DYNEX CAPITAL INC.

First Quarter 2023 Earnings Presentation

April 24, 2023

Safe Harbor Statement

NOTE:

This presentation contains certain statements that are not historical facts and that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this presentation addressing expectations, assumptions, beliefs, projections, estimates, future plans, strategies, and events, developments that we expect or anticipate will occur in the future, and future operating results or financial condition are forward-looking statements. Forward-looking statements in this presentation may include, but are not limited to, our views on longer-term returns, macroeconomic and industry trends, statements regarding our financial performance in future periods, future interest rates and their impact on our financial measures, our views on expected characteristics of future investment environments, inflation levels, mortgage spreads, the yield curve, prepayment rates and investment risks and trends, our future investment strategies, our future leverage levels and financing strategies and costs, and liquidity, the use of specific financing and hedging instruments and the future impacts of these strategies, the amount, timing or funding of future dividends, future actions by the Federal Reserve and other central banks and GSEs and the expected performance of our investments. The words "will," "believe," "expect," "forecast," "anticipate," "intend," "estimate," "assume," "project," "plan," "continue," and similar expressions also identify forward-looking statements. These forward-looking statements reflect our current beliefs, assumptions and expectations based on information currently available to us, and are applicable only as of the date of this presentation. Forward-looking statements are inherently subject to risks, uncertainties, and other factors, some of which cannot be predicted or quantified and any of which could cause the Company's actual results and timing of certain events to differ materially from those projected in or contemplated by these forward-looking statements. Not all of these risks, uncertainties and other factors are known to us. New risks and uncertainties arise over time, and it is not possible to predict those risks or uncertainties or how they may affect us. The projections, assumptions, expectations or beliefs upon which the forward-looking statements are based can also change as a result of these risks and uncertainties or other factors. If such a risk, uncertainty, or other factor materializes in future periods, our business, financial condition, liquidity and results of operations may differ materially from those expressed or implied in our forward-looking statements.

While it is not possible to identify all factors, some of the factors that may cause actual results to differ from historical results or from any results expressed or implied by our forward-looking statements, or that may cause our projections, assumptions, expectations or beliefs to change, include the risks and uncertainties referenced in our Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent filings with the Securities and Exchange Commission, particularly those set forth under the caption "Risk Factors".

Performance Highlights

Comprehensive Income (Loss) (per common share)	
$1.17	$(0.54)
Q4 22	Q1 23

Book Value (per common share)	
$14.73	$13.80
Q4 22	Q1 23

Total Economic Return(1)	
6.2%	(3.7)%
Q4 22	Q1 23

Net Income (Loss) (per common share)	
$0.85	$(0.81)
Q4 22	Q1 23

Leverage(2)	
6.1x	7.8x
Q4 22	Q1 23

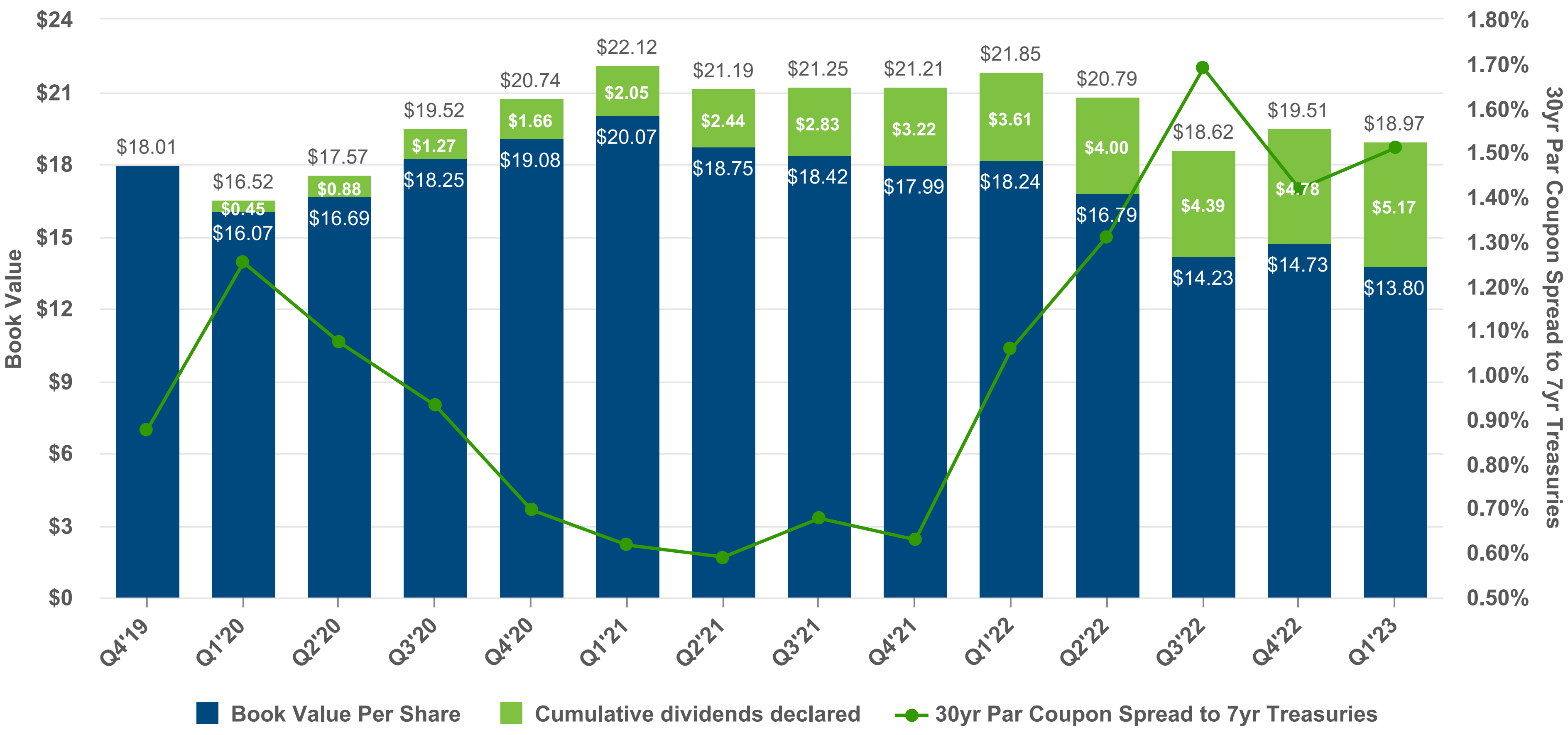
Average Earning Assets (inclusive of TBAs)	
$6.1B	$6.9B
Q4 22	Q1 23

*(1) Equals sum of dividend declared per common share during the quarter **plus** the change in book value per common share during the quarter **divided by** beginning book value per common share.*
*(2) Leverage equals the sum of (i) total liabilities **plus** (ii) amortized cost basis of TBA long positions **divided by** total shareholders' equity.*

Navigating this Decade's Volatility

Our disciplined approach delivers an attractive risk-adjusted return and consistent dividend during a volatile market environment

