44,247	103.97	36,481	37,933	103.98	37,757	103.50
30-year fixed-rate mortgages	763,563	834,881	109.34	799,360	104.69	781,388	854,443	109.35	818,178	104.71
ARMs	19,459	20,442	105.05	19,981	102.68	22,518	23,590	104.76	23,011	102.19
Reverse mortgages	61,653	67,474	109.44	65,494	106.23	67,233	74,246	110.43	71,281	106.02
Total Agency RMBS	964,812	1,050,719	108.90	1,009,226	104.60	988,071	1,076,425	108.94	1,033,333	104.58
Non-Agency RMBS	23,140	17,612	76.11	15,369	66.42	32,062	24,580	76.66	21,993	68.60
Total RMBS ⁽²⁾	987,952	1,068,331	108.14	1,024,595	103.71	1,020,133	1,101,005	107.93	1,055,326	103.45
Agency IOs	n/a	13,049	n/a	15,434	n/a	n/a	12,615	n/a	14,640	n/a
Total mortgage-backed securities		\$ 1,081,380		\$ 1,040,029			\$ 1,113,620		\$ 1,069,966	

(1) Represents the dollar amount (not shown in thousands) per \$100 of current principal of the price or cost for the security.

(2) Excludes Agency IOs.

The Company's Agency RMBS holdings decreased by 2% to \$1.051 billion as of December 31, 2020, from \$1.076 billion as of September 30, 2020. Over the same period, the Company's non-Agency RMBS holdings decreased by approximately 28% to \$17.6 million, from \$24.6 million, as the Company continued to monetize gains in this sector in the fourth quarter. The Company's Agency RMBS portfolio turnover was 2% for the quarter, as compared to 16% in the prior quarter.

Shareholders' equity increased during the quarter, and combined with a smaller overall RMBS portfolio, the Company's debt-to-equity ratio, adjusted for unsettled purchases and sales, decreased to 6.1:1 as of December 31, 2020, as compared to 6.5:1 as of September 30, 2020. In addition to a smaller overall RMBS portfolio and larger shareholders' equity, the Company also reduced the size of its net short TBA position quarter over quarter; as a result, the Company's net mortgage assets-to-equity ratio was unchanged at 5.6:1 as of both December 31, 2020 and September 30, 2020. Similar to the prior quarter end, substantially all of the Company's borrowings were secured by specified pools as of December 31, 2020.

As of December 31, 2020, the Company had cash and cash equivalents of \$58.2 million, along with other unencumbered assets of \$47.4 million. This compares to cash and cash equivalents of \$35.4 million and unencumbered assets of \$53.6 million held by the Company at December 31, 2019. Earlier in 2020, in response to the significant volatility caused by the spread of COVID-19, the Company strategically reduced the size of its portfolio in order to lower its leverage and enhance its liquidity position. As of December 31, 2020, the size of the Company's portfolio and its debt-to-equity ratio remained lower than historical averages, while its cash and cash equivalents remained higher than historical averages.

The Company's Agency RMBS portfolio delivered strong results in the fourth quarter as Agency RMBS yield spreads tightened. The primary drivers of these results were strong net interest income on Agency RMBS investments, net realized and unrealized gains on long TBA holdings, driven by Federal Reserve purchasing activity, and net realized and unrealized gains on interest rate hedges as long-term interest rates rose, and high-coupon TBAs, which the Company held short, underperformed. A portion of this income was offset by net realized and unrealized losses on the Company's Agency RMBS investments, driven largely by elevated prepayment activity. Average pay-ups on the Company's specified pools decreased to 2.40% as of December 31, 2020, as compared to 2.55% as of September 30, 2020, primarily because its new purchases during the quarter consisted mainly of lower-pay-up pools. Pay-ups are price premiums for specified pools relative to their TBA counterparts.

During the quarter, the Company continued to hedge interest rate risk, primarily through the use of interest rate swaps, and to a lesser extent through the use of short positions in TBAs, U.S. Treasury securities, and futures. Similar to the third quarter, the Company ended the fourth quarter with a small net short overall TBA position on a notional basis while maintaining a small net long overall TBA position as measured by 10-year equivalents. Ten-year equivalents for a group of positions represent the amount of 10-year U.S. Treasury securities that would be expected to experience a similar change in market value under a standard parallel move in interest rates.

