

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): **August 15, 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 August 15, 2018, Orchid Island Capital, Inc. (the "Company") announced that the Board of Directors declared a dividend for the month of August 2018 of \$0.08 per share to be paid on September 10, 2018 to holders of record on August 31, 2018, with an ex-dividend date of August 30, 2018. In addition, the Company announced certain details of its MBS portfolio as of July 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. These forward looking statements are based upon the Company's present expectations, but the Company cannot assure you 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>
<u>99.1</u>	<u>Press Release dated August 15, 2018</u>

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: August 15, 2018

ORCHID ISLAND CAPITAL, INC.

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

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press Release dated August 15, 2018

ORCHID ISLAND CAPITAL ANNOUNCES AUGUST 2018 MONTHLY DIVIDEND AND JULY 31, 2018 RMBS PORTFOLIO CHARACTERISTICS

- August 2018 Monthly Dividend of \$0.08 Per Share
- RMBS Portfolio Characteristics as of July 31, 2018
- Next Dividend Announcement Expected September 17, 2018

Vero Beach, Fla., August 15, 2018 - 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 August 2018. The dividend of \$0.08 per share will be paid September 10, 2018, to holders of record on August 31, 2018, with an ex-dividend date of August 30, 2018. The Company plans on announcing its next dividend after the Board's meeting on September 17, 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 August 15, 2018, the Company had 52,034,596 shares outstanding. At June 30, 2018, the Company had 52,034,596 shares outstanding.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of July 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)

Type	Current Face	Fair Value ⁽¹⁾	Percentage of Portfolio	Current Price	Weighted Average Coupon	Weighted Average Maturity (Months)	Realized Jul 2018 CPR (1-Month) (Reported in Aug)	Realized May - Jul 2018 CPR (3-Month) (Reported in Aug)
Hybrid/ARM								
<3yr reset	\$ 1,621	\$ 1,712	0.05%	\$ 105.66	3.95%	199	72.73%	45.64%
3y-5y reset	24,844	24,566	0.66%	98.88	2.57%	294	1.64%	4.58%
Total Hybrid/ARM	26,465	26,278	0.71%	99.30	2.66%	288	6.00%	7.09%
Fixed Rate RMBS								
Fixed Rate CMO	518,404	535,897	14.31%	103.37	4.39%	297	6.61%	6.81%
Fixed Rate CMO Total	518,404	535,897	14.31%	103.37	4.39%	297	6.61%	6.81%
15yr 3.5	3,092	3,131	0.08%	101.27	3.50%	123	52.81%	22.32%
15yr 4.0	779,968	804,161	21.47%	103.10	4.00%	178	5.53%	6.25%
15yr Total	783,060	807,292	21.55%	103.09	4.00%	177	5.73%	6.41%
20yr 4.0	209,880	216,312	5.77%	103.06	4.00%	235	9.34%	8.81%
20yr 4.5	19,700	20,569	0.55%	104.41	4.50%	238	8.57%	6.06%
20yr Total	229,580	236,881	6.32%	102.02	4.04%	235	9.27%	6.95%
20yr 4.5	438,203	447,067	11.94%	102.02	4.00%	235	6.88%	6.49%
20yr 4.5	1,307,624	1,367,175	36.50%	104.55	4.50%	347	8.43%	9.48%
20yr 4.5	172,193	184,422	4.92%	107.10	5.00%	356	6.17%	4.70%
30yr Total	1,918,020	1,998,664	53.36%	104.20	4.43%	347	7.88%	8.37%
Total Fixed Rate RMBS	3,449,064	3,578,734	95.54%	103.76	4.30%	294	7.32%	7.95%
Total Pass Through RMBS	3,475,529	3,605,012	96.25%	103.73	4.29%	294	7.31%	7.94%
Structured RMBS								
Interest-Only Securities	740,789	115,999	3.10%	15.66	3.83%	279	11.65%	12.31%
Inverse Interest-Only Securities	242,396	24,516	0.65%	10.11	3.60%	308	14.06%	12.47%
Total Structured RMBS	983,185	140,515	3.75%	14.29	3.79%	284	12.25%	12.35%
Total Mortgage Assets	\$ 4,458,714	\$ 3,745,527	100.00%		4.27%	294	8.41%	9.17%

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 July 31, 2018			As of July 31, 2018	
Fannie Mae	\$ 2,241,090	59.8%	Whole Pool Assets	\$ 2,687,129 71.7%
Freddie Mac	1,499,150	40.1%	Non-Whole Pool Assets	1,058,398 28.3%
Ginnie Mae	5,287	0.1%	Total Mortgage Assets	\$ 3,745,527 100.0%
Total Mortgage Assets	\$ 3,745,527	100.0%		

(1) Amounts in the tables above include assets with a fair value of approximately \$61.9 million purchased in July 2018, which settle in August 2018, and exclude assets with a fair value of approximately \$57.2 million sold in July 2018, which settle in August 2018.

