

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): **January 13, 2015**

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 January 13, 2015, Orchid Island Capital, Inc. (the "Company") announced its preliminary book value of \$13.05 per share as of December 31, 2014 and certain details of its MBS portfolio as of December 31, 2014. 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 January 13, 2015, Orchid Island Capital, Inc. (the "Company") announced that on January 13, 2015 the Board of Directors of the Company declared a dividend for the month of January 2015 of \$0.18 per share to be paid on January 30, 2015 to holders of record on January 26, 2015 with an ex-dividend date of January 22, 2015. 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 January 13, 2015

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: January 13, 2015

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 January 13, 2015

**ORCHID ISLAND CAPITAL ANNOUNCES
JANUARY 2015 MONTHLY DIVIDEND AND
DECEMBER 31, 2014 RMBS PORTFOLIO CHARACTERISTICS**

- January 2015 Monthly Dividend of \$0.18 Per Share
- Estimated Book Value Per Share at December 31, 2014 of \$13.05
- Estimated 2.4% total return on equity for the quarter, or 9.6% annualized
- RMBS Portfolio Characteristics as of December 31, 2014
- Tax Characterization of 2014 Distributions 100% Ordinary Taxable Income

Vero Beach, FL, January 13, 2015 - Orchid Island Capital, Inc. (the "Company") (NYSE:ORC) announced that today the Board of Directors declared a monthly cash dividend for the month of January 2015. The dividend of \$0.18 per share will be paid January 30, 2015, to holders of record on January 26, 2015, with an ex-dividend date of January 22, 2015.

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 January 13, 2015, the Company had 16,713,571 shares outstanding. At September 30, 2014, the Company had 13,024,449 shares outstanding.

Estimated December 31, 2014 Book Value Per Share

The Company's estimated book value per share as of December 31, 2014 was \$13.05. 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 December 31, 2014, the Company's preliminary estimated total stockholders' equity was approximately \$218.0 million with 16,699,656 common shares outstanding. These figures and the resulting estimated book value per share are preliminary, subject to change, and subject to audit 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 December 31, 2014 was 2.4%, or 9.6% 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 \$0.32 per share, comprised of dividends per share of \$0.54 and a decrease in book value per share of \$0.22 from September 30, 2014.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of December 31, 2014 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's audited financial statements and associated footnotes as of and for the year ended December 31, 2014, are subject to audit by the Company's independent registered public accounting firm.

- RMBS Assets by Agency
- Investment Company Act of 1940 Whole Pool Test Results
- Repurchase agreement exposure by counterparty
- RMBS Risk Measures

2014 Dividend Tax Characteristics

The Company anticipates that its 2014 distributions of \$2.16 per share consisted entirely of ordinary dividends and will be characterized as ordinary income. Stockholders will be notified of the proper tax characterization of the Company's dividends by way of IRS Form 1099-DIV. Due to the complex nature of the applicable tax rules, it is recommended that stockholders consult their tax advisors to ensure proper tax treatment of dividends received.

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 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 Dec 2014 CPR (Reported in Jan)
As of December 31, 2014						
Adjustable Rate RMBS	\$ 3,535	\$ 3,794	107.33	0.24%	3.55%	0.01%
10-1 Hybrid Rate RMBS	69,159	70,400	101.79	4.55%	2.54%	5.52%
Hybrid Adjustable Rate RMBS	69,159	70,400	101.79	4.55%	2.54%	5.52%
15 Year Fixed Rate RMBS	78,715	83,429	105.99	5.39%	3.40%	8.31%
20 Year Fixed Rate RMBS	287,146	309,154	107.66	19.96%	4.00%	9.27%
30 Year Fixed Rate RMBS	930,639	1,020,010	109.60	65.83%	4.56%	8.02%
Total Fixed Rate RMBS	1,296,500	1,412,593	108.95	91.18%	4.37%	8.40%
Total Pass-through RMBS	1,369,194	1,486,787	108.59	95.97%	4.28%	8.10%
Interest-Only Securities	352,849	46,611	13.21	3.01%	3.95%	15.76%
Inverse Interest-Only Securities	104,027	15,773	15.16	1.02%	6.23%	20.50%
Structured RMBS	456,876	62,384	13.65	4.03%	4.52%	16.92%
Total Mortgage Assets	\$ 1,826,070	\$ 1,549,171		100.00%	4.29%	10.53%

