

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): **April 13, 2016**

**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))
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## **ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On April 13, 2016, Orchid Island Capital, Inc. (the "Company") announced its preliminary book value of \$10.99 per share as of March 31, 2016 and certain details of its MBS portfolio as of March 31, 2016. These figures and the estimated book value per share are preliminary, subject to change, and subject to audit 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 April 13, 2016, the Company announced that the Board of Directors of the Company declared a dividend for the month of April 2016 of \$0.14 per share to be paid on April 29, 2016 to holders of record on April 26, 2016 with an ex-dividend date of April 22, 2016. 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, 2015. 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 April 13, 2016

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**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: April 13, 2016

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley

Robert E. Cauley

Chairman and Chief Executive Officer

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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated April 13, 2016

**ORCHID ISLAND CAPITAL ANNOUNCES  
APRIL 2016 MONTHLY DIVIDEND AND  
MARCH 31, 2016 RMBS PORTFOLIO CHARACTERISTICS**

- April 2016 Monthly Dividend of \$0.14 Per Share
- Estimated Book Value Per Share at March 31, 2016 of \$10.99
- Estimated (2.0)% total return on equity for the quarter, or (7.9)% annualized
- RMBS Portfolio Characteristics as of March 31, 2016

Vero Beach, Fla., April 13, 2016 - Orchid Island Capital, Inc. (the "Company") (NYSE:ORC) announced today that the Board of Directors declared a monthly cash dividend for the month of April 2016. The dividend of \$0.14 per share will be paid April 29, 2016, to holders of record on April 26, 2016, with an ex-dividend date of April 22, 2016.

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 certain percentages 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 13, 2016, the Company had 21,775,356 shares outstanding. At December 31, 2015, the Company had 21,749,490 shares outstanding.

**Estimated March 31, 2016 Book Value Per Share**

The Company's estimated book value per share as of March 31, 2016 was \$10.99. The Company computes book value per share by dividing total stockholders' equity by the total number of shares outstanding of the Company's common stock. At March 31, 2016, the Company's preliminary estimated total stockholders' equity was approximately \$239.4 million with 21,772,464 common shares 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 Return on Equity**

The Company's estimated total return on equity for the quarter ended March 31, 2016 was (2.0)%, or (7.9)% 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 \$(0.23) per share, comprised of dividends per share of \$0.42 and a decrease in book value per share of \$0.65 from December 31, 2015.

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## RMBS Portfolio Characteristics

Details of the RMBS portfolio as of March 31, 2016 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, 2016, 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. 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, 2015.

## RMBS Valuation Characteristics

(\$ in thousands)

Asset Category	Current Face	Fair Value <sup>(1)</sup>	Current Price	Percentage of Portfolio	Weighted Average Coupon	Realized Mar 2016 CPR (Reported in Apr)
<b>As of March 31, 2016</b>						
<b>Adjustable Rate RMBS</b>	\$ 2,762	\$ 2,939	106.41	0.15%	3.63%	42.10%
10-1 Hybrid Rate RMBS	50,407	52,043	103.25	2.63%	2.55%	8.78%
<b>Hybrid Adjustable Rate RMBS</b>	50,407	52,043	103.25	2.63%	2.55%	8.78%
15 Year Fixed Rate RMBS	96,058	101,791	105.97	5.15%	3.28%	7.84%
20 Year Fixed Rate RMBS	355,960	384,048	107.89	19.43%	4.00%	5.75%
30 Year Fixed Rate RMBS	1,218,633	1,340,723	110.02	67.81%	4.44%	7.42%
<b>Total Fixed Rate RMBS</b>	1,670,651	1,826,562	109.33	92.39%	4.29%	7.10%
<b>Total Pass-through RMBS</b>	1,723,820	1,881,544	109.15	95.17%	4.24%	7.21%
Interest-Only Securities	519,953	56,607	10.89	2.86%	3.64%	14.84%
Inverse Interest-Only Securities	205,418	38,894	18.93	1.97%	5.91%	15.53%
<b>Structured RMBS</b>	725,371	95,501	13.17	4.83%	4.56%	15.04%
<b>Total Mortgage Assets</b>	\$ 2,449,191	\$ 1,977,045		100.00%	4.25%	9.55%

**RMBS Assets by Agency**

(\$ in thousands)

Asset Category	Fair Value <sup>(1)</sup>	Percentage of Portfolio
<b>As of March 31, 2016</b>		
Fannie Mae	\$ 1,639,521	82.9%
Freddie Mac	325,721	16.5%
Ginnie Mae	11,803	0.6%
<b>Total Mortgage Assets</b>	<b>\$ 1,977,045</b>	<b>100.0%</b>

**Investment Company Act of 1940 (Whole Pool) Test**

(\$ in thousands)

Asset Category	Fair Value <sup>(1)</sup>	Percentage of Portfolio
<b>As of March 31, 2016</b>		
Whole Pool Assets	\$ 1,532,872	77.5%
Non Whole Pool Assets	444,173	22.5%
<b>Total Mortgage Assets</b>	<b>\$ 1,977,045</b>	<b>100.0%</b>

(1) Amounts in the tables above include assets with a fair value of approximately \$21.5 million purchased in March 2016 which settle in April 2016, and exclude assets with a fair value of \$132.7 million sold in March 2016 which settle in April 2016.

