

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 18, 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 8.01. OTHER EVENTS.

On March 18, 2020, Orchid Island Capital, Inc. (the “Company”) announced that the Board of Directors of the Company declared a dividend for the month of March 2020 of \$0.08 per share to be paid on April 28, 2020 to holders of record on March 31, 2020, with an ex-dividend date of March 30, 2020. In addition, the Company announced certain details of its RMBS portfolio as of February 29, 2020 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 market conditions, including the impact of the global coronavirus outbreak on the financial markets and the economy generally. 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, 2019. 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 18, 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: March 18, 2020

ORCHID ISLAND CAPITAL, INC.

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

**ORCHID ISLAND CAPITAL ANNOUNCES
MARCH 2020 MONTHLY DIVIDEND AND
FEBRUARY 29, 2020 RMBS PORTFOLIO CHARACTERISTICS**

- March 2020 Monthly Dividend of \$0.08 Per Share of Common Stock
- RMBS Portfolio Characteristics as of February 29, 2020
- Next Dividend Announcement Expected April 8, 2020

Vero Beach, Fla., March 18, 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 March 2020. The dividend of \$0.08 per share will be paid April 28, 2020, to holders of record of the Company’s common stock on March 31, 2020, with an ex-dividend date of March 30, 2020. The Company plans on announcing its next common stock dividend after the Board’s meeting on April 8, 2020.

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 18, 2020, the Company had 66,232,508 shares of common stock outstanding. As of February 29, 2020, the Company had 65,869,815 shares of common stock outstanding. As of December 31, 2020, the Company had 63,061,781 shares of common stock outstanding.

Market Update

Global financial markets and economies experienced a significant shock not long after the new year started when a coronavirus outbreak occurred in China. Over the course of the first quarter of 2020 the outbreak in China evolved into a global pandemic. The speed at which the virus spread forced governments across the globe to take ever more severe steps to slow and contain its spread. These steps are having a severe economic impact, as economic activity in some instances essentially ceases. Financial markets across the globe are experiencing severe dislocations at least equal to what was experienced during the global financial crisis in 2008. On March 12, 2020 equity markets in the U.S. entered a bear market in the fastest such move in the history of U.S. financial markets. The Agency RMBS market is included in the list of markets under duress. To date the funding markets, with considerable support from the Fed, have continued to operate relatively smoothly. These developments and their effect on the world’s economy and health will likely continue to play out over the balance of the year, and maybe beyond. At this time, it is too early to tell what the ultimate effect will be on economic activity across the globe and the markets the Company operates in – Agency RMBS.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of February 29, 2020 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 and market conditions, including the impact of the global coronavirus outbreak on the financial markets and the economy generally. 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, 2019.

RMBS Valuation Characteristics
(\$ in thousands)

Type	Current		% of Portfolio	Net		Weighted Average	GWAC	Age	Weighted Average Maturity (Months)	Realized Feb 2020	Realized Dec - Feb 2020	Modeled	Modeled
	Face	Fair Value ⁽¹⁾		Current Price	Coupon					CPR (1-Month) (Reported in Mar)	CPR (3-Month) (Reported in Mar)	Interest Rate Sensitivity (-50 BPS) (2)	Interest Rate Sensitivity (+50 BPS) (2)
Pass Through RMBS													
Post Reset ARM	\$ 955	\$ 983	0.02%	\$ 102.93	4.51%	4.96%	187	174	0.00%	0.00%	\$ 6	\$ 1	
Fixed Rate CMO	241,789	253,448	5.98%	104.82	4.16%	4.57%	29	328	19.81%	17.24%	747	(1,073)	
15yr 3.0	17,439	18,360	0.43%	105.28	3.00%	3.62%	1	177	1.24%	0.00%	170	(234)	
15yr 3.5	281,375	298,584	7.04%	106.12	3.50%	4.00%	2	176	3.66%	0.00%	1,792	(2,650)	
15yr 4.0	18,107	19,450	0.46%	107.42	4.00%	4.45%	21	152	20.07%	17.10%	196	(211)	
15yr Total	316,921	336,394	7.93%	106.14	3.50%	4.00%	3	175	4.46%	17.10%	2,158	(3,095)	
20yr 4.0	78,022	85,824	2.02%	110.00	4.00%	4.48%	31	204	14.32%	11.97%	1,477	(1,577)	
20yr Total	78,022	85,824	2.02%	110.00	4.00%	4.48%	31	204	14.32%	11.97%	1,477	(1,577)	
30yr 3.0	310,413	323,919	7.64%	104.35	3.00%	3.91%	7	353	6.18%	3.12%	3,382	(4,897)	
30yr 3.5	1,222,257	1,320,099	31.13%	108.00	3.50%	4.04%	5	352	3.31%	3.95%	14,507	(20,672)	
30yr 4.0	954,470	1,051,329	24.79%	110.15	4.00%	4.57%	16	341	12.60%	15.75%	12,067	(14,856)	
30yr 4.5	469,625	521,285	12.29%	111.00	4.50%	5.01%	12	346	11.59%	14.37%	3,931	(4,851)	
30yr 5.0	248,409	279,724	6.60%	112.61	5.00%	5.51%	21	335	19.47%	17.62%	2,685	(3,035)	
30yr Total	3,205,174	3,496,356	82.45%	109.08	3.86%	4.44%	11	347	8.82%	10.60%	36,572	(48,311)	
Total Pass Through RMBS	3,842,861	4,173,005	98.41%	108.59	3.85%	4.41%	12	328	9.26%	11.30%	40,960	(54,055)	
Structured RMBS													
Interest-Only Securities	395,474	44,257	1.04%	11.19	4.00%	4.59%	68	280	21.24%	21.81%	(3,552)	5,623	
Inverse Interest-Only Securities	180,576	23,365	0.55%	12.94	3.44%	4.86%	68	283	12.32%	13.63%	399	(923)	
Total Structured RMBS	576,050	67,622	1.59%	11.74	3.83%	4.68%	68	281	18.45%	19.24%	(3,153)	4,700	
Total Mortgage Assets	\$ 4,418,911	\$ 4,240,627	100.00%		3.85%	4.45%	19	322	10.46%	12.74%	\$ 37,807	\$ (49,355)	
	Average Notional	Hedge End										Interest Rate Sensitivity (-50 BPS) (2)	Interest Rate Sensitivity (+50 BPS) (2)
Hedge Total	\$ (3,004,000)											\$ (38,847)	\$ 38,426
Rate Shock Grand Total												\$ (1,040)	\$ (10,929)

