

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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): **August 13, 2012**



**Bimini Capital Management, Inc.**  
(Exact name of registrant as specified in its charter)

**Maryland**

(State or Other Jurisdiction of Incorporation)

**001-32171**

(Commission File Number)

**72-1571637**

(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))
-

**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On August 13, 2012, Bimini Capital Management, Inc., (the “Company”) issued the press release attached hereto as Exhibit 99.1 announcing the Company’s consolidated results of operations for the period ended June 30, 2012. The information furnished under this “Item 2.02 Results of Operations and Financial Condition,” including the exhibit related hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any disclosure document of the Company, except as shall be expressly set forth by specific reference in such document.

**ITEM 9.01. EXHIBITS.**

(d) Exhibits

Exhibit 99.1 — Press Release of Bimini Capital Management, Inc. dated August 13, 2012.

---

## 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: August 14, 2012

BIMINI CAPITAL MANAGEMENT, INC

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



## BIMINI CAPITAL MANAGEMENT ANNOUNCES SECOND QUARTER 2012 RESULTS

- Second Quarter net loss of \$0.2 Million
- Book Value per Share of \$0.59
- MBS Portfolio Remains 100% Invested in Agency MBS
- Company to Discuss Results on Tuesday, August 14, 2012, at 1:00 PM ET

**VERO BEACH, Fla. (August 13, 2012)** - Bimini Capital Management, Inc. (OTCBB:BMNM) ("Bimini Capital" or the "Company"), a real estate investment trust ("REIT"), today announced results of operations for the three month period ended June 30, 2012. The Company reported a net loss of \$0.2 million for the three month period ended June 30, 2012, compared with a net income of \$2.2 million for three month period ended June 30, 2011.

### Details of Second Quarter 2012 Results of Operations

The Company's second quarter net loss of \$0.2 million included net interest income of \$1.0 million, net loss on trading securities of \$1.5 million (which includes non-cash portfolio mark-to-market losses, realized gains on securities sold and losses on funding hedges), audit, legal and other professional fees of \$0.3 million, compensation and related benefits of \$0.4 million, and other operating, general and administrative expenses of \$0.4 million. During the second quarter, the Company sold mortgage-backed securities (MBS) with a market value at the time of sale of \$114.2 million, resulting in realized gains of \$0.2 million (based on security prices from March 31, 2012). The remaining net loss on trading securities was due to fair value adjustments for the period.

### Details of the MBS Portfolio Performance

The Company allocates capital to two MBS sub-portfolios, the pass-through MBS portfolio ("PT MBS"), and the structured MBS portfolio, consisting of interest only ("IO") and inverse interest-only ("IIO") securities. The PT MBS sub-portfolio is encumbered under repurchase agreement funding, while the structured MBS sub-portfolio is not. As a result of being encumbered, the PT MBS sub-portfolio requires the Company to maintain cash balances to meet price and/or prepayment related margin calls from lenders. As of March 31, 2012, approximately 43% of the Company's investable capital (which consists of equity in pledged PT MBS, available cash and unencumbered assets) were deployed in the PT MBS portfolio. At June 30, 2012, the allocation of capital to the PT MBS was nominally lower at approximately 42%. The relative allocation of capital between the structured MBS sub-portfolio and the PT MBS sub-portfolio did not change materially, and the \$10 million decline in the combined portfolio mirrored the \$0.9 million decline in the PT MBS sub-portfolio, reflecting the effect of leverage in the PT sub-portfolio.

The tables below detail the changes to the respective sub-portfolios during the quarter, as well as the returns generated by each. During the second quarter, purchases of \$106.0 million combined with net of sales of \$114.2 million and pay-downs of \$2.4 million reduced the PT MBS portfolio by approximately \$10.0 million. The capital allocated to the PT portfolio decreased approximately \$0.7 million during the three months ended June 30, 2012. Capital allocated to the structured MBS portfolio increased slightly by \$0.3 million.

