UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __ to __

Commission File Number**: 001-35236**

Orchid Island Capital, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**27-3269228**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3305 Flamingo Drive, Vero Beach, Florida 32963
(Address of principal executive offices) (Zip Code)

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

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, $0.01 par value	ORC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2020 the aggregate market value of the common stock held by nonaffiliates was $298,895,633

Number of shares outstanding at March 11, 2021: 94,321,365

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive Proxy Statement, to be issued in connection with the 2021 Annual Meeting of Stockholders of the Registrant, are incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

On February 26, 2021, Orchid Island Capital, Inc. (the “Company”) filed its annual report on Form 10-K for the fiscal year ended December 31, 2020 (“2020 Form 10-K”). The Company is filing this Amendment No. 1 on Form 10-K/A (“Amendment No. 1”) solely to correct typographical errors that resulted during the creation of the EDGAR version of the 2020 Form 10-K. These typographical errors are limited to correcting the numbering of the notes to the financial statements included in Item 8.

Except as described above, no changes have been made to the 2020 Form 10-K, and this Amendment No. 1 does not modify, amend or update in any way any of the financial or other information contained in the 2020 Form 10-K. This Amendment No. 1 does not reflect events that may have occurred subsequent to February 26, 2021. Accordingly, this Amendment No. 1 should be read in conjunction with the 2020 Form 10-K.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment No. 1 also contains new certifications of the Company’s Chief Executive Officer and Chief Financial Officer, which are filed as exhibits hereto.

ITEM 8. FINANCIALSTATEMENTS AND SUPPLEMENTARY DATA

Index to FinancialStatements

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Orchid Island Capital, Inc.
Vero Beach, Florida

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Orchid Island Capital, Inc. (the "Company") as of December 31, 2020 and 2019, the related statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Investments in Mortgage-Backed Securities

As described in Notes 1 and 12 to the financial statements, the Company accounts for Level 2 mortgage-backed securities at fair value, which totaled $3.7 billion at December 31, 2020. The fair value of mortgage-backed securities is based on independent pricing sources and/or third-party broker quotes, when available. Because the price estimates may vary, management must make certain judgments and assumptions about the appropriate price to use to calculate the fair values based on various techniques including observing the most recent market for like or identical assets (including security coupon rate, maturity, yield, prepayment speed), spreads, and model driven approaches.

We identified the valuation of mortgage-backed securities as a critical audit matter. The principal considerations for our determination are: (i) the potential for bias in how management subjectively selects the price from multiple pricing sources to determine the fair value of the mortgage-backed securities and (ii) the audit effort involved, including the use of valuation professionals with specialized skill and knowledge.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of controls relating to the valuation of mortgaged-backed securities, including controls over management's process to select the price from multiple pricing sources.

- Reviewing the range of values used for each investment position, assessing the price selected for management bias by comparing the price to the high, low and average of the range of pricing sources.

- Testing the reasonableness of fair values determined by management by comparing the fair value of certain securities to recent transactions, if applicable.

- Utilizing a third-party valuation specialist to develop an independent estimate of the fair value of each investment position by considering the stated security coupon rate, yield, maturity, and prepayment speeds, and comparing to the fair value used by management.

/s/ BDO USA, LLP
Certified Public Accountants

We have served as the Company's auditor since 2011.

West Palm Beach, Florida
February 26, 2021

ORCHID ISLAND CAPITAL, INC.
BALANCE SHEETS
($ in thousands, except per share data)

		December 31, 2020		December 31, 2019
ASSETS:				
Mortgage-backed securities, at fair value				
Pledged to counterparties	$	3,719,906	$	3,584,354
Unpledged		6,989		6,567
Total mortgage-backed securities		3,726,895		3,590,921
Cash and cash equivalents		220,143		193,770
Restricted cash		79,363		84,885
Accrued interest receivable		9,721		12,404
Derivative assets, at fair value		20,999		-
Receivable for securities sold, pledged to counterparties		414		-
Other assets		516		100
Total Assets	$	4,058,051	$	3,882,080
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES:				
Repurchase agreements	$	3,595,586	$	3,448,106
Dividends payable		4,970		5,045
Derivative liabilities, at fair value		33,227		20,658
Accrued interest payable		1,157		11,101
Due to affiliates		632		622
Other liabilities		7,188		1,041
Total Liabilities		3,642,760		3,486,573
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY:				
Preferred stock, $0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding as of December 31, 2020 and December 31, 2019		-		-
Common Stock, $0.01 par value; 500,000,000 shares authorized, 76,073,317 shares issued and outstanding as of December 31, 2020 and 63,061,781 shares issued and outstanding as of December 31, 2019		761		631
Additional paid-in capital		432,524		414,998
Accumulated deficit		(17,994)		(20,122)
Total Stockholders' Equity		415,291		395,507
Total Liabilities and Stockholders' Equity	$	4,058,051	$	3,882,080

See Notes to Financial Statements

ORCHID ISLAND CAPITAL, INC.
STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2020, 2019 and 2018
($ in thousands, except per share data)

	2020	2019	2018
Interest income	$ 116,045	$ 142,324	$ 154,581
Interest expense	(25,056)	(83,666)	(70,360)
Net interest income	90,989	58,658	84,221
Realized losses on mortgage-backed securities	(24,986)	(10,877)	(30,289)
Unrealized gains (losses) on mortgage-backed securities	25,761	38,045	(110,668)
(Losses) gains on derivative instruments	(79,092)	(51,176)	24,311
Net portfolio income (loss)	12,672	34,650	(32,425)
Expenses:			
Management fees	5,281	5,528	6,204
Allocated overhead	1,514	1,380	1,567
Accrued incentive compensation	38	115	407
Directors' fees and liability insurance	998	998	968
Audit, legal and other professional fees	1,045	1,105	851
Direct REIT operating expenses	1,057	997	1,631
Other administrative	611	262	334
Total expenses	10,544	10,385	11,962
Net income (loss)	$ 2,128	$ 24,265	$ (44,387)
Basic and diluted net income (loss) per share	$ 0.03	$ 0.43	$ (0.85)
Weighted Average Shares Outstanding	67,210,815	56,328,027	52,198,175

See Notes to Financial Statements

ORCHID ISLAND CAPITAL, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2020, 2019 and 2018
(in thousands, except per share data)

	Common Stock		Additional Paid-in	Retained Earnings	
	Shares	Par Value	Capital	(Deficit)	Total
Balances, January 1, 2018	53,062	$ 531	$ 461,680	$ -	$ 462,211
Net loss	-	-	-	(44,387)	(44,387)
Cash dividends declared, $1.07 per share	-	-	(55,814)	-	(55,814)
Stock based compensation	49	-	492	-	492
Shares repurchased and retired	(3,979)	(40)	(26,383)	-	(26,423)
Balances, December 31, 2018	49,132	491	379,975	(44,387)	336,079
Net income	-	-	-	24,265	24,265
Cash dividends declared, $0.96 per share	-	-	(54,421)	-	(54,421)
Issuance of common stock pursuant to public offerings, net	14,377	145	92,169	-	92,314
Stock based compensation	23	-	294	-	294
Shares repurchased and retired	(470)	(5)	(3,019)	-	(3,024)
Balances, December 31, 2019	63,062	631	414,998	(20,122)	395,507
Net income	-	-	-	2,128	2,128
Cash dividends declared, $0.79 per share	-	-	(53,570)	-	(53,570)
Issuance of common stock pursuant to public offerings, net	13,019	130	70,920	-	71,050
Stock based compensation	12	-	244	-	244
Shares repurchased and retired	(20)	-	(68)	-	(68)
Balances, December 31, 2020	76,073	$ 761	$ 432,524	$ (17,994)	$ 415,291

See Notes to Financial Statements

ORCHID ISLAND CAPITAL, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020, 2019 and 2018
($ in thousands)

