

PRESS RELEASE

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DYNEX CAPITAL, INC. ANNOUNCES TAX INFORMATION ON COMMON STOCK AND PREFERRED DIVIDENDS

GLEN ALLEN, Va.--Dynex Capital, Inc. (NYSE: DX) today announced tax information on its 2013 Common Stock and Series A and B Preferred Stock dividends.

Dividend Tax Information

We are providing this information below to assist you in your tax reporting requirements relating to the distribution as dividends of taxable income by Dynex Capital, Inc. (“Dynex” or the “Company”). As detailed below, dividends paid by Dynex on its Common Stock and Series A and B Preferred Stock were in part ordinary taxable income and in part capital gains. No portion of the dividends paid in 2013 were attributable to a return of capital. 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 2013 tax statements and/or 1099s 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 notice.

The table below provides a summary of the tax information relating to the quarterly dividend distributions of the Company for the 2013 tax year:

Dynex Capital Common Stock (CUSIP 26817Q506)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
12/31/2013	01/31/2014	\$0.27	\$0.2567332	\$0.0132668	\$0.00
10/07/2013	10/31/2013	\$0.27	\$0.2567332	\$0.0132668	\$0.00
06/28/2013	07/31/2013	\$0.29	\$0.2757505	\$0.0142495	\$0.00
04/01/2013	04/30/2013	\$0.29	\$0.2757505	\$0.0142495	\$0.00
		\$1.12	\$1.0649674	\$0.0550326	\$0.00

Dynex Capital Series A Preferred Stock (CUSIP 26817Q704)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
10/07/2013	10/15/2013	\$0.53125000	\$0.5051464	\$0.0261036	\$0.00
07/01/2013	07/15/2013	\$0.53125000	\$0.5051464	\$0.0261036	\$0.00
04/01/2013	04/15/2013	\$0.53125000	\$0.5051464	\$0.0261036	\$0.00
01/01/2013	01/15/2013	\$0.53125000	\$0.5051464	\$0.0261036	\$0.00
		<u>\$2.12500000</u>	<u>\$2.0205856</u>	<u>\$0.1044144</u>	<u>\$0.00</u>

Dynex Capital Series B Preferred Stock (CUSIP 26817Q803)

Dividend Record Date	Payment Date	Dividends per Share	Ordinary Income	Capital Gain Distribution	Return of Capital
10/07/2013	10/15/2013	\$0.47656250	\$0.4531460	\$0.0234165	\$0.00
07/01/2013	07/15/2013	\$0.46068000	\$0.4380439	\$0.0226361	\$0.00
		<u>\$0.93724250</u>	<u>\$0.8911899</u>	<u>\$0.0460526</u>	<u>\$0.00</u>

Dividend Reinvestment

Dividends may be reinvested through the Dynex Capital, Inc. Dividend Reinvestment Plan. Plan information may be obtained from the Company's transfer agent, Computershare, at 866-280-4097.

Tax Disclaimer

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

Dynex Capital, Inc. is an internally managed mortgage real estate investment trust, or mortgage REIT, which invests in mortgage assets on a leveraged basis. The Company invests in Agency and non-Agency RMBS and CMBS. The Company also has investments in securitized single-family residential and commercial mortgage loans originated or purchased by the Company during the 1990s. Additional information about Dynex Capital, Inc. is available at www.dynexcapital.com.