

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): **February 14, 2018**

Orchid Island Capital, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

001-35236
(Commission File Number)

27-3269228
(IRS Employer Identification No.)

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

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

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

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

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

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

Emerging growth company

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

Item 8.01. Other Events.

On February 14, 2018, Orchid Island Capital, Inc. (the "Company") announced that the Board of Directors of the Company declared a dividend for the month of February 2018 of \$0.11 per share to be paid on March 10, 2018 to holders of record on February 28, 2018, with an ex-dividend date of February 27, 2018. In addition, the Company announced certain details of its RMBS portfolio as of January 31, 2018, as well as certain other information regarding the Company. A copy of the Company's press release announcing the dividend and the other information regarding the Company is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Caution About Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including but not limited to statements about the Company's distributions and the expected funding of purchased assets and anticipated borrowings. These forward-looking statements are based upon the Company's present expectations, but the Company cannot assure investors that actual results will not vary from the expectations contained in the forward-looking statements. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Form 10-K for the year ended December 31, 2017. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 14, 2018

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: February 14, 2018

ORCHID ISLAND CAPITAL, INC.

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

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 14, 2018

**ORCHID ISLAND CAPITAL ANNOUNCES
FEBRUARY 2018 MONTHLY DIVIDEND AND
JANUARY 31, 2018 RMBS PORTFOLIO CHARACTERISTICS**

February 2018 Monthly Dividend of \$0.11 Per Share
RMBS Portfolio Characteristics as of January 31, 2018

Vero Beach, Fla., February 14, 2018 - Orchid Island Capital, Inc. (the "Company") (NYSE:ORC) announced today that the Board of Directors declared a monthly cash dividend for the month of February 2018. The dividend of \$0.11 per share will be paid March 9, 2018, to holders of record on February 28, 2018, with an ex-dividend date of February 27, 2018.

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

As of February 14, 2018, the Company had 53,065,790 shares outstanding. At December 31, 2017, the Company had 53,061,904 shares outstanding.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of January 31, 2018 are presented below. These figures are preliminary and subject to change. The information contained herein is an intra-quarter update created by the Company based 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 in Agency RMBS that are either traditional pass-through Agency RMBS or structured Agency RMBS. Orchid Island Capital, Inc. has elected to be taxed as a REIT for federal income tax purposes.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements include, but are not limited to, statements about the Company's distributions and the expected funding of purchased assets and anticipated borrowings. These forward-looking statements are based upon Orchid Island Capital, Inc.'s present expectations, but these statements are not guaranteed to occur. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Form 10-K for the year ended December 31, 2017.

RMBS Valuation Characteristics
(\$ in thousands)

Asset Category	Current Face	Fair Value⁽¹⁾	Current Price	Percentage of Portfolio	Weighted Average Coupon	Realized Jan 2018 CPR (Reported in Feb)
As of January 31, 2018						
Adjustable Rate RMBS	\$ 1,654	\$ 1,747	\$ 105.61	0.04%	3.95%	0.01%
10-1 Hybrid Rate RMBS	26,654	26,663	100.04	0.69%	2.59%	2.98%
Hybrid Adjustable Rate RMBS	26,654	26,663	100.04	0.69%	2.59%	2.98%
15 Year Fixed Rate RMBS	38,517	39,663	102.98	1.02%	3.50%	4.14%
20 Year Fixed Rate RMBS	501,575	524,160	104.50	13.49%	4.00%	3.88%
30 Year Fixed Rate RMBS	2,984,986	3,159,809	105.86	81.33%	4.32%	5.60%
Total Fixed Rate RMBS	3,525,078	3,723,632	105.63	95.84%	4.26%	5.34%
Total Pass-through RMBS	3,553,386	3,752,042	105.59	96.58%	4.25%	5.32%
Interest-Only Securities	739,032	102,218	13.83	2.63%	3.79%	10.70%
Inverse Interest-Only Securities	263,123	30,845	11.72	0.79%	4.06%	10.40%
Structured RMBS	1,002,155	133,063	13.28	3.42%	3.85%	10.62%
Total Mortgage Assets	\$ 4,555,541	\$ 3,885,105		100.00%	4.24%	6.44%

RMBS Assets by Agency
(\$ in thousands)

Asset Category	Fair Value⁽¹⁾	Percentage of Portfolio	Investment Company Act of 1940 Whole Pool Test	
			Fair Value⁽¹⁾	Percentage of Portfolio
As of January 31, 2018			As of January 31, 2018	
Fannie Mae	\$ 2,323,223	59.8%	Whole Pool Assets	\$ 3,064,511 78.9%
Freddie Mac	1,555,967	40.0%	Non-Whole Pool Assets	820,594 21.1%
Ginnie Mae	5,915	0.2%	Total Mortgage Assets	\$ 3,885,105 100.0%
Total Mortgage Assets	\$ 3,885,105	100.0%		

(1) Amounts in the tables above include assets with a fair value of approximately \$10.1 million purchased in January 2018, which settle in February 2018, and exclude assets with a fair value of approximately \$228.7 million sold in January 2018, which settle in February 2018.