Building Long-Term Value

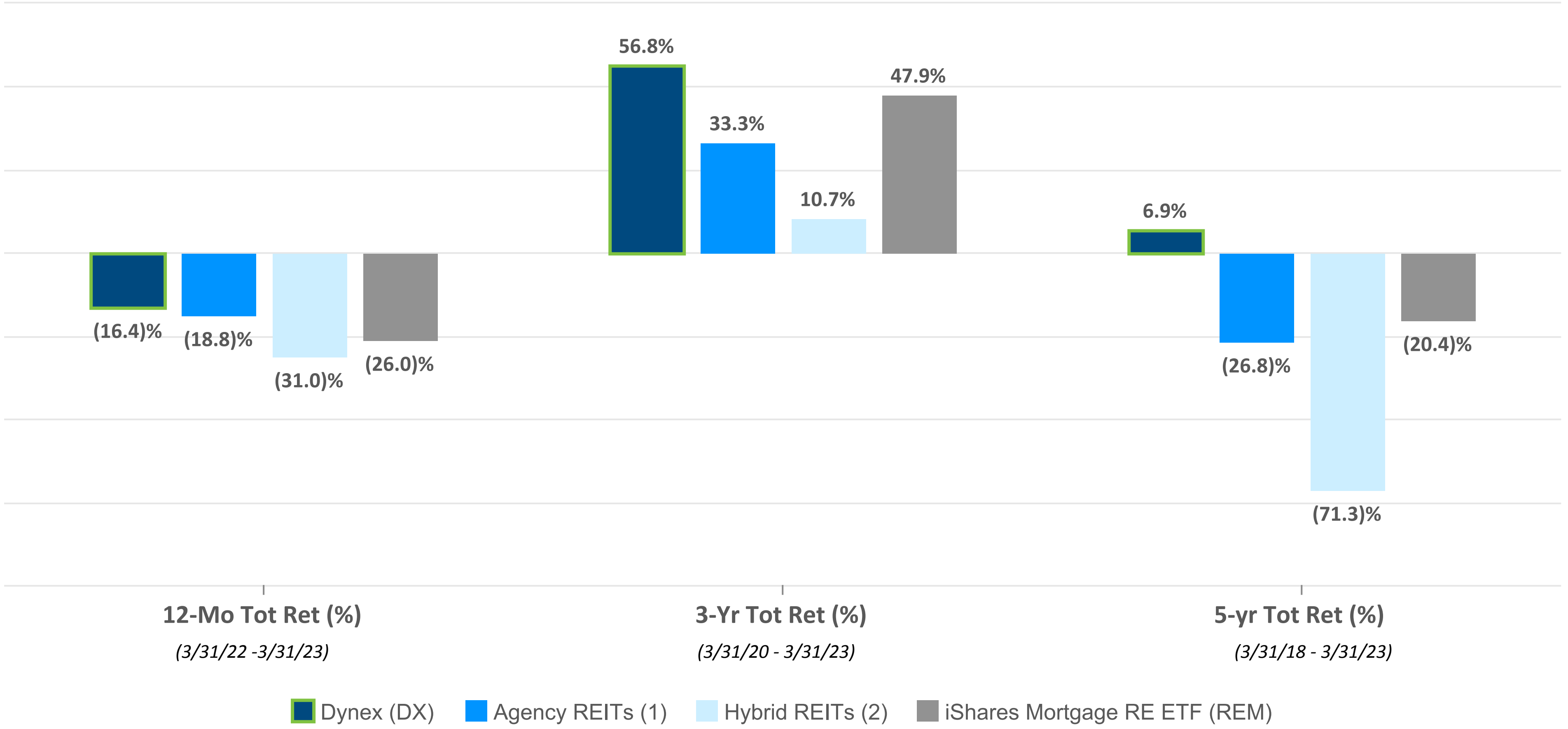


[(1)] Sources: Bloomberg FNMA par coupon vs 7-year treasury spread

Dynex Performance

Experience in managing assets through multiple economic cycles and a disciplined investment process results in Dynex long-term outperformance during periods of high volatility

Cumulative Total Shareholder Returns

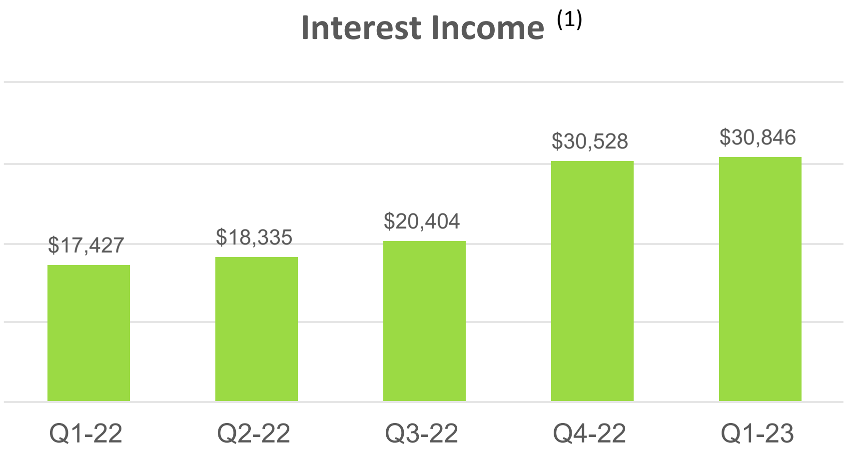


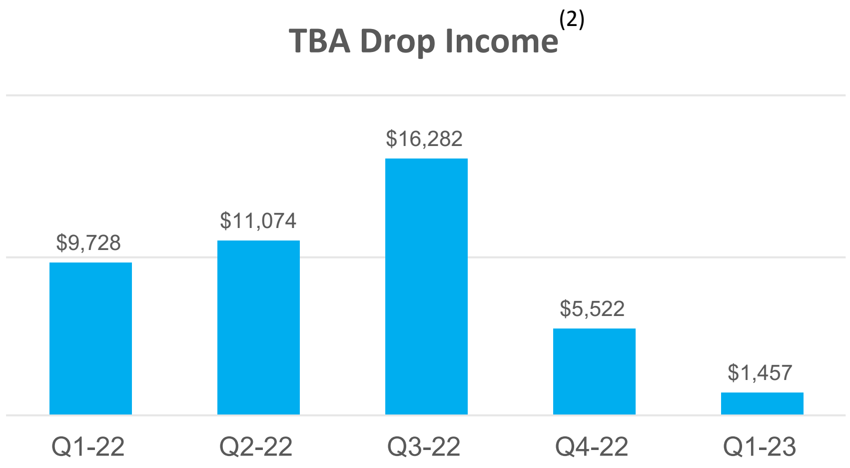
(1) Select Agency MREITS on an equal weight basis
(2) Select Hybrid MREITS on an equal weight basis

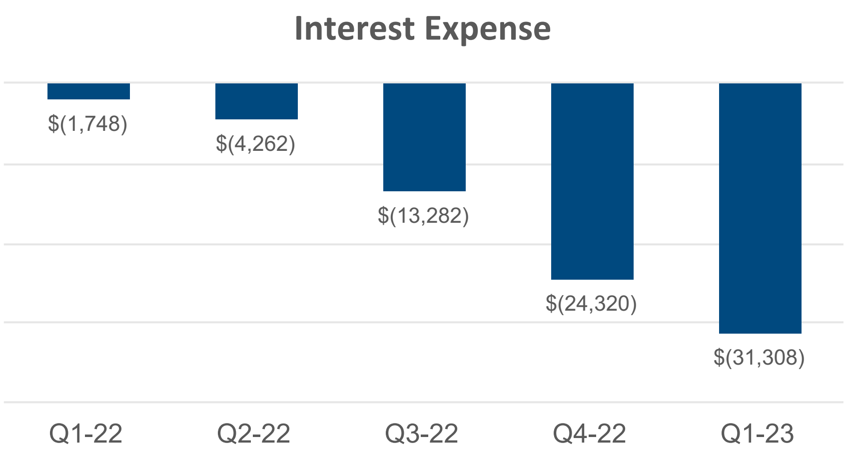
Source: Bloomberg. Assumes dividends are reinvested in the respective security.

