

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 10, 2024**

Orchid Island Capital, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

001-35236
(Commission File Number)

27-3269228
(IRS Employer Identification No.)

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

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

N/A

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On January 10, 2024, Orchid Island Capital, Inc. (the “Company”) announced its estimated book value of \$9.10 per share as of December 31, 2023, certain details of its RMBS portfolio as of December 31, 2023, and estimated GAAP net loss per share of \$0.52, including an estimated \$0.65 per share of net realized and unrealized losses on RMBS and derivative instruments, for the quarter ended December 31, 2023. These figures and the estimated book value per share and estimated GAAP net income per share are preliminary, subject to change, and subject to review by the Company’s independent registered public accounting firm.

Item 8.01. Other Events.

On January 10, 2024, the Company announced that the Board of Directors of the Company declared a dividend for the month of January 2024 of \$0.12 per share of the Company’s common stock, to be paid on February 27, 2024 to holders of record on January 31, 2024, with an ex-dividend date of January 30, 2024. In addition, the Company announced certain details of its RMBS portfolio as of December 31, 2023 as well as certain other information regarding the Company. A copy of the Company’s press release announcing the dividend and the other information regarding the Company is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Caution About Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including, but not limited to, statements about the Company’s distributions. These forward-looking statements are based upon the Company’s present expectations, but the Company cannot assure investors that actual results will not vary from the expectations contained in the forward-looking statements. Investors should not place undue reliance upon forward looking statements. For further discussion of the factors that could affect outcomes, please refer to the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 10, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signatures

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

Date: January 10, 2024

ORCHID ISLAND CAPITAL, INC.

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

**ORCHID ISLAND CAPITAL ANNOUNCES
ESTIMATED FOURTH QUARTER 2023 RESULTS,
JANUARY 2024 MONTHLY DIVIDEND AND
DECEMBER 31, 2023 RMBS PORTFOLIO CHARACTERISTICS**

- January 2024 Monthly Dividend of \$0.12 Per Share of Common Stock
- Estimated Book Value Per Share as of December 31, 2023 of \$9.10
- Estimated GAAP net income of \$0.52 per share for the quarter ended December 31, 2023, including an estimated \$0.65 per share of net realized and unrealized gains on RMBS and derivative instruments
- Estimated 6.1% total return on equity for the quarter
- Estimated book value, net income and total return on equity amounts are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm
- RMBS Portfolio Characteristics as of December 31, 2023
- Next Dividend Announcement Expected February 14, 2024

Vero Beach, Fla., January 10, 2024 - Orchid Island Capital, Inc. (the "Company") (NYSE: ORC) announced today that the Board of Directors of the Company declared a monthly cash dividend for the month of January 2024. The dividend of \$0.12 per share will be paid February 27, 2024 to holders of record of the Company's common stock on January 31, 2024, with an ex-dividend date of January 30, 2024. The Company plans on announcing its next common stock dividend on February 14, 2024.

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

As of January 10, 2024, the Company had 51,303,301 shares of common stock outstanding. As of December 31, 2023, the Company had 51,636,074 shares outstanding. As of September 30, 2023, the Company had 52,332,306 shares of common stock outstanding.

Estimated December 31, 2023 Book Value Per Share

The Company's estimated book value per share as of December 31, 2023 was \$9.10. The Company computes book value per share by dividing total stockholders' equity by the total number of outstanding shares of common stock. At December 31, 2023, the Company's preliminary estimated total stockholders' equity was approximately \$469.9 million with 51,636,074 shares of common stock outstanding. These figures and the resulting estimated book value per share are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

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

The Company estimates it generated a net income per share of \$0.52, which includes \$0.65 per share of net realized and unrealized gains on RMBS and derivative instruments for the quarter ended December 31, 2023. These amounts compare to total dividends declared during the quarter of \$0.36 per share. Net income per common share calculated under generally accepted accounting principles can, and does, differ from our REIT taxable income. The Company views REIT taxable income as a better indication of income to be paid in the form of a dividend rather than net loss. Many components of REIT taxable income can only be estimated at this time and our monthly dividends declared are based on both estimates of REIT taxable income to be earned over the course of the current quarter and calendar year and a longer-term estimate of the REIT taxable income of the Company. These figures are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

