

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 11, 2022**

**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))

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On August 11, 2022, 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, 2022.

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 dated August 11, 2022](#)

Exhibit 104 – Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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 11, 2022

BIMINI CAPITAL MANAGEMENT, INC.

By: /s/ Robert E. Cauley

Robert E. Cauley

Chairman and Chief Executive Officer



## BIMINI CAPITAL MANAGEMENT ANNOUNCES SECOND QUARTER 2022 RESULTS

VERO BEACH, Fla., (August 11, 2022) – Bimini Capital Management, Inc. (OTCQB: BMNM), (“Bimini Capital,” “Company”), today announced results of operations for the three-month period ended June 30, 2022.

### Second Quarter 2022 Highlights

- Net loss of \$1.2 million, or \$0.11 per common share
- Book value per share of \$2.66
- Company to discuss results on Friday, August 12, 2022, at 10:00 AM ET

### Management Commentary

Commenting on the second quarter results, Robert E. Cauley, Chairman and Chief Executive Officer, said, “During the latter part of the second quarter of 2022 inflation data drove a material change in Fed policy, interest rates and the outlook for the economy. Specifically, the CPI for May, released in June, was far above market expectations. Survey measures of inflation expectations, released on the day, surged to multi-decade highs. In July, the June CPI reading was released and was again well above market expectations. Equally, elevated inflation readings were very broad based, implying inflationary pressures have clearly spread from just those sectors exposed to COVID-19 related supply constraints. This was the catalyst for the Fed to pivot even more forcefully than they did during 2021/early 2022, demonstrated by the Fed increasing the Fed Funds rate by 200 basis points collectively at the May, June and July meetings. The market expects the Fed to continue raising the Fed Funds rate by another 100 basis points by year-end. Increases in the Fed Funds rate are likely to affect economic activity, and the Fed has acknowledged their actions may lead to a recession. The economy most sensitive to interest rates – such as housing – have already started to slow.

“The market appears to anticipate the Fed will be able to contain inflation and that the result will be a contraction in economic growth reflected in yields for longer-term U.S. Treasuries. With the Fed expected to increase the Fed Funds rate by another 100 basis points or more, shorter maturity U.S. Treasuries remain elevated, with the yield on the 2-year U.S. Treasury Note yielding approximately 3.5% as of August 10, 2022. The combined effect – more increases to the Fed Funds rate, and the presumption inflation will be curbed by the Fed - albeit potentially at the expense of a recession, has caused the yield curve to invert whereby shorter maturity U.S. Treasuries yield more than long-term U.S. Treasuries. This condition may persist for the balance of 2022 and into 2023. These developments were detrimental to the performance of Agency MBS securities and as the quarter came to an end the current coupon 30-year fixed rate mortgage – a widely referenced benchmark – was trading at very wide spreads to comparable duration treasuries – and nearly as wide as the spreads seen during March of 2020 when the financial markets were at the peak of their distress.

“Given these developments in the fixed income markets and the poor performance of Agency MBS in particular Orchid Island Capital had a second quarter 2022 loss of \$60.1 million and its shareholders equity declined from \$592.4 million to \$506.4 million. The conditions described above drove the loss as agency MBS underperformed comparable duration treasuries and the Orchid’s positions. The decline in shareholders equity may lead to reduced management fees at Bimini Advisors in the near-term since management fees are a function of Orchid’s equity. Orchid also reduced its monthly dividend twice during the first quarter so monthly revenues on the Company’s approximately 2.5 million shares declined from approximately \$402.3 thousand to \$300.4 thousand during the second quarter. Orchid, like Bimini, will focus on weathering the current market conditions and looks forward to capitalizing on the attractive returns that historically have become available as markets settle.