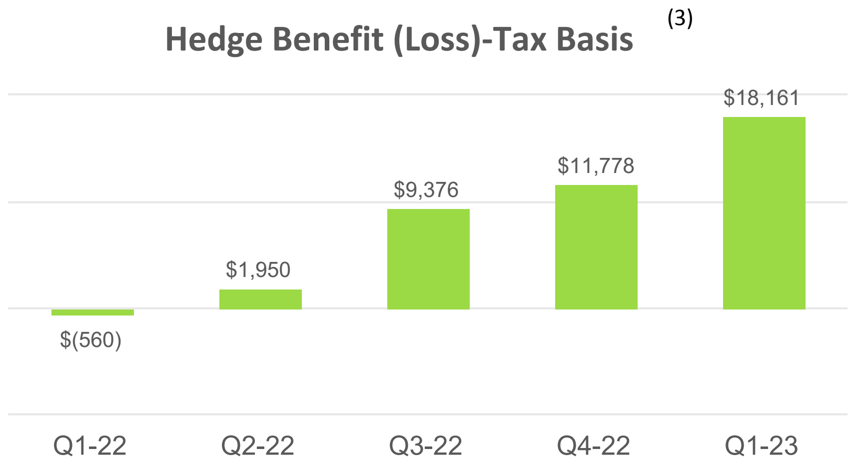
Primary Components of Portfolio Returns *(excluding mark-to-market)*

The impact of rising financing costs has been mostly offset by higher yielding assets and deferred tax hedge gains.









(1) Interest income includes amounts earned from cash equivalents, but net interest spread and adjusted net interest spread do not include yields on cash equivalents.
(2) TBA drop income is a component of our adjusted net interest income/spread and EAD. Non-GAAP measures are reconciled to GAAP measures on slide 29.
(3) Amount represents the amortization of deferred tax hedge gains previously recognized in GAAP earnings, but not distributable to shareholders until recognized in REIT taxable income.

Key Long-Term Macroeconomic Themes

Global fundamentals are shifting as the disinflation of the last 20 years is being met by a series of inflationary pressures. Debt dynamics are becoming a key determinant in the trajectory of growth and interest rates. Central bank policy continues to play a major role in driving valuations.

- Inflationary pressures from factors including geopolitical fragmentation, the transition to cleaner energy, the strategic competition for resources, and resulting human conflict are strongly and persistently counteracting disinflationary impacts of the last 20 years from aging demographics and technology. Over the very long term, we may still see the impacts of technology and demographics dominate but in the medium term, inflationary pressures are rising.
    - Central banks remain focused on inflation as the key risk and are willing to look through mild recessions to focus on price stability
    - Current central bank playbook is providing liquidity for crises while raising rates to achieve appropriately tight financial conditions
    - A severe global crisis on an unprecedented scale would be needed for a reversion to zero or negative interest rate policy and quantitative easing
    - The Bank of Japan’s policy liftoff on rates and yield curve control will be a major factor in driving global capital flows and may have significant implications for global asset prices and interest rates
    - Central bank tightening flexibility may be limited by unsustainable debt levels that pose a risk to economic growth or risks to financial stability, further complicating inflation dynamics
- Government policy towards defense and public spending will likely need to rise to manage the spillover effects from global fragmentation and increased focus on energy and resource security. In the US, this may result in increased deficits, financed with a combination of debt and higher taxes which would put upward pressure on government bond yields
- Perceived US political instability and global human conflict has resulted in a gradual trend towards the “de-dollarization” of capital flows which may impact the valuation of US sovereign debt in the long term, possibly resetting yields higher
- Upcoming debt ceiling negotiations are a bellwether for future US credibility in financial markets and a major risk factor

Key Long-Term Macroeconomic Themes

We remain at a significant inflection point in global dynamics, with the next few years being critical to determining the direction of the eventual path forward. Short- and medium-term trends point to upward pressure on inflation and bond yields, although lower rates cannot be ruled out during periods of weakness and volatility. We expect continued re-pricing of risk across asset classes, creating an environment fraught with risk and flush with opportunity.

- Central bank balance sheets are likely to continue to shrink, impacting asset prices across the spectrum as liquidity is removed
  - We have expected and continue to expect surprises from the unintended consequences of quantitative easing
  - Private investors will need to replace central bank and private bank demand for sovereign debt and in the US, agency mortgage-backed securities
- We are in an unprecedented time of change in the global economy and the yardstick by which to measure what is a fair return for this risk environment is changing
  - Pricing of assets for the last 14 years has been severely distorted by monetary easing; making past returns no longer the accurate comparison. We are focused on evaluating returns in the context of a possible future without the bias of central banks being price makers – this will continue to be a key foundational element of our thinking.
- We continue to characterize the investing landscape as a “flat-fat-tail distribution” environment with a high probability for surprises. There are more outcomes, more equal probabilities in the outcomes, a wider range of outcomes and the possibility for skewed distributions and unexpected events. Our risk and investment strategy are formulated in this context.
- Our focus is on scenario analysis, preparation and flexibility. In this environment, the medium- to long term is more heavily weighted in our thought process.

Market Environment and Positioning

Favorable investing environment continues as credit spreads on assets are wider, and when hedged over the medium to long term, currently provide mid to high teens ROE. We have been preparing for a general rise in macroeconomic and market volatility with high levels of liquidity and a flexible position.

The Market Environment

- The treasury yield curve remains significantly inverted from Fed Funds to the 10-year point. Interest rate hedges remain a key part of the ability to generate long-term returns in this environment.
- Yield curve volatility continues with most of the movement occurring on shorter maturity instruments – zero to two years. The longer end of the curve, while still volatile, has been relatively more stable
- Markets are focused on lagging impacts of 500 bps of monetary tightening and forthcoming impacts of credit tightening due to bank stress, anticipating a recession and Fed cuts of 200 bps starting in 3Q 2023.
- Agency MBS spreads widened in March and reflect the current dynamic of potential supply from FDIC sales of Silicon Valley and Signature Bank agency MBS portfolios, as well as rising supply from seasonal activity.
- We anticipate agency MBS spreads to trade in a range at wider levels, with further widening during periods of volatility. Spread tightening can occur during periods of calm and declining net supply.   Longer term, we believe agency MBS will offer compelling returns versus credit sensitive assets as defaults begin to rise.

Positioning

- Most of our assets are priced below par with extension risk fairly limited and as such, are matched with our hedges. Book value has been driven primarily by MBS spread widening post banking turmoil in March.
- We are comfortable with current portfolio structure, size and positioning. We continue to prepare for unexpected factors while maintaining high levels of liquidity and flexibility. We believe the coming quarters will provide ample investment opportunity at wide spreads.

Long-Term Par Coupon 30-year Agency RMBS Returns

We remain at historically wide levels surpassed only by the levels seen during the Great Financial Crisis of 2008 and we believe we are in a period of persistent investment opportunities

Long Term 30 Year Agency RMBS Returns (1) (2)

(1) Chart is indicative of DX views only
(2) Source: Bloomberg data (Current Coupon “MTGEFNCL Index” vs. 5&10 Year weighted average treasury)

Agency RMBS Market Dynamics and Portfolio Strategy

Agency MBS spreads can remain range bound at today's wider levels with further widening providing opportunities to add assets. The key is managing the size of the balance sheet to add value during volatility.