The market was impacted by progressively lower mortgage rates as US Treasury benchmark rates decreased in response to poor economic data. The Mortgage Bankers Association ("MBA") refinance index rose from approximately 3,600 in late March to almost 5,000 for the week of June 22<sup>nd</sup>. The result was slightly higher PT prices, but structured security price declines were over 10%. The MBA refinance index has approached 5,500 since June 30, 2012, although economic data has improved modestly and benchmark US Treasury rates have risen off the lows reached on July 24, 2012. The impact of HARP related refinancing has been evident, although the most significant increases observed have been with 2010 and 2011 production mortgages with coupons in the 3.5% to 4.5% range, not the HARP eligible cohorts.

**Portfolio Activity for the Quarter**

|                                      | Structured Security Portfolio |                          |                                  |                      |                       |
|--------------------------------------|-------------------------------|--------------------------|----------------------------------|----------------------|-----------------------|
|                                      | Pass-Through Portfolio        | Interest Only Securities | Inverse Interest Only Securities | Sub-total            | Total                 |
| <b>Market Value - March 31, 2012</b> | <b>\$ 106,987,936</b>         | <b>\$ 6,013,814</b>      | <b>\$ 8,604,691</b>              | <b>\$ 14,618,505</b> | <b>\$ 121,606,441</b> |
| Securities Purchased                 | 106,000,085                   | -                        | 4,161,593                        | 4,161,593            | 110,161,678           |
| Securities Sold                      | (114,232,583)                 | -                        | -                                | -                    | (114,232,583)         |
| Gain on Sale                         | 197,373                       | -                        | -                                | -                    | 197,373               |
| Return on Investment                 | n/a                           | (753,967)                | (1,272,554)                      | (2,026,521)          | (2,026,521)           |
| Pay-downs                            | (2,354,675)                   | n/a                      | n/a                              | n/a                  | (2,354,675)           |
| Premium Lost Due to Pay-downs        | (118,412)                     | n/a                      | n/a                              | n/a                  | (118,412)             |
| Mark-to-Market                       | 513,398                       | (790,180)                | (1,055,546)                      | (1,845,726)          | (1,332,328)           |
| <b>Market Value - June 30, 2012</b>  | <b>\$ 96,993,122</b>          | <b>\$ 4,469,667</b>      | <b>\$ 10,438,184</b>             | <b>\$ 14,907,851</b> | <b>\$ 111,900,973</b> |

The table below presents the return on invested capital for each sub-portfolio for the three month period ended June 30, 2012. The return on invested capital in the PT MBS portfolio was approximately 11.4% for the quarter. The return on invested capital for the structured MBS portfolio was approximately (11.1%). The return was impacted by negative mark-to-market adjustments and lower realized yields, particularly in the IO sub-portfolio. The combined portfolio generated a return on invested capital of approximately (1.2%).

**Return on Invested Capital**

|                                             | Structured Security Portfolio |                          |                                  |                       |                      |
|---------------------------------------------|-------------------------------|--------------------------|----------------------------------|-----------------------|----------------------|
|                                             | Pass-Through Portfolio        | Interest Only Securities | Inverse Interest Only Securities | Sub-total             | Total                |
| <b>Capital Allocation - March 31, 2012*</b> | <b>\$ 11,565,568</b>          | <b>\$ 6,013,814</b>      | <b>\$ 8,604,691</b>              | <b>\$ 14,618,505</b>  | <b>\$ 26,184,073</b> |
| Market Value - March 31, 2012               | \$ 106,987,936                | \$ 6,013,814             | \$ 8,604,691                     | \$ 14,618,505         | \$ 121,606,441       |
| Repurchase Agreement Obligations            | \$ 101,730,079                | \$ -                     | \$ -                             | \$ -                  | \$ 101,730,079       |
| Income / (loss) (net of repo cost)          | \$ 754,254                    | \$ (27,270)              | \$ 248,732                       | \$ 221,462            | \$ 975,716           |
| Realized and unrealized gains / (losses)    | 592,359                       | (790,180)                | (1,055,546)                      | (1,845,726)           | (1,253,367)          |
| Hedge gains/(losses)**                      | (30,875)                      | n/a                      | n/a                              | n/a                   | (30,875)             |
|                                             | <b>\$ 1,315,738</b>           | <b>\$ (817,450)</b>      | <b>\$ (806,814)</b>              | <b>\$ (1,624,264)</b> | <b>\$ (308,526)</b>  |

