

# Security National

Family of Companies



## Security National Financial Corporation Reports Financial Results for the Quarter Ended June 30, 2019

August 14, 2019

SALT LAKE CITY, Aug. 14, 2019 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended June 30, 2019.

For the three months ended June 30, 2019, SNFC's after-tax earnings from operations increased 7.5% from \$4,162,000 in 2018 to \$4,624,000 in 2019, on a 0.6% decrease in revenues to \$68,445,000. SNFC's after tax earnings for the six months ended June 30, 2019 decreased 73.2% to \$5,410,000 from \$25,349,000 in 2018.

Scott M. Quist, President of the Company, said, "I am quite pleased with the operational performance of our company during the second quarter, and year-to-date for that matter. Adjusting out the investment gains, losses, or asset write-downs for the given periods, operational income increased 308% over 2<sup>nd</sup> quarter 2018, and 627% over year-to-date 2018.

"Within those impressive increases there was considerable variability within our business segments. The bulk of that operational income improvement came from our mortgage segment which swung from a considerable loss in 2018 to profitability in 2019. While, as noted in our Q1 press release, volume for that quarter decreased 10% from 2018, Q2 2019 volume was actually a touch higher than Q2 2018 volume, which is the first time that has happened for some time. Margins appear to be stabilizing somewhat and costs are being rationalized.

"In our insurance segments operational income was essentially flat. While total assets increased about 5%, investment income actually decreased modestly, which directly affects profitability. Obtaining necessary yields within acceptable risk tolerances is becoming more difficult in this low interest rate environment. We do not anticipate those economic circumstances changing over the near term.

"Our Memorial segment delivered a very solid quarter with operational income increasing 40% year-to-date over 2018. Much of that improvement has been driven by increasing preneed cemetery sales. It is instructive to note that our Memorial segment has achieved a 24% compound annual growth rate in operational income over the last four years."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended June 30, 2019, as compared to 2018, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2019	2018		2019	2018	
Life Insurance	\$ 28,607,000	\$ 29,371,000	(2.6%)	\$ 1,219,000	\$ 2,937,000	(58.5%)
Cemeteries/Mortuaries	\$ 4,543,000	\$ 5,281,000	(14.0%)	\$ 1,024,000	\$ 2,072,000	(50.6%)
Mortgages	\$ 35,295,000	\$ 34,213,000	3.2%	\$ 2,381,000	\$ (847,000)	381.1%
Total	\$ 68,445,000	\$ 68,865,000	(0.6%)	\$ 4,624,000	\$ 4,162,000	11.1%

For the six months ended June 30, 2019:

	Revenues			Earnings before Taxes		
	2019	2018		2019	2018	
Life Insurance	\$ 59,113,000	\$ 80,236,000	(26.3%)	\$ 3,304,000	\$ 26,649,000	(87.6%)
Cemeteries/Mortuaries	\$ 8,902,000	\$ 9,052,000	(1.7%)	\$ 2,209,000	\$ 2,932,000	(24.7%)
Mortgages	\$ 61,924,000	\$ 61,653,000	0.4%	\$ 1,543,000	\$ (4,232,000)	136.5%
Total	\$ 129,939,000	\$ 150,941,000	(13.9%)	\$ 7,056,000	\$ 25,349,000	(72.2%)

Net earnings per common share was \$0.20 for the three months ended June 30, 2019, compared to net earnings of \$0.19 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$10.30 as of June 30, 2019, compared to \$9.99 as of December 31, 2018.

The Company has two classes of common stock outstanding, Class A and Class C. There were 17,242,381 Class A equivalent shares outstanding as of June 30, 2019.

If there are any questions, please contact Mr. Garrett S. Sill, Mr. Brian Nelsen or Mr. Scott Quist 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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*Financial Corporation*

Source: Security National Financial Corporation