Estimated Total Return on Equity

The Company's estimated total return on equity for the quarter ended December 31, 2023 was 6.1%. The Company calculates total return on equity as the sum of dividends declared and paid during the quarter plus changes in book value during the quarter, divided by the Company's stockholders' equity at the beginning of the quarter. The total return was \$0.54 per share, comprised of dividends per share of \$0.36 and an increase in book value per share of \$0.18 from September 30, 2023.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of December 31, 2023 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's financial statements and associated footnotes as of and for the quarter ended December 31, 2023, are subject to review by the Company's independent registered public accounting firm:

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

About Orchid Island Capital, Inc.

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

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements include, but are not limited to, statements about the Company's distributions. These forward-looking statements are based upon Orchid Island Capital, Inc.'s present expectations, but these statements are not guaranteed to occur. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

RMBS Valuation Characteristics
(\$ in thousands)

Type	Current Face	Fair Value	% of Portfolio	Current Price	Net Weighted Average		Age	Weighted Average Maturity (Months)	Realized Dec-23 CPR (1- Month) (Reported in Jan)	Realized Oct-23 - Dec-23 CPR (3- Month) (Reported in Jan)	Modeled Interest Rate Sensitivity (1)	
					Coupon	GWAC					(-50 BPS)	(+50 BPS)
Fixed Rate RMBS												
30yr 3.0	1,397,684	1,254,194	32.21%	89.73	3.00%	3.46%	33	322	4.1%	4.9%	39,039	(39,468)
30yr 3.5	194,229	182,008	4.67%	93.71	3.50%	4.04%	46	303	4.4%	7.1%	5,100	(5,147)
30yr 4.0	562,107	533,974	13.71%	95.00	4.00%	4.78%	23	334	2.0%	3.0%	13,626	(14,488)
30yr 4.5	341,313	332,168	8.53%	97.32	4.50%	5.45%	18	340	7.2%	6.7%	6,793	(7,445)
30yr 5.0	552,620	549,324	14.11%	99.40	5.00%	5.93%	16	341	4.5%	3.6%	10,329	(11,709)
30yr 5.5	271,469	275,465	7.07%	101.47	5.50%	6.43%	9	350	0.6%	4.5%	4,246	(5,093)
30yr 6.0	321,521	327,820	8.42%	101.96	6.00%	6.99%	9	346	8.0%	9.2%	3,768	(4,616)
30yr 6.5	335,505	344,680	8.85%	102.73	6.50%	7.39%	5	352	9.6%	9.1%	2,785	(3,602)
30yr 7.0	74,697	77,449	1.99%	103.68	7.00%	7.94%	3	356	0.8%	n/a	534	(652)
Total Pass Through RMBS	4,051,145	3,877,082	99.57%	95.70	4.33%	5.06%	22	334	4.6%	5.4%	86,220	(92,220)
Structured RMBS												
IO 20yr 4.0	8,771	882	0.02%	10.06	4.00%	4.57%	144	89	11.1%	9.6%	5	(5)
IO 30yr 3.0	2,963	359	0.01%	12.13	3.00%	3.64%	107	241	0.8%	0.8%	-	-
IO 30yr 4.0	81,439	14,263	0.37%	17.51	4.00%	4.60%	112	239	12.2%	8.3%	(293)	224
IO 30yr 4.5	3,487	674	0.02%	19.34	4.50%	4.99%	162	185	8.8%	6.8%	(6)	3
IO 30yr 5.0	1,894	394	0.01%	20.80	5.00%	5.36%	162	186	10.0%	9.6%	(7)	5
IO Total	98,554	16,572	0.43%	16.82	4.01%	4.60%	118	223	11.6%	8.1%	(302)	228
IIO 30yr 4.0	26,776	358	0.01%	1.34	0.00%	4.40%	75	274	1.8%	6.9%	105	(87)
Total Structured RMBS	125,330	16,930	0.43%	13.51	3.15%	4.55%	109	234	9.5%	7.9%	(197)	141
Total Mortgage Assets	\$ 4,176,475	\$ 3,894,012	100.00%		4.30%	5.05%	25	331	4.8%	5.5%	\$ 86,023	\$ (92,079)
Hedge												
		Average Notional	Hedge Period								Modeled Interest Rate Sensitivity (1)	
		Balance	End								(-50 BPS)	(+50 BPS)
3-Month SOFR Futures	\$	(100,000)	May-25								\$ (1,000)	\$ 1,000
5-Year Treasury Future(2)		(471,500)	Mar-24								(8,818)	8,686
10-Year Treasury Future(3)		(470,000)	Mar-24								(10,339)	10,036
Swaps		(2,326,500)	Nov-29								(59,619)	57,475
TBA		(645,700)	Jan-24								(10,822)	12,804
Swaptions		(800,000)	May-24								(61)	365
Hedge Total	\$	(4,813,700)									\$ (90,659)	\$ 90,366
Rate Shock Grand Total											\$ (4,636)	\$ (1,713)