Fundamentals: Generally strong

- Housing market activity measures have picked up in recent months after a sharp decline in 2022, mostly reflecting seasonal uptrends.
- Mortgage rates remain around 6.5% with low affordability levels. Supply remains constrained due to lock-in effects.
- Almost 80% of mortgages are not refinanceable at today's rates levels and if rates remain here, future prepayment speeds will be driven by primarily by housing turnover. We estimate base housing turnover to stabilize between 4% and 5%, even with lower or negative HPA.
- Demographically driven demand for housing remains very robust, with the largest age cohort of millennials now entering prime home-buying age. This can support both new and existing home sales and cushion any significant declines in home values.

Technicals: Supply is dominating the picture

- Fed balance sheet is shrinking, QT expected to continue, banks will remain on the sidelines, SVB and Signature sales are a supply overhang
- Market operating without a Fed or GSE "backstop" bid, causing more spread volatility as spring / summer supply begins to hit
- ICI mutual fund flow data shows outflows in March from fixed income mutual funds and hence diminished demand from money managers
- Hedge funds are more active in the MBS space, driving active trading across the coupon stack and contributing to more basis volatility
- There are more tradeable coupons in the markets than in over a decade, offering opportunities for relative value

Psychology: MBS now trading more technically

- Investors are focused on the timing of sales from the FDIC of SVB and Signature portfolios
- While prepayment risk from refinancing is low, investors are focused on levels of turnover and extension risk in lower coupons
- During periods of high volatility, the liquid MBS product is often the first one sold to raise cash or reduce risk. This causes MBS spread widening to lead other spread products during periods of stress, particularly credit or liquidity stress.

Value

- MBS correlation has decoupled from rates and other risk assets due to the potential sale of assets from SVB and Signature portfolios and new supply
- Pricing today generally reflects most of the impact of these sales as well as QT. Few near term catalysts for significant spread tightening but lower volatility can tighten spreads 15-20 bps. However, mortgage rates below 5% or above 6.5% could precipitate substantial widening of spreads to Treasuries
- We are focused on assets that can be hedged, with durations that are more solid or predictable to anchor the portfolio. We balance this with higher coupons that offer better current returns with more active hedging required

Well-Positioned for a Favorable Investment Environment

Persistent investment opportunity in Agency RMBS as the largest non-economic buyer exits and unanticipated supply from bank sales enters the market. We believe our book value preservation and low leverage put us in excellent position to capitalize on this opportunity.

Existing Balance Sheet

- Diversified with a more balanced risk profile
- Limited exposure to spread widening due to low starting leverage and less exposure to specified pool pay-ups
- Book value positioned to benefit from even modest spread tightening

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Incremental Investments

- Will selectively increase leverage as spreads widen
- Marginal returns in the mid to high teens ROE and exceeds our dividend yield
- Incremental earnings power is expected to be substantial
- Coupon and product diversification opportunity in the long term (CMBS, CRT, Non-Agency)

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Solid Long-Term Returns

- Spread tightening is a significant driver of upside to economic return
- Larger diversified portfolio positioned to deliver attractive long-term returns

Risk Position - Interest Rate and Spread Sensitivity

Portfolio profile reflects convexity of up-in coupon position

Interest Rate Sensitivity

Parallel Curve Shift (bps)	Percentage Change in Common Shareholders' Equity	
	As of March 31, 2023	As of December 31, 2022
100	(0.8)%	(1.0)%
50	0.7%	(0.2)%
-50	(3.5)%	(1.0)%
-100	(10.2)%	(4.0)%

Curve Shift 2 year Treasury (bps)	Curve Shift 10 year Treasury (bps)	Percentage Change in Common Shareholders' Equity	
		As of March 31, 2023	As of December 31, 2022
25	50	0.0%	(1.0)%
50	25	0.9%	0.6%
0	-25	(0.7)%	0.4%
-10	-50	(2.4)%	0.1%
-25	-75	(5.7)%	(1.4)%

The estimated changes in the Interest Rate Sensitivity tables incorporate duration and convexity inherent in our investment portfolio as it existed as of the dates indicated. Percentage changes assume no change in market credit spreads.

Credit Spread Sensitivity

Change in Market Credit Spreads (bps)	Percentage Change in Common Shareholders' Equity	
	As of March 31, 2023	As of December 31, 2022
+20/+50 (1)	(10.1)%	(9.1)%
10	(5.0)%	(4.5)%
-10	5.0%	4.5%
-20/-50 (1)	10.1%	9.1%

(1) Incorporates a 20-basis point shift in Agency RMBS/CMBS and a 50-basis point shift in CMBS IO.

Source: Company models based on modeled option adjusted duration. Includes changes in market value of our investments, including TBA securities, and derivative instruments used to hedge interest rate risk.

Key Takeaways

- Mortgage spreads are at generationally wide levels and represent a historic and persistent period of high investment returns
- The collective experience of our team, emphasis on risk management, capital preservation, disciplined asset allocation, and hedging are important differentiating factors to capitalize on this opportunity
- We characterize the investing landscape as a “flat-fat-tail distribution” environment with a high probability for surprises.
- Our risk posture reflects this view and we are operating with ample liquidity in order to seek to take advantage of opportunities in 2023, prepared for multiple possible outcomes.
    - As of March 31, 2023, we had over $554 million of cash and unencumbered assets.
- We believe our existing portfolio is positioned to provide economic return to support the dividend. We have hedged a substantial portion of our financing costs, which has largely mitigated the rise in short term financing costs – this is evident in the value of our hedges.
- We expect to drive incremental returns in the portfolio by continuing to add assets, opportunistic capital raising, and deployment. In the long term, we believe spread tightening can also drive significant upside to returns.
- We continue to manage our business with a long-term view to support solid return generation well into the future.

Long-Term Industry Trends

Positive long-term fundamental trends support Dynex's business model

1 Favorable investment environment and demand for cash income

- U.S. demographic trends will drive demand for housing and yield
- We believe we are entering a period of sustainable marginal returns in the mid-teens ROE
- Agency MBS provide an excellent source of return that can be viewed as more attractive as we enter a period with rising consumer and corporate defaults

2 Further expansion of returns as central banks reduce their balance sheets

- Need for private capital to replace government balance sheets
- Higher returns as Federal Reserve reduces its footprint over the long-term

3 Focus on Corporate Responsibility

- Experienced, ethical, and purpose-driven team
- Committed to our core values of *Stewardship, Performance, Integrity, Trust, Kindness, Equality & Inclusion, Innovation and Collaboration*
- Operational improvements will build a solid foundation for the success of Dynex

