
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): **October 12, 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 October 12, 2016, Orchid Island Capital, Inc. (the "Company") announced its preliminary book value of \$11.21 per share as of September 30, 2016 and certain details of its RMBS portfolio as of September 30, 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 October 12, 2016, the Company announced that the Board of Directors of the Company declared a dividend for the month of October 2016 of \$0.14 per share to be paid on October 31, 2016 to holders of record on October 27, 2016 with an ex-dividend date of October 25, 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 investors 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 October 12, 2016

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: October 12, 2016

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 October 12, 2016

**ORCHID ISLAND CAPITAL ANNOUNCES
OCTOBER 2016 MONTHLY DIVIDEND AND
SEPTEMBER 30, 2016 RMBS PORTFOLIO CHARACTERISTICS**

- October 2016 Monthly Dividend of \$0.14 Per Share
- Estimated Book Value Per Share at September 30, 2016 of \$11.21
- Estimated 7.1% total return on equity for the quarter, or 28.4% annualized
- RMBS Portfolio Characteristics as of September 30, 2016

Vero Beach, Fla., October 12, 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 October 2016. The dividend of \$0.14 per share will be paid October 31, 2016, to holders of record on October 27, 2016, with an ex-dividend date of October 25, 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 October 12, 2016, the Company had 26,252,193 shares outstanding. At June 30, 2016, the Company had 22,430,858 shares outstanding.

Estimated September 30, 2016 Book Value Per Share

The Company's estimated book value per share as of September 30, 2016 was \$11.21. 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 September 30, 2016, the Company's preliminary estimated total stockholders' equity was approximately \$294.4 million with 26,252,193 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 September 30, 2016 was 7.1%, or 28.4% 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 \$0.77 per share, comprised of dividends per share of \$0.42 and an increase in book value per share of \$0.35 from June 30, 2016.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of September 30, 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 September 30, 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, 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, 2015.

RMBS Valuation Characteristics

(\$ in thousands)

Asset Category	Current Face	Fair Value ⁽¹⁾	Current Price	Percentage of Portfolio	Weighted Average Coupon	Realized Sep 2016 CPR (Reported in Oct)
As of September 30, 2016						
Adjustable Rate RMBS	\$ 1,953	\$ 2,076	106.30	0.08%	3.46%	0.66%
10-1 Hybrid Rate RMBS	46,752	48,764	104.30	1.95%	2.55%	18.09%
Hybrid Adjustable Rate RMBS	46,752	48,764	104.30	1.95%	2.55%	18.09%
15 Year Fixed Rate RMBS	89,028	94,775	106.46	3.79%	3.28%	10.54%
20 Year Fixed Rate RMBS	423,917	465,671	109.85	18.62%	4.00%	7.56%
30 Year Fixed Rate RMBS	1,598,383	1,772,433	110.89	70.85%	4.34%	8.14%
Total Fixed Rate RMBS	2,111,328	2,332,879	110.49	93.26%	4.23%	8.12%
Total Pass-through RMBS	2,160,033	2,383,719	110.36	95.29%	4.19%	8.34%
Interest-Only Securities	549,780	51,174	9.31	2.05%	3.53%	19.30%
Inverse Interest-Only Securities	316,114	66,604	21.07	2.66%	5.65%	15.72%
Structured RMBS	865,894	117,778	13.60	4.71%	4.73%	18.22%
Total Mortgage Assets	\$ 3,025,927	\$ 2,501,497		100.00%	4.22%	11.02%

RMBS Assets by Agency
(\$ in thousands)

Asset Category	Fair Value ⁽¹⁾	Percentage of Portfolio
As of September 30, 2016		
Fannie Mae	\$ 1,967,077	78.6%
Freddie Mac	526,476	21.1%
Ginnie Mae	7,944	0.3%
Total Mortgage Assets	<u>\$ 2,501,497</u>	<u>100.0%</u>

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

Asset Category	Fair Value ⁽¹⁾	Percentage of Portfolio
As of September 30, 2016		
Whole Pool Assets	\$ 2,088,608	83.5%
Non Whole Pool Assets	412,889	16.5%
Total Mortgage Assets	<u>\$ 2,501,497</u>	<u>100.0%</u>

(1) Amounts in the tables above include assets with a fair value of approximately \$72.5 million purchased in September 2016 which settle in October 2016, and exclude assets with a fair value of \$28.3 million sold in September 2016 which settle in October 2016.