	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 2,128	$ 24,265	$ (44,387)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Stock based compensation	244	294	492
Realized and unrealized (gains) losses on mortgage-backed securities	(775)	(27,168)	140,957
Realized and unrealized losses on interest rate swaptions	2,972	1,379	1,502
Realized and unrealized losses (gains) on interest rate swaps	59,055	39,471	(1,027)
Realized and unrealized losses on U.S. Treasury Securities	95	-	-
Realized (gains) losses on forward settling to-be-announced securities	(3,231)	4,357	(4,527)
Changes in operating assets and liabilities:			
Accrued interest receivable	2,683	837	1,203
Other assets	(446)	80	(3)
Accrued interest payable	(9,944)	4,656	(71)
Other liabilities	2,583	22	4
Due to affiliates	10	(32)	(143)
NET CASH PROVIDED BY OPERATING ACTIVITIES	55,374	48,161	94,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
From mortgage-backed securities investments:			
Purchases	(4,859,434)	(4,241,822)	(3,893,828)
Sales	4,200,536	3,321,206	3,885,817
Principal repayments	523,699	594,833	373,934
Payments on U.S. Treasury securities	(139,807)	-	-
Proceeds from U.S. Treasury securities	139,712	-	-
Net proceeds from reverse repurchase agreements	30	-	-
(Payments on) proceeds from net settlement of to-be-announced securities	(881)	(8,423)	7,292
Purchase of derivative financial instruments, net of margin cash received	(63,195)	(20,600)	6,805
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(199,340)	(354,806)	380,020
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from repurchase agreements	33,140,625	45,595,010	52,096,292
Principal payments on repurchase agreements	(32,993,145)	(45,171,956)	(52,605,026)
Cash dividends	(53,645)	(53,307)	(59,312)
Proceeds from issuance of common stock, net of issuance costs	71,050	92,314	-
Common stock repurchases	(68)	(3,024)	(26,423)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	164,817	459,037	(594,469)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	20,851	152,392	(120,449)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of the period	278,655	126,263	246,712
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of the period	$ 299,506	$ 278,655	$ 126,263
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	$ 35,000	$ 79,010	$ 70,431
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:			
Securities sold settled in later period	$ -	$ -	$ 220,655

See Notes to Financial Statements

ORCHID ISLAND CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business Description

Orchid Island Capital, Inc. ("Orchid" or the "Company"), was incorporated in Maryland on August 17, 2010 for the purpose of creating and managing a leveraged investment portfolio consisting of residential mortgage-backed securities ("RMBS"). From incorporation to February 20, 2013 Orchid was a wholly owned subsidiary of Bimini Capital Management, Inc. ("Bimini"). Orchid began operations on November 24, 2010 (the date of commencement of operations). From incorporation through November 24, 2010, Orchid's only activity was the issuance of common stock to Bimini.

On August 2, 2017, Orchid entered into an equity distribution agreement (the "August 2017 Equity Distribution Agreement") with two sales agents pursuant to which the Company could offer and sell, from time to time, up to an aggregate amount of $125,000,000 of shares of the Company's common stock in transactions that were deemed to be "at the market" offerings and privately negotiated transactions. The Company issued a total of 15,123,178 shares under the August 2017 Equity Distribution Agreement for aggregate gross proceeds of approximately $125.0 million, and net proceeds of approximately $123.1 million, net of commissions and fees, prior to its termination in July 2019.

On July 30, 2019, Orchid entered into an underwriting agreement (the "2019 Underwriting Agreement") with Morgan Stanley & Co. LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, as representatives of the underwriters named therein, relating to the offer and sale of 7,000,000 shares of the Company's common stock at a price to the public of $6.55 per share. The underwriters purchased the shares pursuant to the 2019 Underwriting Agreement at a price of $6.3535 per share. The closing of the offering of 7,000,000 shares of common stock occurred on August 2, 2019, with net proceeds to the Company of approximately $44.2 million after deduction of underwriting discounts and commissions and other estimated offering expenses.

On January 23, 2020, Orchid entered into an equity distribution agreement (the "January 2020 Equity Distribution Agreement") with three sales agents pursuant to which the Company could offer and sell, from time to time, up to an aggregate amount of $200,000,000 of shares of the Company's common stock in transactions that were deemed to be "at the market" offerings and privately negotiated transactions. The Company issued a total of 3,170,727 shares under the January 2020 Equity Distribution Agreement for aggregate gross proceeds of $19.8 million, and net proceeds of approximately $19.4 million, net of commissions and fees, prior to its termination in August 2020.

On August 4, 2020, Orchid entered into an equity distribution agreement (the "August 2020 Equity Distribution Agreement") with four sales agents pursuant to which the Company may offer and sell, from time to time, up to an aggregate amount of $150,000,000 of shares of the Company's common stock in transactions that are deemed to be "at the market" offerings and privately negotiated transactions. Through December 31, 2020, the Company issued a total of 9,848,513 shares under the August 2020 Equity Distribution Agreement for aggregate gross proceeds of approximately $52.5 million, and net proceeds of approximately $51.6 million, net of commissions and fees. Subsequent to December 31, 2020 through February 26, 2021, the Company issued a total of 308,048 shares under the August 2020 Equity Distribution Agreement for aggregate gross proceeds of approximately $1.6 million.

COVID-19 Impact

Beginning in mid-March 2020, the global pandemic associated with the novel coronavirus ("COVID-19") and related economic conditions began to impact our financial position and results of operations. As a result of the economic, health and market turmoil brought about by COVID-19, the Agency RMBS market experienced severe dislocations. This resulted in falling prices of our assets and increased margin calls from our repurchase agreement lenders. Further, as interest rates declined, we faced additional margin calls related to our various hedge positions. In order to maintain sufficient cash and liquidity, reduce risk and satisfy margin calls, we were forced to sell assets at levels significantly below their carrying values and closed several hedge positions. During this period, we sold approximately $1.1 billion of Agency RMBS, resulting in losses of approximately $31.4 million. Also during this period, we terminated interest rate swap positions with an aggregate notional value of $860.0 million and incurred approximately $45.0 million in fair value losses on the positions through the date of the respective terminations.

The Agency RMBS market largely stabilized after the Federal Reserve announced on March 23, 2020 that it would purchase Agency RMBS and U.S. Treasuries in the amounts needed to support smooth market functioning. As of December 31, 2020, we had timely satisfied all margin calls.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may continue to have adverse effects on the Company's results of future operations, financial position and liquidity in fiscal year 2021.

In addition, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which has provided billions of dollars of relief to individuals, businesses, state and local governments, and the health care system suffering the impact of the pandemic, including mortgage loan forbearance and modification programs to qualifying borrowers who may have difficulty making their loan payments. As certain time limits imposed in the CARES Act programs began to expire, on December 27, 2020, President Trump signed into law an additional coronavirus aid package as part of the Consolidated Appropriations Act, 2021, providing for extensions of many of the CARES Act policies and programs as well as billions of dollars of additional relief. The Company has evaluated the provisions of the CARES Act and the Consolidated Appropriations Act, 2021 and has determined that it will not have a material effect on the Company's business, results of operations and financial condition.

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates affecting the accompanying financial statements are the fair values of RMBS and derivatives. Management believes the estimates and assumptions underlying the financial statements are reasonable based on the information available as of December 31, 2020; however, uncertainty over the ultimate impact that COVID-19 will have on the global economy generally, and on Orchid's business in particular, makes any estimates and assumptions as of December 31, 2020 inherently less certain than they would be absent the current and potential impacts of COVID-19.

Variable Interest Entities (VIEs)

We obtain interests in VIEs through our investments in mortgage-backed securities. Our interests in these VIEs are passive in nature and are not expected to result in us obtaining a controlling financial interest in these VIEs in the future. As a result, we do not consolidate these VIEs and we account for our interest in these VIEs as mortgage-backed securities. See Note 2 for additional information regarding our investments in mortgage-backed securities. Our maximum exposure to loss for these VIEs is the carrying value of the mortgage-backed securities.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on deposit with financial institutions and highly liquid investments with original maturities of three months or less at the time of purchase. Restricted cash includes cash pledged as collateral for repurchase agreements and other borrowings, and interest rate swaps and other derivative instruments.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

(in thousands)

		December 31, 2020		December 31, 2019
Cash and cash equivalents	$	220,143	$	193,770
Restricted cash		79,363		84,885
Total cash, cash equivalents and restricted cash	$	299,506	$	278,655

The Company maintains cash balances at three banks and excess margin on account with two exchange clearing members. At times, balances may exceed federally insured limits. The Company has not experienced any losses related to these balances. The Federal Deposit Insurance Corporation insures eligible accounts up to $250,000 per depositor at each financial institution. Restricted cash balances are uninsured, but are held in separate customer accounts that are segregated from the general funds of the counterparty. The Company limits uninsured balances to only large, well-known banks and exchange clearing members and believes that it is not exposed to any significant credit risk on cash and cash equivalents or restricted cash balances.

