

Anworth Mortgage Asset Corporation
Series B Conversion Ratio (Effective on January 1, 2020)

The conversion ratio formula is as follows:

$$CR1 = CRo + ((\$25 \times (CSY - 6.25\%) / 4) / SP)$$

CR1 = conversion ratio after the change

CRo = conversion ratio immediately preceding the change

SP = the average of the closing sale price per common share over the 10 consecutive trading day period prior to the trading day immediately preceding the earlier of the record date or the ex-dividend date of such excess cash dividend

CSY = annualized common stock dividend yield, calculated as all cash dividends and cash distributions paid to our common stockholders during the fiscal quarter, multiplied by 4, divided by SP

6.25% = Dividend Threshold Amount

4th Quarter 2019

Common stock dividend paid	\$	0.09
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Ex-Dividend Date	December 30, 2019
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Record Date	December 31, 2019
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Payable Date	January 29, 2020
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10-day pricing period:

12/12/19	\$	3.63
12/13/19	\$	3.61
12/16/19	\$	3.63
12/17/19	\$	3.70
12/18/19	\$	3.68
12/19/19	\$	3.67
12/20/19	\$	3.67
12/23/19	\$	3.62
12/24/19	\$	3.68
12/26/19	\$	3.69

(CRo) Conversion ratio before the change is:	5.5379
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(SP) Average Closing Common stock price over prior 10 days =	\$	3.66
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(CSY) Annualized common stock dividend yield =	9.8414%
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Based upon the formula and the above inputs:

CR1 =	<u><u>5.5992</u></u>
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