



## Orchid Island Capital Announces April 2019 Monthly Dividend and March 31, 2019 RMBS Portfolio Characteristics

April 17, 2019

- April 2019 Monthly Dividend of \$0.08 Per Share
- Estimated Book Value Per Share as of March 31, 2019 of \$6.82
- Estimated GAAP net income of \$0.22 per share for the quarter ended March 31, 2019, including an estimated \$0.02 per share of net realized and unrealized losses on RMBS and derivative instruments
- Estimated 3.2% total return on equity for the quarter, or 12.9% annualized
- Estimated book value, net loss 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 March 31, 2019
- Next Dividend Announcement Expected May 15, 2019

VERO BEACH, Fla., April 17, 2019 (GLOBE NEWSWIRE) -- 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 April 2019. The dividend of \$0.08 per share will be paid May 31, 2019 to holders of record on April 30, 2019, with an ex-dividend date of April 29, 2019. The Company plans on announcing its next dividend after the Board's meeting on May 15, 2019.

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 April 17, 2019, the Company had 50,630,128 shares outstanding. At March 31, 2019, the Company had 49,937,700 shares outstanding. At December 31, 2018, the Company had 49,132,423 shares outstanding.

### Estimated March 31, 2019 Book Value Per Share

The Company's estimated book value per share as of March 31, 2019 was \$6.82. The Company computes book value per share by dividing total stockholders' equity by the total number of outstanding shares of common stock. At March 31, 2019, the Company's preliminary estimated total stockholders' equity was approximately \$340.4 million with 49,937,700 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 \$0.22, which includes \$0.02 per share of net realized and unrealized losses on RMBS and derivative instruments for the quarter ended March 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.

### Estimated Total Return on Equity

The Company's estimated total return on equity for the quarter ended March 31, 2019 was 3.2%, or 12.9% on an annualized basis. The Company calculates total return on equity as the sum of dividends declared and paid during the quarter plus changes in book value during the quarter, divided by the Company's stockholders' equity at the beginning of the quarter. The total return was \$0.22 per share, comprised of dividends per share of \$0.24 and a decrease in book value per share of \$0.02 from December 31, 2018.

### RMBS Portfolio Characteristics

Details of the RMBS portfolio as of March 31, 2019 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's financial statements and associated footnotes as of and for the quarter ended March 31, 2019, are subject to review by the Company's independent registered public accounting firm.

- 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, 2018.

## RMBS Valuation Characteristics

(\$ in thousands)

