

## **Bexil Corporation Announces Second Quarter 2013 Financial Results**

October 3, 2013 – Bexil Corporation ([BXL](#)) today reported its financial results for the second quarter ended June 30, 2013.

Bexil recorded a net loss attributable to Bexil shareholders of \$247,294 or \$0.24 per share for the three months ended June 30, 2013 compared to a net loss attributable to Bexil shareholders of \$2,458,641 or \$2.41 per share for the three months ended June 30, 2012. For the six months ended June 30, 2013, Bexil recorded a net loss attributable to Bexil shareholders of \$1,264,179 or \$1.24 per share compared to a net loss attributable to Bexil shareholders of \$3,316,373 or \$3.25 per share for the six months ended June 30, 2012.

The Company's book value per share attributable to Bexil shareholders at June 30, 2013 was \$27.54, based on shareholders' equity attributable to Bexil shareholders of \$28,023,096 and 1,017,592 shares issued and outstanding.

The Company's unaudited balance sheet, statements of operations, and statements of cash flows as of and for the second quarter and six months ended June 30, 2013 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.](#) is engaged in residential mortgage banking, including origination and servicing. 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.

Contact: Thomas O'Malley  
Chief Financial Officer  
1-212-785-0400, ext. 267  
[tomalley@bexil.com](mailto:tomalley@bexil.com)  
[www.bexil.com](http://www.bexil.com)

**BEXIL CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**June 30, 2013**  
**(Unaudited)**

Assets

Cash and cash equivalents	\$ 9,780,177
Investments in securities	6,517,296
Restricted cash	2,377,977
Prepaid expenses and other assets	604,190
Mortgage loans held-for-sale, at fair value	87,510,576
Mortgage loans held-for-investment, at fair value	534,769
Mortgage servicing rights, at fair value	2,756,708
Derivative assets	3,115,154
Intangible assets, net	7,827,810
Property and equipment, net	<u>36,167</u>
Total assets	<u><u>\$ 121,060,824</u></u>

Liabilities and shareholders' equity

Accounts payable and accrued expenses	\$ 3,866,335
Warehouse borrowings	85,226,010
Short term promissory note payable	1,416,711
Notes payable	<u>553,999</u>
Total liabilities	<u>91,063,055</u>

Commitments and Contingencies

Shareholders' equity

Bexil Corporation shareholders' equity

Common stock, \$0.01 par value, 9,900,000 shares authorized; 1,017,592 issued and outstanding	10,176
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized: zero shares issued and outstanding	-
Additional paid in capital	17,200,383
Notes receivable for common stock issued	(2,887,433)
Accumulated comprehensive loss	(98)
Retained earnings	<u>13,700,068</u>
Total Bexil Corporation shareholders' equity	<u>28,023,096</u>

Non-controlling interests in subsidiary

Total shareholders' equity	<u>29,997,769</u>
Total liabilities and shareholders' equity	<u><u>\$ 121,060,824</u></u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Revenues</b>				
Mortgage loans held-for-sale, net	\$ 1,238,490	\$ 79,442	\$ 2,123,341	\$ 80,094
Other non-interest income	1,564,073	-	2,197,143	-
Unrealized gain (loss) on investment in securities	289,297	(434,767)	1,146,671	(199,302)
Management and other fees	344,080	309,187	660,505	614,698
Dividends and interest	714,179	193,043	1,438,635	376,379
	<u>4,150,119</u>	<u>146,905</u>	<u>7,566,295</u>	<u>871,869</u>
<b>Expenses</b>				
Compensation and benefits	2,699,691	2,963,769	5,392,085	4,160,836
General and administrative	905,845	305,055	1,803,416	532,979
Professional	211,398	194,131	592,079	354,830
Interest expense	616,946	5,098	1,335,380	5,098
	<u>4,433,880</u>	<u>3,468,053</u>	<u>9,122,960</u>	<u>5,053,743</u>
Loss before income taxes	(283,761)	(3,321,148)	(1,556,665)	(4,181,874)
Income tax expense (benefit)	60,505	(731,085)	66,441	(637,681)
Net loss	(344,266)	(2,590,063)	(1,623,106)	(3,544,193)
Less: Net loss attributable to non-controlling interests	96,972	131,422	358,927	227,820
Net loss attributable to Bexil Corporation shareholders	<u>\$ (247,294)</u>	<u>\$ (2,458,641)</u>	<u>\$ (1,264,179)</u>	<u>\$ (3,316,373)</u>
<b>Earnings per share - basic and diluted</b>				
Net loss attributable to Bexil Corporation shareholders	\$ (0.24)	\$ (2.41)	\$ (1.24)	\$ (3.25)
Weighted average shares outstanding	1,018,933	1,019,262	1,019,261	1,018,927
<b>Other comprehensive income (loss), net of tax</b>				
Unrealized income (loss) on investment securities available-for-sale, net of tax	(123)	-	97	(98)
Other comprehensive loss, net of tax	(123)	-	97	(98)
Comprehensive loss	(344,389)	(2,590,063)	(1,623,009)	(3,544,291)
Less: Comprehensive loss attributable to non-controlling interests	96,972	131,422	358,927	227,820
Comprehensive loss attributable to Bexil Corporation shareholders	<u>\$ (247,417)</u>	<u>\$ (2,458,641)</u>	<u>\$ (1,264,082)</u>	<u>\$ (3,316,471)</u>

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Six Months Ended June 30, 2013 and 2012**  
**(Unaudited)**

	2013	2012
Cash flows from operating activities		
Net loss	\$ (1,623,106)	\$ (3,544,193)
Adjustments to reconcile net loss to net cash used in operating activities		
Mortgage loans held-for-sale, net	(8,954,007)	(2,552,145)
Mark to market adjustments on derivative assets and liabilities, net	(2,112,369)	-
Purchase of investment securities, trading	(158,296)	(1,638,458)
Stock-based compensation expense	210,388	348,148
Increase in deferred taxes	-	(644,782)
Unrealized loss (gain) on investments in securities	(551,128)	199,302
Depreciation and amortization	188,186	1,459
Decrease in restricted cash	48,871	-
Decrease in prepaid expenses and other assets	327,369	194,512
Increase in mortgage servicing rights	(1,968,191)	-
(Decrease) increase in accounts payable and accrued expenses	(147,099)	1,422,858
Net cash used in operating activities	<u>(14,739,382)</u>	<u>(6,213,299)</u>
Cash flows from investing activities		
Purchase of property and equipment	-	(4,519)
Net cash used in investing activities	<u>-</u>	<u>(4,519)</u>
Cash flows from financing activities		
Borrowing on warehouse lines of credit, net	12,245,240	2,418,669
Proceeds from capital contribution of non-controlling interests in subsidiary	1,000,000	-
Short term promissory note accepted	1,416,711	-
Repayment of notes payable	(357,500)	-
Proceeds of promissory note from non-controlling interests in subsidiary	52,143	-
Repurchase value of stock option awards exercised	(362,710)	-
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)
Net cash provided by financing activities	<u>13,993,884</u>	<u>1,892,679</u>
Net decrease in cash and cash equivalents	(745,498)	(4,325,139)
Cash and cash equivalents, beginning of period	10,525,675	26,699,698
Cash and cash equivalents, end of period	<u>\$ 9,780,177</u>	<u>\$ 22,374,559</u>