Mortgage-Backed Securities

The Company invests primarily in mortgage pass-through residential mortgage backed certificates issued by Freddie Mac, Fannie Mae or Ginnie Mae ("RMBS"), collateralized mortgage obligations ("CMOs"), interest-only ("IO") securities and inverse interest-only ("IIO") securities representing interest in or obligations backed by pools of RMBS. We refer to RMBS and CMOs as PT RMBS. We refer to IO and IIO securities as structured RMBS. The Company has elected to account for its investment in RMBS under the fair value option. Electing the fair value option requires the Company to record changes in fair value in the statement of operations, which, in management's view, more appropriately reflects the results of our operations for a particular reporting period and is consistent with the underlying economics and how the portfolio is managed.

The Company records RMBS transactions on the trade date. Security purchases that have not settled as of the balance sheet date are included in the RMBS balance with an offsetting liability recorded, whereas securities sold that have not settled as of the balance sheet date are removed from the RMBS balance with an offsetting receivable recorded.

Fair value is defined as the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market for the asset or liability, or in the absence of a principal market, occurs in the most advantageous market for the asset or liability. Estimated fair values for RMBS are based on independent pricing sources and/or third party broker quotes, when available.

Income on PT RMBS securities is based on the stated interest rate of the security. Premiums or discounts present at the date of purchase are not amortized. Premium lost and discount accretion resulting from monthly principal repayments are reflected in unrealized gains (losses) on RMBS in the statements of operations. For IO securities, the income is accrued based on the carrying value and the effective yield. The difference between income accrued and the interest received on the security is characterized as a return of investment and serves to reduce the asset's carrying value. At each reporting date, the effective yield is adjusted prospectively for future reporting periods based on the new estimate of prepayments and the contractual terms of the security. For IIO securities, effective yield and income recognition calculations also take into account the index value applicable to the security. Changes in fair value of RMBS during each reporting period are recorded in earnings and reported as unrealized gains or losses on mortgage-backed securities in the accompanying statements of operations.

Derivative Financial Instruments

The Company uses derivative and other hedging instruments to manage interest rate risk, facilitate asset/liability strategies and manage other exposures, and it may continue to do so in the future. The principal instruments that the Company has used to date are Treasury Note ("T-Note"), Fed Funds and Eurodollar futures contracts, short positions in U.S. Treasury securities, interest rate swaps, options to enter in interest rate swaps ("interest rate swaptions") and "to-be-announced" ("TBA") securities transactions, but the Company may enter into other derivative and other hedging instruments in the future.

The Company accounts for TBA securities as derivative instruments. Gains and losses associated with TBA securities transactions are reported in gain (loss) on derivative instruments in the accompanying statements of operations.

Derivative and other hedging instruments are carried at fair value, and changes in fair value are recorded in earnings for each period. The Company's derivative financial instruments are not designated as hedge accounting relationships, but rather are used as economic hedges of its portfolio assets and liabilities.

Holding derivatives creates exposure to credit risk related to the potential for failure on the part of counterparties and exchanges to honor their commitments. In the event of default by a counterparty, the Company may have difficulty recovering its collateral and may not receive payments provided for under the terms of the agreement. The Company's derivative agreements require it to post or receive collateral to mitigate such risk. In addition, the Company uses only registered central clearing exchanges and well-established commercial banks as counterparties, monitors positions with individual counterparties and adjusts posted collateral as required.

Financial Instruments

The fair value of financial instruments for which it is practicable to estimate that value is disclosed, either in the body of the financial statements or in the accompanying notes. RMBS, Eurodollar, Fed Funds and T-Note futures contracts, interest rate swaps, interest rate swaptions and TBA securities are accounted for at fair value in the balance sheets. The methods and assumptions used to estimate fair value for these instruments are presented in Note 12 of the financial statements.

The estimated fair value of cash and cash equivalents, restricted cash, accrued interest receivable, receivable for securities sold, other assets, due to affiliates, repurchase agreements, payable for unsettled securities purchased, accrued interest payable and other liabilities generally approximates their carrying values as of December 31, 2020 and December 31, 2019 due to the short-term nature of these financial instruments.

Repurchase Agreements

The Company finances the acquisition of the majority of its RMBS through the use of repurchase agreements under master repurchase agreements. Repurchase agreements are accounted for as collateralized financing transactions, which are carried at their contractual amounts, including accrued interest, as specified in the respective agreements.

Reverse Repurchase Agreements and Obligations to Return Securities Borrowed under Reverse Repurchase Agreements

The Company borrows securities to cover short sales of U.S. Treasury securities through reverse repurchase transactions under our master repurchase agreements. We account for these as securities borrowing transactions and recognize an obligation to return the borrowed securities at fair value on the balance sheet based on the value of the underlying borrowed securities as of the reporting date. The securities received as collateral in connection with our reverse repurchase agreements mitigate our credit risk exposure to counterparties. Our reverse repurchase agreements typically have maturities of 30 days or less.

Manager Compensation

The Company is externally managed by Bimini Advisors, LLC (the "Manager" or "Bimini Advisors"), a Maryland limited liability company and wholly-owned subsidiary of Bimini. The Company's management agreement with the Manager provides for payment to the

Manager of a management fee and reimbursement of certain operating expenses, which are accrued and expensed during the period for which they are earned or incurred. Refer to Note 13 for the terms of the management agreement.

Earnings Per Share

Basic earnings per share (“EPS”) is calculated as net income or loss attributable to common stockholders divided by the weighted average number of shares of common stock outstanding or subscribed during the period. Diluted EPS is calculated using the treasury stock or two-class method, as applicable, for common stock equivalents, if any. However, the common stock equivalents are not included in computing diluted EPS if the result is anti-dilutive.

Income Taxes

Orchid has qualified and elected to be taxed as a REIT under the Code. REITs are generally not subject to federal income tax on their REIT taxable income provided that they distribute to their stockholders at least 90% of their REIT taxable income on an annual basis. In addition, a REIT must meet other provisions of the Code to retain its tax status.

Orchid assesses the likelihood, based on their technical merit, that uncertain tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. All of Orchid’s tax positions are categorized as highly certain. There is no accrual for any tax, interest or penalties related to Orchid’s tax position assessment. The measurement of uncertain tax positions is adjusted when new information is available, or when an event occurs that requires a change.

Recent Accounting Pronouncements

On January 1, 2020, we adopted Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 requires credit losses on most financial assets measured at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the current expected credit loss model). The Company’s adoption of this ASU did not have a material effect on its financial statements as its financial assets were already measured at fair value through earnings.

In March 2020, the FASB issued ASU 2020-04 “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” ASU 2020-04 provides optional expedients and exceptions to GAAP requirements for modifications on debt instruments, leases, derivatives, and other contracts, related to the expected market transition from the London Interbank Offered Rate (“LIBOR”), and certain other floating rate benchmark indices, or collectively, IBORs, to alternative reference rates. ASU 2020-04 generally considers contract modifications related to reference rate reform to be an event that does not require contract remeasurement at the modification date nor a reassessment of a previous accounting determination. The guidance in ASU 2020-04 is optional and may be elected over time, through December 31, 2022, as reference rate reform activities occur. The Company does not believe the adoption of this ASU will have a material impact on its financial statements.

In January 2021, the FASB issued ASU 2021-01 “Reference Rate Reform (Topic 848). ASU 2021-01 expands the scope of ASC 848 to include all affected derivatives and give market participants the ability to apply certain aspects of the contract modification and hedge accounting expedients to derivative contracts affected by the discounting transition. In addition, ASU 2021-01 adds implementation guidance to permit a company to apply certain optional expedients to modifications of interest rate indexes used for margining, discounting or contract price alignment of certain derivatives as a result of reference rate reform initiatives and extends optional expedients to account for a derivative contract modified as a continuation of the existing contract and to continue hedge accounting when certain critical terms of a hedging relationship change to modifications made as part of the discounting transition. The guidance in ASU 2021-01 is effective immediately and available generally through December 31, 2022, as reference rate reform activities occur. The Company does not believe the adoption of this ASU will have a material impact on its financial statements.

NOTE 2. MORTGAGE-BACKED SECURITIES

The following table presents the Company’s RMBS portfolio as of December 31, 2020 and December 31, 2019:

(in thousands)

	December 31, 2020	December 31, 2019
Pass-Through RMBS Certificates:		
Adjustable-rate Mortgages	$ -	$ 1,014
Fixed-rate Mortgages	3,560,746	3,206,013
Fixed-rate CMOs	137,453	299,205
Total Pass-Through Certificates	3,698,199	3,506,232
Structured RMBS Certificates:		
Interest-Only Securities	28,696	60,986
Inverse Interest-Only Securities	-	23,703
Total Structured RMBS Certificates	28,696	84,689
Total	$ 3,726,895	$ 3,590,921

NOTE 3. REPURCHASE AGREEMENTS

The Company pledges certain of its RMBS as collateral under repurchase agreements with financial institutions. Interest rates are generally fixed based on prevailing rates corresponding to the terms of the borrowings, and interest is generally paid at the termination of a borrowing. If the fair value of the pledged securities declines, lenders will typically require the Company to post additional collateral or pay down borrowings to re-establish agreed upon collateral requirements, referred to as "margin calls." Similarly, if the fair value of the pledged securities increases, lenders may release collateral back to the Company. As of December 31, 2020, the Company had met all margin call requirements.

