
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): **May 16, 2018**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 May 16, 2018, Orchid Island Capital, Inc. (the "Company") announced that the Board of Directors of the Company declared a dividend for the month of May 2018 of \$0.09 per share to be paid on June 8, 2018 to holders of record on May 31, 2018, with an ex-dividend date of March 30, 2018. In addition, the Company announced certain details of its RMBS portfolio as of April 30, 2018, 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 the expected funding of purchased assets and anticipated borrowings. 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, 2017. 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>
<u>99.1</u>	<u>Press Release dated May 16, 2018</u>

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: May 16, 2018

ORCHID ISLAND CAPITAL, INC.

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

INDEX TO EXHIBITS

Exhibit No.	Description
<u>99.1</u>	<u>Press Release dated May 16, 2018</u>

**ORCHID ISLAND CAPITAL ANNOUNCES
MAY 2018 MONTHLY DIVIDEND AND
APRIL 30, 2018 RMBS PORTFOLIO CHARACTERISTICS**

- May 2018 Monthly Dividend of \$0.09 Per Share
- RMBS Portfolio Characteristics as of April 30, 2018
- Next Dividend Announcement Expected June 19, 2018

Vero Beach, Fla., May 16, 2018 - 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 May 2018. The dividend of \$0.09 per share will be paid June 8, 2018 to holders of record on May 31, 2018, with an ex-dividend date of May 30, 2018. The Company plans on announcing its next dividend after its Board meeting on June 19, 2018.

The Company intends to make regular monthly cash distributions to its stockholders. 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 May 16, 2018, the Company had 52,160,408 shares outstanding. At March 31, 2018, the Company had 53,072,169 shares outstanding.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of April 30, 2018 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 on 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
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About Orchid Island Capital, Inc.

Orchid Island Capital, Inc. is a specialty finance company that invests in Agency RMBS that are either traditional pass-through Agency RMBS or structured Agency RMBS. Orchid Island Capital, Inc. has elected to be taxed as a REIT for federal income tax purposes.

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 the expected funding of purchased assets and anticipated borrowings. 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, 2017.

MBS Valuation

Characteristics

							Realized 1-Month CPR April 2018 (Reported in May)	Realized 3- Month CPR February - April 2018 CPR
Asset Category	Current Face	Fair Value	Percentage of Portfolio	Current Price	Weighted Average Coupon	Weighted Average Maturity		
Hybrid/ARM								
<3yr reset	\$ 1,638	\$ 1,728	0.05%	105.52	3.95%	202	0.01%	0.01%
3yr-5yr reset	18,211	18,125	0.49%	99.53	2.71%	294	34.15%	20.56%
5yr-7yr reset	8,292	8,103	0.22%	97.72	2.33%	303	0.86%	0.80%
Total Hybrid/ARM	28,141	27,956	0.76%	99.35	2.68%	291	22.35%	13.54%
Fixed Rate RMBS								
Fixed Rate CMO	150,000	155,693	4.21%	103.80	4.50%	291	3.61%	n/a
Fixed Rate CMO Total	150,000	155,693	4.21%	103.80	4.50%	291	3.61%	n/a
Fixed Rate 15yr 3.5	3,316	3,366	0.09%	101.52	3.50%	126	44.63%	18.05%
Fixed Rate 15yr 4.0	336,428	348,453	9.42%	103.57	4.00%	180	4.83%	n/a
Fixed Rate 15yr Total	339,744	351,819	9.51%	103.55	3.99%	179	5.35%	18.05%
Fixed Rate 20yr 4.0	386,028	397,881	10.76%	103.07	4.00%	234	7.26%	5.30%
Fixed Rate 20yr Total	386,028	397,881	10.76%	103.07	4.00%	234	7.26%	5.30%
Fixed Rate 30yr 4.0	772,115	791,006	21.38%	102.45	4.00%	234	5.12%	4.28%
Fixed Rate 30yr 4.5	1,717,557	1,805,700	48.81%	105.13	4.50%	350	10.35%	9.15%
Fixed Rate 30yr 5.0	20,810	22,346	0.60%	107.38	5.00%	348	23.50%	11.71%
Fixed Rate 30yr Total	2,510,482	2,619,052	70.80%	104.32	4.35%	350	8.85%	7.68%
Total Fixed Rate RMBS	3,386,254	3,524,445	95.28%	104.08	4.28%	317	8.23%	7.37%
Structured RMBS								
Interest-Only Securities	777,038	119,783	3.24%	15.42	3.83%	282	11.50%	12.03%
Inverse Interest-Only Securities	253,105	26,944	0.73%	10.65	3.76%	311	11.74%	10.83%
Total Structured RMBS	1,030,144	146,727	3.97%	14.24	3.82%	287	11.56%	10.94%
Total Mortgage Assets	\$ 4,444,538	\$ 3,699,128	100.00%		4.26%	320	9.12%	8.49%

RMBS Assets by Agency (\$ in thousands)			Investment Company Act of 1940 Whole Pool Test (\$ in thousands)		
Asset Category As of April 30, 2018	Fair Value ⁽¹⁾	Percentage of Portfolio	Asset Category As of April 30, 2018	Fair Value ⁽¹⁾	Percentage of Portfolio
Fannie Mae	\$ 2,262,184	61.2%	Whole Pool Assets	\$ 2,757,932	74.6%
Freddie Mac	1,431,252	38.7%	Non-Whole Pool Assets	941,196	25.4%
Ginnie Mae	5,692	0.1%	Total Mortgage Assets	\$ 3,699,128	100.0%
Total Mortgage Assets	<u>\$ 3,699,128</u>	<u>100.0%</u>			

(1) Amounts in the tables above include assets with a fair value of approximately \$141.8 million purchased in April 2018, which settle in May 2018, and exclude assets with a fair value of approximately \$130.3 million sold in April 2018, which settle in May 2018.

