

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): **March 9, 2023**

Orchid Island Capital, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

001-35236
(Commission File Number)

27-3269228
(IRS Employer Identification No.)

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

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

N/A

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

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

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

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

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

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

Emerging growth company

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

Item 8.01. Other Events.

On March 9, 2023, Orchid Island Capital, Inc. (the "Company") announced that the Board of Directors of the Company declared a dividend for the month of March 2023 of \$0.16 per share of the Company's common stock, to be paid on April 26, 2023 to holders of record on March 31, 2023, with an ex-dividend date of March 30, 2023. In addition, the Company announced certain details of its RMBS portfolio as of February 28, 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 March 9, 2023
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: March 9, 2023

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley

Robert E. Cauley

Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES
MARCH 2023 MONTHLY DIVIDEND AND
FEBRUARY 28, 2023 RMBS PORTFOLIO CHARACTERISTICS**

- March 2023 Monthly Dividend of \$0.16 Per Share of Common Stock
- RMBS Portfolio Characteristics as of February 28, 2023
- Next Dividend Announcement Expected April 12, 2023

Vero Beach, Fla., March 9, 2023 - 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 March 2023. The dividend of \$0.16 per share will be paid April 26, 2023 to holders of record of the Company’s common stock on March 31, 2023, with an ex-dividend date of March 30, 2023. The Company plans on announcing its next common stock dividend on April 12, 2023.

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 March 9, 2023 and February 28, 2023, the Company had 39,081,942 shares of common stock outstanding. As of December 31, 2022, the Company had 36,764,983 shares of common stock outstanding.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of February 28, 2023 are presented below. These figures are preliminary and subject to change. The information contained herein is an intra-quarter update created by the Company based upon information that the Company believes is accurate:

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

About Orchid Island Capital, Inc.

Orchid Island Capital, Inc. is a specialty finance company that invests on a leveraged basis in Agency RMBS. Our investment strategy focuses on, and our portfolio consists of, two categories of Agency RMBS: (i) traditional pass-through Agency RMBS, such as mortgage pass-through certificates 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 Coupon	GWAC	Age	Weighted Average Maturity (Months)	Realized Feb-23 CPR (1-Month) (Reported in Mar)	Realized Dec 22 - Feb-23 CPR (3-Month) (Reported in Mar)	Modeled Interest Rate Sensitivity (-50 BPS) (1)	Modeled Interest Rate Sensitivity (+50 BPS) (1)
Fixed Rate RMBS												
15yr 4.0	\$ 394	\$ 386	0.01%	\$ 98.02	4.00%	4.54%	58	121	0.8%	0.8%	\$ 6	\$ (7)
15yr Total	394	386	0.01%	98.02	4.00%	4.54%	58	121	0.8%	0.8%	6	(7)
30yr 3.0	2,527,226	2,242,008	56.79%	88.71	3.00%	3.44%	22	334	2.6%	3.5%	72,001	(73,362)
30yr 3.5	211,154	196,115	4.97%	92.88	3.50%	4.03%	36	315	7.1%	7.4%	5,403	(5,480)
30yr 4.0	472,593	445,415	11.28%	94.25	4.00%	4.76%	14	344	1.5%	4.3%	11,258	(12,059)
30yr 4.5	486,567	466,639	11.82%	95.90	4.38%	5.30%	9	351	4.5%	4.8%	9,613	(10,763)
30yr 5.0	586,178	577,962	14.64%	98.60	5.00%	5.93%	6	354	5.0%	5.4%	10,126	(11,751)
30yr Total	4,283,718	3,928,139	99.50%	91.70	3.56%	4.17%	18	339	3.3%	4.1%	108,402	(113,414)
Total Pass Through RMBS	4,284,112	3,928,525	99.51%	91.70	3.56%	4.17%	18	339	3.3%	4.1%	108,408	(113,421)
Structured RMBS												
IO 20yr 4.0	10,395	1,160	0.03%	11.16	4.00%	4.57%	134	99	8.8%	9.7%	5	(6)
IO 30yr 3.0	3,117	377	0.01%	12.11	3.00%	3.64%	97	252	0.6%	9.7%	-	(2)
IO 30yr 4.0	89,901	16,459	0.42%	18.31	4.00%	4.60%	102	249	6.0%	5.2%	(434)	317
IO 30yr 4.5	3,855	721	0.02%	18.70	4.50%	4.99%	152	194	6.8%	6.2%	(9)	5
IO 30yr 5.0	2,166	428	0.01%	19.78	5.00%	5.36%	152	196	13.0%	6.5%	(9)	6
IO Total	109,434	19,145	0.48%	17.49	4.01%	4.60%	108	232	6.2%	5.9%	(446)	320
HIO 30yr 4.0	30,691	316	0.01%	1.03	0.00%	4.40%	65	284	3.8%	4.4%	83	(70)
Total Structured RMBS	140,125	19,461	0.49%	13.89	3.13%	4.55%	99	243	5.7%	5.5%	(364)	250
Total Mortgage Assets	\$ 4,424,237	\$ 3,947,986	100.00%		3.55%	4.18%	21	336	3.3%	4.2%	\$ 108,045	\$ (113,171)