**Return on Invested Capital for the Quarter**

|                         |              |                |               |                |               |
|-------------------------|--------------|----------------|---------------|----------------|---------------|
| <b>(Not Annualized)</b> | <b>11.4%</b> | <b>(13.6)%</b> | <b>(9.4)%</b> | <b>(11.1)%</b> | <b>(1.2)%</b> |
|-------------------------|--------------|----------------|---------------|----------------|---------------|

\* Capital Allocation is defined as the sum of the market value of securities held, less associated repurchase agreement borrowings, plus cash and cash equivalents, restricted cash (associated with repurchase agreements only) and unencumbered securities. (Capital allocated to non-portfolio assets not included. Restricted cash at March 31, 2012 included \$207,844 related to trust preferred debt funding hedges).

\*\* Excludes losses of (\$232,125) associated with trust preferred debt funding hedges.

Three-month constant prepayment rates (CPR) on the two MBS sub-portfolios were are presented in the table below. Note only securities held for the entire quarter are included. During the quarter ended June 30, 2012 this included just 4 PT securities.

|                            | PT MBS Sub-Portfolio (%) | Derivative MBS Sub-Portfolio (%) | Total Portfolio (%) |
|----------------------------|--------------------------|----------------------------------|---------------------|
| <b>Three Months Ended,</b> |                          |                                  |                     |
| June 30, 2012              | 1.1                      | 36.4                             | 34.7                |
| March 31, 2012             | 6.5                      | 28.9                             | 23.0                |
| December 31, 2011          | 14.1                     | 33.7                             | 31.1                |
| September 30, 2011         | 13.4                     | 22.8                             | 20.9                |
| June 30, 2011              | 11.8                     | 13.0                             | 12.7                |
| March 31, 2011             | 12.0                     | 19.1                             | 17.2                |

#### Highlights of the MBS Portfolio

As of June 30, 2012, Bimini Capital's MBS portfolio consisted of \$111.9 million of agency or government MBS at fair value. This portfolio had a weighted average coupon of 3.19% and a net weighted average repurchase agreement borrowing cost of 0.40%. The following tables summarize Bimini Capital's agency and government mortgage related securities as of June 30, 2012 and December 31, 2011:

(in thousands)

| Asset Category                     | Fair Value | Percentage of Entire Portfolio | Weighted Average Coupon | Weighted Average Maturity in Months | Longest Maturity | Weighted Average Coupon Reset in Months | Weighted Average Lifetime Cap | Weighted Average Periodic Cap |
|------------------------------------|------------|--------------------------------|-------------------------|-------------------------------------|------------------|-----------------------------------------|-------------------------------|-------------------------------|
| <b>June 30, 2012</b>               |            |                                |                         |                                     |                  |                                         |                               |                               |
| Fixed Rate MBS                     | \$ 44,442  | 39.7%                          | 2.99%                   | 181                                 | 1-Dec-40         | NA                                      | NA                            | NA                            |
| Hybrid Adjustable Rate MBS         | 52,551     | 47.0%                          | 2.74%                   | 357                                 | 1-Jun-42         | 80.64                                   | 7.74%                         | 1.96%                         |
| Total Mortgage-backed Pass-through | 96,993     | 86.7%                          | 2.86%                   | 277                                 | 1-Jun-42         | 80.64                                   | 7.74%                         | 1.96%                         |
| Structured MBS                     | 14,908     | 13.3%                          | 5.36%                   | 304                                 | 25-Nov-40        | NA                                      | NA                            | NA                            |
| Total Mortgage Assets              | \$ 111,901 | 100.0%                         | 3.19%                   | 280                                 | 1-Jun-42         | NA                                      | NA                            | NA                            |
| <b>December 31, 2011</b>           |            |                                |                         |                                     |                  |                                         |                               |                               |
| Adjustable Rate MBS                | \$ 12,181  | 13.4%                          | 2.89%                   | 233                                 | 1-Jan-41         | 4.36                                    | 11.07%                        | 2.00%                         |
| Fixed Rate MBS                     | 35,417     | 38.9%                          | 4.84%                   | 178                                 | 1-Nov-40         | NA                                      | NA                            | NA                            |
| Hybrid Adjustable Rate MBS         | 25,466     | 27.9%                          | 3.57%                   | 354                                 | 1-Dec-41         | 95.21                                   | 8.83%                         | 2.00%                         |
| Total Mortgage-backed Pass-through | 73,064     | 80.2%                          | 4.07%                   | 249                                 | 1-Dec-41         | 65.82                                   | 9.55%                         | 2.00%                         |
| Structured MBS                     | 18,078     | 19.8%                          | 5.61%                   | 300                                 | 25-Nov-40        | NA                                      | NA                            | NA                            |
| Total Mortgage Assets              | \$ 91,142  | 100.0%                         | 4.37%                   | 259                                 | 1-Dec-41         | NA                                      | NA                            | NA                            |