Why Dynex

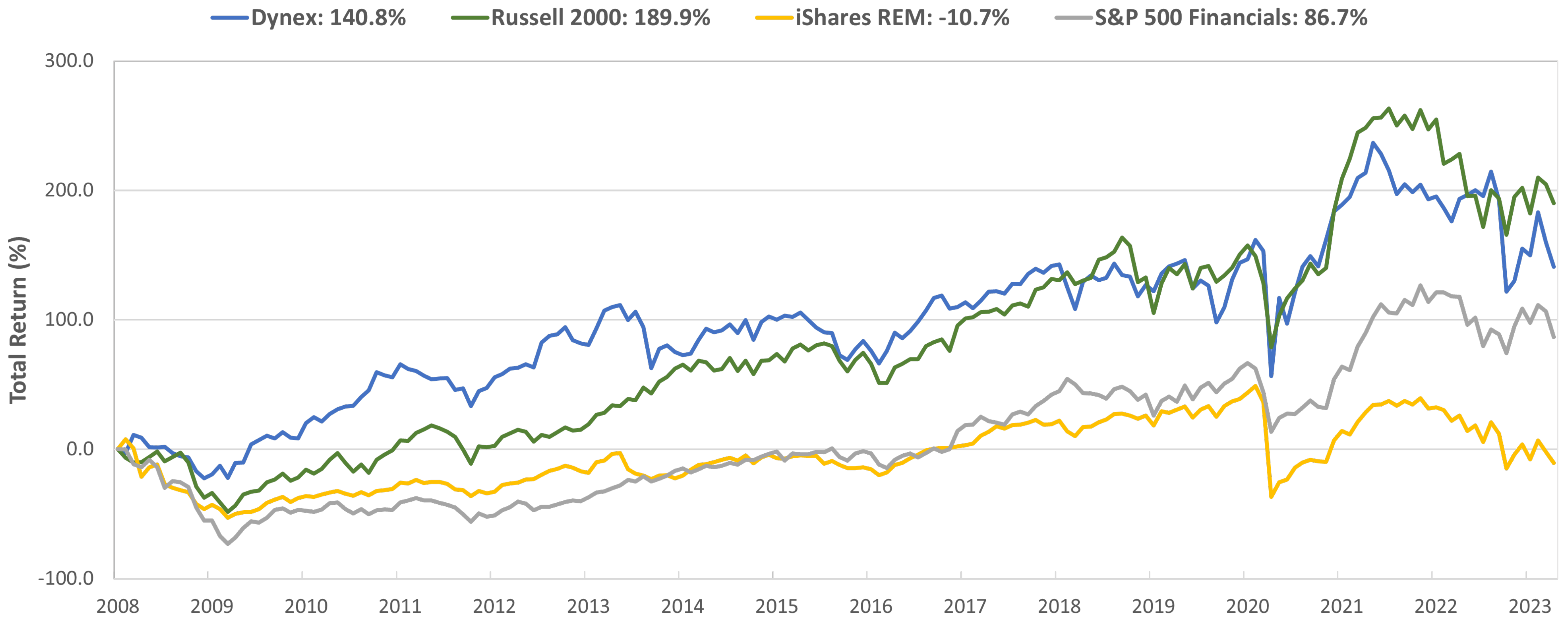
Industry leader with a compelling long-term track record of delivering shareholder value

Superior performance record with industry-leading 3-year total returns	Attractive dividend yield at a discounted price-to-book valuation on a high-quality, liquid balance sheet	Ability to drive earnings upside with opportunistic deployment of capital
Experienced management with a track record of disciplined capital deployment through multiple economic cycles	DYNEX CAPITAL INC.	Strong alignment of interest with shareholders due to insider ownership and owner-operated structure
Macroeconomic environment supportive of generating returns and cash income	Resilient, flexible and liquid balance sheet designed to weather market volatility	Demonstrated commitment to core values supports high-performance, collaborative and innovative culture

Disciplined Focus on the Long-Term

DX has generated long-term returns exceeding the S&P 500 Financials and REM indices illustrating our ability to be successful in various rate and economic cycles

Total Return (%)
January 1, 2008 - March 31, 2023



Source: S&P Capital IQ
Assumes reinvestment of dividends

DYNEX CAPITAL INC.

SUPPLEMENTAL INFORMATION

Market Snapshot

	Common Stock	Series C Preferred Stock
NYSE Ticker	***DX***	***DX PRC***
Shares Outstanding *(as of 03/31/23)*	53.9 million	4.5 million
Book Value per share *(as of 03/31/23)*	$13.80	—
1Q23 Dividends Declared per share	$0.39	$0.43
Annualized Dividend Yield *(as of closing on 4/21/23)*	13.22%	7.99%
Share Price *(as of closing on 4/21/23)*	$11.80	$21.60
Market Capitalization *(as of 4/21/23)*	$636.0 million	$97.2 million

Source: Bloomberg

Current Marginal Investment Returns *(as of March 31, 2023)*

GSE Guaranteed AAA Rated	**Agency RMBS** 15yr and 30yr ***Return Range 12-18%[1,2]***
	Agency CMBS FNMA DUS, FRE K-A1, A2, CMBS IO ***Return Range 10-18%***
AAA Rated	**Non-Agency MBS** CMBS-IO - *Return Range 10-15%* RMBS, RMBS-IO, CMBS - *Risk/reward becoming more favorable*
AA – BBB Rated	**Non-Agency MBS** ***Less favorable risk/reward***
Below Investment Grade/ Non-Rated	**Non-Agency MBS** ***Less favorable risk/reward***
	Loans/MSRs ***Unfavorable risk/reward***

Higher ↑ Liquidity, cash flow predictability, availability of financing ↓ ***Lower***

Dynex Portfolio

95% Agency RMBS

Agency RMBS offer generationally attractive returns due to the Fed exit and bank portfolio sales. Other asset classes are in the process of adjusting to a more favorable risk/reward.

- The most compelling levered risk and convexity adjusted marginal returns are still in the highest credit quality and the most liquid assets.
- TBA contracts offer additional financing advantage vs. repo and increased flexibility to maneuver portfolio size.
- Investing in more liquid MBS allows us the flexibility to rapidly pivot to other opportunities when they arise.
- We believe U.S. government guaranteed Agency RMBS will be attractive to investors in a recessionary environment as defaults rise in credit sensitive assets.

5% CMBS

CMBS have offered a diversification opportunity at various points in the cycle. The underlying structure of loans offers prepayment protection versus more callable Agency RMBS.

- Marginal returns for certain Agency guaranteed P&I CMBS have slightly improved given recent market volatility and spread widening. Certain securities face liquidity and convexity challenges in the current environment. Returns remain unattractive versus Agency RMBS.
- Senior Agency guaranteed IOs are shorter duration securities and allow investors to take calculated term default risk while potentially recouping their initial investment sooner than related P&I bonds. Current risk/reward remains unattractive vs. Agency RMBS.
- Non-Agency CMBS spreads have widened materially. The sector faces headwinds due to higher interest rates, recession risks, and structural issues related to office properties.

(1) Range of returns assuming leverage at 8x based on other Company assumptions and calculations
(2) Includes returns for TBA specialness and specified pools.

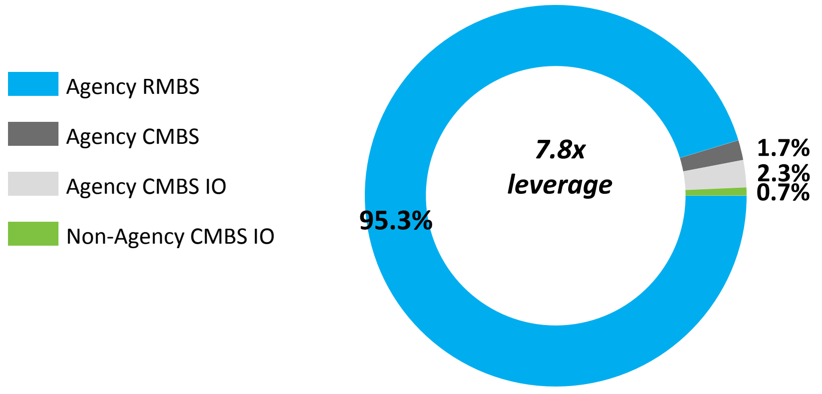
Investment Portfolio[1] *(as of dates indicated)*

Disciplined capital allocation and portfolio constructed for flexibility.