RMBS Assets by Agency
 (\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2014		
Fannie Mae	\$ 1,243,923	80.3%
Freddie Mac	296,203	19.1%
Ginnie Mae	9,045	0.6%
Total Mortgage Assets	\$ 1,549,171	100.0%

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

Asset Category	Fair Value	Percentage of Portfolio
As of December 31, 2014		
Whole Pool Assets	\$ 1,213,225	78.3%
Non Whole Pool Assets	335,946	21.7%
Total Mortgage Assets	\$ 1,549,171	100.0%

Repurchase Agreement Exposure By Counterparty
 (\$ in thousands)

As of December 31, 2014	Total Borrowings	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
J.P. Morgan Securities LLC	\$ 200,816	14.1%	29	3/10/2015
Citigroup Global Markets Inc	187,955	13.1%	30	3/2/2015
Goldman, Sachs & Co	125,159	8.7%	60	3/11/2015
Mitsubishi UFJ Securities (USA), Inc	121,926	8.5%	10	1/23/2015
CRT Capital Group, LLC	116,903	8.1%	21	1/26/2015
ICBC Financial Services LLC	113,353	7.9%	28	2/10/2015
KGS-Alpha Capital Markets, L.P	109,510	7.6%	20	4/6/2015
Cantor Fitzgerald & Co	77,673	5.4%	13	1/20/2015
ED&F Man Capital Markets Inc	75,791	5.3%	37	3/23/2015
Morgan Stanley & Co	60,454	4.2%	16	1/16/2015
Mizuho Securities USA, Inc	56,294	3.9%	27	2/3/2015
Daiwa Securities America Inc.	50,602	3.5%	10	1/12/2015
Guggenheim Securities, LLC	49,951	3.5%	20	1/23/2015
South Street Securities, LLC	37,380	2.6%	29	2/5/2015
Suntrust Robinson Humphrey, Inc	32,208	2.2%	15	1/15/2015
Other	20,676	1.4%	50	2/19/2015
Barclays Capital, Inc	-	-	-	-
Total Borrowings	\$ 1,436,651	100.0%	27	4/6/2015

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 December 31, 2014							
Adjustable Rate RMBS	\$ 3,794	4	10.05%	2.00%	\$ 16	\$ (19)	
Hybrid Adjustable Rate RMBS	70,400	98	7.54%	2.00%	1,330	(1,602)	
Total Fixed Rate RMBS	1,412,593	n/a	n/a	n/a	18,526	(26,830)	
Total Pass-through RMBS	1,486,787	n/a	n/a	n/a	19,872	(28,451)	
Interest-Only Securities	46,611	n/a	n/a	n/a	(7,078)	6,365	
Inverse Interest-Only Securities	15,773	0	6.39%	n/a	(757)	177	
Structured RMBS	62,384	n/a	n/a	n/a	(7,835)	6,542	
Total Mortgage Assets	\$ 1,549,171	n/a	n/a	n/a	\$ 12,037	\$ (21,909)	
Funding Hedges							
			Average Notional Balance	Hedge Period End Date	Modeled Interest Rate Sensitivity (-50 BPS)⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS)⁽¹⁾	
Eurodollar Futures Contracts - Short Positions			\$ 760,000	Dec-2018	\$ (13,087)	\$ 14,250	
Payer Swaption			375,000	Sep-2025	(232)	725	
Grand Total					\$ (1,282)	\$ (6,934)	

(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