As of December 31, 2020 and 2019, the Company’s repurchase agreements had remaining maturities as summarized below:

($ in thousands)

	OVERNIGHT (1 DAY OR	BETWEEN 2 AND	BETWEEN 31 AND	GREATER THAN

	LESS)	30 DAYS	90 DAYS	90 DAYS	TOTAL
December 31, 2020					
Fair market value of securities pledged, including accrued interest receivable	$ -	$ 2,112,969	$ 1,560,798	$ 55,776	$ 3,729,543
Repurchase agreement liabilities associated with these securities	$ -	$ 2,047,897	$ 1,494,500	$ 53,189	$ 3,595,586
Net weighted average borrowing rate	-	0.23%	0.22%	0.30%	0.23%
December 31, 2019					
Fair market value of securities pledged, including accrued interest receivable	$ -	$ 2,470,263	$ 1,005,517	$ 120,941	$ 3,596,721
Repurchase agreement liabilities associated with these securities	$ -	$ 2,361,378	$ 964,368	$ 122,360	$ 3,448,106
Net weighted average borrowing rate	-	2.04%	1.94%	2.60%	2.03%

In addition, cash pledged to counterparties as collateral for repurchase agreements was approximately $58.8 million and $5.9 million as of December 31, 2020 and 2019, respectively.

If, during the term of a repurchase agreement, a lender files for bankruptcy, the Company might experience difficulty recovering its pledged assets, which could result in an unsecured claim against the lender for the difference between the amount loaned to the Company plus interest due to the counterparty and the fair value of the collateral pledged to such lender, including the accrued interest receivable and cash posted by the Company as collateral. At December 31, 2020, the Company had an aggregate amount at risk (the difference between the amount loaned to the Company, including interest payable and securities posted by the counterparty (if any) and the fair value of securities and cash pledged (if any), including accrued interest on such securities) with all counterparties of approximately $176.3 million. The Company did not have an amount at risk with any individual counterparty greater than 10% of the Company's equity at December 31, 2020 and 2019.

NOTE 4. DERIVATIVE AND OTHER HEDGING INSTRUMENTS

The table below summarizes fair value information about our derivative and other hedging instruments assets and liabilities as of December 31, 2020 and 2019.

(in thousands)

Derivative and Other Hedging Instruments	Balance Sheet Location	December 31, 2020	December 31, 2019
Assets			
Interest rate swaps	Derivative assets, at fair value	$ 7	$ -
Payer swaptions (long positions)	Derivative assets, at fair value	17,433	-
TBA securities	Derivative assets, at fair value	3,559	-
Total derivative assets, at fair value		$ 20,999	$ -
Liabilities			
Interest rate swaps	Derivative liabilities, at fair value	$ 24,711	$ 20,146
Payer swaptions (short positions)	Derivative liabilities, at fair value	7,730	-
TBA securities	Derivative liabilities, at fair value	786	512
Total derivative liabilities, at fair value		$ 33,227	$ 20,658
Margin Balances Posted to (from) Counterparties			
Futures contracts	Restricted cash	$ 489	$ 1,338
TBA securities	Restricted cash	284	246
TBA securities	Other liabilities	(2,520)	-
Interest rate swaption contracts	Other liabilities	(3,563)	-
Interest rate swap contracts	Restricted cash	19,761	17,450
Total margin balances on derivative contracts		$ 14,451	$ 19,034

Eurodollar, Fed Funds and T-Note futures are cash settled futures contracts on an interest rate, with gains and losses credited or charged to the Company's cash accounts on a daily basis. A minimum balance, or "margin", is required to be maintained in the account on a daily basis. The tables below present information related to the Company's Eurodollar and T-Note futures positions at December 31, 2020 and 2019.

($ in thousands)

	December 31, 2020			
Expiration Year	**Average Contract Notional Amount**	**Weighted Average Entry Rate**	**Weighted Average Effective Rate**	**Open Equity(1)**
Eurodollar Futures Contracts (Short Positions)				
2021	$ 50,000	1.03%	0.18%	$ (424)
U.S. Treasury Note Futures Contracts (Short Position)(2)				
March 2021 5-year T-Note futures (Mar 2021 - Mar 2026 Hedge Period)	$ 69,000	0.72%	0.67%	$ (186)

($ in thousands)

Expiration Year	December 31, 2019 Average Contract Notional Amount	Weighted Average Entry Rate	Weighted Average Effective Rate	Open Equity[1]
Eurodollar Futures Contracts (Short Positions)				
2020	$ 500,000	2.97%	1.67%	$ (6,505)
U.S. Treasury Note Futures Contracts (Short Position)[2]				
March 2020 5 year T-Note futures				
(Mar 2020 - Mar 2025 Hedge Period)	$ 69,000	1.96%	2.06%	$ 302

(1) Open equity represents the cumulative gains (losses) recorded on open futures positions from inception.
(2) T-Note futures contracts were valued at a price of $126.16 at December 31, 2020 and $118.61 at December 31, 2019. The contract values of the short positions were $87.1 million and $81.8 million at December 31, 2020 and December 31, 2019, respectively.

Under our interest rate swap agreements, we typically pay a fixed rate and receive a floating rate based on LIBOR ("payer swaps"). The floating rate we receive under our swap agreements has the effect of offsetting the repricing characteristics of our repurchase agreements and cash flows on such liabilities. We are typically required to post collateral on our interest rate swap agreements. The table below presents information related to the Company's interest rate swap positions at December 31, 2020 and 2019.

($ in thousands)

	Notional Amount	Average Fixed Pay Rate	Average Receive Rate	Net Estimated Fair Value	Average Maturity (Years)
December 31, 2020					
Expiration > 3 to ≤ 5 years	$ 620,000	1.29%	0.22%	$ (23,760)	3.6
Expiration > 5 years	$ 200,000	0.67%	0.23%	$ (944)	6.4
	$ 820,000	1.14%	0.23%	$ (24,704)	4.3
December 31, 2019					
Expiration > 1 to ≤ 3 years	$ 360,000	2.05%	1.90%	$ (3,680)	2.3
Expiration > 3 to ≤ 5 years	910,000	2.03%	1.93%	(16,466)	4.4
	$ 1,270,000	2.03%	1.92%	$ (20,146)	3.8

The table below presents information related to the Company's interest rate swaption positions at December 31, 2020. There were no open swaption positions at December 31, 2019.

($ in thousands)

	Option			Underlying Swap			
Expiration	**Cost**	**Fair Value**	**Weighted Average Months to Expiration**	**Notional Amount**	**Average Fixed Rate**	**Average Adjustable Rate (LIBOR)**	**Weighted Average Term (Years)**
December 31, 2020							
Payer Swaptions (long positions)							
≤ 1 year	$ 3,450	$ 5	2.5	500,000	0.95%	3 Month	4.0
> 1 year ≤ 2 years	13,410	17,428	17.4	675,000	1.49%	3 Month	12.8
	$ 16,860	$ 17,433	11.0	$ 1,175,000	1.26%	3 Month	9.0
Payer Swaptions (short positions)							
≤ 1 year	$ (4,660)	$ (7,730)	5.4	$ 507,700	1.49%	3 Month	12.8

The following table summarizes our contracts to purchase and sell TBA securities as of December 31, 2020 and 2019.

($ in thousands)

		Notional Amount Long (Short)(1)		Cost Basis(2)		Market Value(3)		Net Carrying Value(4)
December 31, 2020								
30-Year TBA securities:								
2.0%	$	465,000	$	479,531	$	483,090	$	3,559
3.0%		(328,000)		(342,896)		(343,682)		(786)
Total	$	137,000	$	136,635	$	139,408	$	2,773
December 31, 2019								
30-Year TBA securities:								
4.5%	$	(300,000)	$	(315,426)	$	(315,938)	$	(512)
Total	$	(300,000)	$	(315,426)	$	(315,938)	$	(512)

(1) Notional amount represents the par value (or principal balance) of the underlying Agency RMBS.
(2) Cost basis represents the forward price to be paid (received) for the underlying Agency RMBS.
(3) Market value represents the current market value of the TBA securities (or of the underlying Agency RMBS) as of period-end.
(4) Net carrying value represents the difference between the market value and the cost basis of the TBA securities as of period-end and is reported in derivative assets (liabilities), at fair value in our balance sheets.

