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

SALT LAKE CITY--(BUSINESS WIRE)-- Security National Financial Corporation (SNFC) (NASDAQ: SNFCA) announced financial results for the first quarter ended March 31, 2014.

For the three months ended March 31, 2014, SNFC's pre-tax earnings from operations decreased 95% from \$3,228,000 in 2013 to \$166,000 in 2014 on an 18% decrease in revenues to \$45,053,000. After tax earnings decreased 93% from \$2,033,000 in 2013 to \$139,000 in 2014.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of the Company, said, "Of course we are disappointed anytime we have a decrease in profitability. That is not the goal. Having said that, our life segment improved its profitability by 63% over last year's quarter and our death care segment also improved over last year's quarter. Subtracting our depreciation expense from real estate activities, our death care EBITD has remained pretty constant above 15% of revenues. We are looking to grow that business segment and are actively assessing possibilities.

"Our mortgage segment is where we experienced losses for the quarter. While we do not excuse our performance by referencing difficult market conditions, nevertheless it is instructive to note that industrywide real estate purchase transactions reached a 17 year low during the first quarter. Against that environment I believe the company has performed well. Industrywide mortgage volume fell 58%, measuring first quarter 2014 against first quarter 2013. Our mortgage segment volume fell 31%, so we were 27 percentage points better than the industry. When comparing fourth quarter 2013 to first quarter 2014, industrywide volume fell by 23% while our volume fell 15%. So, we were 8 percentage points better than the industry. Moreover, market share grew. Traditionally, the first quarter is the weakest in a normal mortgage environment, but having said that we need to pay more attention to costs and rationalize them to production more quickly."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended March 31, 2014, as compared to 2013 for each of the three business segments:

	Revenues			Earnings before Taxes		
	2014	2013	%	2014	2013	%
Life Insurance	\$18,473,000	\$17,244,000	7.1%	\$ 1,331,000	\$ 814,000	63.5%
Cemeteries/Mortuaries	3,040,000	2,980,000	2.0%	183,000	77,000	137.7%
Mortgages	<u>23,540,000</u>	<u>34,628,000</u>	(32.0%)	<u>(1,348,000)</u>	<u>2,337,000</u>	(157.7%)
Total	<u>\$45,053,000</u>	<u>\$54,852,000</u>	(17.9%)	<u>\$ 166,000</u>	<u>\$3,228,000</u>	(94.9%)

The net gain per common share was \$.01 for the three months ended March 31, 2014, compared to a net gain of \$.16 per share for the same period last year as adjusted for the effect of annual stock dividends. Book value per common share was \$7.33 as of March 31, 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 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. Thus, on a fully converted basis, there were 12,070,857 Class A equivalent shares outstanding as of March 31, 2014.

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

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