Security National Financial Corporation

November 18, 2013

Security National Financial Corporation Reports Financial Results for the Third Quarter Ended September 30, 2013

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

SNFC announced revenues of $50,552,000 for the three months ended September 30, 2013. This represents a 20.7% decrease from 2012. Pre-tax earnings from operations for the three month period decreased 67.9% from $6,132,000 in 2012 to $1,964,000. After-tax earnings decreased 68.2% from $3,990,000 in 2012 to $1,266,000.

SNFC announced revenues of $166,737,000 for the nine months ended September 30, 2013. This represents a .5% decrease from 2012. Pre-tax earnings from operations for the nine month period decreased from $13,497,000 in 2012 to $9,661,000. After-tax earnings also decreased from $9,245,000 in 2012 to $6,099,000.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of the Company, said, "I am particularly pleased with the results of our operations for the first three quarters of 2013. Companywide this was our fourth best nine month result in the history of the Company. As we entered 2013 we had cash and short term investments of almost $80 million due primarily to a late 2012 reinsurance acquisition. That level of uninvested assets gave the Life Segment a slow start to the year, but we have invested $26 million of that amount which has improved our profitability markedly. Mortality and persistency continue very positive trends and that with our improved investment income resulted in the Life Segment's best third quarter. As we continue our investing efforts, profitability should continue to improve.

"Our Mortgage Segment is dealing well with the increase in interest rates and the resulting loss of refinance volumes. As we all know, in May and June interest rates essentially rose by a full percentage point, which effectively shut off the majority of refinance transactions. Prior to that time, industrywide refinance transactions comprised 77% of the loans closed nationwide. Our Company's refinance percentage was never that high and as a result, we believe that we have gained market share as the market has shrunk. During the third quarter our loan origination volume decreased 25% versus 2012, which we believe is a smaller decrease than that experienced by our competitors as reported by the popular press. Currently, we expect our origination volumes to be $2.2 billion at year end, a 12% decrease from 2012, which we believe, if accomplished, will represent a gain in market share. Profitability has been negatively affected as we rationalize costs to reflect our current volumes and by margin compression from our competitors, but we believe we have reason for optimism. Finally, over the last year we have retained servicing rights from some of our own loan originations and currently have a portfolio of about $750 million.

"Our Death Care Segment improved its earnings from operations prior to REO related depreciation by 38% versus 2012. By way of explanation, much of our REO is held by our Death Care Segment. The fluctuation of the depreciation expense generated by our REO makes year to year comparisons of the death care operations difficult. Nevertheless, our Death Care Segment EBITD margin was slightly higher than 16% at the end of the third quarter and has consistently improved over the last several years."

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

For the three months ended September 30, 2013:

	Revenues			Earnings (Losses) before Taxes		
	2013	2012	%	2013	2012	%
Life Insurance	$17,341,000	$16,330,000	6.2%	$1,102,000	$ 922,000	19.5%
Cemeteries/Mortuaries	2,959,000	2,720,000	8.8%	13,000	(76,000)	117.1%
Mortgages	30,252,000	44,698,000	(32.3%)	849,000	5,286,000	(83.9%)
Total	$50,552,000	$63,748,000	(20.7%)	$1,964,000	$6,132,000	(67.9%)

For the nine months ended September 30, 2013:

	Revenues			Earnings (Losses) before Taxes		
	2013	2012	%	2013	2012	%
Life Insurance	$ 51,383,000	$ 51,439,000	(0.1%)	$2,358,000	$ 3,814,000	(38.2%)
Cemeteries/Mortuaries	9,320,000	8,410,000	10.8%	197,000	73,000	169.8%
Mortgages	106,034,000	107,750,000	(1.6%)	7,106,000	9,610,000	(26.1%)
Total	$166,737,000	$167,599,000	(0.5%)	$9,661,000	$13,497,000	(28.4%)

Net earnings per common share were $.11 for the three months ended September 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 $.52 for the nine months ended September 30, 2013, compared to $.92 per share for the prior year as adjusted for the effect of annual stock dividends. Book value per common share was $7.56 as of September 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 11,383,867 Class A equivalent shares outstanding as of September 30, 2013.

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

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