Security National Financial Corporation

March 31, 2014

Security National Financial Corporation Reports Financial Results for the Year Ended December 31, 2013

SALT LAKE CITY--(BUSINESS WIRE)-- Security National Financial Corporation (SNFC) (NASDAQ: SNFCA) announced financial results for the year ended December 31, 2013.

SNFC announced revenues of $215,000,000 for the year ending December 31, 2013. Pre-tax earnings from operations decreased from a gain of $21,351,000 in 2012 to a gain of $9,824,000 in 2013. Net after tax earnings for the twelve month period also decreased 54.6% from $16,713,000 to $7,586,000.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of SNFC, said "Of course we are keenly disappointed anytime our year over year profitability decreases. That is certainly not our goal. Having said that, I believe that our Company performed well in 2013 and took significant steps for future growth in a difficult environment. As we all know, interest rates increased dramatically on a percentage basis in May and June. While rates remain low from a historical perspective, the May to June increase of 100 basis points effectively killed the refinance market which had produced some 75% of the industry mortgage origination volume prior to that time. The fact that our mortgage segment remained profitable during the second half of the year speaks well of our purchase mortgage origination emphasis strategy that we have developed and employed for the last several years. As the refinance market dried up price and margin competition greatly intensified as did the competition for loan volume. The fact that our loan volume only decreased 12% year over year I thought was a significant victory and gives reason for future optimism. Finally, it should be noted that during these difficult times we began to accumulate Mortgage Servicing Rights and as of year-end 2013 had were servicing approximately $800,000,000 in loans.

"Our life segment had a decrease in earnings primarily because of the increase in un-invested cash. At the beginning of 2013 cash and short term investments had climbed to $74,000,000 primarily due to an acquisition at year end 2012. Those cash balances had decreased some $24,000,000 by year end 2013 as the cash was put to work and in my view will reduce further in 2014 as we continue to invest in appropriate investments. An example of one of those investments is the development of our Dry Creek Apartment project. We broke ground on that $42,000,000 apartment development project in the 4th quarter and project we will start occupancy in the summer of 2014 with completion occurring approximately one year following. That is an example of a quality higher yielding project that simply takes time to develop in this historically low interest rate environment. As we prudently invest cash, our life segment earnings will naturally improve. Thus, to me the current level of un-invested cash represents future growth. In that vein, it is significant to note that total assets increased to an all-time high of $618,000,000 at year end 2013. Three years ago in 2010 our asset base was only $467,000,000. It should be noted that asset growth has occurred during challenging economic times and that our capitalization % as measured by GAAP has improved to over 14% during that same time.

"As has been noted in many of our filings, the operating results of our death care segment are difficult to analyze given the REO rental income and depreciation that is included in their statements. We have put much of our REO into that segment to take advantage of their property management expertise. Nevertheless, in 2013 our operating earnings in our death care segment increased some 22% to over $1,000,000 in 2013. EBITD is now running in excess of 15% which is an improvement over 2012.

"Lastly, I would note that even with a generally decreasing stock price in 2013, using the SEC disclosure criteria, $1 invested in our stock at 12-31-2009 would have grown some 63% to $1.63 as of 12-31-2013."

SNFC has three business segments. The following table shows the revenues and earnings (loss) before taxes for the twelve months ended December 31, 2013 as compared to 2012 for each of the three business segments:

	Revenues			Earnings (Loss) before Taxes		
	2013	2012		2013	2012	
Life Insurance	$ 68,804,000	$ 66,858,000	2.91%	$2,868,000	$ 4,591,000	(37.53%)
Cemeteries/Mortuaries	$ 12,380,000	$ 11,343,000	9.14%	$ 223,000	$ 219,000	1.83%
Mortgages	$134,131,000	$156,059,000	(14.05%)	$6,732,000	$16,541,000	(59.30%)
Total	$215,315,000	$234,260,000	(8.09%)	$9,823,000	$21,351,000	(53.99%)

Net earnings per common share was $0.61 for the twelve months ended December 31, 2013, compared to net earnings of $1.47 per share for the prior year as adjusted for the effect of annual stock dividends. Book value per common share was $7.31 as of December 31, 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 11,996,457 Class A equivalent shares outstanding as of December 31, 2013.

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

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Source: Security National Financial Corporation

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