Gain (Loss) From Derivative and Other Hedging Instruments, Net

The table below presents the effect of the Company's derivative and other hedging instruments on the statements of operations for the years ended December 31, 2020, 2019 and 2018.

(in thousands)

		2020		2019		2018
Eurodollar futures contracts (short positions)	$	(8,337)	$	(13,860)	$	7,170
U.S. Treasury Note futures contracts (short position)		(4,707)		(5,175)		5,507
Fed Funds futures contracts (short positions)		-		177		-
Interest rate swaps		(66,212)		(26,582)		8,609
Receiver swaptions		-		-		105
Payer swaptions (long positions)		98		(1,379)		(1,607)
Payer swaptions (short positions)		(3,070)		-		-
TBA securities (short positions)		(6,719)		(6,264)		4,327
TBA securities (long positions)		9,950		1,907		200
U.S. Treasury securities (short positions)		(95)		-		-
Total	$	(79,092)	$	(51,176)	$	24,311

Credit Risk-Related Contingent Features

The use of derivatives and other hedging instruments creates exposure to credit risk relating to potential losses that could be recognized in the event that the counterparties to these instruments fail to perform their obligations under the contracts. We minimize this risk by limiting our counterparties for instruments which are not centrally cleared on a registered exchange to major financial institutions with acceptable credit ratings and monitoring positions with individual counterparties. In addition, we may be required to pledge assets as collateral for our derivatives, whose amounts vary over time based on the market value, notional amount and remaining term of the derivative contract. In the event of a default by a counterparty, we may not receive payments provided for under the terms of our derivative agreements, and may have difficulty obtaining our assets pledged as collateral for our derivatives. The cash and cash equivalents pledged as collateral for our derivative instruments are included in restricted cash on our balance sheets.

It is the Company's policy not to offset assets and liabilities associated with open derivative contracts. However, the Chicago Mercantile Exchange ("CME") rules characterize variation margin transfers as settlement payments, as opposed to adjustments to collateral. As a result, derivative assets and liabilities associated with centrally cleared derivatives for which the CME serves as the central clearing party are presented as if these derivatives had been settled as of the reporting date.

NOTE 5. PLEDGED ASSETS

Assets Pledged to Counterparties

The table below summarizes our assets pledged as collateral under our repurchase agreements and derivative agreements by type, including securities pledged related to securities sold but not yet settled, as of December 31, 2020 and 2019.

(in thousands)

	December 31, 2020			December 31, 2019		
Assets Pledged to Counterparties	**Repurchase Agreements**	**Derivative Agreements**	**Total**	**Repurchase Agreements**	**Derivative Agreements**	**Total**
PT RMBS - fair value	$ 3,692,811	$ -	$ 3,692,811	$ 3,500,394	$ -	$ 3,500,394
Structured RMBS - fair value	27,095	-	27,095	83,960	-	83,960
Accrued interest on pledged securities	9,636	-	9,636	12,367	-	12,367
Restricted cash	58,829	20,534	79,363	65,851	19,034	84,885
Total	$ 3,788,371	$ 20,534	$ 3,808,905	$ 3,662,572	$ 19,034	$ 3,681,606

Assets Pledged from Counterparties

The table below summarizes our assets pledged to us from counterparties under our repurchase agreements and derivative agreements as of December 31, 2020 and 2019.

(in thousands)

	December 31, 2020			December 31, 2019		
Assets Pledged to Orchid	**Repurchase Agreements**	**Derivative Agreements**	**Total**	**Repurchase Agreements**	**Derivative Agreements**	**Total**
Cash	$ 120	$ 6,083	$ 6,203	$ 1,418	$ -	$ 1,418
U.S. Treasury securities - fair value	253	-	253	-	-	-
Total	$ 373	$ 6,083	$ 6,456	$ 1,418	$ -	$ 1,418

PT RMBS and U.S. Treasury securities received as margin under our repurchase agreements are not recorded in the balance sheets because the counterparty retains ownership of the security. Cash received as margin is recognized in cash and cash equivalents with a corresponding amount recognized as an increase in repurchase agreements or other liabilities in the balance sheets.

NOTE 6. OFFSETTING ASSETS AND LIABILITIES

The Company's derivative agreements and repurchase agreements are subject to underlying agreements with master netting or similar arrangements, which provide for the right of offset in the event of default or in the event of bankruptcy of either party to the transactions. The Company reports its assets and liabilities subject to these arrangements on a gross basis.

The following table presents information regarding those assets and liabilities subject to such arrangements as if the Company had presented them on a net basis as of December 31, 2020 and 2019.

(in thousands)

Offsetting of Assets						
				Gross Amount Not Offset in the Balance Sheet		
	Gross Amount of Recognized Assets	Gross Amount Offset in the Balance Sheet	Net Amount of Assets Presented in the Balance Sheet	Financial Instruments Received as Collateral	Cash Received as Collateral	Net Amount
December 31, 2020						
Interest rate swaps	$ 7	$ -	$ 7	$ -	$ -	$ 7
Interest rate swaptions	17,433	-	17,433	-	(3,563)	13,870
TBA securities	3,559	-	3,559	-	(2,520)	1,039
	$ 20,999	$ -	$ 20,999	$ -	$ (6,083)	$ 14,916

(in thousands)

Offsetting of Liabilities						
				Gross Amount Not Offset in the Balance Sheet		
	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Balance Sheet	Net Amount of Liabilities Presented in the Balance Sheet	Financial Instruments Posted as Collateral	Cash Posted Collateral	Net Amount
December 31, 2020						
Repurchase Agreements	$ 3,595,586	$ -	$ 3,595,586	$ (3,536,757)	$ (58,829)	$ -
Interest rate swaps	24,711	-	24,711	-	(19,761)	4,950
Interest rate swaptions	7,730	-	7,730	-	-	-
TBA securities	786	-	786	-	(284)	502
	$ 3,628,813	$ -	$ 3,628,813	$ (3,536,757)	$ (78,874)	$ 5,452
December 31, 2019						
Repurchase Agreements	$ 3,448,106	$ -	$ 3,448,106	$ (3,382,255)	$ (65,851)	$ -
Interest rate swaps	20,146	-	20,146	-	(17,450)	2,696
TBA securities	512	-	512	-	(246)	266
	$ 3,468,764	$ -	$ 3,468,764	$ (3,382,255)	$ (83,547)	$ 2,962

The amounts disclosed for collateral received by or posted to the same counterparty up to and not exceeding the net amount of the asset or liability presented in the balance sheets. The fair value of the actual collateral received by or posted to the same counterparty typically exceeds the amounts presented. See Note 5 for a discussion of collateral posted or received against or for repurchase obligations and derivative and other hedging instruments.

NOTE 7. CAPITAL STOCK

Common Stock Issuances

During 2020 and 2019, the Company completed the following public offerings of shares of its common stock.

($ in thousands, except per share amounts)

Type of Offering	Period	Weighted Average Price Received Per Share[1]	Shares	Net Proceeds[2]
2020				
At the Market Offering Program[3]	First Quarter	$ 6.23	3,170,727	$ 19,447
At the Market Offering Program[3]	Third Quarter	5.15	3,073,326	15,566

At the Market Offering Program (3)	Fourth Quarter		5.41	6,775,187		36,037
				13,019,240	$	71,050
2019						
At the Market Offering Program (3)	First Quarter	$	6.84	1,267,894	$	8,503
At the Market Offering Program (3)	Second Quarter		6.70	4,337,931		28,495
At the Market Offering Program (3)	Third Quarter		6.37	1,771,301		11,098
Follow-on Offering (2)	Third Quarter		6.35	7,000,000		44,218
				14,377,126	$	92,314

(1) Weighted average price received per share is before deducting the underwriters' discount, if applicable, and other offering costs.

(2) Net proceeds are net of the underwriters' discount, if applicable, and other offering costs.

(3) As of December 31, 2020, the Company had entered into eight equity distribution agreements, seven of which have either been terminated because all shares were sold or were replaced with a subsequent agreement.