In the fourth quarter, the Company continued to sell down its non-Agency RMBS portfolio opportunistically, generating net realized gains. The Company expects to continue to vary its allocation to non-Agency RMBS as market opportunities change over time.

Net interest margin and core earnings decreased quarter over quarter. These decreases were driven by lower asset yields, which more than offset a lower cost of funds, mainly on the Company's repo borrowings.

Reconciliation of Core Earnings to Net Income (Loss)

Core Earnings consists of net income (loss), excluding realized and change in net unrealized gains and (losses) on securities and financial derivatives, and excluding, if applicable, any non-recurring items of income or loss. Core Earnings also excludes the effect of the Catch-up Premium Amortization Adjustment on interest income. The Catch-up Premium Amortization Adjustment is a quarterly adjustment to premium amortization triggered by changes in actual and projected prepayments on the Company's Agency RMBS (accompanied by a corresponding offsetting adjustment to realized and unrealized gains and losses). The adjustment is calculated as of the beginning of each quarter based on the Company's then-current assumptions about cashflows and prepayments, and can vary significantly from quarter to quarter. Core Earnings includes net realized and change in net unrealized gains (losses) associated with periodic settlements on interest rate swaps.

Core Earnings is a supplemental non-GAAP financial measure. The Company believes that Core Earnings provides information useful to investors because it is a metric that the Company uses to assess its performance and to evaluate the effective net yield provided by the portfolio. Moreover, one of the Company's objectives is to generate income from the net interest margin on the portfolio, and Core Earnings is used to help measure the extent to which this objective is being achieved. In addition, the Company believes that presenting Core Earnings enables its investors to measure, evaluate and compare its operating performance to that of its peer companies. However, because Core Earnings is an incomplete measure of the Company's financial results and differs from net income (loss) computed in accordance with GAAP, it should be considered as supplementary to, and not as a substitute for, net income (loss) computed in accordance with GAAP.

The following table reconciles, for the three-month periods ended December 31, 2020 and September 30, 2020, the Company's Core Earnings to the line on the Company's Consolidated Statement of Operations entitled Net Income (Loss), which the Company believes is the most directly comparable GAAP measure:

	Three-Month Period Ended	
	December 31, 2020	September 30, 2020
<i>(In thousands except share amounts)</i>		
Net Income (Loss)	\$ 7,394	\$ 8,118
Adjustments:		
Net realized (gains) losses on securities	(862)	(4,987)
Change in net unrealized (gains) losses on securities	2,259	4,575
Net realized (gains) losses on financial derivatives	(2,395)	648
Change in net unrealized (gains) losses on financial derivatives	(2,338)	(2,803)
Net realized gains (losses) on periodic settlements of interest rate swaps	(648)	(271)
Change in net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	267	(148)
Deferred offering costs expensed	—	39
Negative (positive) component of interest income represented by Catch-up Premium Amortization Adjustment	559	(405)
Subtotal	(3,158)	(3,352)
Core Earnings	\$ 4,236	\$ 4,766
Weighted Average Shares Outstanding	12,336,088	12,323,044
Core Earnings Per Share	\$ 0.34	\$ 0.39

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.

Conference Call

The Company will host a conference call at 11:00 a.m. Eastern Time on Wednesday, February 17, 2021, to discuss its financial results for the quarter ended December 31, 2020. To participate in the event by telephone, please dial (877) 437-3698 at least 10 minutes prior to the start time and reference the conference ID number 9224889. International callers should dial (810) 740-4679 and reference the same conference ID number. The conference call will also be webcast live over the Internet and can be accessed via the "For Our Shareholders" section of the Company's web site at www.earnreit.com. To listen to the live webcast, please visit www.earnreit.com at least 15 minutes prior to the start of the call to register, download, and install necessary audio software. In connection with the release of these financial results, the Company also posted an investor presentation, that will accompany the conference call, on the Company's website at www.earnreit.com under "For Our Shareholders—Presentations."