Borrowings By Counterparty
(\$ in thousands)

As of April 30, 2018		Total Borrowings⁽¹⁾	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
J.P. Morgan Securities LLC	\$	462,204	13.3%	75	8/10/2018
Mirae Asset Securities (USA) Inc.		390,061	11.3%	43	8/10/2018
RBC Capital Markets, LLC		268,045	7.7%	20	5/30/2018
Wells Fargo Bank, N.A.		231,621	6.7%	14	5/14/2018
Citigroup Global Markets Inc		215,375	6.2%	16	5/18/2018
Cantor Fitzgerald & Co		193,199	5.6%	15	5/15/2018
ING Financial Markets LLC		185,394	5.4%	10	5/11/2018
Mitsubishi UFJ Securities (USA), Inc		170,768	4.9%	24	7/23/2018
Guggenheim Securities, LLC		159,372	4.6%	43	6/13/2018
ICBC Financial Services LLC		144,374	4.2%	25	5/25/2018
Nomura Securities International, Inc.		130,319	3.8%	30	6/18/2018
KGS-Alpha Capital Markets, L.P		121,337	3.5%	46	8/14/2018
South Street Securities, LLC		121,227	3.5%	29	5/31/2018
Natixis, New York Branch		97,706	2.8%	17	5/25/2018
FHLB-Cincinnati		90,730	2.6%	1	5/1/2018
ED&F Man Capital Markets Inc		81,553	2.4%	18	5/23/2018
ASL Capital Markets Inc.		72,270	2.1%	77	7/16/2018
Mizuho Securities USA, Inc		68,283	2.0%	28	7/26/2018
Daiwa Securities America Inc.		67,298	1.9%	9	5/11/2018
Goldman, Sachs & Co		58,845	1.7%	11	5/11/2018
Lucid Cash Fund USG LLC		39,853	1.2%	14	5/14/2018
Merrill Lynch, Pierce, Fenner & Smith Incorporated		39,575	1.1%	23	5/30/2018
ABN AMRO Bank N.V.		38,129	1.1%	7	5/7/2018
J.V.B. Financial Group, LLC		18,058	0.5%	14	5/14/2018
Total Borrowings	\$	3,465,596	100.0%	32	8/14/2018

(1) In April 2018, the Company purchased assets with a fair value of approximately \$141.8 million, which settle in May 2018 that are expected to be funded by repurchase agreements. The anticipated borrowings are not included in the table above. In addition, the Company sold assets with a fair value of approximately \$130.3 million, which settle in May 2018 that collateralize approximately \$132.4 million of repurchase agreements included in the table above.

RMBS Risk Measures

(\$ in thousands)

Mortgage Assets

Asset Category	Fair Value	Weighted Average Months To Next Coupon Reset (if applicable)	Weighted Average Lifetime Cap (if applicable)	Weighted Average Periodic Cap Per Year (if applicable)	Modeled Interest Rate Sensitivity (-50 BPS) ⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS) ⁽¹⁾
As of April 30, 2018						
Adjustable Rate RMBS	\$ 1,728	2	10.05%	2.00%	\$ 6	\$ (5)
Hybrid Adjustable Rate RMBS	26,228	56	7.59%	2.00%	382	(398)
Fixed Rate RMBS	3,524,445	n/a	n/a	n/a	71,439	(86,636)
Fixed Rate CMO	155,693	n/a	n/a	n/a	705	(2,071)
Total Pass-through RMBS	3,552,401	n/a	n/a	n/a	72,532	(89,110)
Interest-Only Securities	119,783	n/a	n/a	n/a	(13,624)	9,039
Inverse Interest-Only Securities	26,944	1	5.31%	n/a	3,036	(3,597)
Structured RMBS	146,727	n/a	n/a	n/a	(10,588)	5,443
Total Mortgage Assets	\$ 3,699,128	n/a	n/a	n/a	\$ 61,945	\$ (83,667)

Funding Hedges

			Modeled Interest Rate Sensitivity (-50 BPS) ⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS) ⁽¹⁾
	Average Notional Balance ⁽²⁾	Hedge Period End Date		
Eurodollar Futures Contracts - Short Positions	\$ 1,454,545	Dec-20	\$ (20,000)	\$ 20,000
Treasury Futures Contracts - Short Positions	165,000	Jun-18	(4,097)	4,574
Payer Swaps	1,010,000	Aug-22	(11,933)	11,933
Payer Swaption	750,000	Aug-28	(9,562)	20,584
Receiver Swaption	100,000	Feb-24	1,251	(443)
TBA Short Positions	400,000	Jun-18	(12,430)	13,966
Total Hedges			(56,771)	70,614
Grand Total			\$ 5,173	\$ (13,053)

(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 \$113.5 at April 30, 2018. The notional contract value of the short position was \$187.3 million.

Contact:

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