Stock Repurchase Program

On July 29, 2015, the Company's Board of Directors authorized the repurchase of up to 2,000,000 shares of the Company's common stock. On February 8, 2018, the Board of Directors approved an increase in the stock repurchase program for up to an additional 4,522,822 shares of the Company's common stock. Coupled with the 783,757 shares remaining from the original 2,000,000 share authorization, the increased authorization brought the total authorized shares to 5,306,579 shares, representing 10% of the then outstanding share count. As part of the stock repurchase program, shares may be purchased in open market transactions, block purchases, through privately negotiated transactions, or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Open market repurchases will be made in accordance with Exchange Act Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of open market stock repurchases. The timing, manner, price and amount of any repurchases will be determined by the Company in its discretion and will be subject to economic and market conditions, stock price, applicable legal requirements and other factors. The authorization does not obligate the Company to acquire any particular amount of common stock and the program may be suspended or discontinued at the Company's discretion without prior notice.

From the inception of the stock repurchase program through December 31, 2020, the Company repurchased a total of 5,685,511 shares at an aggregate cost of approximately $40.4 million, including commissions and fees, for a weighted average price of $7.10 per share. During the year ended December 31, 2020, the Company repurchased a total of 19,891 shares at an aggregate cost of approximately $0.1 million, including commissions and fees, for a weighted average price of $3.42 per share. During the year ended December 31, 2019, the Company repurchased a total of 469,975 shares at an aggregate cost of approximately $3.0 million, including commissions and fees, for a weighted average price of $6.43 per share. During the year ended December 31, 2018, the Company repurchased a total of 3,979,402 shares at an aggregate cost of approximately $26.4 million, including commissions and fees, for a weighted average price of $6.64 per share. The remaining authorization under the repurchase program as of December 31, 2020 is 837,311 shares.

Cash Dividends

The table below presents the cash dividends declared on the Company's common stock.

(in thousands, except per share amounts)

Year		Per Share Amount		Total
2013	$	1.395	$	4,662
2014		2.160		22,643
2015		1.920		38,748
2016		1.680		41,388
2017		1.680		70,717

2018	1.070	55,814
2019	0.960	54,421
2020	0.790	53,570
2021 - YTD(1)	0.130	11,079
Totals	$ 11.785	$ 353,042

(1) On January 14, 2021, the Company declared a dividend of $0.065 per share to be paid on February 24, 2021. On February 10, 2021, the Company declared a dividend of $0.065 per share to be paid on March 29, 2021. The dollar amount of the dividend declared in February 2021 is estimated based on the number of shares outstanding at February 26, 2021. The effect of these dividends are included in the table above, but are not reflected in the Company's financial statements as of December 31, 2020.

NOTE 8. STOCK INCENTIVE PLAN

In October 2012, the Company's Board of Directors adopted and Bimini, then the Company's sole stockholder, approved, the Orchid Island Capital, Inc. 2012 Equity Incentive Plan (the "Incentive Plan") to recruit and retain employees, directors and other service providers, including employees of the Manager and other affiliates. The Incentive Plan provides for the award of stock options, stock appreciation rights, stock award, performance units, other equity-based awards (and dividend equivalents with respect to awards of performance units and other equity-based awards) and incentive awards. The Incentive Plan is administered by the Compensation Committee of the Company's Board of Directors except that the Company's full Board of Directors will administer awards made to directors who are not employees of the Company or its affiliates. The Incentive Plan provides for awards of up to an aggregate of 10% of the issued and outstanding shares of our common stock (on a fully diluted basis) at the time of the awards, subject to a maximum aggregate 4,000,000 shares of the Company's common stock that may be issued under the Incentive Plan.

Stock Awards

The Company may in the future issue immediately vested common stock under the Incentive Plan to certain executive officers and employees of its Manager. Although no such awards were granted in fiscal years 2020 or 2019, such awards have previously been issued.

Performance Units

The Company has issued, and may in the future issue additional performance units under the Incentive Plan to certain executive officers and employees of its Manager. "Performance Units" vest after the end of a defined performance period, based on satisfaction of the performance conditions set forth in the performance unit agreement. When earned, each Performance Unit will be settled by the issuance of one share of the Company's common stock, at which time the Performance Unit will be cancelled. The Performance Units contain dividend equivalent rights, which entitle the Participants to receive distributions declared by the Company on common stock, but do not include the right to vote the underlying shares of common stock. Performance Units are subject to forfeiture should the participant no longer serve as an executive officer or employee of the Company. Compensation expense for the Performance Units is recognized over the remaining vesting period once it becomes probable that the performance conditions will be achieved.

The following table presents information related to Performance Units outstanding during the years ended December 31, 2020 and 2019.

($ in thousands, except per share data)

	2020		2019	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested, beginning of period	19,021	$ 7.78	43,672	$ 8.34

Forfeited	(1,607)	7.45	-	-
Vested and issued	(12,860)	7.93	(24,651)	8.78
Unvested, end of period	4,554	$ 7.45	19,021	$ 7.78
Compensation expense during period		$ 38		$ 115
Unrecognized compensation expense, end of period		$ 4		$ 42
Intrinsic value, end of period		$ 24		$ 111
Weighted-average remaining vesting term (in years)		0.4		0.8

The number of shares of common stock issuable upon the vesting of the remaining outstanding Performance Units was reduced as a result of the book value impairment event that occurred pursuant to the Company's Long Term Incentive Compensation Plans (the "Plans"). The book value impairment event occurred when the Company's book value per share declined by more than 15% during the quarter ended March 31, 2020 and the Company's book value per share decline from January 1, 2020 to June 30, 2020 was more than 10%. The Plans provide that if such a book value impairment event occurs, then the number of outstanding Performance Units that are outstanding as of the last day of such two-quarter period shall be reduced by 15%.

Deferred Stock Units

Non-employee directors began to receive a portion of their compensation in the form of deferred stock unit awards ("DSUs") pursuant to the Incentive Plan beginning with the awards for the second quarter of 2018. Each DSU represents a right to receive one share of the Company's common stock. The DSUs are immediately vested and are settled at a future date based on the election of the individual participant. The DSUs contain dividend equivalent rights, which entitle the participant to receive distributions declared by the Company on common stock. These distributions will be made in the form of cash or additional DSUs at the participant's election. The DSUs do not include the right to vote the underlying shares of common stock.

The following table presents information related to the DSUs outstanding during the years ended December 31, 2020 and 2019.

($ in thousands, except per share data)

	2020		2019	
	Shares	**Weighted Average Grant Date Fair Value**	**Shares**	**Weighted Average Grant Date Fair Value**
Outstanding, beginning of period	43,570	$ 6.56	12,434	$ 7.37
Granted and vested	47,376	4.41	31,136	6.23
Outstanding, end of period	90,946	$ 5.44	43,570	$ 6.56
Compensation expense during period		$ 180		$ 180
Intrinsic value, end of period		$ 473		$ 255

NOTE 9. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become involved in various claims and legal actions arising in the ordinary course of business. Management is not aware of any reported or unreported contingencies at December 31, 2020.

NOTE 10. INCOME TAXES

The Company will generally not be subject to federal income tax on its REIT taxable income to the extent that it distributes its REIT taxable income to its stockholders and satisfies the ongoing REIT requirements, including meeting certain asset, income and stock ownership tests. A REIT must generally distribute at least 90% of its REIT taxable income to its stockholders, of which 85% generally must be distributed within the taxable year, in order to avoid the imposition of an excise tax. The remaining balance may be distributed up to the end of the following taxable year, provided the REIT elects to treat such amount as a prior year distribution and meets certain other requirements.

REIT taxable income (loss) is computed in accordance with the Code, which is different than the Company's financial statement net income (loss) computed in accordance with GAAP. Book to tax differences primarily relate to the recognition of interest income on RMBS, unrealized gains and losses on RMBS, and the amortization of losses on derivative instruments that are treated as hedges for tax purposes.

As of December 31, 2020, we had distributed all of our estimated REIT taxable income through fiscal year 2020. Accordingly, no income tax provision was recorded for 2020, 2019 and 2018.

NOTE 11. EARNINGS PER SHARE (EPS)

The Company had dividend eligible Performance Units and Deferred Stock Units that were outstanding during the years ended December 31, 2020, 2019 and 2018. The basic and diluted per share computations include these unvested Performance Units and Deferred Stock Units if there is income available to common stock, as they have dividend participation rights. The unvested Performance Units and Deferred Stock Units have no contractual obligation to share in losses. Because there is no such obligation, the unvested Performance Units and Deferred Stock Units are not included in the basic and diluted EPS computations when no income is available to common stock even though they are considered participating securities.