A dial-in replay of the conference call will be available on Wednesday, February 17, 2021, at approximately 2:00 p.m. Eastern Time through Wednesday, March 3, 2021 at approximately 11:59 p.m. Eastern Time. To access this replay, please dial (800) 585-8367 and enter the conference ID number 9224889. International callers should dial (404) 537-3406 and enter the same conference ID number. A replay of the conference call will also be archived on the Company's web site at www.earnreit.com.

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 involve numerous risks and uncertainties. Actual results may differ from the Company's beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "continue," "intend," "should," "would," "could," "goal," "objective," "will," "may," "seek," or similar expressions or their negative forms, or by references to strategy, plans, or intentions. Examples of forward-looking statements in this press release include, without limitation, the Company's beliefs regarding the current economic and investment environment, the Company's ability to implement its investment and hedging strategies, the Company's future prospects and the protection of the Company's net interest margin from prepayments, volatility and its impact on the Company, the performance of the Company's investment and hedging strategies, the Company's exposure to prepayment risk in the Company's Agency portfolio, and statements regarding the drivers of the Company's returns. The Company's results can fluctuate from month to month and from quarter to quarter depending on a variety of factors, some of which are beyond the Company's control and/or are difficult to predict, including, without limitation, changes in interest rates and the market value of the Company's securities, changes in mortgage default rates and prepayment rates, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940 and other changes in market conditions and economic trends, including changes resulting from the economic effects related to the COVID-19 pandemic, and associated responses to the pandemic. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed on March 12, 2020 and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q filed on May 11, 2020 which can be accessed through the link to the Company's SEC filings under "For Our Shareholders" on the Company's website (www.earnreit.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected or implied 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.

ELLINGTON RESIDENTIAL MORTGAGE REIT
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Three-Month Period Ended		Year Ended
	December 31, 2020	September 30, 2020	December 31, 2020
<i>(In thousands except share amounts)</i>			
INTEREST INCOME (EXPENSE)			
Interest income	\$ 6,174	\$ 7,776	\$ 27,320
Interest expense	(716)	(819)	(9,965)
Total net interest income	5,458	6,957	17,355
EXPENSES			
Management fees to affiliate	626	611	2,357
Professional fees	199	237	1,242
Compensation expense	175	140	608
Insurance expense	82	82	322
Other operating expenses	318	336	1,297
Total expenses	1,400	1,406	5,826
OTHER INCOME (LOSS)			
Net realized gains (losses) on securities	862	4,987	12,117
Net realized gains (losses) on financial derivatives	2,395	(648)	(13,204)
Change in net unrealized gains (losses) on securities	(2,259)	(4,575)	15,625
Change in net unrealized gains (losses) on financial derivatives	2,338	2,803	(5,955)
Total other income (loss)	3,336	2,567	8,583
NET INCOME (LOSS)	\$ 7,394	\$ 8,118	\$ 20,112
NET INCOME (LOSS) PER COMMON SHARE:			
Basic and Diluted	\$ 0.60	\$ 0.66	\$ 1.63
WEIGHTED AVERAGE SHARES OUTSTANDING	12,336,088	12,323,044	12,353,246
CASH DIVIDENDS PER SHARE:			
Dividends declared	\$ 0.28	\$ 0.28	\$ 1.12

