

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): **July 10, 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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On July 10, 2014, Orchid Island Capital, Inc. (the "Company") announced its preliminary book value of \$13.05 per share as of June 30, 2014 and certain details of its MBS portfolio as of June 30, 2014. These figures and the estimated book value per share are preliminary, subject to change, and subject to review 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 July 10, 2014, Orchid Island Capital, Inc. (the "Company") announced that on July 10, 2014 the Board of Directors of the Company declared a dividend for the month of July 2014 of \$0.18 per share to be paid on July 31, 2014 to holders of record on July 28, 2014 with an ex-dividend date of July 24, 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 July 10, 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: July 10, 2014

ORCHID ISLAND CAPITAL, INC.

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

**ORCHID ISLAND CAPITAL ANNOUNCES  
JULY 2014 MONTHLY DIVIDEND AND  
JUNE 30, 2014 RMBS PORTFOLIO CHARACTERISTICS**

- July 2014 Monthly Dividend of \$0.18 Per Share
- Estimated Book Value Per Share at June 30, 2014 of \$13.05
- RMBS Portfolio Characteristics as of June 30, 2014

Vero Beach, Fla., July 10, 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 July 2014. The dividend of \$0.18 per share will be paid July 31, 2014, to holders of record on July 28, 2014, with an ex-dividend date of July 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.

**Estimated June 30, 2014 Book Value Per Share**

The Company's estimated book value per share as of June 30, 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 June 30, 2014, the Company's preliminary estimated total stockholders' equity was approximately \$125.7 million with 9,632,108 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.

**RMBS Portfolio Characteristics**

Details of the RMBS portfolio as of June 30, 2014 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's unaudited financial statements and associated footnotes as of and for the three month period ended June 30, 2014, are subject to review 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

**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.

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## 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 Jun 2014 CPR (Reported in Jul)
<b>As of June 30, 2014</b>						
Adjustable Rate RMBS	\$ 4,286	\$ 4,650	108.51	0.53%	4.11%	0.18%
10-1 Hybrid Rate RMBS	74,473	75,061	100.79	8.57%	2.55%	12.61%
<b>Hybrid Adjustable Rate RMBS</b>	<b>74,473</b>	<b>75,061</b>	<b>100.79</b>	<b>8.57%</b>	<b>2.55%</b>	<b>12.61%</b>
15 Year Fixed Rate RMBS	83,012	87,688	105.63	10.01%	3.40%	3.25%
20 Year Fixed Rate RMBS	123,605	131,984	106.78	15.07%	3.93%	3.91%
30 Year Fixed Rate RMBS	482,603	527,538	109.31	60.22%	4.54%	5.57%
<b>Total Fixed Rate RMBS</b>	<b>689,220</b>	<b>747,210</b>	<b>108.41</b>	<b>85.30%</b>	<b>4.30%</b>	<b>4.81%</b>
<b>Total Pass-through RMBS</b>	<b>767,979</b>	<b>826,921</b>	<b>107.68</b>	<b>94.40%</b>	<b>4.14%</b>	<b>5.74%</b>
Interest-Only Securities	281,193	38,743	13.78	4.42%	4.40%	19.25%
Inverse Interest-Only Securities	72,162	10,340	14.33	1.18%	6.04%	13.43%
<b>Structured RMBS</b>	<b>353,355</b>	<b>49,083</b>	<b>13.89</b>	<b>5.60%</b>	<b>4.74%</b>	<b>17.98%</b>
<b>Total Mortgage Assets</b>	<b>\$ 1,121,334</b>	<b>\$ 876,004</b>		<b>100.00%</b>	<b>4.17%</b>	<b>10.08%</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 June 30, 2014</b>			<b>As of June 30, 2014</b>		
Fannie Mae	\$ 547,123	62.5%	Whole Pool Assets	\$ 740,212	84.5%
Freddie Mac	318,454	36.3%	Non Whole Pool Assets	135,792	15.5%
Ginnie Mae	10,427	1.2%	Total Mortgage Assets	\$ 876,004	100.0%
<b>Total Mortgage Assets</b>	<b>\$ 876,004</b>	<b>100.0%</b>			

**Repurchase Agreement Exposure By Counterparty**

(\$ in thousands)

As of June 30, 2014	Total Borrowings	% of Total Debt	Weighted Average Maturity in Days	Longest Maturity
Citigroup Global Markets Inc	\$ 156,153	19.8%	19	9/3/2014
Cantor Fitzgerald & Co	79,295	10.1%	27	8/22/2014
KGS-Alpha Capital Markets, L.P	76,241	9.7%	36	10/3/2014
Morgan Stanley & Co	66,373	8.5%	50	8/19/2014
CRT Capital Group, LLC	64,760	8.3%	55	8/29/2014
Mitsubishi UFJ Securities (USA), Inc	58,960	7.5%	7	7/25/2014
Goldman, Sachs & Co	56,637	7.2%	25	7/28/2014
ED&F Man Capital Markets Inc	53,094	6.8%	21	8/1/2014
J.P. Morgan Securities LLC	48,343	6.2%	10	7/11/2014
Mizuho Securities USA, Inc	45,138	5.8%	13	7/23/2014
South Street Securities, LLC	40,042	5.1%	16	7/28/2014
Suntrust Robinson Humphrey, Inc	24,826	3.2%	3	7/3/2014
Other	13,839	1.8%	74	9/12/2014
<b>Total Borrowings</b>	<b>\$ 783,701</b>	<b>100.0%</b>	<b>26</b>	<b>10/3/2014</b>

**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) <sup>(1)</sup>	Modeled Interest Rate Sensitivity (+50 BPS) <sup>(1)</sup>
<b>As of June 30, 2014</b>						
Adjustable Rate RMBS	\$ 4,650	1	10.16%	2.00%	\$ 7	\$ (13)
Hybrid Adjustable Rate RMBS	75,061	104	7.55%	2.00%	1,768	(2,134)
Total Fixed Rate RMBS	747,210	n/a	n/a	n/a	13,795	(19,349)
Total Pass-through RMBS	826,921	n/a	n/a	n/a	15,570	(21,496)
Interest-Only Securities	38,743	n/a	n/a	n/a	(7,049)	6,872
Inverse Interest-Only Securities	10,340	0	6.19%	n/a	(647)	136
Structured RMBS	49,083	n/a	n/a	n/a	(7,696)	7,008
<b>Total Mortgage Assets</b>	<b>\$ 876,004</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 7,874</b>	<b>\$ (14,488)</b>
<b>Funding Hedges</b>						
			Average Notional Balance	Hedge Period End Date	Modeled Interest Rate Sensitivity (-50 BPS) <sup>(1)</sup>	Modeled Interest Rate Sensitivity (+50 BPS) <sup>(1)</sup>
Eurodollar Futures Contracts - Short Positions			\$ 500,000	Dec-2018	\$ (8,950)	\$ 10,295
Payer Swaption			100,000	Jun-2020	(680)	1,295
<b>Grand Total</b>					<b>\$ (1,756)</b>	<b>\$ (2,898)</b>

(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:**

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