

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): **October 12, 2021**

**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 2.02. Results of Operations and Financial Condition

On October 12, 2021, Orchid Island Capital, Inc. (the “Company”) announced its estimated book value of \$4.77 per share as of September 30, 2021, certain details of its RMBS portfolio as of September 30, 2021, and estimated GAAP net income per share of \$0.20, including an estimated \$0.02 per share of net realized and unrealized losses, for the quarter ended September 30, 2021. These figures and the estimated book value per share and estimated GAAP net income per share are preliminary, subject to change, and subject to review by the Company’s independent registered public accounting firm. 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 reference.

## Item 8.01. Other Events.

On October 12, 2021, the Company announced that the Board of Directors of the Company declared a dividend for the month of October 2021 of \$0.065 per share of the Company’s common stock to be paid on November 26, 2021 to holders of record on October 29, 2021, with an ex-dividend date of October 28, 2021. In addition, the Company announced certain details of its RMBS portfolio as of September 30, 2021 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 and expected funding of purchased assets. 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2020. 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	<a href="#">Press Release dated October 12, 2021</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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: October 12, 2021

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley

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Robert E. Cauley

Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES  
ESTIMATED THIRD QUARTER 2021 RESULTS,  
OCTOBER 2021 MONTHLY DIVIDEND AND  
SEPTEMBER 30, 2021 RMBS PORTFOLIO CHARACTERISTICS**

- October 2021 Monthly Dividend of \$0.065 Per Share of Common Stock
- Estimated Book Value Per Share as of September 30, 2021 of \$4.77
- Estimated GAAP net income of \$0.20 per share for the quarter ended September 30, 2021, including an estimated \$0.02 per share of net realized and unrealized losses on RMBS and derivative instruments
- Estimated 5.4% total return on equity for the quarter
- Estimated book value, net income and total return on equity amounts are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm
- RMBS Portfolio Characteristics as of September 30, 2021
- Next Dividend Announcement Expected November 9, 2021

Vero Beach, Fla., October 12, 2021 - 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 October 2021. The dividend of \$0.065 per share will be paid November 26, 2021 to holders of record of the Company's common stock on October 29, 2021, with an ex-dividend date of October 28, 2021. The Company plans on announcing its next common stock dividend on November 9, 2021.

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 October 12, 2021, the Company had 153,831,978 shares of common stock outstanding. As of September 30, 2021, the Company had 153,318,351 shares of common stock outstanding. As of June 30, 2021, the Company had 117,500,013 shares of common stock outstanding.

**Estimated September 30, 2021 Book Value Per Share**

The Company's estimated book value per share as of September 30, 2021 was \$4.77. The Company computes book value per share by dividing total stockholders' equity by the total number of outstanding shares of common stock. At September 30, 2021, the Company's preliminary estimated total stockholders' equity was approximately \$730.6 million with 153,318,351 shares of common stock outstanding. These figures and the resulting estimated book value per share are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

**Estimated Net Income Per Share and Realized and Unrealized Gains and Losses on RMBS and Derivative Instruments**

The Company estimates it generated net income per share of \$0.20, which includes \$0.02 per share of net realized and unrealized losses on RMBS and derivative instruments for the quarter ended September 30, 2021. These amounts compare to total dividends declared during the quarter of \$0.195 per share. Net income per common share calculated under generally accepted accounting principles can, and does, differ from our REIT taxable income. The Company views REIT taxable income as a better indication of income to be paid in the form of a dividend rather than net income. Many components of REIT taxable

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income can only be estimated at this time and our monthly dividends declared are based on both estimates of REIT taxable income to be earned over the course of the current quarter and calendar year and a longer-term estimate of the REIT taxable income of the Company. These figures are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

### **Estimated Total Return on Equity**

The Company's estimated total return on equity for the quarter ended September 30, 2021 was 5.4%. The Company calculates total return on equity as the sum of dividends declared and paid during the quarter plus changes in book value during the quarter, divided by the Company's stockholders' equity at the beginning of the quarter. The total return was \$0.255 per share, comprised of dividends per share of \$0.195 and an increase in book value per share of \$0.06 from June 30, 2021.

### **RMBS Portfolio Characteristics**

Details of the RMBS portfolio as of September 30, 2021 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's financial statements and associated footnotes as of and for the quarter ended September 30, 2021, are subject to review by the Company's independent registered public accounting firm.

