

Bexil Corporation Announces First Quarter 2014 Financial Results

July 8, 2014 – Bexil Corporation ([BXL](#)) today reported its financial results for the first quarter ended March 31, 2014.

Bexil recorded a net loss attributable to Bexil shareholders of \$1,218,022 or \$0.93 per share for the three months ended March 31, 2014 compared to a net loss attributable to Bexil shareholders of \$1,276,694 or \$1.00 per share for the three months ended March 31, 2013.

The Company's book value per share attributable to Bexil shareholders at March 31, 2014 was \$23.24, based on shareholders' equity attributable to Bexil shareholders of \$22,828,337 and 982,245 shares issued and outstanding.

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the three months ended March 31, 2014 are appended to the copy of this press release on 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. 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
1-212-785-0900, ext. 267
tomalley@bexil.com
www.bexil.com

BEXIL CORPORATION
CONSOLIDATED BALANCE SHEET
March 31, 2014
(Unaudited)

Assets

Cash and cash equivalents	\$ 6,062,239
Investments in securities	10,047,087
Restricted cash	1,326,636
Prepaid expenses and other assets	697,836
Mortgage loans held-for-sale, at fair value	9,221,994
Mortgage loans held-for-investment, at fair value	379,633
Mortgage servicing rights, at fair value	5,120,664
Derivative assets	23,936
Property and equipment, net	24,708
Intangible assets, net	7,557,498
Goodwill, net	1,389,340
	<hr/>
Total assets	<u>\$ 41,851,571</u>

Liabilities and shareholders' equity

Accounts payable and accrued expenses	\$ 2,210,886
Repurchase reserve	850,013
Warehouse borrowings	8,009,527
Short term borrowings	1,152,677
Notes payable for Castle Mortgage Corporation acquisition	303,999
Subordinated debt convertible to stock of subsidiary	3,000,000
Deferred tax liability	1,756,061
	<hr/>
Total liabilities	<u>17,283,163</u>

Shareholders' equity

Bexil Corporation shareholders' equity

Common stock, \$0.01 par value, 9,900,000 shares authorized; 982,245 issued and outstanding	9,823
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized: zero shares issued and outstanding	-
Additional paid in capital	15,002,017
Notes receivable for common stock issued	(1,505,866)
Accumulated comprehensive loss	(170)
Retained earnings	9,322,534
	<hr/>
Total Bexil Corporation shareholders' equity	<u>22,828,338</u>

Noncontrolling interests in subsidiary

	<hr/>
Total shareholders' equity	<u>24,568,408</u>
	<hr/>
Total liabilities and shareholders' equity	<u>\$ 41,851,571</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Three Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Revenues		
Management and other fees	\$ 430,838	\$ 316,425
Gain on mortgage loans, net	313,646	1,621,291
Servicing income, net	304,326	78,844
Other non-interest income, net	266,357	531,349
Dividends and interest	221,522	823,881
Realized and unrealized gain on investment in securities	119,202	339,574
	<u>1,655,891</u>	<u>3,711,364</u>
Expenses		
Compensation and benefits	1,345,141	2,692,395
General and administrative	641,633	729,287
Professional	599,874	380,681
Interest expense	148,179	817,859
Other	122,018	361,900
	<u>2,856,845</u>	<u>4,982,122</u>
Loss before income taxes	(1,200,954)	(1,270,758)
Income tax expense	17,068	5,936
Net loss	(1,218,022)	(1,276,694)
Less: Net loss attributable to noncontrolling interests	300,478	261,955
Net loss attributable to Bexil Corporation shareholders	<u>\$ (917,544)</u>	<u>\$ (1,014,739)</u>
Earnings per share - basic and diluted		
Net loss attributable to Bexil Corporation shareholders	\$ (0.93)	\$ (1.00)
Weighted average shares outstanding	982,245	1,019,261
Other comprehensive loss, net of tax		
Unrealized loss on investment securities available-for-sale, net of tax	\$ 61	\$ 218
Other comprehensive loss, net of tax	61	218
Comprehensive loss	(1,217,961)	(1,276,476)
Less: Comprehensive loss attributable to noncontrolling interests	300,478	261,955
Comprehensive loss attributable to Bexil Corporation shareholders	<u>\$ (917,483)</u>	<u>\$ (1,014,521)</u>

Note: certain amounts in the prior period have been reclassified to conform to the 2014 presentation.

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Cash flows from operating activities		
Net loss	\$ (1,218,022)	\$ (1,276,694)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Mortgage loans held-for-sale, net	3,873,314	19,902,556
Mortgage loans held-for-investment, net	4,841	-
Mark to market adjustments on derivative assets and liabilities, net	(21,579)	297,816
Purchase of investment securities, trading	(178,044)	(78,097)
Proceeds from sale of investment securities, trading	205,696	-
Stock-based compensation expense	35,786	74,618
Unrealized (gain) loss on investments in securities	(96,102)	(857,374)
Realized (gain) loss on investments in securities	(23,101)	-
Depreciation and amortization	133,281	94,093
Increase in restricted cash	(709)	(200,569)
(Increase) decrease in prepaid expenses and other assets	(115,362)	271,139
Increase in mortgage servicing rights	(357,945)	(554,226)
Decrease (increase) in accounts payable and accrued expenses	(104,691)	275,583
Increase (decrease) in repurchase liability	56,567	(410,583)
	2,193,930	17,538,262
Net cash provided by operating activities		
Cash flows from financing activities		
Repayment of warehouse borrowings, net	(3,997,631)	(18,609,677)
Proceeds from convertible subordinated promissory note accepted from noncontrolling interests in subsidiary	700,000	-
Proceeds (repayment) of short term borrowings	116,491	(107,500)
Proceeds from promissory notes accepted for common stock issued	9,600	-
	(3,171,540)	(18,717,177)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(977,610)	(1,178,915)
Cash and cash equivalents, beginning of period	7,039,849	10,525,675
Cash and cash equivalents, end of period	\$ 6,062,239	\$ 9,346,760
Supplemental disclosures		
Interest paid	\$ 123,100	\$ 999,425
Income taxes paid	\$ 16,149	\$ 5,963