

AMERICAN SAVINGS LIFE
INSURANCE COMPANY



2005 Annual Report To the Shareholders



Fellow Shareholders,

We are pleased to report that 2005 was another record year for American Savings Life Ins. Co. as we passed many significant milestones:



1. Record earnings of \$1.7 million, which was a 17% increase over 2004. This is the first year our net income exceeded the \$1.5 million mark.
2. Total assets passed the \$20 million mark, an increase of over one million dollars.
3. Record shareholders equity of \$15.5 million.
4. Record cash dividends declared for 2006 passing the \$1 million milestone.

The Board of Directors has declared an increased cash dividend for 2006 of 20¢ per share, payable semi-annually; 10¢ in April and 10¢ cents again in October. This is a record increase of 11% from 2005 and will be the first dividend to exceed \$1 million.



Though our success this past year is the result of many efforts, four key factors represent the primary source of our record profits:

1. A 23% increased investment in mortgage loans led to a \$367,000 (16%) increase in total revenues;
2. Disciplined cost control kept our expenses to a modest increase of only 4%;
3. Capital gains recognized on the sale of real estate contributed additional pre-tax income of \$325,000;
4. Finally and most importantly, the assiduous efforts of our devoted staff. Without their diligence and dedication, the success we shareholders enjoy simply would not be possible.

The Company has reached yet another significant milestone. Effective January 1, 2006, the Board of Directors appointed David Allen to serve as Chairman of the Board, where he remains actively involved in the management of the Company. Byron Allen has been appointed to succeed David as President.



Byron comes well qualified to assume the duties of President. He has worked in key management positions with the Company for most of the 13 years he has worked here, working alongside David as a member of the Executive Finance Committee since 1997. Byron has been serving most recently as Corporate Vice President. In these leadership capacities, Byron has learned and embodied many of the conservative principles that

have served this Company so well. Byron graduated magna cum laude from Arizona State University's College of Business Honors program with two Bachelor of Science degrees, Accountancy and Computer Information Systems. Byron has also earned his Masters of Business Administration at Arizona State University's W.P. Carey School of Business.

Byron and David complement each other in a very synergistic way. David brings the experience and conservative principles he has developed by successfully leading the Company as President and Office Manager for over 30 years. Byron brings new ideas, tireless enthusiasm and inspiring ambition for the Company's future. Together, we expect to continue our legacy of consistent profitability as we broaden our horizons with the addition of new growth initiatives.

As the cover illustrates, we have the benefit of looking back in our rear view mirror at 51 years of prudent and proven investment principles. It is with this framework and perspective that we look ahead with great expectations to the coming years of increased growth and profitability.

As always, we thank you, our shareholders, for your continued confidence and support. And, while we take pride in celebrating our Company's many profitable milestones this year, we take even greater pride in an organization that effectively combines the core values of our past with the ambitious vision of pursuing our full potential.

Your investment in American Savings Life has never been more profitable nor more secure, and we pledge to do all we can to be able to make this claim again next year, and the next year, and the next year...!



Byron Frihoff Allen, President

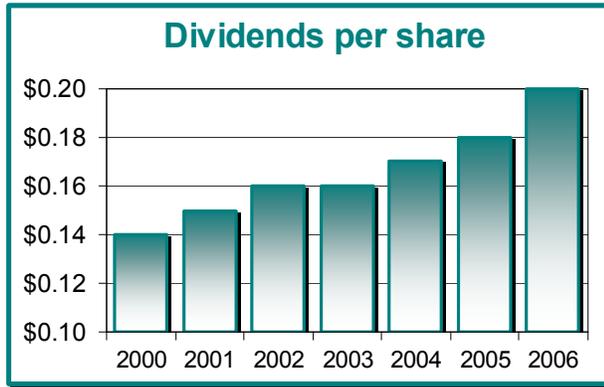


David K. Allen, Chairman of the Board



Byron F. Allen and David K. Allen
With portrait of Company Founder, Frihoff Allen

Financial Highlights

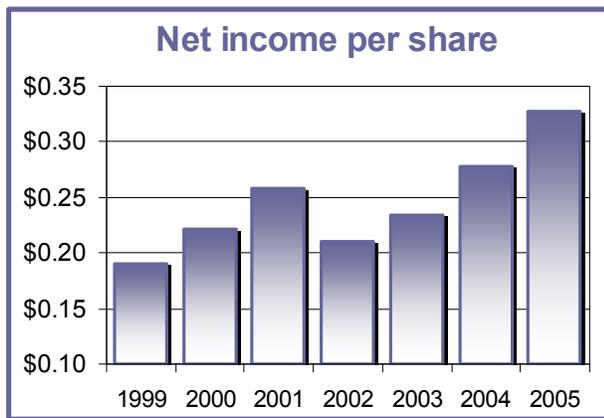
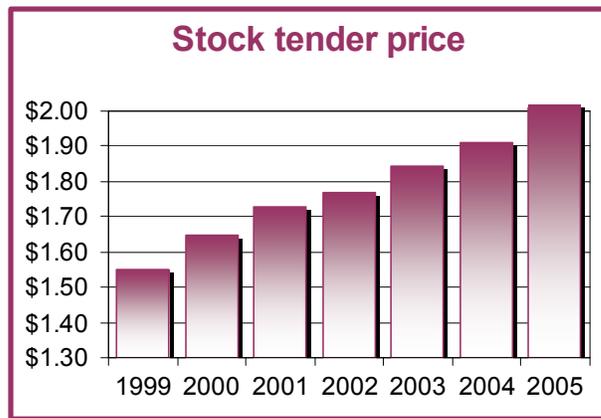