**Borrowings By Counterparty**

(\$ in thousands)

As of March 31, 2016	Total Borrowings <sup>(1)</sup>	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
Citigroup Global Markets Inc	\$ 277,382	14.5%	13	4/29/2016
South Street Securities, LLC	181,318	9.3%	3	4/15/2016
FHLB-Cincinnati	146,355	7.5%	30	5/24/2016
Cantor Fitzgerald & Co	122,962	6.3%	21	4/26/2016
Guggenheim Securities, LLC	121,134	6.2%	27	5/4/2016
Goldman, Sachs & Co	119,762	6.2%	15	4/22/2016
Wells Fargo Bank, N.A.	107,871	5.6%	13	4/18/2016
Daiwa Securities America Inc.	107,374	5.5%	8	4/11/2016
Natixis, New York Branch	102,588	5.3%	11	4/20/2016
Mitsubishi UFJ Securities (USA), Inc	97,327	5.0%	18	4/29/2016
KGS-Alpha Capital Markets, L.P	89,203	4.6%	20	4/25/2016
Merrill Lynch, Pierce, Fenner & Smith Inc	84,771	4.4%	18	4/18/2016
Nomura Securities International, Inc.	83,517	4.3%	14	4/27/2016
Mizuho Securities USA, Inc	68,716	3.5%	16	4/25/2016
ICBC Financial Services LLC	62,814	3.2%	11	4/11/2016
J.P. Morgan Securities LLC	61,247	3.2%	16	5/2/2016
ED&F Man Capital Markets Inc	60,070	3.1%	1	4/1/2016
RBC Capital Markets, LLC	40,887	2.1%	13	4/13/2016
Suntrust Robinson Humphrey, Inc	4,191	0.2%	8	4/8/2016
<b>Total Borrowings</b>	<b>\$ 1,939,489</b>	<b>100.0%</b>	<b>15</b>	<b>5/24/2016</b>

(1) In March 2016, the Company purchased assets with a fair value of approximately \$21.5 million which settle in April 2016 that are expected to be funded by repurchase agreements. These anticipated borrowings are not included in the table above.

**RMBS Risk Measures**

(\$ in thousands)

<b>Mortgage Assets</b>						
<b>Asset Category</b>	<b>Fair Value</b>	<b>Weighted Average Months To Next Coupon Reset (if applicable)</b>	<b>Weighted Average Lifetime Cap (if applicable)</b>	<b>Weighted Average Periodic Cap Per Year (if applicable)</b>	<b>Modeled Interest Rate Sensitivity (-50 BPS)<sup>(1)</sup></b>	<b>Modeled Interest Rate Sensitivity (+50 BPS)<sup>(1)</sup></b>
<b>As of March 31, 2016</b>						
Adjustable Rate RMBS	\$ 2,939	2	10.04%	2.00%	\$ 18	\$ (17)
Hybrid Adjustable Rate RMBS	52,043	82	7.55%	2.00%	702	(909)
Total Fixed Rate RMBS	1,826,562	n/a	n/a	n/a	26,251	(36,541)
Total Pass-through RMBS	1,881,544	n/a	n/a	n/a	26,971	(37,467)
Interest-Only Securities	56,607	n/a	n/a	n/a	(9,821)	8,241
Inverse Interest-Only Securities	38,894	1	6.35%	n/a	246	(1,266)
Structured RMBS	95,501	n/a	n/a	n/a	(9,575)	6,975
Total Mortgage Assets	\$ 1,977,045	n/a	n/a	n/a	\$ 17,396	\$ (30,492)
<b>Funding Hedges</b>						
			<b>Average Notional Balance<sup>(2)</sup></b>	<b>Hedge Period End Date</b>	<b>Modeled Interest Rate Sensitivity (-50 BPS)<sup>(1)</sup></b>	<b>Modeled Interest Rate Sensitivity (+50 BPS)<sup>(1)</sup></b>
Eurodollar Futures Contracts - Short Positions			\$ 160,000	Mar-2019	\$ (2,066)	\$ 3,000
Treasury Futures Contracts - Short Positions			185,000	Jun-2026	(6,718)	8,075
Payer Swaps			600,000	Feb-2020	(11,841)	11,841
TBA Short Positions			103,000	Apr-2016	(1,135)	1,665
Grand Total					\$ (4,364)	\$ (5,911)

(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) Treasury futures contracts were valued at a price of \$130.39 at March 31, 2016. The nominal value of the short position was \$241.2 million.

**Contact:**

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