

August 14, 2014

Security National Financial Corporation Reports Financial Results for the Second Quarter of 2014

SALT LAKE CITY--(BUSINESS WIRE)-- Security National Financial Corporation (SNFC) (NASDAQ: SNFCA) announced financial results for the second quarter ended June 30, 2014.

For the three months ended June 30, 2014, SNFC's pre-tax earnings from operations decreased 6% from \$4,470,000 in 2013 to \$4,187,000 in 2014 on a 3% decrease in revenues to \$59,412,000. After tax earnings decreased 6% from \$2,799,000 in 2013 to \$2,624,000 in 2014.

Security National Financial Corporation also announced revenues of \$104,465,000 for the six months ended June 30, 2014. This represents a decrease of 10% from 2013. Pre-tax earnings from operations for the six month period also decreased from \$7,697,000 in 2013 to \$4,353,000. After-tax earnings decreased from \$4,832,000 in 2013 to \$2,763,000.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of the Company, said: "We are very pleased with the performance of our Company this past quarter. Earnings before taxes are up double digits in Cemeteries and Mortuaries and triple digits in Life Insurance. Mortgage income, while less than last year, is very good given the industry environment. Quoting nationwide statistics from the Mortgage Bankers Association, 'applications for home purchase mortgages [are] roughly 15% below last year's pace, and refinance applications [are] almost 60% slower than a year ago'. Against that environment, we have improved our production and believe we have increased our market share almost 50%. We, of course, are a small player in the national market, but I think we can take pride in our results last quarter and are optimistic about further production growth as we look forward."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended June 30, 2014 as compared to 2013 for each of the three business segments:

	Revenues			Earnings before Taxes		
	2014	2013	%	2014	2013	%
Life Insurance	\$19,811,000	\$16,797,000	17.9%	\$1,515,000	\$ 441,000	243.5%
Cemeteries/Mortuaries	3,535,000	3,381,000	4.6%	169,000	108,000	56.5%
Mortgages	<u>36,066,000</u>	<u>41,154,000</u>	(12.4%)	<u>2,503,000</u>	<u>3,921,000</u>	(36.2%)
Total	<u>\$59,412,000</u>	<u>\$61,332,000</u>	(3.1%)	<u>\$4,187,000</u>	<u>\$4,470,000</u>	(6.3%)

For the six months ended June 30, 2014:

	Revenues			Earnings before Taxes		
	2014	2013	%	2014	2013	%
Life Insurance	\$ 38,283,000	\$ 34,041,000	12.5%	\$2,847,000	\$1,255,000	126.9%
Cemeteries/Mortuaries	6,576,000	6,361,000	3.4%	352,000	184,000	91.3%
Mortgages	<u>59,606,000</u>	<u>75,782,000</u>	(21.3%)	<u>1,154,000</u>	<u>6,258,000</u>	(81.6%)
Total	<u>\$104,465,000</u>	<u>\$116,184,000</u>	(10.1%)	<u>\$4,353,000</u>	<u>\$7,697,000</u>	(43.4%)

The net gain per common share was \$.22 for the three months ended June 30, 2014, compared to a net gain of \$.24 per share

for the same period last year as adjusted for the effect of annual stock dividends. Book value per common share was \$7.58 as of June 30, 2014, compared to \$7.31 as of December 31, 2013. The Company has two classes of common stock outstanding, Class A and Class C. The shareholders approved a 1-for-10 reverse stock split of the Company's Class C shares on July 2, 2014. The reverse stock split of the Company's Class C common stock became effective on August 1, 2014. Accordingly, there were 12,122,641 Class A equivalent shares outstanding as of June 30, 2014.

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

Security National Financial Corporation
P.O. Box 57250
Salt Lake City, Utah 84157
Phone (801) 264-1060
Fax (801) 265-9882

Security National Financial Corporation
Scott M. Quist or Garrett S. Sill, 801-264-1060
fax: 801-265-9882

Source: Security National Financial Corporation

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