

November 14, 2016

Security National Financial Corporation Reports Financial Results for the Third Quarter of 2016

SALT LAKE CITY, Nov. 14, 2016 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ:SNFCA) announced financial results for the quarter ended September 30, 2016.

For the three months ended September 30, 2016, SNFC's pre-tax earnings from operations increased 0.2% from \$7,794,000 in 2015 to \$7,812,000 in 2016, on a 12.9% increase in revenues to \$85,240,000. After tax earnings for the same period increased 8.2% from \$4,890,000 in 2015 to \$5,292,000 in 2016.

For the nine months ended September 30, 2016, SNFC's pre-tax earnings from operations increased 9.5% from \$17,025,000 in 2015 to \$18,644,000 in 2016, on a 8.1% increase in revenues to \$232,994,000. After tax earnings for the same period increased 17.3% from \$10,606,000 in 2015 to \$12,443,000 in 2016.

Scott Quist, Chairman of the Board, President and Chief Executive Officer of the Company, said: "We are very pleased with the operational performance of our Company this past quarter and year to date. Not counting realized gains on investments our pre tax earnings increased 22% for the quarter as compared to 2015 and 25% year to date. Our year to date return on equity for the first three quarters is nearly 13%. In March of 2015 we crossed the \$100,000,000 mark in net book value, and this past quarter we passed \$125,000,000 in net book value, meaning essentially that we increased net book value 25% over the last 6 quarters.

"In our life insurance segment, again not counting realized gains on investments, operating income increased 13% for the quarter and 25% year to date over 2015. We believe the new first year premium quality initiatives we undertook several years ago continue to bear fruit as well as the growth through acquisition.

"By way of explanation, we place much of our REO in our Cemetery and Mortuary segment. Removing the depreciation and amortization expense associated with that REO, our Cemetery and Mortuary earnings from operations improved 52% year to date over 2015. That is especially impressive when one remembers that year to date third quarter 2015 was a 68% improvement over year to date third quarter 2014. It appears our efforts at reorganizing the sales processes and our organizational changes are favorable.

"Our Mortgage segment results are outstanding and benefited from three major factors. As noted in the attached table our total revenue increased 16%. Our servicing portfolio continues to grow profitably and we now service approximately \$2.6 billion in loan volume. Finally, our loan loss provisions have reduced significantly given the number of settlements we have reached regarding prior loans. We continue to believe our purchase and builder related business to be strong."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended September 30, 2016, as compared to 2015 for each of the segments:

	Revenues			Earnings before Taxes		
	2016	2015	%	2016	2015	%
Life Insurance	\$24,972,000	\$23,148,000	7.9%	\$2,101,000	\$3,656,000	(42.5%)
Cemeteries/Mortuaries	2,901,000	3,123,000	(7.1%)	55,000	250,000	(78.0%)
Mortgages	57,367,000	49,224,000	16.5%	5,656,000	3,888,000	45.5%
Total	<u>\$85,240,000</u>	<u>\$75,495,000</u>	12.9%	<u>\$7,812,000</u>	<u>\$7,794,000</u>	0.2%

For the nine months ended September 30, 2016:

	Revenues			Earnings before Taxes		
	2016	2015	%	2016	2015	%
Life Insurance	\$ 70,617,000	\$ 65,611,000	7.6%	\$ 5,670,000	\$ 7,175,000	(21.0%)

Cemeteries/Mortuaries	10,046,000	9,437,000	6.5%	1,284,000	811,000	58.3%
Mortgages	<u>152,331,000</u>	<u>140,538,000</u>	8.4%	<u>11,690,000</u>	<u>9,039,000</u>	29.3%
Total	<u>\$232,994,000</u>	<u>\$215,586,000</u>	8.1%	<u>\$18,644,000</u>	<u>\$17,025,000</u>	9.5%

The net gain per common share was \$.36 for the three months ended September 30, 2016, compared to a net gain of \$.34 per share for the same period last year, as adjusted for the effect of annual stock dividends. Book value per common share was \$8.89 as of September 30, 2016, compared to \$8.01 as of December 31, 2015. The Company has two classes of common stock outstanding, Class A and Class C. As of September 30, 2016, there were 14,128,723 shares outstanding.

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

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