August 11, 2022

“As we discussed at the end of the first quarter, we took steps to reduce the MBS portfolio at Royal Palm in response to adverse market conditions. In fact, the Agency MBS portfolio at Royal Palm Capital decreased during the second quarter of 2022 by \$16.1 million. The effect of net sales of \$12.3 million mentioned above, \$2.1 million of paydowns and return of investment on the structured portfolio and \$1.7 million of net realized and unrealized market to market losses. As the second quarter of 2022 unfolded we intended our strategy to grow our cash position until we saw clear evidence the market had stabilized before redeploying our cash to growing the portfolio. To date, the Agency MBS market has recovered somewhat during the third quarter of 2022, and we will be rebalancing the portfolio over the balance of the quarter.”

### **Details of Second Quarter 2022 Results of Operations**

The Company reported net loss of \$1.2 million for the three-month period ended June 30, 2022. Advisory service revenue for the quarter was \$3.3 million. We recorded interest and dividend income of \$0.7 million and interest expense on long-term debt of \$0.3 million. We recorded a \$1.0 million mark to market loss on our shares of Orchid common stock and realized and unrealized losses of \$1.8 million on our MBS portfolio. The results for the quarter also included operating expenses of \$2.1 million and an income tax benefit of \$0.1 million.

### **Management of Orchid Island Capital, Inc.**

Orchid is managed and advised by Bimini. As Manager, Bimini is responsible for administering Orchid’s business activities and day-to-day operations. Pursuant to the terms of the management agreement, Bimini Advisors provides Orchid with its management team including its officers, along with appropriate support personnel.

Bimini also maintains a common stock investment in Orchid which is accounted for under the fair value option, with changes in fair value recorded in the statement of operations for the current period. For the three months ended June 30, 2022, Bimini’s statement of operations included a fair value adjustment of \$(1.0) million and dividends of \$0.4 million from its investment in Orchid’s common stock. During the three months ended June 30, 2022, Bimini recorded \$3.3 million in advisory services revenue for managing Orchid’s operations consisting of \$2.6 million of management fees, \$0.5 million in overhead reimbursement and \$0.2 million in repurchase, and administrative fees.

### **Book Value Per Share**

The Company’s Book Value Per Share at June 30, 2022 was \$2.66. 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, 2022, the Company’s stockholders’ equity was \$27.9 million, with 10,472,779 Class A Common shares outstanding.

### **Capital Allocation and Return on Invested Capital**

The Company allocates capital between 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 table below details the changes to the sub-portfolios during the quarter.

<b>Portfolio Activity for the Quarter</b>						
	Pass-Through Portfolio	Structured Security Portfolio			Sub-total	Total
		Interest-Only Securities	Inverse Interest Only Securities			
<b>Market Value - March 31, 2022</b>	<b>\$ 51,643,964</b>	<b>\$ 3,019,549</b>	<b>\$ 15,689</b>	<b>\$ 3,035,238</b>	<b>\$ 54,679,202</b>	
Securities purchased	10,821,877	-	-	-	10,821,877	
Securities sold	(23,096,853)	-	-	-	(23,096,853)	
Losses on sales	(858,001)	-	-	-	(858,001)	
Return of investment	n/a	(110,372)	(1,424)	(111,796)	(111,796)	
Pay-downs	(1,980,029)	n/a	n/a	n/a	(1,980,029)	
Premium lost due to pay-downs	(84,638)	n/a	n/a	n/a	(84,638)	
Mark to market gains (losses)	(954,176)	124,615	(5,151)	119,464	(834,712)	
<b>Market Value - June 30, 2022</b>	<b>\$ 35,492,144</b>	<b>\$ 3,033,792</b>	<b>\$ 9,114</b>	<b>\$ 3,042,906</b>	<b>\$ 38,535,050</b>	

The tables below present the allocation of capital between the respective portfolios at June 30, 2022 and March 31, 2022, and the return on invested capital for each sub-portfolio for the three-month period ended June 30, 2022. Capital allocation is defined as the sum of the market value of securities held, less associated repurchase agreement borrowings, plus cash and cash equivalents and restricted cash associated with repurchase agreements. Capital allocated to non-portfolio assets is not included in the calculation.

The returns on invested capital in the PT MBS and structured MBS portfolios were approximately (35.0)% and 5.9%, respectively, for the quarter of 2022. The combined portfolio generated a return on invested capital of approximately (19.2)%.

