

## **Bexil Corporation Announces Second Quarter 2012 Financial Results**

August 23, 2012 – Bexil Corporation ([BXL](#)) today reported its financial results for the second quarter ended June 30, 2012.

Bexil recorded a net loss attributable to Bexil shareholders of \$2,590,063 or \$2.41 per share for the three months ended June 30, 2012 compared to a net loss attributable to Bexil shareholders of \$98,538 or \$0.10 per share for the three months ended June 30, 2011. For the six months ended June 30, 2012, Bexil recorded a net loss attributable to Bexil shareholders of \$3,544,193 or \$3.25 per share compared to a net loss attributable to Bexil shareholders of \$433,669 or \$0.43 per share for the six months ended June 30, 2011.

The Company's book value per share attributable to Bexil shareholders at June 30, 2012 was \$31.23, based on shareholders' equity attributable to Bexil shareholders of \$31,837,256 and 1,019,592 shares issued and outstanding.

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the second quarter and six months ended June 30, 2012 are appended to the copy of this press release on [www.bexil.com](http://www.bexil.com).

### **About Bexil Corporation**

Bexil is a holding company engaged through subsidiaries in investment management, securities trading, and mortgage banking. Bexil subsidiary Bexil Advisers LLC is investment manager to [Dividend and Income Fund](#), a closed end fund (NYSE: DNI) (NAV: XDNIX). [Bexil American Mortgage Inc.](#), a new mortgage subsidiary of Bexil, is engaged in the mortgage banking business including, but not limited to origination, production, and sales into the secondary market. To learn more about Bexil, including Rule 15c2-11 information, please visit [www.bexil.com](http://www.bexil.com). Certain affiliates of Bexil are engaged in stock market and [gold investing](#) through investment management of equity and [gold mutual funds](#) and [closed end funds](#).

### **Safe Harbor Note**

This release contains certain "forward looking statements" made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Bexil, which may cause the Company's actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

The Company views book value per share, a non-GAAP financial measure, as an important indicator of financial performance. Presented in conjunction with other financial information, the combined presentation can enhance an investor's understanding of the Company's underlying financial condition and results from operations. The definition of book value as presented in this press release is shareholders' equity attributable to Bexil shareholders divided by currently issued and outstanding shares.

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**BEXIL CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**June 30, 2012**  
**(Unaudited)**

Assets	
Current assets	
Cash and cash equivalents	\$ 22,374,559
Investments in securities	5,594,528
Loans held for sale	2,552,145
Management and other fees receivable	99,598
Interest receivable	5,425
Prepaid expenses	126,662
Total current assets	<u>30,752,917</u>
Intangible asset	4,200,000
Deferred taxes	2,008,513
Property and equipment, net	7,118
	<u>6,215,631</u>
Total assets	<u><u>\$ 36,968,548</u></u>
Liabilities and shareholders' equity	
Current liabilities	
Warehouse line of credit	\$ 2,418,669
Accounts payable and accrued expenses	509,932
Total current liabilities	<u>2,928,601</u>
Death benefit obligation	1,259,518
Total liabilities	<u>4,188,119</u>
Shareholders' equity	
Bexil Corporation shareholders' equity	
Common stock, \$0.01 par value, 9,900,000 shares authorized; 1,019,592 issued and outstanding	10,196
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized: zero shares issued and outstanding	-
Additional paid in capital	16,129,254
Notes receivable for common stock issued	(2,887,433)
Accumulated comprehensive loss	(66)
Retained earnings	18,585,305
Total Bexil Corporation shareholders' equity	<u>31,837,256</u>
Non-controlling interest in subsidiary	943,173
Total shareholders' equity	<u>32,780,429</u>
Total liabilities and shareholders' equity	<u><u>\$ 36,968,548</u></u>

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
<b>Revenues</b>				
Management fees	\$ 278,255	\$ 215,549	\$ 553,644	\$ 366,341
Mortgage banking revenue	78,415	-	78,415	-
Other fees	31,959	20,303	62,733	30,208
	<u>388,629</u>	<u>235,852</u>	<u>694,792</u>	<u>396,549</u>
<b>Expenses</b>				
Compensation and benefits	2,935,859	249,755	4,108,716	532,796
General and administrative	336,854	50,722	588,233	116,741
Professional	195,340	128,251	356,794	537,788
	<u>3,468,053</u>	<u>428,728</u>	<u>5,053,743</u>	<u>1,187,325</u>
<b>Other income</b>				
Unrealized loss on investments in securities	(434,767)	-	(199,302)	-
Dividends and interest	193,043	25,658	376,379	55,749
	<u>(241,724)</u>	<u>25,658</u>	<u>177,077</u>	<u>55,749</u>
Loss before income taxes	(3,321,148)	(167,218)	(4,181,874)	(735,027)
Income tax benefit	(731,085)	(68,680)	(637,681)	(301,358)
Net loss	(2,590,063)	(98,538)	(3,544,193)	(433,669)
Less: net loss attributable to the non-controlling interest in subsidiary	(131,422)	-	(227,820)	-
Net loss attributable to Bexil Corporation shareholders	<u>\$ (2,458,641)</u>	<u>\$ (98,538)</u>	<u>\$ (3,316,373)</u>	<u>\$ (433,669)</u>
<b>Earnings per share - basic and diluted</b>				
Net loss attributable to Bexil Corporation shareholders	\$ (2.41)	\$ (0.10)	\$ (3.25)	\$ (0.43)
Weighted average shares outstanding, basic and diluted	1,019,262	1,017,592	1,018,927	1,017,592

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Six Months Ended June 30, 2012 and 2011**  
**(Unaudited)**

	2012	2011
Cash flows from operating activities		
Net loss	\$ (3,544,193)	\$ (433,669)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Purchase of investment securities, trading	(1,638,458)	-
Share-based compensation expense	348,148	-
Increase in deferred taxes	(644,782)	(301,878)
Unrealized loss on investments in trading securities	199,302	-
Depreciation	1,459	1,183
Increase in loans held for sale	(2,552,145)	
Decrease in due from broker	243,219	-
Decrease (increase) in management and other fees receivable	7,378	(82,450)
Decrease in interest receivable	978	6,345
Decrease in refundable taxes	-	403,911
Increase in prepaid expenses	(57,063)	-
Increase in warehouse line of credit	2,418,669	
Increase (decrease) in accounts payable and accrued expenses	58,340	(126,380)
Increase in death benefit obligation	1,364,518	-
Net cash used in operating activities	(3,794,630)	(532,938)
Cash flows from investing activities		
Purchase of property and equipment	(4,519)	-
Acquisition of management contract	-	(4,200,000)
Net cash used in investing activities	(4,519)	(4,200,000)
Cash flows from financing activities		
Stock issuance costs of capital contributions to subsidiary	(526,000)	-
Issuance of stock upon exercise of stock options	32,330	-
Promissory notes accepted with exercise of stock options	(32,320)	-
Dividends paid	-	(203,518)
Net cash used in financing activities	(525,990)	(203,518)
Net decrease in cash and cash equivalents	(4,325,139)	(4,936,456)
Cash and cash equivalents, beginning of period	26,699,698	35,713,373
Cash and cash equivalents, end of period	\$ 22,374,559	\$ 30,776,917
Supplemental disclosure		
Income taxes paid	\$ 500	\$ -
Interest paid	\$ 4,718	\$ -