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**2016 DIVIDEND INCOME TAX TREATMENT FOR
APOLLO RESIDENTIAL MORTGAGE, INC.**

The estimated federal income tax treatment of Apollo Residential Mortgage, Inc.'s 2016 distributions on its common stock (CUSIP #03763V102) and on its 8.00% Series A Cumulative Redeemable Perpetual Preferred stock (CUSIP #03763V201) is detailed below.

The federal income tax classification of the 2016 dividend distributions on the Company's common stock as it is expected to be reported on Form 1099-DIV is set forth in the following table:

Record Date	Payable Date	Total Distribution Per Share	Ordinary Income Per Share	Return of Capital Per Share	Capital Gain Per Share
03/31/2016	04/29/2016	\$0.4800	\$0.4800	\$ -	\$ -
06/30/2016	07/29/2016	\$0.4800	\$0.4800	\$ -	\$ -

The federal income tax classification of the 2016 dividend distributions on the Company's 8.00% Series A Cumulative Redeemable Perpetual Preferred stock as it is expected to be reported on Form 1099-DIV is set forth in the following table:

Record Date	Payable Date	Total Distribution Per Share	Ordinary Income Per Share	Return of Capital Per Share	Capital Gain Per Share
03/31/2016	04/29/2016	\$0.5000	\$0.5000	\$ -	\$ -
06/30/2016	07/29/2016	\$0.5000	\$0.5000	\$ -	\$ -

Stockholders are encouraged to consult with their own tax advisors as to their specific tax treatment of the Company's distributions.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These forward-looking statements include information about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: the return on equity; the yield on investments; the ability to borrow to finance assets; and risks associated with investing in real estate assets, including changes in business conditions and the general economy. For a further list and description of such risks and uncertainties, see the reports filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking

statements are not predictions of future events. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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