<b>Capital Allocation</b>						
	Pass-Through Portfolio	Structured Security Portfolio			Sub-total	Total
		Interest-Only Securities	Inverse Interest Only Securities			
<b>June 30, 2022</b>						
Market value	\$ 35,492,144	\$ 3,033,792	\$ 9,114	\$ 3,042,906	\$ 38,535,050	
Cash equivalents and restricted cash	6,529,567	-	-	-	6,529,567	
Repurchase agreement obligations	(36,925,999)	-	-	-	(36,925,999)	
Total <sup>(1)</sup>	\$ 5,095,712	\$ 3,033,792	\$ 9,114	\$ 3,042,906	\$ 8,138,618	
% of Total	62.6%	37.3%	0.1%	37.4%	100.0%	
<b>March 31, 2022</b>						
Market value	\$ 51,643,964	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 54,679,202	
Cash equivalents and restricted cash	7,983,873	-	-	-	7,983,873	
Repurchase agreement obligations	(54,814,689)	-	-	-	(54,814,689)	
Total <sup>(1)</sup>	\$ 4,813,148	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 7,848,386	
% of Total	61.3%	38.5%	0.2%	38.7%	100.0%	

(1) Invested capital includes the value of the MBS portfolio and cash equivalents and restricted cash, reduced by repurchase agreement borrowings.

Returns for the Quarter Ended June 30, 2022					
	Structured Security Portfolio				Total
	Pass-Through Portfolio	Interest-Only Securities	Inverse Interest Only Securities	Sub-total	
Interest income (net of repo cost)	\$ 260,498	\$ 57,910	\$ 986	\$ 58,896	\$ 319,394
Realized and unrealized (losses) gains	(1,896,815)	124,615	(5,151)	119,464	(1,777,351)
Hedge losses	(49,688)	n/a	n/a	n/a	(49,688)
Total Return	\$ (1,686,005)	\$ 182,525	\$ (4,165)	\$ 178,360	\$ (1,507,645)
Beginning capital allocation	\$ 4,813,148	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 7,848,386
Return on invested capital for the quarter	(35.0)%	6.0%	(26.5)%	5.9%	(19.2)%

(1) Calculated by dividing the Total Return by the Beginning Capital Allocation, expressed as a percentage.

### Prepayments

For the second quarter of 2022, the Company received approximately \$2.1 million in scheduled and unscheduled principal prepayments, which equated to a 3-month constant prepayment rate (“CPR”) of approximately 20.0% for the second quarter of 2022. Prepayment rates on the two MBS sub-portfolios were as follows (in CPR):

Three Months Ended	PT MBS Sub-Portfolio	Structured MBS Sub-Portfolio	Total Portfolio
June 30, 2022	17.2	22.9	20.0
March 31, 2022	18.5	25.6	20.9
December 31, 2021	13.7	35.2	21.1
September 30, 2021	15.5	26.9	18.3
June 30, 2021	21.0	31.3	21.9
March 31, 2021	18.5	16.4	18.3

### Portfolio

The following tables summarize the MBS portfolio as of June 30, 2022 and December 31, 2021:

(\$ in thousands)

Asset Category	Fair Value	Percentage of Entire Portfolio	Weighted Average Coupon	Weighted Average Maturity in Months	Longest Maturity
<b>June 30, 2022</b>					
Fixed Rate MBS	\$ 35,492	92.1%	4.03%	324	1-May-52
Interest-Only MBS	3,034	7.9%	2.82%	302	15-May-51
Inverse Interest-Only MBS	9	0.0%	5.45%	203	15-May-39
Total MBS Portfolio	\$ 38,535	100.0%	3.55%	322	1-May-52
<b>December 31, 2021</b>					
Fixed Rate MBS	\$ 58,029	95.4%	3.69%	330	1-Sep-51
Interest-Only MBS	2,759	4.6%	2.86%	306	15-May-51
Inverse Interest-Only MBS	15	0.0%	5.90%	209	15-May-39
Total MBS Portfolio	\$ 60,803	100.0%	3.41%	329	1-Sep-51