- 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 and collateralized mortgage obligations issued by Fannie Mae, Freddie Mac or Ginnie Mae, 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 and expected funding of purchased assets. 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

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**RMBS Valuation Characteristics**

(\$ in thousands)

Type	Current Face	Fair Value <sup>(1)</sup>	% of Portfolio	Current Price	Net Weighted Average Coupon	GWAC	Age	Weighted Average Maturity (Months)	Realized	Realized	Modeled Interest Rate Sensitivity (-50 BPS) <sup>(2)</sup>	Modeled Interest Rate Sensitivity (+50 BPS) <sup>(2)</sup>
									Sep 2021 CPR (1-Month) (Reported in Oct)	Jul - Sep 2021 CPR (3-Month) (Reported in Oct)		
<b>Pass Through RMBS</b>												
15yr 2.5	\$ 223,524	\$ 235,988	4.21%	\$ 105.58	2.50%	2.87%	9	166	10.5%	8.3%	\$ 3,620	\$ (4,307)
15yr 4.0	569	610	0.01%	107.25	4.00%	4.51%	41	117	10.0%	9.6%	6	(8)
15yr Total	224,093	236,598	4.22%	105.58	2.50%	2.88%	10	166	10.5%	8.3%	3,626	(4,315)
30yr 2.5	755,961	782,574	13.97%	103.52	2.50%	3.39%	7	351	9.2%	15.6%	10,688	(17,923)
30yr 3.0	3,685,738	3,955,954	70.63%	107.33	3.00%	3.48%	7	352	6.7%	7.6%	62,963	(92,337)
30yr 3.5	329,487	362,129	6.47%	109.91	3.50%	4.02%	19	334	22.0%	20.2%	5,210	(7,144)
30yr 4.0	81,269	89,089	1.59%	109.62	4.00%	4.72%	36	321	19.0%	28.5%	996	(1,220)
30yr 4.5	28,342	32,218	0.58%	113.68	4.50%	4.91%	23	329	18.4%	17.6%	509	(611)
30yr Total	4,880,797	5,221,964	93.23%	106.99	2.98%	3.53%	8	350	8.3%	9.9%	80,366	(119,235)
<b>Total Pass Through RMBS</b>	<b>5,104,890</b>	<b>5,458,562</b>	<b>97.45%</b>	<b>106.93</b>	<b>2.96%</b>	<b>3.50%</b>	<b>8</b>	<b>342</b>	<b>8.4%</b>	<b>9.8%</b>	<b>83,992</b>	<b>(123,550)</b>
<b>Structured RMBS</b>												
IO 20yr 3.0	363,225	37,650	0.67%	10.37	3.00%	3.68%	61	173	31.2%	33.5%	(4,077)	2,526
IO 20yr 4.0	14,677	1,857	0.03%	12.65	4.00%	4.58%	117	116	22.5%	20.0%	(39)	21
IO 30yr 3.0	98,485	13,883	0.25%	14.10	3.00%	3.66%	49	303	24.8%	20.2%	(1,430)	992
IO 30yr 3.5	336,401	57,119	1.02%	16.98	3.50%	4.01%	47	304	20.7%	19.4%	(4,818)	3,301
IO 30yr 4.0	195,862	28,170	0.50%	14.38	4.00%	4.56%	66	286	32.6%	34.0%	(2,552)	2,292
IO 30yr 4.5	5,166	799	0.01%	15.47	4.50%	4.99%	135	212	24.2%	26.2%	(77)	59
IO 30yr 5.0	2,924	465	0.01%	15.90	5.00%	5.36%	135	213	25.7%	41.9%	(37)	32
IO Total	1,016,740	139,943	2.50%	13.76	3.39%	3.98%	58	250	27.2%	24.9%	(13,031)	9,224
HIO 30yr 4.0	49,645	2,783	0.05%	5.61	3.75%	4.41%	48	304	27.4%	28.0%	(285)	(96)
<b>Total Structured RMBS</b>	<b>1,066,385</b>	<b>142,726</b>	<b>2.55%</b>	<b>13.38</b>	<b>3.40%</b>	<b>4.00%</b>	<b>57</b>	<b>253</b>	<b>27.2%</b>	<b>25.1%</b>	<b>(13,316)</b>	<b>9,128</b>
<b>Total Mortgage Assets</b>	<b>\$ 6,171,275</b>	<b>\$ 5,601,288</b>	<b>100.00%</b>		<b>3.04%</b>	<b>3.59%</b>	<b>17</b>	<b>326</b>	<b>11.8%</b>	<b>12.4%</b>	<b>\$ 70,676</b>	<b>\$ (114,422)</b>
<b>Hedge</b>												
	<b>Average</b>	<b>Hedge</b>									<b>Interest</b>	<b>Interest</b>
	<b>Notional</b>	<b>Period</b>									<b>Rate</b>	<b>Rate</b>
<b>Hedge</b>	<b>Balance</b>	<b>End</b>									<b>Sensitivity</b>	<b>Sensitivity</b>
											<b>(-50 BPS)<sup>(2)</sup></b>	<b>(+50 BPS)<sup>(2)</sup></b>
Eurodollar Futures	\$ (50,000)	Dec-2021									\$ (125)	\$ 125
Swaps	(1,355,000)	Dec-2026									(35,820)	35,820
5-Year Treasury Future <sup>(3)</sup>	(269,000)	Dec-2021									(9,532)	7,254
10-Year Treasury Ultra <sup>(4)</sup>	(23,500)	Dec-2021									(2,560)	1,837
Swaptions	(244,350)	May-2022									(7,654)	(7,654)
Yield Curve Spread Floor	(150,000)	Feb-2023									n/a	n/a
<b>Hedge Total</b>	<b>\$ (2,091,850)</b>										<b>\$ (55,691)</b>	<b>\$ 37,382</b>
<b>Rate Shock Grand Total</b>											<b>\$ 14,985</b>	<b>\$ (77,040)</b>