| Type                             | Current Face                    | Fair Value <sup>(1)</sup>       | % of Portfolio  | Net Weighted Current Average |               |               | Weighted Average Maturity (Months) |            | Realized Mar 2019 | Realized Jan - Mar 2019  | Modeled Interest Rate Sensitivity (-50 BPS) <sup>(2)</sup> | Modeled Interest Rate Sensitivity (+50 BPS) <sup>(2)</sup> |
|----------------------------------|---------------------------------|---------------------------------|-----------------|------------------------------|---------------|---------------|------------------------------------|------------|-------------------|--------------------------|--|--|
|                                  |                                 |                                 |                 | Price                        | Coupon        | GWAC          | Age                                | (1-Month)  | (3-Month)         | (-50 BPS) <sup>(2)</sup> | (+50 BPS) <sup>(2)</sup>                                   |  |
| <b>Pass Through RMBS</b>         |                                 |                                 |                 |                              |               |               |                                    |            |                   |                          |  |  |
| Post Rest ARM                    | \$ 1,140                        | \$ 1,217                        | 0.04 %          | \$ 106.80                    | 4.78 %        | 5.22 %        | 175                                | 186        | 0.00 %            | 40.66 %                  | \$ 8   | \$(8)  |
| Fixed Rate CMO                   | 692,177                         | 717,995                         | 23.25 %         | 103.73                       | 4.26 %        | 4.61 %        | 13                                 | 344        | 10.26 %           | 9.07 %                   | (462)  | (2,239)  |
| 15yr 4.0                         | 514,189                         | 535,988                         | 17.35 %         | 104.24                       | 4.00 %        | 4.53 %        | 10                                 | 167        | 8.33 %            | 7.39 %                   | 9,032  | (9,676)  |
| 15yr Total                       | 514,189                         | 535,988                         | 17.35 %         | 104.24                       | 4.00 %        | 4.53 %        | 10                                 | 167        | 8.33 %            | 7.39 %                   | 9,032  | (9,676)  |
| 20yr 4.0                         | 88,725                          | 92,893                          | 3.01 %          | 104.70                       | 4.00 %        | 4.48 %        | 20                                 | 216        | 8.68 %            | 7.04 %                   | 1,943  | (2,040)  |
| 20yr Total                       | 88,725                          | 92,893                          | 3.01 %          | 104.70                       | 4.00 %        | 4.48 %        | 20                                 | 216        | 8.68 %            | 7.04 %                   | 1,943  | (2,040)  |
| 30yr 3.5                         | 38,325                          | 39,103                          | 1.27 %          | 102.03                       | 3.50 %        | 4.02 %        | 18                                 | 339        | 8.54 %            | -                        | 751  | (964)  |
| 30yr 4.0                         | 340,164                         | 354,438                         | 11.48 %         | 104.20                       | 4.00 %        | 4.58 %        | 20                                 | 337        | 10.21 %           | 7.70 %                   | 5,918  | (7,965)  |
| 30yr 4.5                         | 755,812                         | 798,567                         | 25.86 %         | 105.66                       | 4.50 %        | 4.99 %        | 12                                 | 347        | 12.48 %           | 12.01 %                  | 7,109  | (10,693)   |
| 30yr 5.0                         | 389,733                         | 424,291                         | 13.74 %         | 108.87                       | 5.00 %        | 5.59 %        | 9                                  | 349        | 10.75 %           | 12.57 %                  | 5,741  | (7,131)  |
| 30yr Total                       | 1,524,034                       | 1,616,399                       | 52.34 %         | 106.06                       | 4.49 %        | 5.03 %        | 13                                 | 345        | 11.43 %           | 10.99 %                  | 19,519   | (26,753)   |
| <b>Total Pass Through RMBS</b>   | <b>2,820,265</b>                | <b>2,964,492</b>                | <b>95.98 %</b>  | <b>105.11</b>                | <b>4.33 %</b> | <b>4.82 %</b> | <b>13</b>                          | <b>308</b> | <b>10.49 %</b>    | <b>9.45 %</b>            | <b>30,040</b>  | <b>(40,716)</b>  |
| <b>Structured RMBS</b>           |                                 |                                 |                 |                              |               |               |                                    |            |                   |                          |  |  |
| Interest-Only Securities         | 744,943                         | 99,804                          | 3.23 %          | 13.40                        | 3.74 %        | 4.33 %        | 61                                 | 252        | 10.71 %           | 8.31 %                   | (15,508)   | 13,583   |
| Inverse Interest-Only Securities | 217,562                         | 24,218                          | 0.78 %          | 11.13                        | 2.64 %        | 4.86 %        | 57                                 | 294        | 8.61 %            | 8.92 %                   | 1,730  | (2,523)  |
| <b>Total Structured RMBS</b>     | <b>962,505</b>                  | <b>124,022</b>                  | <b>4.02 %</b>   | <b>12.89</b>                 | <b>3.49 %</b> | <b>4.45 %</b> | <b>60</b>                          | <b>261</b> | <b>10.24 %</b>    | <b>8.44 %</b>            | <b>(13,778)</b>  | <b>11,060</b>  |
| <b>Total Mortgage Assets</b>     | <b>\$ 3,782,770</b>             | <b>\$ 3,088,514</b>             | <b>100.00 %</b> |                              | <b>4.12 %</b> | <b>4.72 %</b> | <b>25</b>                          | <b>296</b> | <b>10.42 %</b>    | <b>9.15 %</b>            | <b>\$ 16,262</b>   | <b>\$(29,656)</b>  |
| <b>Hedge</b>                     | <b>Average Notional Balance</b> | <b>Average Hedge Period End</b> |                 |                              |               |               |                                    |            |                   |                          | <b>Interest Rate Sensitivity (-50 BPS)<sup>(2)</sup></b>   | <b>Interest Rate Sensitivity (+50 BPS)<sup>(2)</sup></b>   |
| Eurodollar Futures               | \$(457,143)                     | Apr-2020                        |                 |                              |               |               |                                    |            |                   |                          | \$ (4,000)   | \$ 4,000   |
| Swaps                            | (1,760,000)                     | Sep-2020                        |                 |                              |               |               |                                    |            |                   |                          | (22,311)   | 22,311   |
| 5-Year Treasury Future           | (165,000)                       | Jun-2019 <sup>(3)</sup>         |                 |                              |               |               |                                    |            |                   |                          | (3,506)  | 5,097  |
| TBA                              | (200,000)                       | Apr-2019                        |                 |                              |               |               |                                    |            |                   |                          | (4,307)  | 5,528  |
| Swaptions                        | (100,000)                       | Jun-2026                        |                 |                              |               |               |                                    |            |                   |                          | (85)   | 1,078  |
| <b>Hedge Total</b>               | <b>\$(2,682,143)</b>            |                                 |                 |                              |               |               |                                    |            |                   |                          | <b>\$ (34,209)</b>   | <b>\$ 38,014</b>   |
| <b>Rate Shock Grand Total</b>    |                                 |                                 |                 |                              |               |               |                                    |            |                   |                          | <b>\$ (17,947)</b>   | <b>\$ 8,358</b>  |

(1) Amounts in the tables above include assets with a fair value of approximately \$35.1 million purchased in March 2019, which settle in April 2019.

(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 \$115.83 at March 31, 2019. The notional contract value of the short position was \$191.1 million.