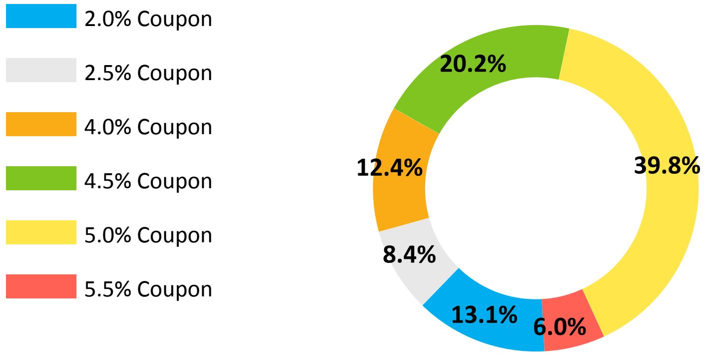
March 31, 2023	December 31, 2022

March 31, 2023

Asset Type

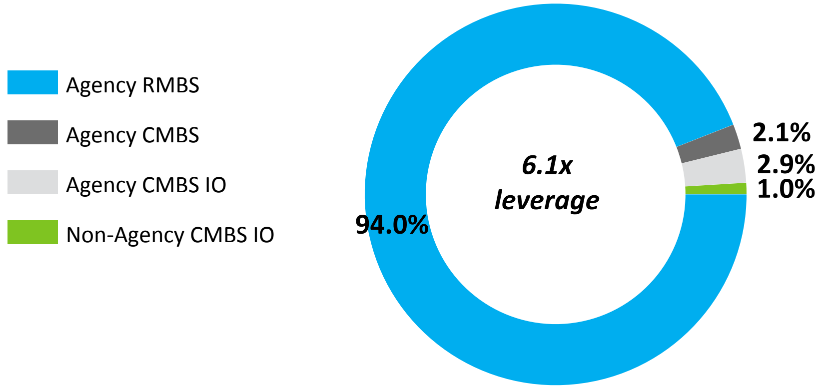


Agency RMBS Coupon Type

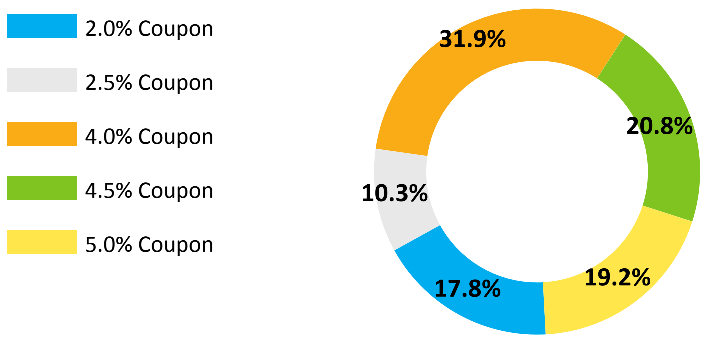


December 31, 2022

Asset Type



Agency RMBS Coupon Type



(1) *Includes TBA dollar roll positions at their implied market value which are accounted for as "derivative assets (liabilities)" on our consolidated balance sheet.*

MBS Portfolio Characteristics *(as of March 31, 2023)*

($ in thousands)	Par Value Pools	Par Value TBA	Total Par Value	Estimated Fair Value	% of Portfolio	Amortized Cost (%)	Unamortized Premium Balance	3-month CPR (1)	3-month WAVG Yield	Market Yield on Pools (2)	Market Yield on TBAs (2)
Agency RMBS											
2.0% coupon	$ 1,051,974	$ —	$ 1,051,974	$ 875,432	12.5 %	101.4 %	$ 14,821	3.3 %	1.84%	4.46%	-
2.5% coupon	649,246	—	649,246	564,171	8.0 %	104.0 %	26,028	3.7 %	2.03%	4.45%	-
4.0% coupon	319,350	547,000	866,350	831,648	11.9 %	101.2 %	3,870	5.8 %	3.79%	4.51%	4.60 %
4.5% coupon	909,477	460,000	1,369,477	1,347,149	19.2 %	99.1 %	(8,131)	3.6 %	4.54%	4.71%	4.80 %
5.0% coupon	321,515	2,345,000	2,666,515	2,659,406	37.9 %	99.9 %	(282)	3.2 %	4.79%	4.98%	5.05 %
5.5% coupon	—	400,000	400,000	404,000	5.8 %	(3)	(3)	(3)	(3)	-	5.14 %
Total Agency RMBS	$ 3,251,563	$3,752,000	$ 7,003,562	$ 6,681,806	95.3 %	101.1 %	$ 36,306	3.7 %	2.94%	4.60%	4.96 %
Agency CMBS	$ 125,220	$ —	$ 125,220	$ 119,474	1.7 %	100.6 %	$ 613	(5)	2.80%	4.43%	
CMBS Interest-only	(4)	—	(4)	210,283	3.0 %	n/a	220,541	(5)	4.04%	5.03%	
Non-Agency RMBS	191	—	191	136	— %	100.0 %	(55)	-	4.98%	13.91%	
Total Portfolio	**$ 3,376,974**	**$3,752,000**	**$ 7,128,973**	**$ 7,011,699**	**100.0%**	**-**	**$ 257,405**	**-**	**3.00%**	**4.61%**	

(1) 3-month CPRs exclude recent purchases of securities which do not have a prepayment history.
(2) Market yield represents the projected yield calculated using cash flows generated off the forward curve based on market prices as of the end of the period and assuming zero volatility.
(3) Amortized cost %, unamortized premium balance, 3-month CPR, and WAVG yield exclude TBA securities.
(4) CMBS IO do not have underlying par values.
(5) Structurally, we are compensated for CMBS prepayments except under certain circumstances.