Borrowings By Counterparty
(\$ in thousands)

As of September 30, 2016	Total Borrowings ⁽¹⁾	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
Citigroup Global Markets Inc	\$ 270,285	11.8%	13	10/26/2016
Mitsubishi UFJ Securities (USA), Inc	207,159	9.0%	15	10/31/2016
ED&F Man Capital Markets Inc	197,813	8.6%	19	11/3/2016
South Street Securities, LLC	185,800	8.1%	4	10/19/2016
J.P. Morgan Securities LLC	185,041	8.1%	16	10/28/2016
RBC Capital Markets, LLC	182,192	7.9%	12	10/14/2016
Goldman, Sachs & Co	161,739	7.0%	14	10/20/2016
ICBC Financial Services LLC	143,778	6.3%	10	10/17/2016
Cantor Fitzgerald & Co	114,312	5.0%	19	10/24/2016
Daiwa Securities America Inc.	113,005	4.9%	9	10/12/2016
Wells Fargo Bank, N.A.	101,563	4.4%	13	10/14/2016
Natixis, New York Branch	97,578	4.2%	11	10/21/2016
KGS-Alpha Capital Markets, L.P	88,964	3.9%	19	10/24/2016
Nomura Securities International, Inc.	68,508	3.0%	14	11/25/2016
Mizuho Securities USA, Inc	55,920	2.4%	7	10/7/2016
FHLB-Cincinnati	55,397	2.4%	3	10/3/2016
Guggenheim Securities, LLC	50,985	2.2%	28	10/28/2016
Morgan Stanley & Co. LLC	14,027	0.6%	7	10/7/2016
Suntrust Robinson Humphrey, Inc	4,031	0.2%	14	10/14/2016
Total Borrowings	<u>\$ 2,298,097</u>	<u>100.0%</u>	<u>13</u>	<u>11/25/2016</u>

(1) In September 2016, the Company purchased assets with a fair value of approximately \$72.5 million which settle in October 2016 that are expected to be funded by repurchase agreements. These anticipated borrowings are not included in the table above. In September 2016, the Company also sold assets with a fair value of approximately \$28.3 million which settle in October 2016. The table above includes repurchase agreement borrowings of approximately \$27.0 million which are collateralized by these sold securities.

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 September 30, 2016						
Adjustable Rate RMBS	\$ 2,076	8	10.05%	2.00%	\$ 12	\$ (12)
Hybrid Adjustable Rate RMBS	48,764	76	7.55%	2.00%	445	(678)
Total Fixed Rate RMBS	2,332,879	n/a	n/a	n/a	29,393	(42,626)
Total Pass-through RMBS	2,383,719	n/a	n/a	n/a	29,850	(43,316)
Interest-Only Securities	51,174	n/a	n/a	n/a	(8,622)	7,193
Inverse Interest-Only Securities	66,604	1	6.17%	n/a	1,496	(3,117)
Structured RMBS	117,778	n/a	n/a	n/a	(7,126)	4,076
Total Mortgage Assets	\$ 2,501,497	n/a	n/a	n/a	\$ 22,724	\$ (39,240)

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	\$ 200,000	Mar-2019	\$ (1,032)	\$ 2,500
Treasury Futures Contracts - Short Positions	185,000	Dec-2026	(8,427)	6,597
Payer Swaps	600,000	Feb-2020	(9,743)	9,743
TBA Short Positions	146,800	Oct-2016	(1,197)	2,119
Grand Total			\$ 2,325	\$ (18,281)

(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 \$131.13 at September 30, 2016. The nominal value of the short position was \$242.6 million.

Contact:

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