(\$ in thousands)

Agency	June 30, 2022		December 31, 2021	
	Fair Value	Percentage of Entire Portfolio	Fair Value	Percentage of Entire Portfolio
Fannie Mae	\$ 24,701	64.1%	\$ 39,703	65.3%
Freddie Mac	13,834	35.9%	21,100	34.7%
Total Portfolio	\$ 38,535	100.0%	\$ 60,803	100.0%

  

	June 30, 2022	December 31, 2021
Weighted Average Pass Through Purchase Price	\$ 106.70	\$ 109.33
Weighted Average Structured Purchase Price	\$ 4.48	\$ 4.81
Weighted Average Pass Through Current Price	\$ 100.30	\$ 109.30
Weighted Average Structured Current Price	\$ 12.95	\$ 9.87
Effective Duration <sup>(1)</sup>	3.909	2.103

(1) Effective duration is the approximate percentage change in price for a 100 basis point change in rates. An effective duration of 3.909 indicates that an interest rate increase of 1.0% would be expected to cause a 3.909% decrease in the value of the MBS in the Company's investment portfolio at June 30, 2022. An effective duration of 2.103 indicates that an interest rate increase of 1.0% would be expected to cause a 2.103% decrease in the value of the MBS in the Company's investment portfolio at December 31, 2021. These figures include the structured MBS in the portfolio but not the effect of the Company's hedge. Effective duration quotes for individual investments are obtained from The Yield Inc. Book.

### Financing and Liquidity

As of June 30, 2022, the Company had outstanding repurchase obligations of approximately \$36.9 million with a net weighted average rate of 1.34%. These agreements were collateralized by MBS with a fair value, including accrued interest, of approximately \$38.5 million and cash of approximately \$0.8 million. At June 30, 2022, the Company's liquidity was approximately \$5.8 million, consisting of MBS and cash and cash equivalents.

We may pledge more of our structured MBS as part of a repurchase agreement funding, but retain cash in lieu of acquiring additional assets. In this way, we can, at a modest cost, retain higher levels of cash on hand and decrease the likelihood we will have to sell assets in a distressed market in order to raise cash. Below is a list of outstanding borrowings under repurchase obligations at June 30, 2022.

(\$ in thousands)

Counterparty	Total Outstanding Balances		% of Total	Weighted Average Borrowing Rate	Amount at Risk <sup>(1)</sup>	Weighted Average Maturity (in Days)
Mirae Asset Securities (USA) Inc.	\$ 27,557	74.6%	1.33%	\$ 1,794	28	
South Street Securities, LLC	4,451	12.1%	1.17%	150	18	
Mitsubishi UFJ Securities (USA), Inc.	2,596	7.0%	1.93%	304	23	
ED&F Man Capital Markets, Inc.	2,322	6.3%	1.13%	77	18	
	\$ 36,926	100.0%	1.34%	\$ 2,325	26	

(1) Equal to the fair value of securities sold (including accrued interest receivable) and cash posted as collateral, if any, minus the sum of repurchase liabilities, accrued interest payable and securities posted by the counterparty (if any).



**Summarized Consolidated Financial Statements**

The following is a summarized presentation of the unaudited consolidated balance sheets as of June 30, 2022, and December 31, 2021, and the unaudited consolidated statements of operations for the six and three months ended June 30, 2022 and 2021. Amounts presented are subject to change.

**BIMINI CAPITAL MANAGEMENT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited - Amounts Subject To Change)

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Mortgage-backed securities	\$ 38,535,050	\$ 60,803,144
Cash equivalents and restricted cash	6,529,567	9,812,410
Orchid Island Capital, Inc. common stock, at fair value	7,396,767	11,679,107
Accrued interest receivable	173,903	229,942
Deferred tax assets, net	36,351,770	35,036,312
Other assets	4,356,438	4,523,726
<b>Total Assets</b>	<b>\$ 93,343,495</b>	<b>\$ 122,084,641</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Repurchase agreements	\$ 36,925,999	\$ 58,877,999
Long-term debt	27,427,705	27,438,976
Other liabilities	1,106,396	2,767,816
<b>Total Liabilities</b>	<b>65,460,100</b>	<b>89,084,791</b>
<b>Stockholders' equity</b>	<b>27,883,395</b>	<b>32,999,850</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 93,343,495</b>	<b>\$ 122,084,641</b>
Class A Common Shares outstanding	10,472,779	10,702,194
Book value per share	\$ 2.66	\$ 3.08