Borrowings By Counterparty
(\$ in thousands)

As of July 31, 2018	Total Borrowings⁽¹⁾	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
RBC Capital Markets, LLC	\$ 462,010	13.1%	34	9/28/2018
Mirae Asset Securities (USA) Inc.	377,833	10.7%	37	10/23/2018
J.P. Morgan Securities LLC	346,385	9.8%	10	8/17/2018
Mitsubishi UFJ Securities (USA), Inc	229,586	6.5%	37	9/17/2018
ICBC Financial Services LLC	198,184	5.6%	34	9/14/2018
Cantor Fitzgerald & Co	185,269	5.2%	15	8/15/2018
Citigroup Global Markets Inc	171,248	4.9%	42	9/17/2018
Wells Fargo Bank, N.A.	163,599	4.6%	22	8/27/2018
ING Financial Markets LLC	161,046	4.6%	43	9/17/2018
Natixis, New York Branch	146,697	4.2%	16	8/24/2018
ABN AMRO Bank N.V.	131,053	3.7%	3	8/3/2018
FHLB-Cincinnati	100,032	2.8%	1	8/1/2018
KGS-Alpha Capital Markets, L.P	99,545	2.8%	27	9/14/2018
Daiwa Securities America Inc.	93,907	2.7%	10	8/13/2018
South Street Securities, LLC	93,443	2.6%	29	8/30/2018
ASL Capital Markets Inc.	91,202	2.6%	33	9/17/2018
Guggenheim Securities, LLC	86,132	2.4%	39	9/18/2018
Nomura Securities International, Inc.	80,805	2.3%	38	10/22/2018
ED&F Man Capital Markets Inc	75,364	2.1%	39	9/21/2018
Barclays Capital, Inc.	69,890	2.0%	17	8/17/2018
Lucid Cash Fund USG LLC	56,095	1.6%	9	8/9/2018
Goldman, Sachs & Co	51,489	1.5%	10	8/10/2018
Merrill Lynch, Pierce, Fenner & Smith Incorporated	37,408	1.1%	25	8/30/2018
Mizuho Securities USA, Inc	13,667	0.4%	46	9/21/2018
J.V.B. Financial Group, LLC	8,504	0.2%	45	9/14/2018
Total Borrowings	\$ 3,530,393	100.0%	27	10/23/2018

(1) In July 2018, the Company purchased assets with a fair value of approximately \$61.9 million, which settle in August 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 \$57.2 million, which settle in August 2018 that collateralize approximately \$55.3 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 July 31, 2018							
Adjustable Rate RMBS	\$ 1,712	10	9.97%	2.00%	\$ 5	\$ (3)	
Hybrid Adjustable Rate RMBS	24,566	54	7.57%	2.00%	337	(350)	
Fixed Rate RMBS	3,042,837	n/a	n/a	n/a	57,835	(68,684)	
Fixed Rate CMO	535,897	n/a	n/a	n/a	2,669	(6,098)	
Total Pass-through RMBS	3,605,012	n/a	n/a	n/a	60,846	(75,135)	
Interest-Only Securities	115,999	n/a	n/a	n/a	(13,929)	9,599	
Inverse Interest-Only Securities	24,516	1	6.30%	n/a	2,662	(3,224)	
Structured RMBS	140,515	n/a	n/a	n/a	(11,267)	6,375	
Total Mortgage Assets	\$ 3,745,527	n/a	n/a	n/a	\$ 49,579	\$ (68,760)	

Funding Hedges

	Average Notional Balance⁽²⁾	Hedge Period End Date	Modeled Interest Rate Sensitivity (-50 BPS)⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS)⁽¹⁾
Eurodollar Futures Contracts - Short Positions	\$ 1,475,000	Dec-2020	\$ (18,438)	\$ 18,438
Treasury Futures Contracts - Short Positions	165,000	Sep-2018	(4,555)	3,948
Payer Swaps	1,010,000	Aug-2022	(10,182)	10,182
Payer Swaption	950,000	Oct-2028	(6,904)	23,696
Receiver Swaption	100,000	Feb-2024	1,125	(302)
TBA Short Positions	400,000	n/a	(11,116)	13,028
Total Hedges			(50,070)	68,990
Grand Total			\$ (491)	\$ 230

(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 \$113.13 at July 31, 2018. The notional contract value of the short position was \$186.7 million.

Contact:

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