



PRESS RELEASE

FOR IMMEDIATE RELEASE
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DYNEX CAPITAL, INC. ANNOUNCES 2016 DIVIDEND TAX INFORMATION

GLEN ALLEN, Va.--Dynex Capital, Inc. (NYSE: DX) today announced tax information with respect to its 2016 Common Stock, Series A Preferred Stock and Series B Preferred Stock dividends.

Dividend Tax Information

We are providing the information below to assist shareholders with their tax reporting requirements relating to the dividend distributions by Dynex Capital, Inc. (“Dynex” or the “Company”). As detailed below, dividends paid by Dynex on its Common Stock were in part ordinary taxable income and in part a return of capital. No portion of the dividends paid in 2016 were capital gains. The distributions of ordinary taxable income are not eligible for the tax rate reductions enacted for qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003 and are accordingly being reported as non-qualifying dividends.

Shareholders should review the 2016 tax statements and/or Forms 1099 that they receive from their brokerage firms in order to ensure that the dividend distribution information reported on such statements conforms to the information set forth in this press release.

The table below provides a summary of the tax information relating to the quarterly dividend distributions of the Company for the 2016 tax year:

Dynex Capital, Inc. Common Stock (CUSIP 26817Q506)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
12/30/2016	01/31/2017	\$0.21	\$0.0643219	\$0.00	\$0.1456781
10/05/2016	10/31/2016	\$0.21	\$0.0643219	\$0.00	\$0.1456781
07/06/2016	07/29/2016	\$0.21	\$0.0643219	\$0.00	\$0.1456781
04/01/2016	04/29/2016	\$0.21	\$0.0643219	\$0.00	\$0.1456781
		\$0.84	\$0.2572876	\$0.00	\$0.5827124

Dynex Capital, Inc. Series A Preferred Stock (CUSIP 26817Q704)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
10/01/2016	10/15/2016	\$0.53125000	\$0.5312500	\$0.00	\$0.00
07/01/2016	07/15/2016	\$0.53125000	\$0.5312500	\$0.00	\$0.00
04/01/2016	04/15/2016	\$0.53125000	\$0.5312500	\$0.00	\$0.00
01/01/2016	01/15/2016	\$0.53125000	\$0.5312500	\$0.00	\$0.00
		\$2.12500000	\$2.1250000	\$0.00	\$0.00

Dynex Capital, Inc. Series B Preferred Stock (CUSIP 26817Q803)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
10/01/2016	10/15/2016	\$0.47656250	\$0.47656250	\$0.00	\$0.00
07/01/2016	07/15/2016	\$0.47656250	\$0.47656250	\$0.00	\$0.00
04/01/2016	04/15/2016	\$0.47656250	\$0.47656250	\$0.00	\$0.00
01/01/2016	01/15/2016	\$0.47656250	\$0.47656250	\$0.00	\$0.00
		\$1.90625000	\$1.90625000	\$0.00	\$0.00

Dividend Reinvestment

Dividends may be reinvested through the Dynex Capital, Inc. Dividend Reinvestment and Share Purchase Plan. Plan information may be obtained from the Company's transfer agent, Computershare, at 1-866-280-0407.

Tax Disclaimer

The information above should not be construed as tax advice and is not a substitute for careful tax planning and analysis. Shareholders should consult their tax advisors regarding the specific federal, state, local, foreign and other tax consequences to them regarding their ownership of shares of the Company's Common and Preferred stock.

Dynex Capital, Inc. is an internally managed real estate investment trust, or REIT, which invests in mortgage assets on a leveraged basis. The Company invests in Agency and non-Agency RMBS, CMBS, and CMBS IO. Additional information about Dynex Capital, Inc. is available at www.dynexcapital.com.

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