**BIMINI CAPITAL MANAGEMENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited - Amounts Subject to Change)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021
Advisory services	\$ 6,407,741	\$ 4,211,221	\$ 3,332,379	\$ 2,185,812
Interest and dividend income	1,636,110	2,201,257	742,441	1,084,544
Interest expense	(663,720)	(570,309)	(376,412)	(280,903)
Net revenues	7,380,131	5,842,169	3,698,408	2,989,453
Other expense	(9,223,396)	(1,821,883)	(2,865,092)	(2,480,283)
Expenses	4,138,351	3,481,004	2,112,872	1,724,421
Net (loss) income before income tax (benefit) provision	(5,981,616)	539,282	(1,279,556)	(1,215,251)
Income tax (benefit) provision	(1,315,458)	168,638	(92,982)	(295,465)
Net (loss) income	\$ (4,666,158)	\$ 370,644	\$ (1,186,574)	\$ (919,786)

**Basic and Diluted Net Income (Loss) Per Share of:**

CLASS A COMMON STOCK	\$ (0.44)	\$ 0.03	\$ (0.11)	\$ (0.08)
CLASS B COMMON STOCK	\$ (0.44)	\$ 0.03	\$ (0.11)	\$ (0.08)

Key Balance Sheet Metrics	Three Months Ended June 30,	
	2022	2021
Average MBS	\$ 46,607,126	\$ 70,924,730
Average repurchase agreements	45,870,344	72,240,999
Average stockholders' equity	28,513,181	35,318,386

**Key Performance Metrics**

Average yield on MBS	3.36%	3.26%
Average cost of funds	0.63%	0.17%
Average economic cost of funds	2.25%	4.09%
Average interest rate spread	2.73%	3.09%
Average economic interest rate spread	1.11%	(0.83)%

**Summarized Consolidated Financial Statements**

- (1). Average MBS, repurchase agreements and stockholders' equity balances are calculated using two data points, the beginning and ending balances.
- (2). Portfolio yields and costs of funds are calculated based on the average balances of the underlying investment portfolio/repurchase agreements and are annualized for the quarterly periods presented.
- (3). Represents interest cost of our borrowings and the effect of derivative agreements attributed to the period related to hedging activities, divided by repurchase agreements.
- (4). Average interest rate spread is calculated by subtracting average cost of funds from average yield on MBS.
- (5). Average economic interest rate spread is calculated by subtracting average economic cost of funds from average yield on MBS.

### **About Bimini Capital Management, Inc.**

Bimini Capital Management, Inc. invests primarily in, but is not limited to investing in, residential mortgage-related securities issued by the National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government Mortgage Association (Ginnie Mae). Its objective is to earn returns on the spread between the yield on its assets and its costs of funding the interest expense on the funds it borrows. In addition, Bimini generates a significant portion of its revenue serving as a manager of the MBS portfolio of Orchid Island Capital, Inc.

### **Forward Looking Statements**

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

### **Earnings Conference Call Details**

An earnings conference call and live audio webcast will be hosted Friday, August 12, 2022, at 10:00 AM ET. Participants can receive information via email by following the link:

<https://ige.netroadshow.com/registration/q4inc/11341/bimini-capital-second-quarter-earnings-conference-call/>

A live audio webcast of the conference call can be accessed via the investor relations section of the Company's website <https://ir.biminicapital.com> or at <https://events.q4inc.com/attendee/286429349>, and an audio archive of the webcast will be available for one year.

### **CONTACT:**

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Chairman and Chief Executive Officer  
<https://ir.biminicapital.com>

