

## **Bexil Corporation Announces Second Quarter 2014 Financial Results**

August 6, 2014 – Bexil Corporation ([BXL](#)) today reported its financial results for the second quarter ended June 30, 2014.

Bexil recorded a net loss attributable to Bexil shareholders of \$582,740 or \$0.59 per share for the three months ended June 30, 2014 compared to a net loss attributable to Bexil shareholders of \$247,294 or \$0.24 per share for the three months ended June 30, 2013. For the six months ended June 30, 2014, Bexil recorded a net loss attributable to Bexil shareholders of \$1,500,283 or \$1.53 per share compared to a net loss attributable to Bexil shareholders of \$1,264,179 or \$1.24 per share for the six months ended June 30, 2013.

The Company's book value per share attributable to Bexil shareholders at June 30, 2014 was \$22.68, based on shareholders' equity attributable to Bexil shareholders of \$22,278,033 and 982,245 shares issued and outstanding.

The Company's unaudited balance sheet, statements of comprehensive loss, and statements of cash flows as of and for the second quarter and six months ended June 30, 2014 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.

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**BEXIL CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**June 30, 2014**  
**(Unaudited)**

Assets	
Cash and cash equivalents	\$ 7,840,722
Investments in securities	8,256,949
Prepaid expenses and other assets	584,948
Mortgage loans held-for-sale, at fair value	676,154
Mortgage loans held-for-investment, at fair value	376,494
Mortgage servicing rights, at fair value	5,120,998
Derivative assets	6,716
Property and equipment, net	889
Intangible assets, net	7,467,394
Goodwill, net	1,349,644
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Total assets	<u>\$ 31,680,908</u>
Liabilities and shareholders' equity	
Accounts payable and accrued expenses	\$ 1,759,274
Repurchase reserve	849,795
Warehouse borrowings	584,091
Subordinated debt convertible to stock of subsidiary	3,000,000
Deferred tax liability	1,756,061
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Total liabilities	<u>7,949,221</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	15,025,056
Notes receivable for common stock issued	(1,496,266)
Accumulated comprehensive loss	(374)
Retained earnings	8,739,794
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Total Bexil Corporation shareholders' equity	<u>22,278,033</u>
Noncontrolling interests in subsidiary	1,453,654
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Total shareholders' equity	<u>23,731,687</u>
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Total liabilities and shareholders' equity	<u>\$ 31,680,908</u>

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>Revenues</b>				
Gain (loss) on mortgage loans, net	\$ (127,446)	\$ 1,757,290	\$ 186,199	\$ 3,378,581
Other non-interest income, net	58,759	1,075,680	325,116	1,607,029
Management and other fees	432,036	344,080	862,873	660,505
Servicing income, net	293,498	150,108	597,824	228,952
Realized and unrealized gain on investment securities	411,642	136,310	530,845	475,884
Dividends and interest	190,920	714,179	412,442	1,438,635
	<u>1,259,409</u>	<u>4,177,647</u>	<u>2,915,299</u>	<u>7,789,586</u>
<b>Expenses</b>				
Compensation and benefits	856,072	2,699,691	2,201,212	5,392,085
General and administrative	781,450	706,153	1,439,084	1,449,694
Professional	264,535	188,249	848,408	554,677
Interest expense	113,773	616,946	261,952	1,335,380
Other	112,591	250,369	234,608	614,415
	<u>2,128,421</u>	<u>4,461,408</u>	<u>4,985,264</u>	<u>9,346,251</u>
Loss before income taxes	(869,012)	(283,761)	(2,069,965)	(1,556,665)
Income tax expense	1,678	60,505	18,746	66,441
Net loss	(870,690)	(344,266)	(2,088,711)	(1,623,106)
Less: Net loss attributable to noncontrolling interests	287,950	96,972	588,428	358,927
Net loss attributable to Bexil Corporation shareholders	<u>\$ (582,740)</u>	<u>\$ (247,294)</u>	<u>\$ (1,500,283)</u>	<u>\$ (1,264,179)</u>
<b>Earnings per share - basic and diluted</b>				
Net loss attributable to Bexil Corporation shareholders	\$ (0.59)	\$ (0.24)	\$ (1.53)	\$ (1.24)
Weighted average shares outstanding	982,245	1,018,933	982,245	1,019,261
<b>Other comprehensive income (loss), net of tax</b>				
Unrealized income (loss) on investment securities available-for-sale, net of tax	\$ (204)	\$ (123)	\$ (143)	\$ 97
Other comprehensive loss, net of tax	(204)	(123)	(143)	97
Comprehensive loss	(870,894)	(344,389)	(2,088,854)	(1,623,009)
Less: Comprehensive loss attributable to noncontrolling interests	287,950	96,972	588,428	358,927
Comprehensive loss attributable to Bexil Corporation shareholders	<u>\$ (582,944)</u>	<u>\$ (247,417)</u>	<u>\$ (1,500,426)</u>	<u>\$ (1,264,082)</u>

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Six Months Ended June 30, 2014 and 2013**  
**(Unaudited)**

	2014	2013
Cash flows from operating activities		
Net loss	\$ (2,088,711)	\$ (1,623,106)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Mortgage loans held-for-sale, net	12,419,154	(8,765,460)
Mortgage loans held-for-investment, net	7,980	(55,547)
Mark to market adjustments on derivative assets and liabilities, net	(4,359)	(2,245,369)
Purchase of investment securities, trading	(360,870)	(158,296)
Proceeds from sale of investment securities, trading	2,590,098	-
Stock-based compensation expense	63,359	210,388
Unrealized gain on investments in securities	(169,337)	(551,128)
Realized gain on investments in securities	(361,507)	-
Depreciation and amortization	286,900	188,186
Decrease in restricted cash	1,325,926	48,871
(Increase) decrease in prepaid expenses and other assets	(2,474)	379,513
Increase in mortgage servicing rights	(358,279)	(1,968,191)
Decrease in accounts payable and accrued expenses	(559,304)	(1,005,149)
Increase in repurchase liability	56,349	858,049
Net cash provided by (used in) operating activities	<u>12,844,925</u>	<u>(14,687,239)</u>
Cash flows from financing activities		
(Repayment) borrowing from warehouse lines of credit, net	(11,423,067)	12,245,240
Proceeds from capital contribution of noncontrolling interests in subsidiary	-	1,000,000
Proceeds from convertible subordinated promissory note accepted from noncontrolling interests in subsidiary	700,000	-
(Repayment) proceeds of short term borrowings	(1,036,186)	1,309,211
Repayment of notes for Castle Mortgage Corporation acquisition	(303,999)	(250,000)
Net settlement of cashless stock option exercises	-	(362,710)
Proceeds from promissory notes accepted for common stock issued	19,200	-
Net cash (used in) provided by financing activities	<u>(12,044,052)</u>	<u>13,941,741</u>
Net increase (decrease) in cash and cash equivalents	800,873	(745,498)
Cash and cash equivalents, beginning of period	<u>7,039,849</u>	<u>10,525,675</u>
Cash and cash equivalents, end of period	<u>\$ 7,840,722</u>	<u>\$ 9,780,177</u>
Supplemental disclosures		
Interest paid	\$ 301,275	\$ 1,335,380
Income taxes paid	\$ 18,746	\$ 66,441