The table below reconciles the numerator and denominator of EPS for the years ended December 31, 2020, 2019 and 2018.

(in thousands, except per-share information)

	2020	2019	2018
Basic and diluted EPS per common share:			
Numerator for basic and diluted EPS per share of common stock:			
Net income (loss) - Basic and diluted	$ 2,128	$ 24,265	$ (44,387)
Weighted average shares of common stock:			
Shares of common stock outstanding at the balance sheet date	76,073	63,062	49,132
Unvested dividend eligible share based compensation outstanding at the balance sheet date	96	63	-
Effect of weighting	(8,958)	(6,797)	3,066
Weighted average shares-basic and diluted	67,211	56,328	52,198
Net income (loss) per common share:			
Basic and diluted	$ 0.03	$ 0.43	$ (0.85)
Anti-dilutive incentive shares not included in calculation.	-	-	56

NOTE 12. FAIR VALUE

The framework for using fair value to measure assets and liabilities defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of non-performance. Required disclosures include stratification of balance sheet amounts measured at fair value based on inputs the Company uses to derive fair value measurements. These stratifications are:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data. These unobservable assumptions reflect the Company's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

The Company's RMBS and TBA securities are Level 2 valuations, and such valuations are determined by the Company based on independent pricing sources and/or third party broker quotes, when available. Because the price estimates may vary, the Company must make certain judgments and assumptions about the appropriate price to use to calculate the fair values. The Company and the independent pricing sources use various valuation techniques to determine the price of the Company's securities. These techniques include observing the most recent market for like or identical assets (including security coupon, maturity, yield, and prepayment speeds), spread pricing techniques to determine market credit spreads (option adjusted spread, zero volatility spread, spread to the U.S. Treasury curve or spread to a benchmark such as a TBA), and model driven approaches (the discounted cash flow method, Black Scholes and SABR models which rely upon observable market rates such as the term structure of interest rates and volatility). The appropriate spread pricing method used is based on market convention. The pricing source determines the spread of recently observed trade activity or observable markets for assets similar to those being priced. The spread is then adjusted based on variances in certain characteristics between the market observation and the asset being priced. Those characteristics include: type of asset, the expected life of the asset, the stability and predictability of the expected future cash flows of the asset, whether the coupon of the asset is fixed or adjustable, the guarantor of the security if applicable, the coupon, the maturity, the issuer, size of the underlying loans, year in which the underlying loans were originated, loan to value ratio, state in which the underlying loans reside, credit score of the underlying borrowers and other variables if appropriate. The fair value of the security is determined by using the adjusted spread.

The Company's futures contracts are Level 1 valuations, as they are exchange-traded instruments and quoted market prices are readily available. Futures contracts are settled daily. The Company's interest rate swaps and interest rate swaptions are Level 2 valuations. The fair value of interest rate swaps is determined using a discounted cash flow approach using forward market interest rates and discount rates, which are observable inputs. The fair value of interest rate swaptions is determined using an option pricing model.

RMBS (based on the fair value option), derivatives and TBA securities were recorded at fair value on a recurring basis during the years ended December 31, 2020, 2019 and 2018. When determining fair value measurements, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets.

The following table presents financial assets (liabilities) measured at fair value on a recurring basis as of December 31, 2020 and 2019. Derivative contracts are reported as a net position by contract type, and not based on master netting arrangements.

(in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020			
Mortgage-backed securities	$ -	$ 3,726,895	$ -
Interest rate swaps	-	(24,704)	-
Interest rate swaptions	-	9,703	-
TBA securities	-	2,773	-
December 31, 2019			
Mortgage-backed securities	$ -	$ 3,590,921	$ -

Interest rate swaps	-	(20,146)	-
TBA securities	-	(512)	-

During the years ended December 31, 2020 and 2019, there were no transfers of financial assets or liabilities between levels 1, 2 or 3.

NOTE 13. RELATED PARTY TRANSACTIONS

Management Agreement

The Company is externally managed and advised by the "Manager" pursuant to the terms of a management agreement. The management agreement has been renewed through February 20, 2022 and provides for automatic one-year extension options thereafter and is subject to certain termination rights. Under the terms of the management agreement, the Manager is responsible for administering the business activities and day-to-day operations of the Company. The Manager receives a monthly management fee in the amount of:

- One-twelfth of 1.5% of the first $250 million of the Company's month-end equity, as defined in the management agreement,
- One-twelfth of 1.25% of the Company's month-end equity that is greater than $250 million and less than or equal to $500 million, and
- One-twelfth of 1.00% of the Company's month-end equity that is greater than $500 million.

The Company is obligated to reimburse the Manager for any direct expenses incurred on its behalf and to pay the Manager the Company's pro rata portion of certain overhead costs set forth in the management agreement. Should the Company terminate the management agreement without cause, it will pay the Manager a termination fee equal to three times the average annual management fee, as defined in the management agreement, before or on the last day of the term of the agreement.

Total expenses recorded for the management fee and costs incurred were approximately $6.8 million, $6.9 million and $7.8 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Other Relationships with Bimini

Robert Cauley, our Chief Executive Officer and Chairman of our Board of Directors, also serves as Chief Executive Officer and Chairman of the Board of Directors of Bimini and owns shares of common stock of Bimini. George H. Haas, our Chief Financial Officer, Chief Investment Officer, Secretary and a member of our Board of Directors, also serves as the Chief Financial Officer, Chief Investment Officer and Treasurer of Bimini and owns shares of common stock of Bimini. In addition, as of December 31, 2020, Bimini owned 2,595,357 shares, or 3.4%, of the Company's common stock.

NOTE 14. QUARTERLY RESULTS (UNAUDITED)

The following is a presentation of the quarterly results of operations for the years ended December 31, 2020 and 2019.

(in thousands, except per share information)

	Quarter Ended			
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Interest income	35,671	27,258	27,223	25,893
Interest expense	$ (16,523)	$ (4,479)	$ (2,043)	$ (2,011)
Net interest income	19,148	22,779	25,180	23,882
Losses (gains)	(108,206)	28,749	5,745	(4,605)
Net portfolio income (loss)	(89,058)	51,528	30,925	19,277

Expenses:				
Management fees and overhead expenses	1,724	1,616	1,629	1,826
Other expenses	417	1,140	1,220	972
Total expenses	2,141	2,756	2,849	2,798
Net income (loss)	$ (91,199)	$ 48,772	$ 28,076	$ 16,479
Basic net (loss) income per share	$ (1.41)	$ 0.74	$ 0.42	$ 0.23
Diluted net (loss) income per share	$ (1.41)	$ 0.73	$ 0.42	$ 0.23
Weighted Average Shares Outstanding	64,590	66,310	67,302	70,497
Dividends declared per share	$ 0.240	$ 0.165	$ 0.190	$ 0.195

	Quarter Ended			
	March 31, 2019	**June 30, 2019**	**September 30, 2019**	**December 31, 2019**
Interest income	$ 32,433	$ 36,455	$ 35,907	$ 37,529
Interest expense	(18,892)	(22,431)	(22,321)	(20,022)
Net interest income	13,541	14,024	13,586	17,507
Losses	(748)	(7,670)	(19,431)	3,841
Net portfolio income (loss)	12,793	6,354	(5,845)	21,348
Expenses:				
Management fees and overhead expenses	1,608	1,653	1,791	1,856
Other expenses	588	1,168	841	880
Total expenses	2,196	2,821	2,632	2,736
Net income (loss)	$ 10,597	$ 3,533	$ (8,477)	$ 18,612
Basic and diluted net income (loss) per share	$ 0.22	$ 0.07	$ (0.14)	$ 0.29
Weighted Average Shares Outstanding	48,905	52,601	60,419	63,124
Dividends declared per share	$ 0.24	$ 0.24	$ 0.24	$ 0.24

Earnings per share (EPS) in each quarter is computed using the weighted-average number of shares outstanding during that quarter while EPS for the full year is computed using the weighted-average number of shares outstanding during the year. The sum of the four quarters' EPS may not equal the full year EPS.

NOTE 15. SUBSEQUENT EVENTS

January 2021 Stock Offering

On January 20, 2021, Orchid entered into an underwriting agreement (the "2021 Underwriting Agreement") with J.P. Morgan Securities LLC (the "Underwriter"), relating to the offer and sale of 7,600,000 shares of the Company's common stock. The Underwriter purchased the shares of the Company's common stock from the Company pursuant to the 2021 Underwriting Agreement at $5.20 per share. In addition, the Company granted the Underwriter a 30-day option to purchase up to an additional 1,140,000 shares of the Company's common stock on the same terms and conditions, which the Underwriter exercised in full on January 21, 2021. The closing of the offering of 8,740,000 shares of the Company's common stock occurred on January 25, 2021, with net proceeds to the Company of approximately $45.3 million after deduction of estimated offering expenses payable by the Company.