(in thousands)

| Agency          | June 30, 2012 |                                | December 31, 2011 |                                |
|-----------------|---------------|--------------------------------|-------------------|--------------------------------|
|                 | Fair Value    | Percentage of Entire Portfolio | Fair Value        | Percentage of Entire Portfolio |
| Fannie Mae      | \$ 102,306    | 91.43%                         | \$ 58,628         | 64.33%                         |
| Freddie Mac     | 7,695         | 6.88%                          | 27,267            | 29.92%                         |
| Ginnie Mae      | 1,900         | 1.70%                          | 5,247             | 5.76%                          |
| Total Portfolio | \$ 111,901    | 100.00%                        | \$ 91,142         | 100.0%                         |

| Entire Portfolio                             | June 30, 2012 | December 31, 2011 |
|----------------------------------------------|---------------|-------------------|
| Weighted Average Pass Through Purchase Price | \$ 104.24     | \$ 104.43         |
| Weighted Average Structured Purchase Price   | \$ 6.26       | \$ 6.13           |
| Weighted Average Pass Through Current Price  | \$ 104.81     | \$ 106.13         |
| Weighted Average Structured Current Price    | \$ 6.63       | \$ 6.50           |
| Effective Duration <sup>(1)</sup>            | -0.054        | -3.492            |

<sup>(1)</sup> Effective duration of (0.054) indicates that an interest rate increase of 1.0% would be expected to cause a 0.054% increase in the value of the MBS in the Company's investment portfolio at June 30, 2012. An effective duration of (3.492) indicates that an interest rate increase of 1.0% would be expected to cause a 3.492% increase in the value of the MBS in the Company's investment portfolio at December 31, 2011. These figures include the structured securities in the portfolio.

#### Recent Developments – HARP (Home Affordable Refinancing Program)

In 2011 the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac announced changes to the Home Affordable Refinancing Program (HARP), which became effective on December 1, 2011. The changes to the program were designed to increase the number of loans currently eligible to be refinanced under existing guidelines and extend the term of the program through the end of 2013. The changes to the original HARP program are expected to increase refinancing activity of eligible loans – predominantly fixed rate mortgages with higher coupons (ranging from 5.5% to 6.5%) originated between 2006 and 2008. Only loans originated before May 31, 2009 are eligible for refinancing under HARP. To date the impact of the new HARP program terms has been an increase in prepayment speeds with respect to loans eligible for the program, however, the increase has been within expectations and has not had a material impact on the Company's portfolio and results of operations.

The table below provides details of the securities in our two portfolios that are eligible to be refinanced under the new HARP guidelines:

(\$ in thousands)

