

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): **September 9, 2014**

**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))
-

**ITEM 8.01. OTHER EVENTS.**

On September 9, 2014, Orchid Island Capital, Inc. (the "Company") announced that on September 9, 2014 the Board of Directors of the Company declared a dividend for the month of September 2014 of \$0.18 per share to be paid on September 30, 2014 to holders of record on September 25, 2014 with an ex-dividend date of September 23, 2014. In addition, the Company announced certain details of its MBS portfolio as of August 29, 2014 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, 2013. 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 September 9, 2014

---

**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: September 9, 2014

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 September 9, 2014

---



**ORCHID ISLAND CAPITAL ANNOUNCES  
SEPTEMBER 2014 MONTHLY DIVIDEND AND  
AUGUST 29, 2014 RMBS PORTFOLIO CHARACTERISTICS**

- September 2014 Monthly Dividend of \$0.18 Per Share
- RMBS Portfolio Characteristics as of August 29, 2014

Vero Beach, Fla., September 9, 2014 - Orchid Island Capital, Inc. (the "Company") (NYSE MKT:ORC) announced that today the Board of Directors declared a monthly cash dividend for the month of September 2014. The dividend of \$0.18 per share will be paid September 30, 2014, to holders of record on September 25, 2014, with an ex-dividend date of September 23, 2014.

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 September 5, 2014, the Company had 11,862,097 shares outstanding, including shares sold via the Company's At-The-Market program through that date that had not yet settled. At June 30, 2014, the Company had 9,632,108 shares outstanding.

#### **RMBS Portfolio Characteristics**

Details of the RMBS portfolio as of August 29, 2014 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. intends to elect to be taxed as a real estate investment trust 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 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, 2013.

---

**RMBS Valuation Characteristics**
*(\$ in thousands)*

Asset Category	Current Face	Fair Value	Current Price	Percentage of Portfolio	Weighted Average Coupon	Realized Aug 2014 CPR (Reported in Sep)
<b>As of August 29, 2014</b>						
Adjustable Rate RMBS	\$ 3,578	\$ 3,854	107.70	0.35%	3.80%	0.13%
10-1 Hybrid Rate RMBS	71,762	72,314	100.77	6.61%	2.55%	10.77%
Hybrid Adjustable Rate RMBS	71,762	72,314	100.77	6.61%	2.55%	10.77%
15 Year Fixed Rate RMBS	81,742	86,484	105.80	7.90%	3.40%	3.85%
20 Year Fixed Rate RMBS	129,296	138,319	106.98	12.64%	4.00%	9.35%
30 Year Fixed Rate RMBS	670,617	730,807	108.98	66.75%	4.55%	9.09%
<b>Total Fixed Rate RMBS</b>	<b>881,655</b>	<b>955,610</b>	<b>108.39</b>	<b>87.29%</b>	<b>4.36%</b>	<b>8.50%</b>
<b>Total Pass-through RMBS</b>	<b>956,995</b>	<b>1,031,778</b>	<b>107.81</b>	<b>94.25%</b>	<b>4.24%</b>	<b>8.68%</b>
Interest-Only Securities	334,386	44,806	13.40	4.09%	4.11%	19.77%
Inverse Interest-Only Securities	112,812	18,136	16.08	1.66%	6.23%	13.41%
<b>Structured RMBS</b>	<b>447,198</b>	<b>62,942</b>	<b>14.07</b>	<b>5.75%</b>	<b>4.72%</b>	<b>18.47%</b>
<b>Total Mortgage Assets</b>	<b>\$ 1,404,193</b>	<b>\$ 1,094,720</b>		<b>100.00%</b>	<b>4.26%</b>	<b>11.67%</b>

**RMBS Assets by Agency**
*(\$ in thousands)*
**Investment Company Act of 1940 (Whole Pool) Test**
*(\$ in thousands)*

Asset Category	Fair Value	Percentage of Portfolio	Asset Category	Fair Value	Percentage of Portfolio
<b>As of August 29, 2014</b>			<b>As of August 29, 2014</b>		
Fannie Mae	\$ 663,365	60.6%	Whole Pool Assets	\$ 916,183	83.7%
Freddie Mac	421,507	38.5%	Non Whole Pool Assets	178,537	16.3%
Ginnie Mae	9,848	0.9%	Total Mortgage Assets	\$ 1,094,720	100.0%
<b>Total Mortgage Assets</b>	<b>\$ 1,094,720</b>	<b>100.0%</b>			

**Repurchase Agreement Exposure By Counterparty**
*(\$ in thousands)*

As of August 29, 2014	Total Borrowings	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
Citigroup Global Markets Inc	\$ 164,729	16.7%	20	11/6/2014
J.P. Morgan Securities LLC	148,539	15.0%	99	2/13/2015
Morgan Stanley & Co	91,526	9.3%	80	11/17/2014
KGS-Alpha Capital Markets, L.P	85,016	8.6%	36	11/24/2014
Daiwa Securities America Inc.	84,056	8.5%	59	11/24/2014
Cantor Fitzgerald & Co	78,841	8.0%	27	10/21/2014
Mitsubishi UFJ Securities (USA), Inc	58,818	5.9%	44	11/25/2014
Goldman, Sachs & Co	55,722	5.6%	50	10/27/2014
ED&F Man Capital Markets Inc	52,719	5.3%	84	2/2/2015
Mizuho Securities USA, Inc	42,769	4.3%	16	9/22/2014
South Street Securities, LLC	38,798	3.9%	18	9/26/2014
Suntrust Robinson Humphrey, Inc	32,474	3.3%	4	9/2/2014
CRT Capital Group, LLC	21,400	2.2%	14	9/12/2014
Guggenheim Securities, LLC	19,793	2.0%	46	10/24/2014
Other	13,839	1.4%	14	9/12/2014
<b>Total Borrowings</b>	<b>\$ 989,039</b>	<b>100.0%</b>	<b>49</b>	<b>2/13/2015</b>

**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 August 29, 2014</b>						
Adjustable Rate RMBS	\$ 3,854	6	10.05%	2.00%	\$ 9	\$ (16)
Hybrid Adjustable Rate RMBS	72,314	102	7.54%	2.00%	1,624	(1,938)
Total Fixed Rate RMBS	955,610	n/a	n/a	n/a	15,280	(22,206)
Total Pass-through RMBS	1,031,778	n/a	n/a	n/a	16,913	(24,160)
Interest-Only Securities	44,806	n/a	n/a	n/a	(7,145)	7,064
Inverse Interest-Only Securities	18,136	1	6.39%	n/a	(1,215)	171
Structured RMBS	62,942	n/a	n/a	n/a	(8,360)	7,235
Total Mortgage Assets	\$ 1,094,720	n/a	n/a	n/a	\$ 8,553	\$ (16,925)
<b>Funding Hedges</b>						
			<b>Average Notional Balance</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			\$ 500,000	Dec-2018	\$ (8,912)	\$ 10,212
Payer Swaption			250,000	Aug-2025	(2,326)	4,537
Grand Total					\$ (2,685)	\$ (2,176)

(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 OAS. These results are for illustrative purposes only and actual results may differ materially.

**Contact:**

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