

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 12, 2020**

Orchid Island Capital, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

001-35236
(Commission File Number)

27-3269228
(IRS Employer Identification No.)

3305 Flamingo Drive, Vero Beach, Florida 32963
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(772) 231-1400**

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol:	Name of each exchange on which registered:
Common Stock, par value \$0.01 per share	ORC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On February 12, 2020, Orchid Island Capital, Inc. (the “Company”) announced that the Board of Directors of the Company declared a dividend for the month of February 2020 of \$0.08 per share of the Company’s common stock to be paid on March 27, 2020 to holders of record on February 28, 2020, with an ex-dividend date of February 27, 2020. In addition, the Company announced certain details of its RMBS portfolio as of January 31, 2020 as well as certain other information regarding the Company. A copy of the Company’s press release announcing the dividend and the other information regarding the Company is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Caution About Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including but not limited to statements about the Company’s distributions. These forward looking statements are based upon the Company’s present expectations, but the Company cannot assure investors that actual results will not vary from the expectations contained in the forward-looking statements. Investors should not place undue reliance upon forward looking statements. For further discussion of the factors that could affect outcomes, please refer to the “Risk Factors” section of the Company’s Form 10-K for the year ended December 31, 2018. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 12, 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 12, 2020

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley
Robert E. Cauley
Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES
FEBRUARY 2020 MONTHLY DIVIDEND AND
JANUARY 31, 2020 RMBS PORTFOLIO CHARACTERISTICS**

- February 2020 Monthly Dividend of \$0.08 Per Share of Common Stock
- RMBS Portfolio Characteristics as of January 31, 2020
- Next Dividend Announcement Expected March 18, 2020

Vero Beach, Fla., February 12, 2020 - Orchid Island Capital, Inc. (the “Company”) (NYSE:ORC) announced today that the Board of Directors (the “Board”) declared a monthly cash dividend for the month of February 2020. The dividend of \$0.08 per share will be paid March 27, 2020, to holders of record of the Company’s common stock on February 28, 2020, with an ex-dividend date of February 27, 2020. The Company plans on announcing its next common stock dividend after the Board’s meeting on March 18, 2020.

The Company intends to make regular monthly cash distributions to its holders of common stock. In order to qualify as a real estate investment trust (“REIT”), the Company must distribute annually to its stockholders an amount at least equal to 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. The Company will be subject to income tax on taxable income that is not distributed and to an excise tax to the extent that a certain percentage of its taxable income is not distributed by specified dates. The Company has not established a minimum distribution payment level and is not assured of its ability to make distributions to stockholders in the future.

As of February 11, 2020, the Company had 64,524,495 shares of common stock outstanding. As of January 31, 2020, the Company had 63,633,908 shares outstanding. As of December 31, 2020, the Company had 63,061,781 shares outstanding.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of January 31, 2020 are presented below. These figures are preliminary and subject to change. The information contained herein is an intra-quarter update created by the Company based upon information that the Company believes is accurate:

- RMBS Valuation Characteristics
- RMBS Assets by Agency
- Investment Company Act of 1940 (Whole Pool) Test Results
- Repurchase Agreement Exposure by Counterparty
- RMBS Risk Measures

About Orchid Island Capital, Inc.

Orchid Island Capital, Inc. is a specialty finance company that invests on a leveraged basis in Agency RMBS. Our investment strategy focuses on, and our portfolio consists of, two categories of Agency RMBS: (i) traditional pass-through Agency RMBS, such as mortgage pass-through certificates issued by Fannie Mae, Freddie Mac or Ginnie Mae and CMOs, and (ii) structured Agency RMBS. The Company is managed by Bimini Advisors, LLC, a registered investment adviser with the Securities and Exchange Commission.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements include, but are not limited to, statements about the Company's distributions. These forward-looking statements are based upon Orchid Island Capital, Inc.'s present expectations, but these statements are not guaranteed to occur. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Form 10-K for the year ended December 31, 2018.

RMBS Valuation Characteristics

(\$ in

thousands)