Fixed Income Market Update

Security	Change YoY	Change QoQ	Change MoM	3/31/2023	2/28/2023	1/31/2023	12/30/2022	9/30/2022	6/30/2022	3/31/2022
Treasury [2]										
IOER rate	4.50%	0.50%	0.25%	4.90%	4.65%	4.40%	4.40%	3.15%	1.65%	0.40%
1m repo [1]	4.36%	0.28%	0.13%	4.73%	4.60%	4.52%	4.45%	3.14%	1.50%	0.37%
3m T-bill	4.20%	0.38%	-0.06%	4.75%	4.81%	4.67%	4.37%	3.27%	1.73%	0.55%
2 yr	1.69%	-0.40%	-0.79%	4.03%	4.82%	4.20%	4.43%	4.28%	2.95%	2.33%
5 yr	1.12%	-0.43%	-0.61%	3.58%	4.18%	3.62%	4.01%	4.09%	3.04%	2.46%
10 yr	1.13%	-0.41%	-0.45%	3.47%	3.92%	3.51%	3.88%	3.83%	3.01%	2.34%
30 yr	1.20%	-0.32%	-0.27%	3.65%	3.92%	3.63%	3.97%	3.78%	3.18%	2.45%
3M10Y Treasury Vol (15DP)	-0.45	-0.03	0.38	8.37	7.99	6.90	8.40	10.42	9.34	8.82
Swaps [2]										
1m SOFR	4.52%	0.45%	0.15%	4.81%	4.66%	4.57%	4.36%	3.05%	1.68%	0.29%
3m SOFR	4.25%	0.32%	0.02%	4.91%	4.89%	4.68%	4.59%	3.60%	2.10%	0.67%
2 yr	1.78%	-0.39%	-0.86%	4.06%	4.92%	4.22%	4.45%	4.25%	2.99%	2.28%
5 yr	1.09%	-0.40%	-0.66%	3.34%	4.00%	3.40%	3.75%	3.85%	2.79%	2.25%
10 yr	1.05%	-0.38%	-0.48%	3.17%	3.66%	3.21%	3.56%	3.59%	2.81%	2.13%
30 yr	0.95%	-0.28%	-0.31%	2.93%	3.24%	2.96%	3.21%	3.07%	2.66%	1.97%
3M10Y Swaption Vol	12.8	-13.5	3.3	118.7	115.4	104.6	132.2	137.3	119.3	105.9
30 Year MBS OAS [3]										
2.0%	29	12	21	39	18	10	27	31	28	10
2.5%	18	4	16	39	23	14	35	41	38	21
3.0%	5	7	13	39	27	17	33	43	38	34
3.5%	16	3	11	39	28	20	36	49	42	22
4.0%	16	9	11	42	31	23	33	46	25	26
4.5%	17	17	12	51	39	33	34	52	25	34
5.0%	25	22	9	50	41	32	28	59	27	25
5.5%	33	22	11	55	45	31	33	66	51	22
30yr Mortgage Rate [4]	1.91%	0.15%	-0.22%	6.81%	7.03%	6.38%	6.66%	7.06%	5.83%	4.90%
Fn 30yr Current Cpn [2]	1.56%	-0.34%	-0.47%	5.05%	5.52%	4.84%	5.39%	5.68%	4.38%	3.49%
CMBS [3]										
DUS 10/9.5	20	4	21	78	57	67	74	91	67	58
DUS 12/11.5	18	2	15	88	73	76	86	100	78	70
10 yr Freddie K A2	35	14	29	83	54	60	69	81	54	48
Agency CMBS IO	60	-25	25	210	185	225	235	205	170	150
Non-Agency AAA CMBS IO	205	35	93	350	257	295	315	300	225	145

(1) Average rate for Agency MBS per 20 counterparty survey
(2) Source: Bloomberg
(3) Source: BlackRock 6.2 and JPMorgan Data Query
(4) Bankrate.com 30 year Mortgage Rate Index ILM3NAVG

Pricing Matrix

30 Year MBS[1]		Change YoY	Change QoQ	Change MoM	3/31/2023	2/28/2023	1/31/2023	12/30/2022	9/30/2022	6/30/2022	3/31/2022
3% Cpn	TBA Price	-8.16	1.88	1.70	89.63	87.92	90.77	87.75	86.84	93.11	97.78
	85K Max	0.03	0.25	-0.09	1.25	1.34	1.25	1.00	0.56	0.81	1.22
	150K Max	0.09	0.06	-0.09	0.78	0.88	0.81	0.72	0.31	0.44	0.69
	200k Max	0.13	0.09	-0.03	0.47	0.50	0.47	0.38	0.22	0.28	0.34
	NY only	-0.14	0.02	-0.05	0.02	0.06	0.06	0.00	0.00	0.02	0.16
	95 LTV	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Low WALA/new	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5% Cpn	TBA Price	-7.28	1.97	1.84	92.84	91.00	93.83	90.88	89.91	96.17	100.13
	85K Max	-0.59	0.28	-0.03	1.47	1.50	1.56	1.19	0.69	1.22	2.06
	150K Max	-0.22	0.19	-0.03	1.00	1.03	1.09	0.81	0.38	0.72	1.22
	200k Max	-0.19	0.03	-0.06	0.59	0.66	0.66	0.56	0.25	0.47	0.78
	NY only	-0.72	0.03	-0.06	0.03	0.09	0.09	0.00	0.02	0.08	0.75
	95 LTV	0.00	0.03	0.00	0.03	0.03	0.03	0.00	0.00	0.00	0.03
	Low WALA/new	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4% Cpn	TBA Price	-6.36	1.80	1.83	95.59	93.77	96.50	93.80	92.73	98.62	101.95
	85K Max	-1.47	-0.22	-0.19	1.47	1.66	1.91	1.69	0.81	1.91	2.94
	150K Max	-0.59	-0.06	0.06	1.09	1.03	1.38	1.16	0.50	1.22	1.69
	200k Max	-0.41	0.13	0.16	0.84	0.69	0.81	0.72	0.34	0.72	1.25
	NY only	-1.16	-0.03	0.16	0.22	0.06	0.38	0.25	0.03	0.31	1.38
	95 LTV	-0.03	0.03	0.00	0.03	0.03	0.03	0.00	0.00	0.00	0.06
	Low WALA/new	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00
4.5% Cpn	TBA Price	-2.48	1.59	1.69	97.95	96.27	98.75	96.36	95.23	100.44	
	85K Max	-0.59	-0.09	0.03	1.94	1.91	2.41	2.03	1.28	2.53	
	150K Max	-0.34	0.03	0.03	1.38	1.34	1.66	1.34	0.78	1.72	
	200k Max	-0.19	0.09	0.16	1.03	0.88	1.16	0.94	0.81	1.22	
	NY only	-0.19	0.22	0.38	0.72	0.34	0.94	0.50	0.16	0.91	
	95 LTV	0.09	0.09	0.00	0.09	0.09	0.06	0.00	0.00	0.00	
	Low WALA/new	-0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	
5.0% Cpn	TBA Price	-2.38	1.16	1.47	99.72	98.25	100.33	98.56	97.39	102.09	
	85K Max	-0.22	0.03	0.50	2.78	2.28	3.00	2.75	2.19	3.00	
	150K Max	0.00	0.09	0.47	2.00	1.53	2.06	1.91	1.31	2.00	
	200k Max	-0.38	-0.03	0.19	1.28	1.09	1.38	1.31	0.97	1.66	
	NY only	0.00	0.19	0.44	1.19	0.75	1.38	1.00	0.63	1.19	
	95 LTV	0.19	0.19	-0.03	0.19	0.22	0.16	0.00	0.00	0.00	
	Low WALA/new	-0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	

(1) Source: JP Morgan DataQuery, Bloomberg and internal company data. Specified Pool Payups are quoted in percentage points of price above TBAs

Hedge Position Changes

Our hedge strategy is constructed to maximize liquidity and protect the portfolio under various rate scenarios.

- ***Futures offer hedge protection for interest rate changes.***
- ***Futures trade in a highly liquid market and have lower margin requirements compared to a similar swap instrument.***

	March 31, 2023	December 31, 2022
($ in thousands)	Notional Amount / Long (Short)	Notional Amount / Long (Short)
10-year U.S. Treasury futures	($4,420,000)	($4,180,000)
5-year U.S. Treasury futures	(900,000)	(740,000)
Options on U.S. Treasury futures	250,000	750,000

Funding Strategy *(as of March 31, 2023)*

Collateral Type	Balance ($s in thousands)	Weighted Average Rate	Fair Value Pledged as Collateral ($s in thousands)
Agency RMBS	$2,675,157	4.90 %	$2,724,745
Agency CMBS	98,373	4.89 %	102,710
Agency CMBS IO	128,819	5.23 %	145,157
Non-Agency CMBS IO	34,775	5.76 %	40,358
Total	$2,937,124	4.92 %	$3,012,970

Remaining Term to Maturity	Balance ($s in thousands)	Percentage	Weighted Average Original Term to Maturity
< 30 days	$1,288,034	44%	35
30 to 90 days	1,254,958	43%	78
90 to 180 days	394,132	13%	183
Total	$2,937,124	100%	73

- Weighted average repo borrowing rate of 4.62% for the first quarter of 2023, an increase of 112 basis points from the fourth quarter of 2022. The weighted average rate on repo outstanding as of March 31, 2023 was 4.92%.
- Active with 25 counterparties at March 31, 2023 with maximum equity at risk no greater than 5% with any one counterparty.