| <b>Market Value of Securities where Underlying Pools were issued Prior to May 31, 2009</b> |                     |                   |                     |                          |             |                  | <b>Total Securities in Sub-Portfolio</b> |
|--------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|--------------------------|-------------|------------------|------------------------------------------|
| <b>Underlying Current Gross WAC (Borrower Mortgage Rate)</b>                               |                     |                   |                     |                          |             | <b>Total</b>     |                                          |
| <b>Less Than 4.00%</b>                                                                     | <b>4.0% - 4.99%</b> | <b>5.0%-5.99%</b> | <b>6.0% - 6.99%</b> | <b>Greater Than 7.0%</b> |             |                  |                                          |
| Pass-through portfolio                                                                     | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -        | \$ -             | \$ 96,993                                |
| Structured security portfolio                                                              | \$ 304              | \$ 341            | \$ 2,543            | \$ 6,813                 | \$ -        | \$ 10,001        | \$ 14,908                                |
| <b>Total</b>                                                                               | <b>\$ 304</b>       | <b>\$ 341</b>     | <b>\$ 2,543</b>     | <b>\$ 6,813</b>          | <b>\$ -</b> | <b>\$ 10,001</b> | <b>\$ 111,901</b>                        |
| <b>Percent of Securities where Underlying Pools were Issued Prior to May 31, 2009</b>      |                     |                   |                     |                          |             |                  | <b>Total</b>                             |
| <b>Less Than 4.00%</b>                                                                     | <b>4.0% - 4.99%</b> | <b>5.0%-5.99%</b> | <b>6.0% - 6.99%</b> | <b>Greater Than 7.0%</b> |             |                  |                                          |
| Pass-through portfolio                                                                     | -                   | -                 | -                   | -                        | -           | -                | -                                        |
| Structured security portfolio                                                              | 2.0%                | 2.3%              | 17.1%               | 45.7%                    | -           | 67.1%            |                                          |
| <b>Total</b>                                                                               | <b>0.3%</b>         | <b>0.3%</b>       | <b>2.3%</b>         | <b>6.1%</b>              | <b>-</b>    | <b>8.9%</b>      |                                          |

### Dividends

During the three months ended June 30, 2012, the Company made no dividend distributions and reported a net loss of \$(0.02) per share. All distributions are made at the discretion of the Company's Board of Directors and will depend on the Company's results of operations, financial conditions, maintenance of REIT status, availability of net operating losses and other factors that may be deemed relevant; therefore, distributions may be reduced or eliminated at any time. In August 2011, the Company announced that, based on results of operations through June 30, 2011, it would suspend its quarterly dividend until at least early 2012. The Company continues to evaluate its dividend payment policy. However, as more fully described below, due to net operating losses incurred in prior periods, the Company is unlikely to declare and pay dividends to stockholders until such net operating losses have been consumed.

### REIT Taxable Income and Net Operating Losses

REIT taxable income/(loss) is a term that describes the Company's operating results calculated in accordance with rules and regulations promulgated pursuant to the Internal Revenue Code. The Company's REIT taxable income/(loss) is computed differently from net income or loss as computed in accordance with generally accepted accounting principles (GAAP) as reported in the Company's consolidated financial statements. Depending on the number and size of the various items or transactions being accounted for differently, the differences between REIT taxable income or loss and GAAP net income or loss can be substantial and each item can affect several reporting periods. Generally, these items are timing or temporary differences between years; for example, an item that may be a deduction for GAAP net income/loss in the current year may not be a deduction for REIT taxable income/loss until a later year.



In order to maintain its qualification as a REIT, the Company is generally required (among other things) to annually distribute dividends to its stockholders in an amount at least equal to 90% of the Company's REIT taxable income. Additionally, as a REIT, the Company may be subject to a federal excise tax if it distributes less than 85% of its REIT taxable income by the end of the calendar year. Accordingly, the Company's dividends are generally based on REIT taxable income, as determined for federal income tax purposes, as opposed to its net income computed in accordance with GAAP. Dividends are paid if, when, and as declared by the Company's Board of Directors.

As described above, a REIT may be subject to a federal excise tax if it distributes less than 85% of its REIT taxable income by the end of a calendar year. In calculating the amount of excise tax payable in a given year, if any, Bimini Capital reduces REIT taxable income by distributions made to stockholders in the form of dividends and/or net operating losses ("NOL's") carried-over from prior years, to the extent any are available. Since income subject to excise tax is REIT taxable income after deducting qualifying dividends and the application of NOL's (in that order), a REIT may avoid excise taxes solely by application of available NOL's without paying qualifying dividends to stockholders. Because Bimini Capital had a \$10.7 million NOL as of December 31, 2011, in the future it could avoid excise taxes by applying such NOL's against REIT taxable income without making any distributions to stockholders. Further, the REIT could avoid the obligation to pay excise taxes through a combination of qualifying dividends and the application of NOL's. In any case, future distributions to stockholders may be less than REIT taxable income until the existing NOL's are consumed.