Hedge	Average Notional Balance	Hedge Period End	Interest Rate Sensitivity (-50 BPS)(1)	Interest Rate Sensitivity (+50 BPS)(1)
5-Year Treasury Future ⁽²⁾	\$ (926,500)	Jun-23	\$ (19,309)	\$ 18,873
10-Year Treasury Ultra ⁽³⁾	(54,200)	Jun-23	(2,515)	2,396
Swaps	(1,674,000)	Apr-29	(41,165)	39,651
TBA	(875,000)	Apr-23	(23,837)	25,040
Swaptions	(533,000)	Apr-24	(6,450)	7,308
Hedge Total	\$ (4,062,700)		\$ (93,276)	\$ 93,268
Rate Shock Grand Total			\$ 14,769	\$ (19,903)

- (1) Modeled results from Citigroup Global Markets Inc. Yield Book. Interest rate shocks assume instantaneous parallel shifts and horizon prices are calculated assuming constant LIBOR option-adjusted spreads. These results are for illustrative purposes only and actual results may differ materially.
- (2) Five-year Treasury futures contracts were valued at prices of \$107.05 at February 28, 2023. The market value of the short position was \$991.8 million.
- (3) Ten-year Treasury Ultra futures contracts were valued at prices of \$117.19 at February 28, 2023. The market value of the short position was \$63.5 million.

RMBS Assets by Agency
(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of February 28, 2023		
Fannie Mae	\$ 2,596,456	65.8%
Freddie Mac	1,351,530	34.2%
Total Mortgage Assets	\$ 3,947,986	100.0%

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

Asset Category	Fair Value	Percentage of Portfolio
As of February 28, 2023		
Non-Whole Pool Assets	\$ 154,105	3.9%
Whole Pool Assets	3,793,881	96.1%
Total Mortgage Assets	\$ 3,947,986	100.0%

Borrowings By Counterparty
(\$ in thousands)

As of February 28, 2023	Total Borrowings	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
Mirae Asset Securities (USA) Inc.	\$ 382,463 (1)	10.0%	4.68%	66	8/14/2023
J.P. Morgan Securities LLC	354,849	9.2%	4.74%	29	4/11/2023
Merrill Lynch, Pierce, Fenner & Smith	338,296	8.8%	4.68%	11	4/28/2023
RBC Capital Markets, LLC	327,576	8.5%	4.69%	19	4/13/2023
Daiwa Capital Markets America Inc.	255,292	6.7%	4.76%	48	4/17/2023
Marex Capital Markets Inc.	239,483	6.2%	4.70%	27	4/28/2023
ING Financial Markets LLC	238,746	6.2%	4.70%	23	3/23/2023
ABN AMRO Bank N.V.	229,463	6.0%	4.62%	13	3/13/2023
Cantor Fitzgerald & Co	228,950	6.0%	4.70%	7	3/13/2023
ASL Capital Markets Inc.	215,594	5.6%	4.67%	17	3/20/2023
Citigroup Global Markets Inc	192,293	5.0%	4.69%	8	3/24/2023
StoneX Financial Inc.	182,084	4.7%	4.81%	56	5/10/2023
Mitsubishi UFJ Securities (USA), Inc	176,277	4.6%	4.76%	38	5/1/2023
Goldman, Sachs & Co.	125,126	3.3%	4.69%	16	3/23/2023
Santander Bank, N.A.	118,614	3.1%	4.84%	54	4/27/2023
Wells Fargo Bank, N.A.	94,663	2.5%	4.70%	13	3/13/2023
BMO Capital Markets Corp.	80,056	2.1%	4.68%	21	3/21/2023
South Street Securities, LLC	37,180	1.0%	4.70%	17	3/17/2023
Lucid Cash Fund USG, LLC	18,481	0.5%	4.72%	9	3/9/2023
Lucid Prime Fund, LLC	2,778	0.1%	4.72%	9	3/9/2023
Total Borrowings	\$ 3,838,264	100.0%	4.71%	28	8/14/2023

(1) Included in this balance is \$202.9 million of floating rate repurchase agreements priced at overnight SOFR + 15 basis points.

Contact:

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