

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Apollo Residential Mortgage, Inc.		45-0679215	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Investor Relations	212-822-0767	hmginsberg@apollo1p.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
9 West 57th Street, 43rd Floor		New York, NY 10019	
<b>8</b> Date of action		<b>9</b> Classification and description	
August 31, 2016		8.00% Series A Cumulative Redeemable Perpetual Preferred Stock of AMTG	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
		AMTG-PA	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 31, 2016, Apollo Residential Mortgage, Inc. preferred stockholders exchanged 100% of each share of 8.00% Series A Cumulative Redeemable Perpetual Preferred Stock in Apollo Residential Mortgage, Inc. ("AMTG Series A Preferred Stock") for 100% of the shares of 8.00% Series C Cumulative Redeemable Perpetual Preferred Stock in Apollo Commercial Real Estate Finance, Inc. ("ARI Series C Preferred Stock").

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Apollo Residential Mortgage, Inc. preferred stockholders recognized gain or loss equal to the difference between their adjusted tax basis in the AMTG Series A Preferred Stock immediately before the exchange and the fair value of ARI Series C Preferred Stock. Apollo Residential Mortgage, Inc. stockholders basis in their shares of ARI Series C Preferred Stock received in the exchange equals the fair value of their shares of ARI Series C Preferred Stock received as of August 31, 2016.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The opening market price of the ARI Series C Preferred Stock on September 1, 2016 was \$24.84 per share. ARI Series C Preferred Stock did not trade on August 31, 2016.

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC § 1001

**18** Can any resulting loss be recognized? ▶ Apollo Residential Mortgage, Inc. preferred stockholders will determine any gain or loss based on the difference between their adjusted tax basis in their shares of AMTG Series A Preferred Stock immediately before the exchange and the fair value of the shares of ARI Series C Preferred Stock received in the exchange.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This transaction took place on August 31, 2016.

Former Apollo Residential Mortgage, Inc. preferred stockholders are urged to consult their own tax advisors with respect to their respective tax consequences of the merger. The information contained in this document does not constitute tax advice.

The Issuer is providing this information for informational purposes only, notwithstanding that the merger may not constitute an "organizational action".

See the Proxy dated July 27, 2016, page 129, Material U.S. Federal Income Tax Consequences, for a complete discussion of the material tax consequences.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name JOHN NIEMIEC	Preparer's signature <i>John Niemiec</i>	Date 09/27/2016	Check <input type="checkbox"/> if self-employed	PTIN P01327821
	Firm's name ▶ DELOITTE TAX LLP			Firm's EIN ▶ 86-1065772	
	Firm's address ▶ 30 ROCKEFELLER PLAZA, NEW YORK, NY 10112-0015			Phone no. 212-492-4000	