

Bexil Corporation Announces First Quarter 2013 Financial Results

June 7, 2013 – Bexil Corporation ([BXL](#)) today reported its financial results for the first quarter ended March 31, 2013.

Bexil recorded a net loss attributable to Bexil shareholders of \$1,276,694 or \$1.00 per share for the three months ended March 31, 2013 compared to a net loss attributable to Bexil shareholders of \$772,758 or \$0.76 per share for the three months ended March 31, 2012.

The Company's book value per share attributable to Bexil shareholders at March 31, 2013 was \$27.00, based on shareholders' equity attributable to Bexil shareholders of \$27,530,629 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 three months ended March 31, 2013 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.

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BEXIL CORPORATION
CONSOLIDATED BALANCE SHEET
March 31, 2013
(Unaudited)

Assets

Cash and cash equivalents	\$ 9,346,760
Investments in securities	6,743,464
Restricted cash	2,627,417
Prepaid expenses and other assets	1,195,563
Mortgage loans held-for-sale, at fair value	58,838,885
Mortgage loans held-for-investment, at fair value	349,897
Mortgage servicing rights, at fair value	1,342,743
Derivative assets	571,969
Real estate owned	133,000
Intangible assets, net	7,917,915
Property and equipment, net	40,155
Total assets	<u>\$ 89,107,768</u>

Liabilities and shareholders' equity

Accounts payable and accrued expenses	\$ 4,335,515
Warehouse borrowings	54,371,093
Notes payable	803,999
Total liabilities	<u>59,510,607</u>

Commitments and Contingencies (Note 19)

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	16,432,415
Notes receivable for common stock issued	(2,887,433)
Accumulated comprehensive loss	24
Retained earnings	13,975,427
Total Bexil Corporation shareholders' equity	<u>27,530,629</u>

Non-controlling interests in subsidiary

	<u>2,066,532</u>
Total shareholders' equity	<u>29,597,161</u>
Total liabilities and shareholders' equity	<u>\$ 89,107,768</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2013 and 2012
(Unaudited)

	2013	2012
Revenues		
Mortgage loans held-for-sale, net	\$ 1,402,651	\$ -
Other non-interest income	633,070	-
Unrealized gain (loss) on investment in securities	339,574	235,465
Management and other fees	316,425	306,163
Dividends and interest	131,301	183,336
	2,823,021	724,964
Expenses		
Compensation and benefits	2,703,192	1,183,454
General and administrative	910,481	240,912
Professional	380,681	160,699
Interest expense	99,425	-
	4,093,779	1,585,065
Loss before income taxes	(1,270,758)	(860,101)
Income tax expense (benefit)	5,936	93,404
Net loss	(1,276,694)	(953,505)
Less: Net loss attributable to non-controlling interests	261,955	180,747
Net loss attributable to Bexil Corporation shareholders	\$ (1,014,739)	\$ (772,758)
Earnings per share - basic and diluted		
Net loss attributable to Bexil Corporation shareholders	\$ (1.00)	\$ (0.76)
Weighted average shares outstanding	1,019,261	1,018,592
Other comprehensive income (loss), net of tax		
Unrealized income (loss) on investment securities available-for-sale, net of tax	218	(98)
Other comprehensive loss, net of tax	218	(98)
Comprehensive loss	(1,276,476)	(953,603)
Less: Comprehensive loss attributable to non-controlling interests	261,955	180,747
Comprehensive loss attributable to Bexil Corporation shareholders	\$ (1,014,521)	\$ (772,856)

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2013 and 2012
(Unaudited)

	2013	2012
Cash flows from operating activities		
Net loss	\$ (1,276,694)	\$ (953,505)
Adjustments to reconcile net loss to net cash used in operating activities		
Mortgage loans held-for-sale, net	19,902,556	-
Mark to market adjustments on derivative assets and liabilities, net	297,816	-
Purchase of investment securities, trading	(78,097)	(1,473,267)
Stock-based compensation expense	74,618	51,109
Unrealized loss (gain) on investments in securities	(857,374)	(235,465)
Depreciation and amortization	94,093	618
Increase in restricted cash	(200,569)	-
(Increase) decrease in prepaid expenses and other assets	(264,003)	176,057
Increase in mortgage servicing rights	(554,226)	-
Decrease in deferred taxes	-	86,303
Increase in accounts payable and accrued expenses	347,999	186,635
Net cash used in operating activities	<u>17,486,119</u>	<u>(2,161,515)</u>
Cash flows from investing activities		
Purchase of property and equipment	-	(4,000)
Net cash used in investing activities	<u>-</u>	<u>(4,000)</u>
Cash flows from financing activities		
Repayment of warehouse borrowings	(18,609,677)	-
Repayment of notes payable	(107,500)	-
Payment of promissory note from non-controlling interests in subsidiary	52,143	-
Stock issuance costs of capital contributions to subsidiary	-	(138,000)
Net cash provided by financing activities	<u>(18,665,034)</u>	<u>(138,000)</u>
Net decrease in cash and cash equivalents	(1,178,915)	(2,303,515)
Cash and cash equivalents, beginning of period	10,525,675	26,699,698
Cash and cash equivalents, end of period	<u>\$ 9,346,760</u>	<u>\$ 24,396,183</u>
Supplemental disclosures		
Interest paid	\$ 999,425	\$ -
Income taxes paid	\$ 5,963	\$ 500