Security National Financial Corporation

August 15, 2013

Security National Financial Corporation Reports Financial Results for the Second Quarter Ended June 30, 2013

SALT LAKE CITY--(BUSINESS WIRE)-- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the second quarter ended June 30, 2013.

SNFC announced revenues of $61,332,000 for the three months ended June 30, 2013. This represents an 8.5% increase from 2012. Pre-tax earnings from operations for the three-month period decreased from $5,036,000 in 2012 to $4,470,000. After tax earnings decreased from $3,593,000 in 2012 to $2,799,000 in 2013.

SNFC announced revenues of $116,185,000 for the six months ended June 30, 2013. This represents an 11.9% increase over 2012. Pre-tax earnings from operations for the six-month period increased from $7,365,000 in 2012 to $7,697,000 in 2013. After tax earnings decreased from $5,255,000 in 2012 to $4,833,000 in 2013.

Scott Quist, President of the Company, said, "We are very pleased with the second quarter results of our company, especially given the economic circumstances. This represents the Company's second best first half in its history, and its third best second quarter in its history. During the second quarter interest rates, as measured by the 10 year Treasury bond, increased 60% in a single 30 day period which stifled the mortgage refinance market that many of our competitors have relied upon and which refinances represented 77% of industry wide volume. Yet, despite the rise, rates remained at or below 2.75%, well below the minimum interest rate we target for our life company investments.

"As we entered the quarter we had $79.1 million in cash which cash came from a December 2012 life company acquisition and the payoff of certain investments. That amount of cash is a definite drain on life segment profitability until it can be invested. After investment it becomes a huge positive. Using just an assumed 4% rate that cash, when invested, represents $3.2 million in annualized earnings. During the quarter we invested approximately $18,000,000 in bonds and new commercial loans at a blended rate exceeding 6% with another $16,000,000 invested in new commercial income producing properties at cap rates averaging 9%. It should be noted that we anticipated our cash position well before year end 2012, but it has taken us longer than anticipated to find suitable high quality higher yielding investments. Nevertheless, as that cash is put to work our life segment profitability will improve. Finally it should be noted that life sales in our pre need and final expense distribution channels, representing 90% of new production, continue to grow and had two all-time high weeks during the second quarter. Overall new life sales increased 17%, as measured by premium, over 2012.

"Our death care segment, exclusive of the REO depreciation and related costs, improved their year to date operating profit by 8% on a 23% increase in revenue. Sales costs did rise during the first six months but, nevertheless, EBITD stood at 15.94% at quarter end. As has been mentioned previously, operational earnings of our death care segment are skewed by the depreciation on investment real estate that we have those companies manage.

"Our mortgage segment continues to see the positive results of our conversion from wholesale to retail originations and our continuing emphasis on purchase related business rather than refinance. At the start of the quarter we were 57% purchase originated business which is 250% better than the reported industry purchase percentage of 23%. At the end of the quarter we had increased our purchase percentage and stood at almost 70% purchase related business. As a result of our heavy purchase business emphasis as interest rates rose during the quarter we experienced much less loan fallout, giving us a 28% improvement in profitability on a 13% improvement in revenue. We continue to believe that we are improving our market share in those geographic areas that we serve."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months and six months ended June 30, 2013 as compared to 2012 for each of the three business segments:

For the three months ended June 30, 2013:

	Revenues			Earnings (Losses) before Taxes		
	2013	2012	%	2013	2012	%
Life Insurance	$16,797,000	$17,482,000	-3.9%	$ 441,000	$2,054,000	-78.5%
Cemeteries/Mortuaries	3,381,000	2,730,000	23.8%	108,000	(77,000)	240.3%
Mortgages	41,154,000	36,316,000	13.3%	3,921,000	3,059,000	28.2%

Total	$61,332,000	$56,528,000	8.5%	$4,470,000	$5,036,000	-11.2%

For the six months ended June 30, 2013:

	Revenues			Earnings (Losses) before Taxes		
	2013	2012	%	2013	2012	%
Life Insurance	$ 34,041,000	$ 35,109,000	-3.0%	$1,255,000	$2,892,000	-56.6%
Cemeteries/Mortuaries	6,361,000	5,690,000	11.8%	184,000	149,000	23.5%
Mortgages	75,783,000	63,052,000	20.2%	6,258,000	4,324,000	44.7%
Total	$116,185,000	$103,851,000	11.9%	$7,697,000	$7,365,000	4.5%

Net earnings per common share were $.25 for the three months ended June 30, 2013, compared to $.36 per share for the prior year as adjusted for the effect of annual stock dividends. Net earnings per common share was $.44 for the six months ended June 30, 2013, compared to $.52 per share for the prior year as adjusted for the effect of annual stock dividends. Book value per common share was $7.69 as of June 30, 2013, compared to $7.36 as of December 31, 2012. The Company has two classes of common stock outstanding, Class A and Class C. The Class C shares share in distribution of earnings and capital on a 10-for-1 basis with the Class A shares; therefore, for earnings per share and book value per share calculations, the Class C shares are converted to Class A shares on a 10-for-1 basis. There were 11,118,671 Class A equivalent shares outstanding as of June 30, 2013.

If there are any questions, please contact Mr. Scott M. Quist or Mr. Garrett S. Sill at:

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