### **Book Value Per Share**

The Company's Book Value Per Share at June 30, 2012 was \$0.59. Book Value Per Share is regularly used as a valuation metric by various equity analysts that follow the Company and may be deemed a non-GAAP financial measure pursuant to Regulation G. The Company computes Book Value Per Share by dividing total stockholders' equity by the total number of shares outstanding of the Company's Class A Common Stock. At June 30, 2012, the Company's consolidated stockholders' equity was \$6.1 million with 10,329,421 Class A Common shares outstanding. At June 30, 2012, the Company had \$5.5 million in cash and cash equivalents.

### **Management Commentary**

Commenting on the Company's second quarter results, Robert E. Cauley, Chairman and Chief Executive Officer, said, "The market has once again appeared to change direction. While the US economy was showing signs of returning to sustainable growth during the first quarter, economic data deteriorated markedly during the second quarter. Job growth in the United States, the single most important economic barometer, slowed to less than 100 thousand per month and remained below 100 thousand for 3 months starting with the release in May of the April growth number. In conjunction with continued difficulties in Europe, especially with respect to Spain and Italy, particularly their respective banking sectors, interest rates have rallied to new lows. The yield on the 10-year U.S. Treasury note broke below 1.40% for the first time. Mortgage rates followed suit and also reached new all-time low levels. As a result, refinancing activity has increased and our structured securities were negatively impacted. We had mark-to-market losses of \$1.8 million. As the market became increasingly apprehensive about refinancing activity, premiums charged for securities with favorable repayment characteristics have risen to unprecedented levels. Since pass-through prices themselves are at such high levels, the cost of prepayment protected securities are now at levels that require many years of elevated prepayments to recoup the added cost. We do not believe these levels are sustainable and have not added any such securities. While the carry on our structured securities has been impacted, these securities can now be acquired with even higher prepayment assumptions embedded in their prices, thus compensating us for the higher realized speeds."

Mr. Cauley continued, "With respect to the portfolio, we continue to increase our allocation to newer origination PT's. We will continue to own sufficient quantities of structured MBS securities to protect the portfolio from an abrupt reversal in rates, while focusing the balance of the portfolio away from the more prepay sensitive securities. This will also include securities that are likely to be affected by an expansion of existing HARP guidelines beyond those already announced."

---

## Recent Activities

Bimini has, subsequent to the period ended June 30, 2012, entered into an agreement with a third-party, which is expected to close in September 2012. This arrangement would result in Bimini's wholly-owned REIT qualified subsidiary, Orchid Island Capital, Inc., becoming a publicly traded entity, with Bimini owning between 38% and 49% of the post-closing entity. See the Company's filing on Form 10-Q for the period ended June 30, 2012 for additional details and information.

The Company has scheduled an online Web simulcast and conference call to discuss these announcements that will begin at 1:00 PM ET, Tuesday, August 14, 2012. An online replay will be available approximately two hours following the conclusion of the live broadcast and will continue for 48 hours. A link to these events will be available at the Company's website [www.biminicapital.com](http://www.biminicapital.com). Those persons without Internet access may listen to the live call by dialing 800-289-0508 or (913) 981-5539, confirmation code: 7249615.

The following is a summarized presentation of the unaudited balance sheets as of June 30, 2012, and December 31, 2011, and the unaudited quarterly results of operations for the calendar quarters ended June 30, 2012, March 31, 2012, and June 30, 2011.