Financial Performance

($ in thousands, except per share amounts)	1Q23 Income (Expense)	1Q23 Per Common Share*	4Q22 Income (Expense)	4Q22 Per Common Share*
Interest income	$ 30,846	$ 0.57	$ 30,528	$ 0.63
Interest expense	(31,308)	(0.58)	(24,320)	(0.50)
GAAP net interest income	(462)	(0.01)	6,208	0.13
TBA drop income (1)	1,457	0.03	5,522	0.11
Adjusted net interest (expense) income (2)	995	0.02	11,730	0.24
General, administrative, and other operating expenses	(7,798)	(0.14)	(8,336)	(0.17)
Preferred stock dividends	(1,923)	(0.04)	(1,923)	(0.04)
Earnings available for distribution (2)	(8,726)	(0.16)	1,471	0.03
Realized (loss) gain on sales of investments, net	(23,315)	(0.43)	450	0.01
Unrealized gain (loss) on investments, net	57,120	1.06	32,529	0.67
Change in fair value of derivatives (1)	(68,724)	(1.28)	6,915	0.14
GAAP net (loss) income to common shareholders	(43,645)	(0.81)	41,365	0.85
Net unrealized gain (loss) on AFS investments	14,793	0.27	15,283	0.32
Comprehensive (loss) income to common shareholders	$ (28,852)	$ (0.54)	$ 56,648	$ 1.17
WAVG common shares outstanding	53,824		48,541	

*Per common share amounts may not foot due to $'s presented in '000s.

(1) *TBA drop income and change in fair value of derivatives are components of "gain (loss) on derivative instruments, net" reported in the Company's consolidated statement of comprehensive income.*
(2) *See reconciliations for non-GAAP measures on slide 29.*

Book Value Rollforward

($s in thousands except amounts per share)	Quarter Ended March 31, 2023		
		Common Equity	Per Common Share
Common equity, beginning of period [1]		$ 789,828	$ 14.73
Earnings available for distribution [2]	(8,726)		
Realized loss on sale of investments, net	(23,315)		
Unrealized gain on investments including TBAs, net	57,120		
Change in fair value of derivatives	(68,724)		
GAAP net loss to common shareholders		(43,645)	(0.81)
Other comprehensive income (MBS designed as AFS)		14,793	0.27
Dividends declared		(21,137)	(0.39)
Stock transactions [3]		3,489	—
Common equity, end of period [1]		$ 743,328	$ 13.80

(1) *Common equity is calculated as total shareholders' equity less the liquidation value of preferred stock outstanding as of the date indicated.*
(2) *See reconciliations for non-GAAP measures on slide 29.*
(3) *Includes issuance of common stock, net of stock issuance costs and restricted stock, net of vesting as well as other share-based compensation.*

Reconciliation of GAAP Measures to Non-GAAP Measures

($ in thousands except per share amounts)	1Q23	4Q22	3Q22	2Q22	1Q22
Comprehensive (loss) income to common shareholders	$ (28,852)	$ 56,648	$ (99,705)	$ (33,497)	$ 23,946
Adjustments:					
Change in fair value of investments (1)	(48,599)	(48,262)	191,272	144,563	202,591
Change in fair value of derivatives instruments, net (2)	68,725	(6,915)	(80,665)	(95,338)	(210,483)
EAD to common shareholders	$ (8,726)	$ 1,471	$ 10,902	$ 15,728	$ 16,054
EAD per common share	$ (0.16)	$ 0.03	$ 0.24	$ 0.40	$ 0.44

($ in thousands)	1Q23	4Q22	3Q22	2Q22	1Q22
Net interest (expense) income	$ (462)	$ 6,208	$ 7,122	$ 14,073	$ 15,679
TBA drop income	1,457	5,522	16,282	11,074	9,728
Adjusted net interest income	$ 995	$ 11,730	$ 23,404	$ 25,147	$ 25,408
General and administrative expenses	(7,372)	(7,898)	(10,146)	(7,201)	(7,109)
Other operating expenses, net	(426)	(438)	(433)	(295)	(321)
Preferred stock dividends	(1,923)	(1,923)	(1,923)	(1,923)	(1,923)
EAD to common shareholders	$ (8,726)	$ 1,471	$ 10,902	$ 15,727	$ 16,054

(1) Amount represents realized and unrealized gains and losses on the Company's MBS and loans.
(2) Amount represents realized and unrealized gains and losses on derivatives including TBAs except for TBA drop income.

Corporate Responsibility

At Dynex, we hold ourselves to the highest ethical standards, and we believe that our actions have an impact on our community and the world. We view ESG components as critical for achieving our long-term strategic objectives and delivering attractive total returns for shareholders.

Responsible Investments and Risk Management

- For 35 years we have been providing private capital to the U.S. housing finance system and through our investments we facilitate home ownership and affordable housing in communities across the country.
- We prioritize risk management, discipline capital allocation, and liquidity.

Corporate Governance

- We are committed to governance practices and policies that serve long-term interests of our stakeholders.
- Dynex has a Whistleblower Policy and a strong Code of Business Conduct & Ethics that applies to all of our employees, officers, directors.

Human Capital

- We view our employees as our most important asset and as the key to fulfilling our goal of making people's lives better and managing a successful business for the long-term.
- We believe a collaborative, engaging and equitable culture is key to attracting and retaining skilled and talented employees.

Diversity and Inclusion

- We are committed to promoting diversity within our workforce and believe diversity extends beyond gender, race, ethnicity, age and sexual orientation to include different perspectives, skills, experiences and socioeconomic backgrounds.

Community Engagement

- Our Community Outreach Committee spearheads efforts to support areas to which we feel strongly connected: financial literacy, children's health and social services, career counseling in underprivileged communities.

Environment

- To reduce waste and promote a cleaner environment, we use green cleaning supplies and kitchen products, have a recycling program for paper, aluminum, ink cartridges, and electronics, and have eliminated single use plastics.

Core Values

At Dynex, We Rely on Our Core Values to Sustain Our High-Performance Culture and to Consistently Generate Attractive, Long-Term Returns

Stewardship
We are thoughtful, ethical, and responsible fiduciary stewards of environmental, social, and financial capital.

Kindness
We can accomplish more together and build a culture like no other when we show compassion and understanding toward others.

Performance
We strive to achieve the highest level of excellence and performance in all we do.

Equality & Inclusion
We are at our best when we are open, fair, inclusive and accepting to others' ideas, beliefs, and backgrounds. Diversity of people and opinions makes us better.

Integrity
Integrity is choosing courage over comfort, doing what is right over what is fast or easy, and making choices that are just and ethical.

Innovation
Innovation is a key component of our culture and investment process. We encourage openness to ideas to drive investment leadership in our space.

Trust
We understand that building trust is imperative with each action we take, conversation we hold, and relationship we build.

Collaboration
We believe the contribution of individuals is enhanced through collaboration with others.

DYNEX
CAPITAL INC.

SOUND STRATEGY.
UNIQUE ADVANTAGES.

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