

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 17, 2020 (January 16, 2020)**

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 16, 2020, Orchid Island Capital, Inc. (the "Company") announced its preliminary book value of \$6.27 per share as of December 31, 2019, certain details of its RMBS portfolio as of December 31, 2019, and preliminary net income of \$0.23 per share and preliminary realized and unrealized gains of \$0.06 per share for the quarter ended December 31, 2019. These figures and the estimated net book value per share are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm. A copy of the Company's press release announcing the dividend and the other information regarding the Company is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

ITEM 8.01. OTHER EVENTS.

On January 16, 2020, the Company announced that the Board of Directors of the Company declared a dividend for the month of January 2020 of \$0.08 per share to be paid on February 26, 2020 to holders of record on January 31, 2020, with an ex-dividend date of January 30, 2020. In addition, the Company announced certain details of its RMBS portfolio as of December 31, 2019 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 Form 10-K for the year ended December 31, 2018. 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 16, 2020

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 17, 2020

ORCHID ISLAND CAPITAL, INC.

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

**ORCHID ISLAND CAPITAL ANNOUNCES
ESTIMATED FOURTH QUARTER 2019 RESULTS,
JANUARY 2020 MONTHLY DIVIDEND AND
DECEMBER 31, 2019 RMBS PORTFOLIO CHARACTERISTICS**

- January 2020 Monthly Dividend of \$0.08 Per Share
- Estimated Book Value Per Share as of December 31, 2019 of \$6.27
- Estimated GAAP net income of \$0.29 per share for the quarter ended December 31, 2019, including an estimated \$0.06 per share of net realized and unrealized gains on RMBS and derivative instruments
- Estimated 4.7% total return on equity for the quarter, or 18.6% annualized
- 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, 2019
- Next Dividend Announcement Expected February 12, 2020

Vero Beach, Fla., January 16, 2020 - Orchid Island Capital, Inc. (the "Company") (NYSE:ORC) announced today that the Board of Directors (the "Board") declared a monthly cash dividend for the month of January 2020. The dividend of \$0.08 per share will be paid February 26, 2020 to holders of record on January 31, 2020, with an ex-dividend date of January 30, 2020. The Company plans on announcing its next dividend after the Board's meeting on February 12, 2020.

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

As of January 16, 2020, the Company had 63,061,781 shares outstanding. At December 31, 2019, the Company had 63,061,781 shares outstanding. At September 30, 2019, the Company had 63,058,209 shares outstanding.

Estimated December 31, 2019 Book Value Per Share

The Company's estimated book value per share as of December 31, 2019 was \$6.27. 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, 2019, the Company's preliminary estimated total stockholders' equity was approximately \$395.5 million with 63,061,781 shares of common stock outstanding. These figures and the resulting estimated book value per share are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

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

The Company estimates it generated net income per share of \$0.29, which includes \$0.06 per share of net realized and unrealized gains on RMBS and derivative instruments for the quarter ended December 31, 2019. These amounts compare to total dividends declared during the quarter of \$0.24 per share. Net income per common share calculated under generally accepted accounting principles can, and does, differ from our REIT taxable income. The Company views REIT taxable income as a better indication of income to be paid in the form of a dividend rather than net income. Many components of REIT taxable 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.

Interest-Only Securities	424,164	60,986	1.70%	14.38	3.99%	4.58%	66	280	22.56%	26.89%	(7,893)	8,847
Inverse Interest-Only Securities	187,513	23,703	0.66%	12.64	3.34%	4.86%	66	285	17.06%	15.50%	1,185	(1,874)
Total Structured RMBS	611,677	84,689	2.36%	13.85	3.79%	4.67%	66	281	20.88%	23.40%	(6,708)	6,973
Total Mortgage Assets	\$ 3,911,293	\$3,590,921	100.00%		3.90%	4.55%	21	331	14.10%	15.95%	\$ 41,639	\$ (58,204)
	Average Notional	Hedge Period									Interest Rate Sensitivity (-50 BPS) (1)	Interest Rate Sensitivity (+50 BPS) (1)
Hedge	Balance	End										
Eurodollar Futures	\$ (500,000)	Dec-2020									(2,500)	2,500
Swaps	(1,270,000)	Oct-2023									(25,100)	25,100
5-Year Treasury Futures	(69,000)	Mar-2020 ⁽²⁾									(2,610)	1,405
TBA Short	(300,000)	Jan-2020									(1,589)	2,581
Hedge Total	\$(2,139,000)										\$ (31,799)	\$ 31,586
Rate Shock Grand Total											\$ 9,840	\$ (26,618)

(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 \$118.92 at December 31, 2019. The market value of the short position was \$82.1 million.

RMBS Assets by Agency
(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2019		
Fannie Mae	\$ 2,170,668	60.4%
Freddie Mac	1,420,253	39.6%
Total Mortgage Assets	\$ 3,590,921	100.0%

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

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2019		
Non-Whole Pool Assets	\$ 576,094	16.0%
Whole Pool Assets	3,014,827	84.0%
Total Mortgage Assets	\$ 3,590,921	100.0%

Borrowings By Counterparty
(\$ in thousands)

As of December 31, 2019	Total Borrowings	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
Wells Fargo Bank, N.A.	\$ 423,567	12.1%	1.94%	32	2/11/2020
Mirae Asset Securities (USA) Inc.	337,738	9.9%	1.96%	41	2/13/2020
J.P. Morgan Securities LLC	337,494	9.9%	2.08%	13	1/30/2020
Cantor Fitzgerald & Co	293,399	8.5%	1.97%	13	1/13/2020
ASL Capital Markets Inc.	218,575	6.3%	2.01%	22	2/3/2020
Citigroup Global Markets Inc	214,862	6.2%	2.10%	13	1/15/2020
ED&F Man Capital Markets Inc	201,620	5.8%	2.06%	33	2/10/2020
RBC Capital Markets, LLC	199,175	5.8%	2.11%	14	1/29/2020
ING Financial Markets LLC	168,149	4.9%	2.04%	17	1/27/2020
ABN AMRO Bank N.V.	153,175	4.4%	2.02%	9	1/9/2020
South Street Securities, LLC	149,064	4.3%	2.49%	89	4/9/2020
Mitsubishi UFJ Securities (USA), Inc	146,884	4.3%	2.09%	18	1/28/2020
Daiwa Securities America Inc.	112,436	3.3%	1.94%	38	2/10/2020
ICBC Financial Services LLC	97,472	2.8%	2.15%	28	1/28/2020
Guggenheim Securities, LLC	91,472	2.7%	1.98%	21	1/30/2020
FHLB-Cincinnati	88,986	2.6%	1.68%	2	1/2/2020
Lucid Cash Fund USG LLC	66,784	1.9%	2.12%	16	1/16/2020
Bank of Montreal	59,528	1.7%	1.96%	13	1/13/2020
Nomura Securities International, Inc.	47,372	1.4%	1.97%	13	1/13/2020
J.V.B. Financial Group, LLC	29,057	0.8%	2.16%	11	1/17/2020
Merrill Lynch, Pierce, Fenner & Smith	9,323	0.3%	2.24%	3	1/3/2020
Mizuho Securities USA, Inc	1,974	0.1%	2.30%	17	1/17/2020
Total Borrowings	\$ 3,448,106	100.0%	2.04%	25	4/9/2020

Contact:

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