(1) Amounts in the tables above exclude assets with a fair value of approximately \$301.7 million sold in February 2020, which settle in March 2020.
(2) 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.
(3) Five year treasury futures contracts were valued at prices of \$122.75 at February 29, 2020. The market value of the short position was \$84.7 million.



RMBS Assets by Agency
(\$ in thousands)

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

Asset Category	Fair Value⁽¹⁾	Percentage of Portfolio	Asset Category	Fair Value⁽¹⁾	Percentage of Portfolio
As of February 29, 2020			As of February 29, 2020		
Fannie Mae	\$ 2,792,974	65.9%	Non-Whole Pool Assets	\$ 443,003	10.4%
Freddie Mac	1,447,653	34.1%	Whole Pool Assets	3,797,624	89.6%
Total Mortgage Assets	\$ 4,240,627	100.0%	Total Mortgage Assets	\$ 4,240,627	100.0%

(1) Amounts in the tables above exclude assets with a fair value of approximately \$301.7 million sold in February 2020, which settle in March 2020.

Borrowings By Counterparty
(\$ in thousands)

As of February 29, 2020	Total Borrowings⁽¹⁾	% of Total Debt	Weighted Average Repo Rate	Weighted Average Maturity in Days	Longest Maturity
Wells Fargo Bank, N.A.	\$ 470,081	11.0%	1.75%	12	3/20/2020
Cantor Fitzgerald & Co	445,846	10.4%	1.75%	15	3/16/2020
J.P. Morgan Securities LLC	379,684	8.8%	1.77%	21	5/13/2020
Mirae Asset Securities (USA) Inc.	307,321	7.1%	1.76%	71	5/13/2020
Merrill Lynch, Pierce, Fenner & Smith	292,806	6.8%	1.81%	14	3/13/2020
Mitsubishi UFJ Securities (USA), Inc	281,279	6.5%	1.73%	53	5/27/2020
Citigroup Global Markets Inc	212,837	4.9%	1.78%	73	5/14/2020
ASL Capital Markets Inc.	204,896	4.8%	1.76%	53	5/28/2020
ABN AMRO Bank N.V.	203,900	4.7%	1.76%	75	5/14/2020
ED&F Man Capital Markets Inc	189,541	4.4%	1.76%	72	5/13/2020
Guggenheim Securities, LLC	168,329	3.9%	1.77%	82	5/28/2020
ING Financial Markets LLC	165,450	3.8%	1.77%	19	3/27/2020
RBC Capital Markets, LLC	160,616	3.7%	1.80%	71	5/13/2020
South Street Securities, LLC	148,730	3.5%	2.45%	46	5/6/2020
Nomura Securities International, Inc.	144,229	3.4%	1.76%	59	5/18/2020
Daiwa Securities America Inc.	112,434	2.6%	1.76%	36	5/12/2020
ICBC Financial Services LLC	96,262	2.2%	1.79%	31	3/30/2020
FHLB-Cincinnati	88,911	2.1%	1.67%	3	3/2/2020
Barclays Capital Inc	78,305	1.8%	1.78%	14	3/13/2020
Lucid Cash Fund USG LLC	64,951	1.5%	1.80%	13	3/12/2020
Bank of Montreal	58,685	1.4%	1.82%	70	5/13/2020
J.V.B. Financial Group, LLC	29,011	0.7%	1.77%	21	3/20/2020
Mizuho Securities USA, Inc	1,751	0.0%	2.20%	19	3/18/2020
Total Borrowings	\$ 4,304,104	100.0%	1.79%	40	5/28/2020

(1) In February 2020, the Company sold assets with a fair value of approximately \$301.7 million, which settle in March 2020 that collateralize approximately \$291.6 million of repurchase agreements included in the table above.

Contact:

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