COVID-19 and CARES Act Update

The Federal Housing Financing Agency (the “FHFA”) has instructed the GSEs on how they will handle servicer advances for loans that back Agency RMBS that enter into forbearance, which should limit prepayments during the forbearance period that could have resulted otherwise. On January 29, 2021, the CDC issued guidance extending eviction moratoriums for covered persons through March 31, 2021. In addition, on February 9, 2021, the FHFA announced that the foreclosure moratorium begun under the CARES Act for loans backed by Fannie Mae and Freddie Mac and the eviction moratorium for real estate owned by Fannie Mae and Freddie Mac were extended until March 31, 2021. On February 16, 2021, the U.S. Housing and Urban Development Department announced the extension of the FHA eviction and foreclosure moratorium to June 30, 2021. The moratoriums on foreclosures and evictions will likely delay potential defaults on loans that would otherwise be bought out of Agency MBS pools. Depending on the ultimate resolution of the foreclosure or evictions, when and if it occurs, these loans may be removed from the pool into which they were securitized. If this were to occur, it would have the effect of delaying a prepayment on the Company’s securities until such time. As the majority of the Company’s Agency RMBS assets were acquired at a premium to par, this will tend to increase the realized yield on the asset in question.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

a. Financial Statements. The financial statements of the Company, together with the report of Independent Registered Public Accounting Firm thereon, are set forth in Part II-Item 8 of this Form 10-K and are incorporated herein by reference.

The following information is filed as part of this Form 10-K:

b. Financial Statement Schedules.

Not applicable.

c. Exhibits.

Exhibit No.	Description
3.1	Articles of Amendment and Restatement of Orchid Island Capital, Inc. (filed as Exhibit 3.1 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)
3.2	Certificate of Correction of Orchid Island Capital, Inc. (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K filed on February 22, 2019 and incorporated herein by reference)
3.3	Amended and Restated Bylaws of Orchid Island Capital, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 19, 2019)
4.1	Specimen Certificate of common stock of Orchid Island Capital, Inc. (filed as Exhibit 4.1 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)
4.2	Description of Securities (filed as Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on February 21, 2020 and incorporated herein by reference)
10.1	Management Agreement between Orchid Island Capital, Inc. and Bimini Advisors, LLC, dated as of February 20, 2013 (filed as Exhibit 10.2 to the Company's Current Report on Form 8 K filed on April 3, 2014 and incorporated herein by reference)*
10.2	First Amendment to Management Agreement, effective as of April 1, 2014 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 3, 2014 and incorporated herein by reference)*
10.3	Second Amendment to Management Agreement, effective as of June 30, 2014 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 3, 2014 and incorporated herein by reference)*
10.4	Form of Investment Allocation Agreement by and among Orchid Island Capital, Inc., Bimini Advisors, LLC and Bimini Capital Management, Inc. (filed as Exhibit 10.2 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)*
10.5	2012 Equity Incentive Plan (filed as Exhibit 10.3 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)*

10.6	Form of Indemnification Agreement by and between Orchid Island Capital, Inc. and Indemnitee (filed as Exhibit 10.4 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)*
10.7	Form of Master Repurchase Agreement (filed as Exhibit 10.5 to the Company's Registration Statement on Amendment No. 1 to Form S-11 (File No.333-184538) filed on November 28, 2012 and incorporated herein by reference)
10.8	Performance Unit Award Agreement by Orchid Island Capital, Inc. to Robert E. Cauley dated January 21, 2015 (filed as Exhibit 99.2 to Form 8-K filed on January 23, 2015 and incorporated herein by reference)*
10.9	Performance Unit Award Agreement by Orchid Island Capital, Inc. to George H. Haas, IV dated January 21, 2015 (filed as Exhibit 99.4 to Form 8-K filed on January 23, 2015 and incorporated herein by reference)*
10.10	2015 Long Term Incentive Compensation Plan (filed as Exhibit 99.1 to Form 8-K filed on March 25, 2015 and incorporated herein by reference)*
10.11	2016 Long Term Incentive Compensation Plan (filed as Exhibit 10.1 to Form 10-Q filed on April 28, 2016 and incorporated herein by reference)*
10.12	2017 Long Term Incentive Compensation Plan (filed as Exhibit 10.2 to Form 10-Q filed on April 28, 2017 and incorporated herein by reference)*
10.13	2018 Long Term Incentive Compensation Plan (filed as Exhibit 10.5 to Form 10-Q filed on April 27, 2018 and incorporated herein by reference)*
10.14	2019 Long Term Incentive Compensation Plan (filed as Exhibit 10.1 to Form 10-Q filed on April 26, 2019 and incorporated herein by reference)*
10.15	2020 Long Term Incentive Compensation Plan (filed as Exhibit 10.1 to Form 10-Q filed on May 1, 2020 and incorporated herein by reference)*
10.16	Form of Deferred Stock Unit Grant Notice and Agreement (filed as Exhibit 10.6 to Form 10-Q filed on April 27, 2018 and incorporated herein by reference)*
21.1	Subsidiaries of the Company (filed as Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on February 26, 2021 and incorporated herein by reference)
23.1	Consent of BDO USA, LLP**
31.1	Certification of Robert E. Cauley, Chief Executive Officer and President of the Registrant, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
31.2	Certification of George H. Haas, IV, Chief Financial Officer of the Registrant, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
32.1	Certification of Robert E. Cauley, Chief Executive Officer and President of the Registrant, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***
32.2	Certification of George H. Haas, IV, Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***
Exhibit 101.INS XBRL	Instance Document ****
Exhibit 101.SCH XBRL	Taxonomy Extension Schema Document ****
Exhibit 101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document****
Exhibit 101.DEF XBRL	Additional Taxonomy Extension Definition Linkbase Document Created****
Exhibit 101.LAB XBRL	Taxonomy Extension Label Linkbase Document ****

Exhibit 101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document ****
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Represents a management contract or compensatory plan or arrangement.
** Filed herewith.
*** Furnished herewith.
**** Submitted electronically herewith.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Orchid Island Capital, Inc
Registrant

Date:	March 12, 2021	By:	/s/ Robert E. Cauley
			Robert E. Cauley Chief Executive Officer, President and Chairman of the Board
Date:	March 12, 2021	By:	/s/ George H. Haas, IV
			George H. Haas, IV Secretary, Chief Financial Officer, Chief Investment Officer and Director (Principal Financial and Accounting Officer)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Orchid Island Capital, Inc.
Vero Beach, Florida

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-187632) and Forms S-3 (333-236144) of Orchid Island Capital, Inc. of our reports dated February 26, 2021, relating to the financial statements, and the effectiveness of Orchid Island Capital, Inc.'s internal control over financial reporting which appear in this Annual Report on Form 10-K/A.

West Palm Beach, Florida
March 12, 2021

/s/ BDO USA, LLP
Certified Public Accountants

Exhibit 31.1

CERTIFICATIONS

I, Robert E. Cauley, certify that:

1. I have reviewed this annual report on Form 10-K/A of Orchid Island Capital, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2021

/s/ Robert E. Cauley

Robert E. Cauley
Chairman of the Board, Chief Executive Officer and President

Exhibit 31.2

CERTIFICATIONS

I, G. Hunter Haas, certify that:

1. I have reviewed this annual report on Form 10-K/A of Orchid Island Capital, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2021

/s/ G. Hunter Haas, IV

G. Hunter Haas, IV
Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 10 U.S.C. SECTION 1350

In connection with the annual report on Form 10-K/A of Orchid Island Capital, Inc. (the “Company”) for the period ended December 31, 2020 to be filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, Robert E. Cauley, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates of, and for the periods covered by, the Report.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

March 12, 2021	/s/ Robert E. Cauley
	Robert E. Cauley, Chairman of the Board and Chief Executive Officer

Exhibit 32.2

CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 10 U.S.C. SECTION 1350

In connection with the annual report on Form 10-K/A of Orchid Island Capital, Inc. (the “Company”) for the period ended December 31, 2020 to be filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, G. Hunter Haas, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates of, and for the periods covered by, the Report.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

March 12, 2021

/s/ G. Hunter Haas, IV
G. Hunter Haas, IV
Chief Financial Officer