

March 30, 2016

## Security National Financial Corporation Reports Financial Results for the Year Ended December 31, 2015

SALT LAKE CITY, March 30, 2016 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ:SNFCA) announced financial results for the year ended December 31, 2015.

For the twelve months ended December 31, 2015, SNFC's pre-tax earnings from operations increased 59% from \$12,481,000 in 2014 to \$19,822,000 in 2015, on a 25% increase in revenues to \$283,161,000. After tax earnings increased 63%, from \$7,755,000 in 2014 to \$12,622,000 in 2015.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of SNFC, said, "2015 was a very good year for our company. Any time we can accomplish a 59% increase in pre-tax earnings on a 25% increase in revenues, that is a great year. Furthermore, this year we passed a significant milestone for our company by surpassing \$100,000,000 in stockholders' equity."

Mr. Quist went on to say, "Our life insurance segment had basically flat profitability as compared to 2014 on a 6% increase in revenues. While profitability was flat, and that was not our goal, it should be noted that 2014 profit levels increased nearly 200% over 2013, and thus we take some consolation in the fact that we did maintain that significantly increased level of improved profitability. 2015 did prove to be a more challenging investment environment than 2014 and creditworthy higher yielding investments have been more difficult to find, particularly in the 4<sup>th</sup> quarter. As an example, our life segment investment income was down almost \$1.9 million in the 4<sup>th</sup> quarter of 2015 compared to 2014. On the plus side, new first-year life insurance sales continue to be robust with a 22% increase in first-year sales as measured by premium volume and a 33% increase as measured by application count.

"Our mortgage segment performed very well, increasing pre-tax profitability 212% on a 39% increase in revenues. In 2015 we originated nearly \$3,000,000,000 in loans, which is a 38% increase over 2014. In 2015, 93% of our production came through our retail channel and 76% of our production was purchase related rather than refinance. We continue to believe that our emphasis on purchase related loans is the more sustainable strategy and that our realtor and builder based marketing models are providing admirable results. Nevertheless, despite our admirable results, increased regulatory oversight and requirements have added significantly to the cost of doing business. Even today we are continually adding staff to try to insure compliance with an increasingly complex regulatory environment. As an example of the financial impact of regulation, trade association statistics indicate that 4<sup>th</sup> quarter profitability declined industry wide by nearly 60% due to increased regulatory cost.

"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 its statements. We have put much of our REO into that segment to take advantage of its property management expertise. Referring now to our death care only operational results, in 2015 we improved operational profitability 38% on basically flat revenues. On an operational basis, we increased our EBITDA nearly 12% year-over-year, which gave us the second best operational profit year when compared to the previous 10 years. Our preneed cemetery sales, which are a primary profit driver, continue to be challenging, particularly in the 4<sup>th</sup> quarter, and thus we recently inserted new sales management to meet that need. I am very optimistic that preneed cemetery sales will improve."

Lastly, Mr. Quist said, "I would note that, using the SEC disclosure criteria, \$100 invested in our stock at 12-31-2011 would have grown 488% to \$488 as of 12-31-2015, versus \$100 invested in the S&P 500 index which only would have grown 63% to \$163 over the same time period."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the twelve months ended December 31, 2015, as compared to 2014, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2015	2014		2015	2014	
Life Insurance	\$ 86,925,000	\$ 81,773,000	6.3%	\$ 8,465,000	\$ 8,472,000	(0.1%)
Cemeteries/Mortuaries	\$ 12,487,000	\$ 12,457,000	0.2%	\$ 914,000	\$ 663,000	37.9%
Mortgages	\$ 183,749,000	\$ 132,707,000	38.5%	\$ 10,443,000	\$ 3,346,000	212.1%

Total                    \$ 283,161,000 \$ 226,937,000 24.8% \$ 19,822,000 \$ 12,481,000 58.8%

Net earnings per common share was \$0.92 for the twelve months ended December 31, 2015, compared to net earnings of \$.59 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$8.01 as of December 31, 2015, compared to \$7.55 as of December 31, 2014.

The Company has two classes of common stock outstanding, Class A and Class C. There were 13,888,194 Class A equivalent shares outstanding as of December 31, 2015.

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

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