### BIMINI CAPITAL MANAGEMENT, INC. CONSOLIDATED BALANCE SHEETS

(\$ in thousands, except per share amounts)

|                                                   | 6/30/2012         | 12/31/2011        | % Change     |
|---------------------------------------------------|-------------------|-------------------|--------------|
| <b>ASSETS</b>                                     |                   |                   |              |
| Mortgage-backed securities                        | \$ 111,901        | \$ 91,142         | 22.8%        |
| Cash equivalents and restricted cash              | 5,757             | 4,718             | 22.0%        |
| Accrued interest receivable                       | 752               | 901               | (16.5)%      |
| Retained interests                                | 4,775             | 3,495             | 36.6%        |
| Other assets                                      | 8,336             | 8,998             | (7.4)%       |
| <b>Total Assets</b>                               | <b>\$ 131,521</b> | <b>\$ 109,254</b> | <b>20.4%</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                   |                   |              |
| Repurchase agreements                             | \$ 91,825         | \$ 69,528         | 32.1%        |
| Junior subordinated notes                         | 26,804            | 26,804            | -            |
| Other liabilities                                 | 6,772             | 7,555             | (10.4)%      |
| <b>Total Liabilities</b>                          | <b>125,401</b>    | <b>103,887</b>    | <b>20.7%</b> |
| Stockholders' Equity                              | 6,120             | 5,367             | 14.0%        |
| <b>Total Liabilities and Stockholders' Equity</b> | <b>\$ 131,521</b> | <b>\$ 109,254</b> | <b>20.4%</b> |
| Class A Common Shares outstanding                 | 10,329,421        | 10,086,854        |              |
| Book value per share                              | \$ 0.59           | \$ 0.53           |              |

**BIMINI CAPITAL MANAGEMENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

|                                                                   | For the calendar quarter ended |           |          |           |          |
|-------------------------------------------------------------------|--------------------------------|-----------|----------|-----------|----------|
|                                                                   | 6/30/2012                      | 3/31/2012 | % Change | 6/30/2011 | % Change |
| Interest income                                                   | \$ 1,084                       | \$ 1,238  | (12.4)%  | \$ 1,303  | (16.8)%  |
| Interest expense                                                  | (108)                          | (73)      | (47.9)%  | (72)      | (50.0)%  |
| Net interest income, before interest on junior subordinated notes | 976                            | 1,165     | (16.2)%  | 1,231     | (20.7)%  |
| Interest expense on junior subordinated notes                     | (261)                          | (265)     | 1.5%     | (250)     | (4.4)%   |
| Net interest income                                               | 715                            | 900       | (20.6)%  | 981       | (27.1)%  |
| (Losses) gains                                                    | (1,516)                        | (459)     | (230.3)% | 1,032     | (246.9)% |
| Net portfolio (deficiency) income                                 | (801)                          | 441       | (281.6)% | 2,013     | (139.8)% |
| Other (expense) income                                            | 1,751                          | 1,694     | 3.4%     | 1,487     | 17.8%    |
| Expenses                                                          | (1,141)                        | (1,296)   | 12.0%    | (1,291)   | 11.6%    |
| Net (loss) income                                                 | \$ (191)                       | \$ 839    | (122.8)% | \$ 2,209  | (108.6)% |
| <b>Basic and Diluted Net (loss) income Per Share of:</b>          |                                |           |          |           |          |
| CLASS A COMMON STOCK                                              | \$ (0.02)                      | \$ 0.08   |          | \$ 0.22   |          |
| CLASS B COMMON STOCK                                              | \$ (0.02)                      | \$ 0.08   |          | \$ 0.22   |          |

**About Bimini Capital Management, Inc.**

Bimini Capital Management, Inc. is a REIT that invests primarily in, but is not limited to, residential mortgage-related securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). Its objective is to earn returns on the spread between the yield on its assets and its costs, including the interest expense on the funds it borrows.

Statements herein relating to matters that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The reader is cautioned that such forward-looking statements are based on information available at the time and on management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in such forward-looking statements. Important factors that could cause such differences are described in Bimini Capital Management, Inc.'s filings with the Securities and Exchange Commission, including Bimini Capital Management, Inc.'s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. Bimini Capital Management, Inc. assumes no obligation to update forward-looking statements to reflect subsequent results, changes in assumptions or changes in other factors affecting forward-looking statements.

**CONTACT:**

Bimini Capital Management, Inc.  
Robert E. Cauley, 772-231-1400  
Chairman and Chief Executive Officer  
[www.biminicapital.com](http://www.biminicapital.com)