

Dear Shareholders, Customers, and Friends,

Security National Bank had a good operating year in 2010. Although down slightly over 2009, we finished the year with respectable earnings given the challenging environment we faced. Our board and senior management team remain focused on managing our bank to achieve excellent financial results while maintaining a low risk profile.

Two thousand ten continued to be a difficult year for the bank to grow its loan portfolio. While our portfolio performed well overall, our customers continued to aggressively pay down debt and had little or no appetite to borrow throughout the majority of the year. Post-election we saw an increase in credit demand.

The industry as a whole continued to see increases in loan portfolio charge-offs. We did not escape this economic reality untouched; fortunately our losses were minimal. Our thoughtful reserve to loan loss provisions more than kept pace with this part of our business. We remain committed to responsible lending by providing quality credit products to qualified borrowers.

We experienced a large increase in deposits which we invested in short-term bonds. This contributed to a significant increase in our investment portfolio for the year. Our equity account also grew at a nice rate. As of year-end 2010, our Capital to Asset ratio had reached its highest level in over twenty years.

We saw excellent sales momentum in our mortgage origination business as consumers took advantage of purchasing opportunities in the market and low interest rates to refinance their existing homes.

Wealth Management, formerly named Private Client Services, posted significant growth in its total assets under management as we saw a nice recovery in the stock market and people were willing to put more money to work in their investment portfolios. This was a nice change in attitude from what we had seen from our clients in the previous couple of years.

The retail bank served the needs of thousands of our clients through our 14 retail offices. Consumers in the metropolitan area were more active and we saw a nice increase in automobile loans as well as home improvement loans.

We are here to provide exceptional services and tools to help our clients build a solid financial future, all while operating a bank at the highest standards in the industry. For 47 years, it has been our privilege to be a part of the Omaha metropolitan area, serving the community we call home. Thanks so much for your continued business.

Sincerely,



James E. Landen
President

2010 vs. 2009 Comparative Statement of Condition

December 31, 2010

Assets	2010	2009
	(Dollars in 000)	
Cash and Due From Banks	\$16,653	\$18,537
Securities: U.S. Treasuries, Agencies, Corporate Bonds & Others	181,620	125,272
Federal Funds Sold	29,382	25,186
Loans and Leases held for sale	2,995	2,595
Loans and Leases	390,734	422,117
Less: Loan & Lease Loss Reserves	(8,618)	(8,495)
Net Loans	382,116	413,622
Bank Premises & Equipment	17,830	18,367
Other Real Estate Owned	0	110
Other Assets	11,431	11,700
Total Assets	\$642,027	\$615,389
Liabilities		
Deposits:		
Non-interest Bearing	\$120,609	\$107,797
Interest Bearing	379,301	381,876
Securities Sold Under Agreements to Repurchase	44,593	34,814
Other Borrowed Money	25,000	21,173
Federal Funds Purchased	0	0
Other Liabilities	6,538	5,826
Total Liabilities	\$576,041	\$551,486
Capital		
Capital Accounts:		
Common Stock	\$16,445	\$16,445
Surplus	16,445	16,445
Undivided Profits	30,741	28,481
Accumulated other comprehensive income	2,355	2,532
Total Capital Accounts	65,986	\$63,903
Total Liabilities & Capital Accounts	\$642,027	\$615,389