Type	Current Face	Fair Value	% of Portfolio	Current Price	Net Weighted Average Coupon	GWAC	Age	Weighted Average Maturity (Months)	Realized Jan 2020	Realized Nov - Jan 2020	Modeled	Modeled
									CPR (1- Month) (Reported in Feb)	CPR (3- Month) (Reported in Feb)	Interest Rate Sensitivity (-50 BPS) (1)	Interest Rate Sensitivity (+50 BPS) (1)
Pass Through RMBS												
Post Reset ARM	\$ 959	\$ 986	0.03%	\$ 102.78	4.51%	4.96%	186	175	0.00%	0.00%	\$ 3	\$ (2)
Fixed Rate CMO	276,925	289,275	7.60%	104.46	4.20%	4.56%	27	330	14.50%	18.29%	882	(1,568)
15yr 4.0	18,407	19,492	0.51%	105.89	4.00%	4.45%	20	153	11.36%	14.17%	216	(252)
15yr Total	18,407	19,492	0.51%	105.89	4.00%	4.45%	20	153	11.36%	14.17%	216	(252)
20yr 4.0	78,993	85,991	2.26%	108.86	4.00%	4.48%	30	205	10.30%	9.69%	1,587	(1,696)
20yr Total	78,993	85,991	2.26%	108.86	4.00%	4.48%	30	205	10.30%	9.69%	1,587	(1,696)
30yr 3.0	199,413	205,676	5.40%	103.14	3.00%	3.91%	7	352	2.27%	3.16%	3,066	(4,300)
30yr 3.5	1,175,801	1,242,718	32.63%	105.69	3.50%	4.16%	6	352	4.16%	4.73%	17,305	(23,630)
30yr 4.0	1,004,994	1,082,331	28.42%	107.70	4.00%	4.59%	17	340	12.75%	16.25%	13,327	(17,504)
30yr 4.5	476,410	523,045	13.73%	109.79	4.50%	5.01%	11	347	13.03%	13.54%	4,957	(6,810)
30yr 5.0	252,508	281,926	7.40%	111.65	5.00%	5.51%	20	337	15.91%	15.92%	3,046	(3,731)
30yr Total	3,109,126	3,335,696	87.59%	107.29	3.90%	4.52%	11	346	9.13%	11.54%	41,701	(55,975)
Total Pass Through RMBS	3,484,410	3,731,440	97.98%	107.09	3.93%	4.53%	13	340	9.59%	12.16%	44,389	(59,493)
Structured RMBS												
Interest-Only Securities Inverse	405,173	52,955	1.39%	13.07	4.00%	4.59%	67	281	21.28%	23.55%	(5,946)	7,375
Interest-Only Securities	183,284	23,924	0.63%	13.05	3.42%	4.86%	67	284	11.22%	13.83%	868	(1,586)
Total Structured RMBS	588,457	76,879	2.02%	13.06	3.82%	4.68%	67	282	18.15%	20.52%	(5,078)	5,789
Total Mortgage Assets	\$ 4,072,867	\$ 3,808,319	100.00%		3.91%	4.55%	21	332	10.83%	13.58%	\$ 39,311	\$ (53,704)
	Average Notional	Hedge Period									Interest Rate Sensitivity (-50 BPS) (1)	Interest Rate Sensitivity (+50 BPS) (1)
Hedge	Balance	End										
Eurodollar Futures	\$ (500,000)	Dec-2020									(1,875)	1,875
Swaps	(1,270,000)	Oct-2023									(25,275)	25,275
5-Year Treasury Futures	(69,000)	Mar-2020 ⁽²⁾									(2,149)	1,965
TBA Short Swaptions	(300,000)	Feb-2020									(1,254)	1,876
	(250,000)	Apr-2020									(173)	1,754
Hedge Total	\$(2,389,000)										\$ (30,726)	\$ 32,745

Rate
Shock
Grand
Total

\$ 8,585 \$ (20,959)

- (1) Modeled results from Citigroup Global Markets Inc. Yield Book. Interest rate shocks assume instantaneous parallel shifts and horizon prices are calculated assuming constant LIBOR option-adjusted spreads. These results are for illustrative purposes only and actual results may differ materially.
- (2) Five year treasury futures contracts were valued at prices of \$120.32 at January 31, 2020. The market value of the short position was \$83.0 million.

RMBS Assets by Agency
(\$ in thousands)

Investment Company Act of 1940 Whole Pool Test
(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio	Asset Category	Fair Value	Percentage of Portfolio
As of January 31, 2020			As of January 31, 2020		
Fannie Mae	\$ 2,349,892	61.7%	Non-Whole Pool Assets	\$ 555,512	14.6%
Freddie Mac	1,458,427	38.3%	Whole Pool Assets	3,252,807	85.4%
Total Mortgage Assets	\$ 3,808,319	100.0%	Total Mortgage Assets	\$ 3,808,319	100.0%

Borrowings By Counterparty
(\$ in thousands)

As of January 31, 2020	Total Borrowings	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
Wells Fargo Bank, N.A.	\$ 420,185	11.3%	1.84%	11	2/20/2020
J.P. Morgan Securities LLC	380,446	10.5%	1.75%	12	2/28/2020
Mirae Asset Securities (USA) Inc.	337,302	9.3%	1.96%	11	2/13/2020
Cantor Fitzgerald & Co	298,553	8.2%	1.74%	12	2/12/2020
Mitsubishi UFJ Securities (USA), Inc	280,152	7.7%	1.75%	65	4/13/2020
Citigroup Global Markets Inc	213,190	5.9%	1.76%	12	2/14/2020
ASL Capital Markets Inc.	206,626	5.7%	1.78%	15	2/28/2020
ABN AMRO Bank N.V.	206,319	5.7%	1.72%	11	2/14/2020
ED&F Man Capital Markets Inc	201,385	5.6%	1.97%	9	2/13/2020
RBC Capital Markets, LLC	168,764	4.7%	1.78%	14	2/28/2020
ING Financial Markets LLC	165,457	4.6%	1.75%	17	2/26/2020
South Street Securities, LLC	149,064	4.1%	2.49%	58	4/9/2020
Daiwa Securities America Inc.	112,436	3.1%	1.94%	7	2/10/2020
ICBC Financial Services LLC	96,319	2.7%	1.75%	28	2/28/2020
Guggenheim Securities, LLC	90,875	2.5%	1.75%	22	2/28/2020
FHLB-Cincinnati	88,885	2.5%	1.67%	3	2/3/2020
Lucid Cash Fund USG LLC	65,922	1.8%	1.79%	13	2/13/2020
Bank of Montreal	58,418	1.6%	1.78%	13	2/13/2020
Nomura Securities International, Inc.	46,775	1.3%	1.74%	12	2/12/2020
J.V.B. Financial Group, LLC	28,979	0.8%	1.75%	18	2/18/2020
Merrill Lynch, Pierce, Fenner & Smith	9,116	0.3%	2.31%	3	2/3/2020
Mizuho Securities USA, Inc	1,911	0.1%	2.20%	19	2/19/2020
Total Borrowings	\$ 3,627,079	100.0%	1.83%	18	4/13/2020

Contact:

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