(\$ in thousands)

| Asset Category              | Fair Value <sup>(1)</sup> | Percentage of Portfolio |   |
|-----------------------------|---------------------------|-------------------------|---|
| <b>As of March 31, 2019</b> |                           |                         |   |
| Fannie Mae                  | \$ 1,527,471              | 49.5                    | % |
| Freddie Mac                 | 1,557,610                 | 50.4                    | % |
| Ginnie Mae                  | 3,433                     | 0.1                     | % |
| Total Mortgage Assets       | \$ 3,088,514              | 100.0                   | % |

(\$ in thousands)

| Asset Category              | Fair Value <sup>(1)</sup> | Percentage of Portfolio |   |
|-----------------------------|---------------------------|-------------------------|---|
| <b>As of March 31, 2019</b> |                           |                         |   |
| Non-Whole Pool Assets       | \$ 911,998                | 29.5                    | % |
| Whole Pool Assets           | 2,176,516                 | 70.5                    | % |
| Total Mortgage Assets       | \$ 3,088,514              | 100.0                   | % |

(1) Amounts in the tables above include assets with a fair value of approximately \$35.1 million purchased in March 2019, which settle in April 2019.

### Borrowings By Counterparty

(\$ in thousands)

| As of March 31, 2019                  | Total Borrowings <sup>(1)</sup> | % of Total Debt |   | Weighted Average Repo Rate |   | Weighted Average Maturity in Days | Longest Maturity |
|---------------------------------------|---------------------------------|-----------------|---|----------------------------|---|-----------------------------------|------------------|
| RBC Capital Markets, LLC              | \$ 396,744                      | 13.8            | % | 2.71                       | % | 80                                | 6/26/2019        |
| Mirae Asset Securities (USA) Inc.     | 375,794                         | 13.1            | % | 2.67                       | % | 54                                | 6/7/2019         |
| Wells Fargo Bank, N.A.                | 303,372                         | 10.6            | % | 2.68                       | % | 77                                | 5/23/2019        |
| J.P. Morgan Securities LLC            | 256,403                         | 8.9             | % | 2.70                       | % | 75                                | 5/15/2019        |
| ING Financial Markets LLC             | 227,002                         | 7.9             | % | 2.72                       | % | 53                                | 5/3/2019         |
| Cantor Fitzgerald & Co                | 204,110                         | 7.1             | % | 2.68                       | % | 78                                | 6/5/2019         |
| Mitsubishi UFJ Securities (USA), Inc  | 202,388                         | 7.1             | % | 2.67                       | % | 67                                | 5/15/2019        |
| ABN AMRO Bank N.V.                    | 148,320                         | 5.2             | % | 2.65                       | % | 35                                | 4/4/2019         |
| Citigroup Global Markets Inc          | 131,647                         | 4.6             | % | 2.71                       | % | 80                                | 5/29/2019        |
| ICBC Financial Services LLC           | 112,832                         | 3.9             | % | 2.71                       | % | 66                                | 6/11/2019        |
| ASL Capital Markets Inc.              | 90,208                          | 3.1             | % | 2.67                       | % | 75                                | 5/14/2019        |
| FHLB-Cincinnati                       | 82,642                          | 2.9             | % | 2.85                       | % | 32                                | 4/1/2019         |
| South Street Securities, LLC          | 74,080                          | 2.6             | % | 2.69                       | % | 90                                | 5/29/2019        |
| Natixis, New York Branch              | 55,691                          | 1.9             | % | 2.83                       | % | 46                                | 4/15/2019        |
| Lucid Cash Fund USG LLC               | 48,267                          | 1.7             | % | 2.73                       | % | 47                                | 4/16/2019        |
| Bank of Montreal                      | 35,014                          | 1.2             | % | 2.71                       | % | 46                                | 4/15/2019        |
| Guggenheim Securities, LLC            | 33,088                          | 1.2             | % | 2.73                       | % | 56                                | 4/25/2019        |
| Merrill Lynch, Pierce, Fenner & Smith | 32,370                          | 1.1             | % | 2.87                       | % | 50                                | 4/30/2019        |
| J.V.B. Financial Group, LLC           | 24,405                          | 0.9             | % | 2.84                       | % | 52                                | 5/15/2019        |
| Lucid Prime Fund, LLC                 | 18,921                          | 0.7             | % | 2.78                       | % | 47                                | 4/16/2019        |
| ED&F Man Capital Markets Inc          | 13,440                          | 0.5             | % | 2.66                       | % | 99                                | 6/7/2019         |
| Total Borrowings                      | \$ 2,866,738                    | 100.0           | % | 2.70                       | % | 66                                | 6/26/2019        |

### Contact:

Orchid Island Capital, Inc.  
 Robert E. Cauley  
 3305 Flamingo Drive, Vero Beach, Florida 32963  
 Telephone: (772) 231-1400



Source: Orchid Island Capital, Inc.