

**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE:** April 1, 2013

**SECURITY NATIONAL FINANCIAL CORPORATION  
REPORTS FINANCIAL RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

April 1, 2013

SALT LAKE CITY - Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the year ended December 31, 2012.

SNFC announced revenues of \$234,260,000 for the year ending December 31, 2012. Pre-tax earnings from operations increased from a gain of \$1,237,000 in 2011 to a gain of \$21,351,000 in 2012. Net after tax earnings for the twelve month period increased 1,187% from \$1,299,000 to \$16,713,000.

“Scott Quist, Chairman of the Board, President and Chief Executive Officer of SNFC, noted: “The 4<sup>th</sup> quarter marked continued improvement in all of our segments, which is reflected in our nearly 1,200% improvement in year end after tax earnings. In our life segment, focusing on year end numbers, we realized a 70% increase in earnings before taxes on basically flat life related revenues. These improvements reflect the results of our continued improvement in the quality of our direct life sales, and improved investment results. Considerable effort has gone into improving policy persistency and mortality and the financial results are indicative of what has been accomplished. Our acquisition strategy and internal growth has resulted in a better than 10% growth in insurance related assets that need to be deployed in appropriate income producing investments. At year end, we had over \$40,000,000 in cash or equivalents. As those investments are achieved, profitability should improve.

“In our death care segment, our operating profit before realized gains and depreciation of our real estate and related expenses improved 147% from \$345,000 in 2011 to \$852,000 in 2012. Those results are reflective of improved performance of our ongoing operations. Thus while total revenues were essentially flat, the increase in earnings demonstrates considerable operational improvement. Again, as a note of explanation, our death care operating results are sometimes difficult to interpret because this segment includes our real estate and its attendant depreciation and related expenses. Nevertheless, our death care operating results showed impressive operational improvement in 2012.

“We are particularly pleased with the results of our mortgage segment. Over the last several years, we have spent considerable effort converting what had been a wholesale mortgage origination sales force to a retail mortgage origination sales force with a focus on purchase related originations. To that end, we believe that our percentage of purchase related transactions is approximately 57%, which puts us in the top decile with regards to our peer groups and indicates a more stable origination platform. Our percentage of business now related to retail stands at 70% with 30% wholesale related. Despite the industry wide volume decrease in 2012, we believe we gained market share during the year. While there remains considerable uncertainty in the mortgage and housing markets, we believe our results show positive adaptation to circumstances and significant accomplishment.

“There has been considerable movement in our stock price recently and the online commentary has been both positive and negative. We are aware, of course, of the large short position that evidenced itself in our stock at year end. Using the methodology and time periods required in our SEC disclosures, which uses 2008 as the base year and goes through year end 2012, we exceeded the Standard and Poor’s 500 performance 50% of the time, and met or exceeded our peer group performance 75% of the time. The fourth quarter of 2012 marked our 8<sup>th</sup> consecutive quarterly growth in net income. Again, using 2008 as our base, we have grown our assets on average over 7% per year and our shareholders

equity over 10% per year on a compounded basis. We believe that to be an enviable record in view of the challenges and uncertainty in the economic environment and the financial services industry within which we are primarily engaged.”

SNFC has three business segments. The following table shows the revenues and earnings (loss) before taxes for the twelve months ended December 31, 2012 as compared to 2011 for each of the three business segments:

	Revenues			Earnings (Loss) before Taxes	
	2012	2011		2012	2011
Life Insurance	\$ 66,858,000	\$ 67,221,000	-1%	\$ 4,591,000	\$ 2,698,000
Cemeteries/Mortuaries	\$ 11,343,000	\$ 11,937,000	-5%	\$ 219,000	\$ 461,000
Mortgages	\$ 156,059,000	\$ 80,409,000	94%	\$ 16,541,000	\$ (1,922,000)
Total	\$ 234,260,000	\$ 159,567,000	47%	\$ 21,351,000	\$ 1,237,000

Net earnings per common share was \$1.65 for the twelve months ended December 31, 2012, compared to net earnings of \$.13 per share for the prior year as adjusted for the effect of annual stock dividends. Book value per common share was \$7.36 as of December 31, 2012, compared to \$6.48 as of December 31, 2011.

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 10,843,570 Class A equivalent shares outstanding as of December 31, 2012.

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

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