(1) Modeled results from Citigroup Global Markets Inc. Yield Book. Interest rate shocks assume instantaneous parallel shifts and horizon prices are calculated assuming constant SOFR option-adjusted spreads. These results are for illustrative purposes only and actual results may differ materially.

(2) Five-year Treasury futures contracts were valued at prices of \$108.77 at December 31, 2023. The market value of the short position was \$512.9 million.

(3) Ten-year Treasury futures contracts were valued at prices of \$112.89 at December 31, 2023. The market value of the short position was \$530.6 million.

RMBS Assets by Agency
(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2023		
Fannie Mae	\$ 2,714,192	69.7%
Freddie Mac	1,179,820	30.3%
Total Mortgage Assets	\$ 3,894,012	100.0%

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

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2023		
Non-Whole Pool Assets	\$ 142,646	3.7%
Whole Pool Assets	3,751,366	96.3%
Total Mortgage Assets	\$ 3,894,012	100.0%

Borrowings By Counterparty
(\$ in thousands)

As of December 31, 2023	Total Borrowings	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
RBC Capital Markets, LLC	\$ 300,275	8.1%	5.54%	16	1/17/2024
Citigroup Global Markets Inc	298,549	8.1%	5.55%	26	1/26/2024
Mitsubishi UFJ Securities (USA), Inc	284,167	7.7%	5.57%	22	1/29/2024
J.P. Morgan Securities LLC	266,958	7.2%	5.54%	18	1/18/2024
Cantor Fitzgerald & Co	257,999	7.0%	5.54%	44	2/13/2024
ASL Capital Markets Inc.	244,611	6.6%	5.54%	17	1/29/2024
Wells Fargo Bank, N.A.	218,540	5.9%	5.56%	26	1/26/2024
Mirae Asset Securities (USA) Inc.	200,200	5.4%	5.53%	52	4/22/2024
Merrill Lynch, Pierce, Fenner & Smith	193,715	5.2%	5.56%	16	1/26/2024
Daiwa Securities America Inc.	179,787	4.9%	5.54%	24	1/24/2024
ABN AMRO Bank N.V.	177,114	4.8%	5.55%	20	1/31/2024
Bank of Montreal	169,041	4.6%	5.55%	16	1/16/2024
StoneX Financial Inc.	168,852	4.6%	5.55%	16	1/16/2024
Goldman, Sachs & Co	160,410	4.3%	5.56%	18	1/29/2024
Banco Santander SA	154,412	4.2%	5.53%	71	3/22/2024
ING Financial Markets LLC	128,758	3.5%	5.55%	16	1/16/2024
Marex Capital Markets Inc.	115,143	3.1%	5.53%	9	1/16/2024
DV Securities, LLC Repo	88,423	2.4%	5.55%	48	2/29/2024
South Street Securities, LLC	80,295	2.2%	5.57%	59	2/28/2024
Lucid Cash Fund USG LLC	9,840	0.3%	5.55%	18	1/18/2024
Lucid Prime Fund, LLC	8,560	0.2%	5.55%	18	1/18/2024
Total Borrowings	\$ 3,705,649	100.0%	5.55%	26	4/22/2024

Contact:

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