

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name			<b>2</b> Issuer's employer identification number (EIN)	
ORCHID ISLAND CAPITAL, INC.			27-3269228	
<b>3</b> Name of contact for additional information		<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
G. Hunter Haas, IV		772-231-1400	hhaas@orchidislandcapital.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact			<b>7</b> City, town, or post office, state, and ZIP code of contact	
3305 FLAMINGO DRIVE			VERO BEACH, FL 32963	
<b>8</b> Date of action		<b>9</b> Classification and description		
SEE STATEMENT 1		COMMON STOCK		
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)	
68571X103		ORC		

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ DURING THE CALENDAR YEARS 2016, 2017, 2018 AND 2019, ORCHID ISLAND CAPITAL, INC. ("ORC") MADE CASH DISTRIBUTIONS TO ITS COMMON SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE STATEMENT 1 FOR THE DATES AND AMOUNTS OF THESE DISTRIBUTIONS ON A PER SHARE BASIS.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE STATEMENT 1

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ ORC'S EARNINGS AND PROFITS WERE CALCULATED IN ACCORDANCE WITH I.R.C. SECTION 312, SECTION 857, AND THE REGULATIONS THEREUNDER. DISTRIBUTIONS IN EXCESS OF EARNINGS AND PROFITS REDUCE THE SHAREHOLDER'S TAX BASIS IN COMMON SHARES OWNED TO THE EXTENT OF THE BASIS PURSUANT TO I.R.C. 301 (C)(2).

**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
SECTIONS 301(C)(2), 312 AND 857(D)

**18** Can any resulting loss be recognized? ▶ NO

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
THE REPORTABLE TAX YEARS ARE 2016, 2017, 2018 AND 2019

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 6/26/2020

Print your name ▶ Jerry Sintes Title ▶ Treasurer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

ORCHID ISLAND CAPITAL, INC.  
 27-3269228  
 STATEMENT 1  
 FORM 8937

THE DISTRIBUTIONS MADE ON THE FOLLOWING DATES REDUCE THE BASIS OF THE SECURITY IN THE HANDS OF THE U.S. SHAREHOLDER(S) AS FOLLOWS:

<b>Record Date</b>	<b>Payment Date</b>	<b>Distribution Rate (per share)</b>	<b>Reduction of Basis (per share)</b>
1/26/2016	1/29/2016	\$ 0.140	\$ 0.013062
2/24/2016	2/29/2016	\$ 0.140	\$ 0.013062
3/28/2016	3/31/2016	\$ 0.140	\$ 0.013062
4/26/2016	4/29/2016	\$ 0.140	\$ 0.013062
5/26/2016	5/31/2016	\$ 0.140	\$ 0.013062
6/28/2016	6/30/2016	\$ 0.140	\$ 0.013062
7/27/2016	7/29/2016	\$ 0.140	\$ 0.013062
8/29/2016	8/31/2016	\$ 0.140	\$ 0.013062
9/28/2016	9/30/2016	\$ 0.140	\$ 0.013062
10/27/2016	10/31/2016	\$ 0.140	\$ 0.013062
11/30/2016	12/9/2016	\$ 0.140	\$ 0.013062
12/30/2016	1/10/2017	\$ 0.140	\$ 0.059570
1/31/2017	2/10/2017	\$ 0.140	\$ 0.059570
2/28/2017	3/10/2017	\$ 0.140	\$ 0.059570
3/31/2017	4/10/2017	\$ 0.140	\$ 0.059570
4/28/2017	5/10/2017	\$ 0.140	\$ 0.059570
5/31/2017	6/9/2017	\$ 0.140	\$ 0.059570
6/30/2017	7/10/2017	\$ 0.140	\$ 0.059570
7/31/2017	8/10/2017	\$ 0.140	\$ 0.059570
8/31/2017	9/8/2017	\$ 0.140	\$ 0.059570
9/29/2017	10/10/2017	\$ 0.140	\$ 0.059570
10/31/2017	11/10/2017	\$ 0.140	\$ 0.059570
11/30/2017	12/8/2017	\$ 0.140	\$ 0.059570
12/29/2017	1/10/2018	\$ 0.140	\$ 0.049308
1/31/2018	2/9/2018	\$ 0.110	\$ 0.038742
2/28/2018	3/9/2018	\$ 0.110	\$ 0.038742
3/29/2018	4/10/2018	\$ 0.090	\$ 0.031698
4/30/2018	5/10/2018	\$ 0.090	\$ 0.031698
5/31/2018	6/8/2018	\$ 0.090	\$ 0.031698
6/29/2018	7/10/2018	\$ 0.090	\$ 0.031698
7/31/2018	8/10/2018	\$ 0.090	\$ 0.031698
8/31/2018	9/10/2018	\$ 0.080	\$ 0.028176
9/28/2018	10/10/2018	\$ 0.080	\$ 0.028176
10/31/2018	11/9/2018	\$ 0.080	\$ 0.028176
11/30/2018	12/10/2018	\$ 0.080	\$ 0.028176
12/31/2018	1/10/2019	\$ 0.080	\$ 0.040672
1/31/2019	2/5/2019	\$ 0.080	\$ 0.040672

2/28/2019	3/29/2019	\$	0.080	\$	0.040672
3/29/2019	4/30/2019	\$	0.080	\$	0.040672
4/30/2019	5/31/2019	\$	0.080	\$	0.040672
5/31/2019	6/28/2019	\$	0.080	\$	0.040672
6/28/2019	7/31/2019	\$	0.080	\$	0.040672
7/31/2019	8/30/2019	\$	0.080	\$	0.040672
8/30/2019	9/30/2019	\$	0.080	\$	0.040672
9/30/2019	10/31/2019	\$	0.080	\$	0.040672
10/31/2019	11/29/2019	\$	0.080	\$	0.040672
11/29/2019	12/31/2019	\$	0.080	\$	0.040672