- (1) Amounts in the tables above include assets with a fair value of approximately \$180.8 million purchased in September 2021, which settle in October 2021.
- (2) 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.
- (3) Five-year Treasury futures contracts were valued at prices of \$122.74 at September 30, 2021. The market value of the short position was \$330.2 million.
- (4) Ten-year Treasury Ultra futures contracts were valued at prices of \$145.25 at September 30, 2021. The market value of the short position was \$34.1 million.

**RMBS Assets by Agency**

*(\$ in thousands)*

Asset Category	Fair Value <sup>(1)</sup>	Percentage of Portfolio
<b>As of September 30, 2021</b>		
Fannie Mae	\$ 4,314,966	77.0%
Freddie Mac	1,286,322	23.0%
Total Mortgage Assets	\$ 5,601,288	100.0%

**Investment Company Act of 1940 Whole Pool Test**

*(\$ in thousands)*

Asset Category	Fair Value <sup>(1)</sup>	Percentage of Portfolio
<b>As of September 30, 2021</b>		
Non-Whole Pool Assets	\$ 325,421	5.8%
Whole Pool Assets	5,275,867	94.2%
Total Mortgage Assets	\$ 5,601,288	100.0%

- (1) Amounts in the tables above include assets with a fair value of approximately \$180.8 million purchased in September 2021, which settle in October 2021.

**Borrowings By Counterparty**

(\$ in thousands)

As of September 30, 2021	Total Borrowings <sup>(1)</sup>	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
ABN AMRO Bank N.V.	\$ 421,280	8.3%	0.12%	30	11/12/2021
Mirae Asset Securities (USA) Inc.	396,039	7.6%	0.12%	74	9/14/2022
Wells Fargo Bank, N.A.	357,656	6.9%	0.11%	14	10/22/2021
RBC Capital Markets, LLC	356,691	6.8%	0.12%	31	11/10/2021
J.P. Morgan Securities LLC	334,245	6.4%	0.12%	41	11/22/2021
Goldman, Sachs & Co.	323,521	6.2%	0.12%	40	12/27/2021
ASL Capital Markets Inc.	321,542	6.2%	0.12%	15	10/19/2021
Cantor Fitzgerald & Co	268,272	5.1%	0.12%	24	11/15/2021
Citigroup Global Markets Inc	263,278	5.0%	0.11%	13	10/14/2021
Mitsubishi UFJ Securities (USA), Inc	259,581	5.0%	0.24%	23	11/29/2021
Santander Bank, N.A.	210,831	4.0%	0.11%	29	11/15/2021
ED&F Man Capital Markets Inc	199,744	3.8%	0.12%	32	12/8/2021
ING Financial Markets LLC	199,544	3.8%	0.12%	37	11/10/2021
Nomura Securities International, Inc.	199,411	3.8%	0.11%	41	11/22/2021
South Street Securities, LLC	173,977	3.3%	0.12%	42	11/23/2021
BMO Capital Markets Corp.	169,909	3.3%	0.13%	14	10/22/2021
Daiwa Securities America Inc.	167,813	3.2%	0.11%	16	11/8/2021
Barclays Capital Inc	145,516	2.8%	0.11%	13	10/13/2021
Merrill Lynch, Pierce, Fenner & Smith	141,192	2.7%	0.17%	15	10/29/2021
Austin Atlantic Asset Management Co.	99,395	1.9%	0.14%	7	10/7/2021
Lucid Price Fund, LLC	85,283	1.6%	0.18%	14	10/14/2021
Lucid Cash Fund USG, LLC	60,503	1.2%	0.12%	14	10/14/2021
J.V.B. Financial Group, LLC	58,647	1.1%	0.12%	22	10/25/2021
<b>Total Borrowings</b>	<b>\$ 5,213,869</b>	<b>100.0%</b>	<b>0.13%</b>	<b>30</b>	<b>9/14/2022</b>

(1) In September 2021, the Company purchased assets with a fair value of approximately \$180.8 million, which settle in October 2021 that are expected to be funded substantially by repurchase agreements not included in the table above.

**Contact:**

Orchid Island Capital, Inc.  
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