

Bexil Corporation Announces Third Quarter 2013 Financial Results

December 9, 2013 – Bexil Corporation ([BXL](#)) today reported its financial results for the third quarter ended September 30, 2013.

Bexil recorded a net loss attributable to Bexil shareholders of \$1,869,961 or \$1.88 per share for the three months ended September 30, 2013 compared to net income attributable to Bexil shareholders of \$138,451 or \$0.13 per share fully diluted for the three months ended September 30, 2012. For the nine months ended September 30, 2013, Bexil recorded a net loss attributable to Bexil shareholders of \$3,232,283 or \$3.20 per share compared to a net loss attributable to Bexil shareholders of \$2,102,209 or \$2.06 per share for the nine months ended September 30, 2012.

The Company's book value per share attributable to Bexil shareholders at September 30, 2013 was \$26.55, based on shareholders' equity attributable to Bexil shareholders of \$26,025,495 and 980,245 shares issued and outstanding.

The Company's unaudited balance sheet, statements of operations, and statements of cash flows as of and for the third quarter and nine months ended September 30, 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
September 30, 2013
(Unaudited)

Assets

Cash and cash equivalents	\$ 5,206,935
Investments in securities	9,294,299
Restricted cash	1,328,690
Prepaid expenses and other assets	978,733
Mortgage loans held-for-sale, at fair value	27,135,730
Mortgage loans held-for-investment, at fair value	621,427
Mortgage servicing rights, at fair value	3,869,113
Derivative assets	(48,500)
Intangible assets, net	7,737,706
Property and equipment, net	32,178
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Total assets	<u>\$ 56,156,311</u>

Liabilities and shareholders' equity

Accounts payable and accrued expenses	\$ 3,060,147
Warehouse borrowings	24,650,246
Short term promissory note payable	342,795
Notes payable	553,999
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Total liabilities	<u>28,607,187</u>

Shareholders' equity

Bexil Corporation shareholders' equity

Common stock, \$0.01 par value, 9,900,000 shares authorized; 980,245 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	15,799,825
Notes receivable for common stock issued	(1,515,922)
Accumulated comprehensive loss	(195)
Retained earnings	11,731,964
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Total Bexil Corporation shareholders' equity	<u>26,025,495</u>

Non-controlling interests in subsidiary

	<u>1,523,629</u>
Total shareholders' equity	<u>27,549,124</u>
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Total liabilities and shareholders' equity	<u>\$ 56,156,311</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues				
Mortgage loans held-for-sale, net	\$ 83,582	\$ 1,582,603	\$ 3,461,820	\$ 1,667,060
Other non-interest income	1,335,422	-	3,532,565	-
Unrealized gain (loss) on investment in securities	(515,914)	485,118	630,758	285,816
Management and other fees	323,459	303,794	983,964	918,491
Dividends and interest	269,846	187,815	358,344	553,757
	<u>1,496,395</u>	<u>2,559,330</u>	<u>8,967,451</u>	<u>3,425,124</u>
Expenses				
Compensation and benefits	2,371,675	1,747,372	7,763,760	4,612,208
General and administrative	713,671	437,430	2,519,232	2,268,159
Professional	193,658	213,649	785,737	567,742
Interest expense	518,714	5,098	1,854,853	5,098
	<u>3,797,718</u>	<u>2,403,549</u>	<u>12,923,582</u>	<u>7,453,207</u>
Loss before income taxes	(2,301,323)	155,781	(3,956,131)	(4,028,083)
Income tax expense (benefit)	24,794	63,870	91,235	(1,651,514)
Net loss	(2,326,117)	91,911	(4,047,366)	(2,376,569)
Less: Net loss attributable to non-controlling interests	456,156	46,540	815,083	274,360
Net loss attributable to Bexil Corporation shareholders	<u>\$ (1,869,961)</u>	<u>\$ 138,451</u>	<u>\$ (3,232,283)</u>	<u>\$ (2,102,209)</u>
Earnings per share - basic and diluted				
Net income (loss) attributable to Bexil Corporation shareholders				
Basic	\$ (1.88)	\$ 0.14	\$ (3.20)	\$ (2.06)
Diluted	\$ (1.88)	\$ 0.13	\$ (3.20)	\$ (2.06)
Weighted average shares outstanding				
Basic	992,155	1,019,592	1,010,126	1,019,150
Diluted	992,155	1,050,104	1,010,126	1,019,150
Other comprehensive income (loss), net of tax				
Unrealized income (loss) on investment securities available-for-sale, net of tax				
	(97)	21	-	119
Other comprehensive loss, net of tax	(97)	21	-	119
Comprehensive income (loss)	(2,326,214)	91,932	(4,047,366)	(2,376,450)
Less: Comprehensive loss attributable to non-controlling interests	456,156	46,540	815,083	274,360
Comprehensive income (loss) attributable to Bexil Corporation shareholders	<u>\$ (1,870,058)</u>	<u>\$ 138,472</u>	<u>\$ (3,232,283)</u>	<u>\$ (2,102,090)</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
Cash flows from operating activities		
Net loss	\$ (4,047,366)	\$ (2,376,569)
Adjustments to reconcile net loss to net cash used in operating activities		
Mortgage loans held-for-sale, net	51,334,181	(27,169,318)
Mark to market adjustments on derivative assets and liabilities, net	1,051,285	-
Purchase of investment securities, trading	(3,422,938)	(1,808,755)
Stock-based compensation expense	256,491	415,898
Increase in deferred taxes	-	(1,661,150)
Unrealized loss (gain) on investments in securities	(63,587)	(285,816)
Depreciation and amortization	282,278	2,299
Decrease in restricted cash	1,098,158	-
Decrease in prepaid expenses and other assets	(47,153)	165,166
Increase in mortgage servicing rights	(3,080,596)	-
(Decrease) increase in accounts payable and accrued expenses	(953,285)	1,726,036
Net cash used in operating activities	42,407,468	(30,992,209)
Cash flows from investing activities		
Acquisition of management contract	-	(125,000)
Purchase of property and equipment	-	(4,000)
Net cash used in investing activities	-	(129,000)
Cash flows from financing activities		
(Repayment) borrowing on warehouse lines of credit, net	(48,330,524)	23,771,091
Proceeds from capital contribution of non-controlling interests in subsidiary	1,000,000	-
Short term promissory note accepted	342,795	-
Repayment of notes payable	(357,500)	-
Proceeds of promissory note from non-controlling interests in subsidiary	52,122	-
Repayment of promissory notes accepted with exercise of stock options	1,371,512	-
Repurchase value of stock option awards exercised	(1,804,613)	-
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	(47,726,208)	23,245,101
Net decrease in cash and cash equivalents	(5,318,740)	(7,876,108)
Cash and cash equivalents, beginning of period	10,525,675	26,699,698
Cash and cash equivalents, end of period	\$ 5,206,935	\$ 18,823,590