Borrowings By Counterparty
(\$ in thousands)

As of January 31, 2018	Total Borrowings ⁽¹⁾	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
J.P. Morgan Securities LLC	\$ 603,161	15.3%	108	8/10/2018
Mirae Asset Securities (USA) Inc.	402,817	10.3%	62	8/10/2018
Wells Fargo Bank, N.A.	297,322	7.6%	12	2/12/2018
Citigroup Global Markets Inc	225,857	5.8%	41	3/19/2018
RBC Capital Markets, LLC	219,183	5.6%	40	3/12/2018
Guggenheim Securities, LLC	213,281	5.5%	43	3/27/2018
Cantor Fitzgerald & Co	203,829	5.2%	16	2/16/2018
Mizuho Securities USA, Inc	195,900	5.0%	16	2/22/2018
ING Financial Markets LLC	192,964	4.9%	37	3/12/2018
Mitsubishi UFJ Securities (USA), Inc	184,733	4.7%	16	2/21/2018
ED&F Man Capital Markets Inc	167,519	4.3%	19	3/19/2018
Goldman, Sachs & Co	156,862	4.0%	23	3/29/2018
ICBC Financial Services LLC	151,117	3.9%	30	3/2/2018
Nomura Securities International, Inc.	136,972	3.5%	41	3/19/2018
KGS-Alpha Capital Markets, L.P	124,525	3.2%	71	8/14/2018
Natixis, New York Branch	104,563	2.7%	20	2/26/2018
Merrill Lynch, Pierce, Fenner & Smith Incorporated	104,366	2.7%	10	2/14/2018
FHLB-Cincinnati	93,415	2.4%	1	2/1/2018
Daiwa Securities America Inc.	68,546	1.8%	10	2/12/2018
Lucid Cash Fund USG LLC	32,778	0.8%	15	2/15/2018
J.V.B. Financial Group, LLC	18,820	0.5%	32	3/13/2018
South Street Securities, LLC	10,948	0.3%	28	2/28/2018
Total Borrowings	\$ 3,909,478	100.0%	43	8/14/2018

(1) In January 2018, the Company purchased assets with a fair value of approximately \$10.1 million, which settle in February 2018 that are expected to be funded by repurchase agreements. The anticipated borrowings are not included in the table above. In addition, the Company sold assets with a fair value of approximately \$228.7 million, which settle in February 2018 that collateralize approximately \$220.9 million of repurchase agreements included in the table above.

RMBS Risk Measures
(\$ in thousands)

Mortgage Assets							
Asset Category	Fair Value	Weighted Average Months To Next Coupon Reset (if applicable)	Weighted Average Lifetime Cap (if applicable)	Weighted Average Periodic Cap Per Year (if applicable)	Modeled Interest Rate Sensitivity (-50 BPS)⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS)⁽¹⁾	
As of January 31, 2018							
Adjustable Rate RMBS	\$ 1,747	5	10.05%	2.00%	\$ 10	\$ (5)	
Hybrid Adjustable Rate RMBS	26,663	59	7.59%	2.00%	389	(404)	
Total Fixed Rate RMBS	3,723,632	n/a	n/a	n/a	67,158	(93,954)	
Total Pass-through RMBS	3,752,042	n/a	n/a	n/a	67,557	(94,363)	
Interest-Only Securities	102,218	n/a	n/a	n/a	(15,650)	7,676	
Inverse Interest-Only Securities	30,845	1	5.25%	n/a	2,369	(4,129)	
Structured RMBS	133,063	n/a	n/a	n/a	(13,281)	3,547	
Total Mortgage Assets	\$ 3,885,105	n/a	n/a	n/a	\$ 54,276	\$ (90,816)	
Funding Hedges							
					Modeled Interest Rate Sensitivity (-50 BPS)⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS)⁽¹⁾	
			Average Notional Balance⁽²⁾	Hedge Period End Date			
Eurodollar Futures Contracts - Short Positions			\$ 1,183,333	Dec-2020	\$ (16,098)	\$ 17,750	
Treasury Futures Contracts - Short Positions			305,000	Mar-2018	(9,415)	8,490	
Payer Swaps			1,010,000	Aug-2022	(13,193)	13,193	
Payer Swaption			500,000	Jan-2028	(3,335)	8,239	
TBA Short Positions			350,000	Feb-2018	(11,938)	14,745	
Total Hedges					(53,979)	62,417	
Grand Total					\$ 297	\$ (28,399)	

(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 and ten year treasury futures contracts were valued at prices of \$114.71 and \$121.58, respectively, at January 31, 2018. The notional contract value of the short position was \$359.5 million.

Contact:

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