

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): **March 12, 2014 (March 11, 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))
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**ITEM 8.01. OTHER EVENTS.**

On March 11, 2014, Orchid Island Capital, Inc. (the "Company") announced that on March 11, 2014 the Board of Directors of the Company declared a dividend for the month of March 2014 of \$0.18 per share to be paid on March 31, 2014 to holders of record on March 26, 2014 with an ex-dividend date of March 24, 2014. In addition, the Company announced certain details of its MBS portfolio as of February 28, 2014. 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**

99.1 Press Release dated March 11, 2014

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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: March 12, 2014

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley  
Robert E. Cauley  
Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES  
MARCH 2014 MONTHLY DIVIDEND AND  
FEBRUARY 28, 2014 MBS PORTFOLIO CHARACTERISTICS**

- March 2014 Monthly Dividend of \$0.18 Per Share
- MBS Portfolio Characteristics as of February 28, 2014

Vero Beach, Fla., March 11, 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 March 2014. The dividend of \$0.18 per share will be paid March 31, 2014, to holders of record on March 26, 2014, with an ex-dividend date of March 24, 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.

#### **MBS Portfolio Characteristics**

Details of the MBS portfolio as of February 28, 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:

- MBS Valuation Characteristics
- MBS Assets by Agency
- Investment Company Act of 1940 (Whole Pool) Test Results
- Repurchase Agreement Exposure by Counterparty
- MBS 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.

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**MBS Valuation Characteristics**
*(in thousands of \$s)*

Asset Category	Current Face	Fair Value	Current Price	Percentage of Portfolio	Weighted Average Coupon	Realized Feb 2014 CPR (Reported in Mar)
<b>As of February 28, 2014</b>						
Adjustable Rate MBS	\$ 4,809	\$ 5,200	108.12	0.97%	3.95%	48.73%
10-1 Hybrid Rate MBS	76,112	76,352	100.31	14.19%	2.55%	3.46%
<b>Hybrid Adjustable Rate MBS</b>	<b>76,112</b>	<b>76,352</b>	<b>100.31</b>	<b>14.19%</b>	<b>2.55%</b>	<b>3.46%</b>
15 Year Fixed Rate MBS	80,481	84,759	105.32	15.76%	3.40%	1.42%
20 Year Fixed Rate MBS	30,482	31,571	103.57	5.87%	3.50%	0.26%
30 Year Fixed Rate MBS	288,332	311,620	108.08	57.92%	4.54%	4.52%
<b>Total Fixed Rate MBS</b>	<b>399,295</b>	<b>427,950</b>	<b>107.18</b>	<b>79.55%</b>	<b>4.24%</b>	<b>3.57%</b>
<b>Total Pass-through MBS</b>	<b>480,216</b>	<b>509,502</b>	<b>106.10</b>	<b>94.71%</b>	<b>3.98%</b>	<b>4.00%</b>
Interest-Only Securities	149,372	21,432	14.35	3.98%	4.48%	16.91%
Inverse Interest-Only Securities	48,300	7,022	14.54	1.31%	6.08%	11.65%
<b>Structured MBS</b>	<b>197,672</b>	<b>28,454</b>	<b>14.39</b>	<b>5.29%</b>	<b>4.88%</b>	<b>15.63%</b>
<b>Total Mortgage Assets</b>	<b>\$ 677,888</b>	<b>\$ 537,956</b>	<b>-</b>	<b>100.00%</b>	<b>4.03%</b>	<b>7.39%</b>

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

Asset Category	Fair Value	Percentage of Portfolio	Asset Category	Fair Value	Percentage of Portfolio
<b>As of February 28, 2014</b>					
Fannie Mae	\$ 293,729	54.6%	Whole Pool Assets	\$ 491,338	91.3%
Freddie Mac	226,335	42.1%	Non Whole Pool Assets	46,618	8.7%
Ginnie Mae	17,892	3.3%	Total Mortgage Assets	\$ 537,956	100.0%
<b>Total Mortgage Assets</b>	<b>\$ 537,956</b>	<b>100.0%</b>			

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

As of February 28, 2014	Total Borrowings	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
Citigroup Global Markets Inc	\$ 143,650	28.5%	23	5/27/2014
Cantor Fitzgerald & Co	54,903	10.9%	17	3/17/2014
South Street Securities, LLC	48,975	9.7%	13	3/24/2014
Mizuho Securities USA, Inc	48,414	9.6%	37	4/10/2014
Suntrust Robinson Humphrey, Inc	45,179	9.0%	11	3/11/2014
Morgan Stanley & Co	38,154	7.6%	74	5/13/2014
CRT Capital Group, LLC	37,136	7.4%	23	3/26/2014
KGS-Alpha Capital Markets, L.P	25,573	5.1%	17	3/25/2014
ED&F Man Capital Markets Inc	25,079	5.0%	17	3/17/2014
Goldman, Sachs & Co	23,919	4.7%	14	3/17/2014
Mitsubishi UFJ Securities (USA), Inc	12,703	2.5%	28	3/28/2014
<b>Total Borrowings</b>	<b>\$ 503,685</b>	<b>100.0%</b>	<b>25</b>	<b>5/27/2014</b>

**MBS Risk Measures***(in thousands of \$s)*

<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)*</b>	<b>Modeled Interest Rate Sensitivity (+50 BPS)*</b>
<b>As of February 28, 2014</b>						
Adjustable Rate MBS	\$ 5,200	3	10.13%	2.00%	\$ 9	\$ (19)
Hybrid Adjustable Rate MBS	76,352	108	7.56%	2.00%	2,010	(2,361)
Total Fixed Rate MBS	427,950	n/a	n/a	n/a	10,003	(12,523)
Total Pass-through MBS	509,502	n/a	n/a	n/a	12,022	(14,903)
Interest-Only Securities	21,432	n/a	n/a	n/a	(4,052)	3,952
Inverse Interest-Only Securities	7,022	-	4.17%	n/a	45	(303)
Structured MBS	28,454	n/a	n/a	n/a	(4,006)	3,649
Total Mortgage Assets	\$ 537,956	n/a	n/a	n/a	\$ 8,016	\$ (11,254)
<b>Funding Hedges</b>						
			<b>Average Notional Balance</b>	<b>Hedge Period End Date</b>	<b>Modeled Interest Rate Sensitivity (-50 BPS)*</b>	<b>Modeled Interest Rate Sensitivity (+50 BPS)*</b>
Eurodollar Futures Contracts - Short Positions			\$ 350,000	Dec-2018	\$ (6,166)	\$ 7,000
Grand Total					\$ 1,850	\$ (4,254)

\* 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:**

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