ELLINGTON RESIDENTIAL MORTGAGE REIT
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	As of		
	December 31, 2020	September 30, 2020	December 31, 2019 ⁽¹⁾
<i>(In thousands except share amounts)</i>			
ASSETS			
Cash and cash equivalents	\$ 58,166	\$ 61,193	\$ 35,351
Mortgage-backed securities, at fair value	1,081,380	1,113,620	1,401,778
Other investments, at fair value	292	5,290	—
Due from brokers	47,798	49,530	34,596
Financial derivatives—assets, at fair value	2,791	1,738	4,180
Reverse repurchase agreements	—	20,013	2,084
Receivable for securities sold	—	7,191	5,500
Interest receivable	4,114	4,562	5,016
Other assets	270	380	604
Total Assets	\$ 1,194,811	\$ 1,263,517	\$ 1,489,109
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Repurchase agreements	\$ 1,015,245	\$ 1,061,640	\$ 1,296,272
Payable for securities purchased	—	5,308	19,433
Due to brokers	1,064	669	33
Financial derivatives—liabilities, at fair value	6,630	7,916	2,047
U.S. Treasury securities sold short, at fair value	—	19,986	2,070
Dividend payable	3,456	3,454	3,488
Accrued expenses	918	1,077	588
Management fee payable to affiliate	626	611	605
Interest payable	470	455	3,729
Total Liabilities	1,028,409	1,101,116	1,328,265
SHAREHOLDERS' EQUITY			
Preferred shares, par value \$0.01 per share, 100,000,000 shares authorized; (0 shares issued and outstanding, respectively)	—	—	—
Common shares, par value \$0.01 per share, 500,000,000 shares authorized; (12,343,542, 12,334,636, and 12,455,758 shares issued and outstanding, respectively)	123	123	124
Additional paid-in-capital	229,614	229,551	230,358
Accumulated deficit	(63,335)	(67,273)	(69,638)
Total Shareholders' Equity	166,402	162,401	160,844
Total Liabilities and Shareholders' Equity	\$ 1,194,811	\$ 1,263,517	\$ 1,489,109
SUPPLEMENTAL PER SHARE INFORMATION			
Book Value Per Share	\$ 13.48	\$ 13.17	\$ 12.91

(1) Derived from audited financial statements as of December 31, 2019.

**ELLINGTON RESIDENTIAL MORTGAGE REIT ANNOUNCES
APPOINTMENT OF C.C. MELVIN IKE TO BOARD OF TRUSTEES**

OLD GREENWICH, CONNECTICUT, February 16, 2021—Ellington Residential Mortgage REIT (NYSE: EARN) (the "Company") today announced the appointment of C. C. Melvin "Mel" Ike to its Board of Trustees (the "Board"), effective immediately. Mr. Ike replaces Menes O. Chee, a member of the Board since May 2013, who is resigning in conjunction with Mr. Ike's appointment.

"We are excited to have Melvin Ike join our Board as a Trustee. Mel's experience as a senior member of the Tactical Opportunities Group at Blackstone should make for a seamless transition. We would like to thank Menes for his service as Blackstone's representative on the Board for the past seven years, and wish him well in his new role as the head of Blackstone's Tactical Opportunities business in Asia," said Laurence Penn, Chief Executive Officer of EARN.

Mr. Ike added, "I am excited to be named as a Trustee of EARN, and look forward to partnering with the Board and management team to continue delivering excellent returns for shareholders."

Mr. Ike is a Principal in the Tactical Opportunities Group at Blackstone, which is Blackstone's global opportunistic investment platform. He focuses primarily on collaborative engagements and partnerships with public companies, private equity, and growth equity in a variety of industries. Before joining Blackstone in 2019, Mr. Ike was a Principal at Third Point LLC from 2015 to 2019, where he focused on special situations and activist investments across several industries. Prior to Third Point, he was an investment professional in the private equity group at TPG Capital and an investment banker in the Restructuring Group at Lazard.

Mr. Ike received a B.S. in Biomedical Engineering with a Cellular and Bio-molecular concentration from the University of Texas, where he was a student-athlete. He also earned a JD, cum laude, from Harvard Law School where he earned numerous Dean's Scholar Prizes, and an MBA with High Distinction from Harvard Business School, where he graduated as a George F. Baker Scholar, was the winner of the John L. Loeb Prize, graduated with the highest academic standing in his class, and was the highest ranked student in the Finance Department.

Mel currently serves on the Board of Directors of Aqua Finance, the Marshall Project, the Harvard Law School Association of New York, and Youth INC.

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, including changes resulting from the economic effects related to the COVID-19 pandemic, and associated responses to the pandemic. 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 12, 2020 and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q filed on May 11, 2020, which can be accessed through the link to our SEC filings under "For Our Shareholders" on our website (www.earnreit.com) or at the SEC's website (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.