

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

December 7, 2012 – Bexil Corporation ([BXL](#)) today reported its financial results for the third quarter ended September 30, 2012.

Bexil recorded net income attributable to Bexil shareholders of \$138,451 or \$0.13 per share fully diluted for the three months ended September 30, 2012 compared to a net loss attributable to Bexil shareholders of \$356,172 or \$0.35 per share for the three months ended September 30, 2011. Results for the third quarter of 2012 benefited from, among other things, an increase in unrealized gains on investment securities accounted for as trading securities and from dividends earned on such securities. For the nine months ended September 30, 2012, Bexil recorded a net loss attributable to Bexil shareholders of \$2,102,209 or \$2.06 per share compared to a net loss attributable to Bexil shareholders of \$789,840 or \$0.78 per share for the nine months ended September 30, 2011.

The Company's book value per share attributable to Bexil shareholders at September 30, 2012 was \$32.48, based on shareholders' equity attributable to Bexil shareholders of \$33,116,925 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 third quarter and nine months ended September 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**  
**September 30, 2012**  
**(Unaudited)**

Assets

Current assets

Cash and cash equivalents	\$ 18,823,590
Investments in securities	6,249,964
Loans held for sale	27,169,318
Management and other fees receivable	127,559
Interest receivable	11,688
Prepaid expenses	121,785

Total current assets	52,503,904
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Intangible asset	4,325,000
Deferred taxes	3,024,881
Property and equipment, net	5,758

	7,355,639
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Total assets	\$ 59,859,543
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Liabilities and shareholders' equity

Current liabilities

Warehouse line of credit	\$ 23,771,091
Accounts payable and accrued expenses	737,208
Total current liabilities	24,508,299

Death benefit obligation	1,277,518
Deferred rent	57,903

	1,335,421
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Total liabilities	25,843,720
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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	16,194,738
Notes receivable for common stock issued	(2,887,433)
Accumulated comprehensive loss	(44)
Retained earnings	19,799,468

Total Bexil Corporation shareholders' equity	33,116,925
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Non-controlling interest in subsidiary

	898,898
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Total shareholders' equity	34,015,823
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Total liabilities and shareholders' equity	\$ 59,859,543
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**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
<b>Revenues</b>				
Mortgage banking revenue	\$ 1,579,591	\$ -	\$ 1,657,031	\$ -
Management fees	279,955	205,236	833,599	571,577
Other fees	26,851	19,943	94,922	50,152
	<u>1,886,397</u>	<u>225,179</u>	<u>2,585,552</u>	<u>621,729</u>
<b>Expenses</b>				
Compensation and benefits	1,747,372	705,344	5,877,438	1,260,129
General and administrative	441,289	41,206	1,004,825	138,005
Professional	214,888	41,562	570,945	577,303
	<u>2,403,549</u>	<u>788,112</u>	<u>7,453,208</u>	<u>1,975,437</u>
<b>Other income</b>				
Unrealized gain (loss) on investments in securities	485,118	(90,586)	285,816	(90,586)
Dividends and interest	187,815	63,167	553,757	118,916
	<u>672,933</u>	<u>(27,419)</u>	<u>839,573</u>	<u>28,330</u>
Income (loss) before income taxes	155,781	(590,352)	(4,028,083)	(1,325,378)
Income tax expense (benefit)	63,870	(234,180)	(1,651,514)	(535,538)
Net income (loss)	91,911	(356,172)	(2,376,569)	(789,840)
Less: non-controlling interest in subsidiary	(46,540)	-	(274,360)	-
Net income (loss) attributable to Bexil Corporation shareholders	<u>\$ 138,451</u>	<u>\$ (356,172)</u>	<u>\$ (2,102,209)</u>	<u>\$ (789,840)</u>
<b>Earnings per share</b>				
Net income (loss) attributable to Bexil Corporation shareholders				
Basic	\$ 0.14	\$ (0.35)	\$ (2.06)	\$ (0.78)
Diluted	\$ 0.13	\$ (0.35)	\$ (2.06)	\$ (0.78)
Weighted average shares outstanding				
Basic	1,019,592	1,017,592	1,019,150	1,017,592
Diluted	1,050,104	1,017,592	1,019,150	1,017,592

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

	2012	2011
Cash flows from operating activities		
Net loss	\$ (2,376,569)	\$ (789,840)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Purchase of investment securities, trading	(1,808,755)	(1,496,286)
Share-based compensation expense	415,898	442,535
Increase in deferred taxes	(1,661,150)	(536,058)
Unrealized (gain) loss on investments in securities	(285,816)	90,586
Depreciation	2,299	1,691
Increase in loans held for sale	(27,169,318)	-
Decrease in due from broker	243,219	-
Increase in management and other fees receivable	(20,584)	(105,057)
(Increase) decrease in interest receivable	(5,816)	6,415
Decrease in refundable taxes	-	403,911
Increase in prepaid expenses	(51,653)	-
Increase in warehouse line of credit	23,771,091	-
Increase (decrease) in accounts payable and accrued expenses	396,018	(215,505)
Increase in death benefit obligation	1,330,018	-
Net cash used in operating activities	(7,221,118)	(2,197,608)
Cash flows from investing activities		
Acquisition of management contract	(125,000)	(4,200,000)
Purchase of property and equipment	(4,000)	-
Net cash used in investing activities	(129,000)	(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	(7,876,108)	(6,601,126)
Cash and cash equivalents, beginning of period	26,699,698	35,713,373
Cash and cash equivalents, end of period	\$ 18,823,590	\$ 29,112,247