The 2006 declared dividend of 20¢ per share is a record 11% increase over last year.

Dividends per share have increased 43% during the last 7 years, which equals an average annual increase of 6.1%.

During 2005, the stock tender price increased 5.5% to \$2.02 per share, which is a notably higher rate than the average increase over the past 7 years of 4.3%.

Remember, these increases in stock price are in addition to the cash dividends paid each year as shown above.



The record earnings of 2005 equaled an impressive 17.8% increase in net income per share.

Over the past 7 years net income per share has grown 73%, yielding an average annual increase of 10.4%.

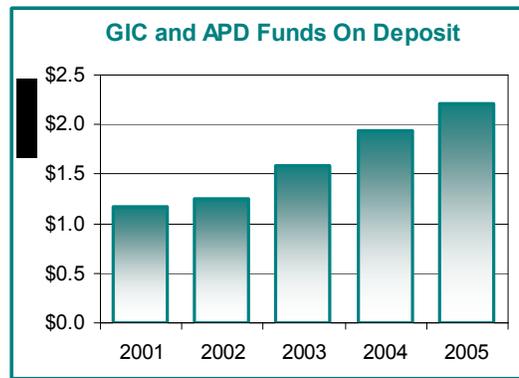
Management's Discussion and Analysis of 2005 Operations

LIFE INSURANCE BUSINESS

While premium income decreased 2% from \$128,500 to \$126,000, insurance in force increased 4% to \$13.4 million and life insurance reserves increased 1% to \$2.12 million. The increase in insurance in force and reserves is primarily attributed to the automatic reinvestment of policy dividends in the Grand Slam policies. Most Grand Slam policy owners have chosen to purchase additional paid-up life insurance coverage with their policy dividends. Instead of receiving cash dividends.

The Grand Slam Endowment policy was converted during 2005 to an endowment at age 95 plan, which offers higher insurance benefits for the same cost. Our Grand Slam policyholders enjoyed another year of policy dividends at the full projected rate of 4%. This is in addition to the guaranteed policy interest rate of 4% for a total credit of 8% on the policy reserves.

Deposit accounts, which include Advance Premium Deposit and Guaranteed Interest Contract accounts (GIC's), increased 14% (\$269,000) to a total of \$2.2 million. These GIC deposit accounts pay a guaranteed minimum interest rate of 4.0%, and a current rate as of March 2006 of 4.129%. We encourage and invite all shareholders to directly deposit their dividends into a GIC account to immediately begin earning over 4% interest on your dividends. There is no fee for opening a GIC account and although other deposited funds have a 2% early withdrawal fee if you withdraw the money prior to one year in the account, dividends may be withdrawn any time without a penalty.



INVESTMENTS

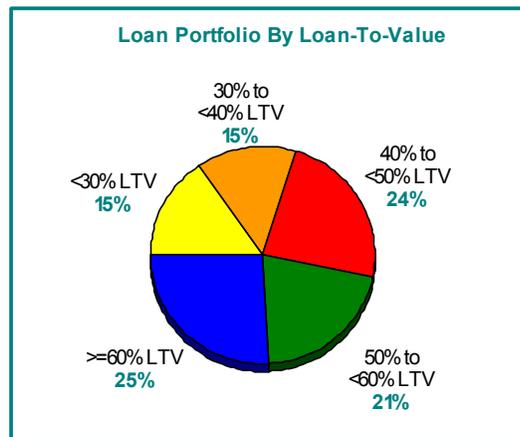
Investment in mortgage loans increased \$3M (23%) to a total of \$17.1 million. Therefore, 84% of total assets is invested in high interest mortgage loans. Since these loans make up such a significant part of our investment income, it is worth explaining in greater detail what type of loans these are and why they are safe investments.

We make loans to owners of both commercial and residential properties who are unable to secure a bank loan. Sometimes the property is an unusual property or sometimes the borrower can not qualify for a bank loan for any number of reasons. Because these type of loans are "non-

Management's Discussion and Analysis of 2005 Operations

conforming", they justify a higher interest rate than regular bank loans. In fact, the average interest rate for all loans American Savings Life made in 2005 was 11.3%.

Although most banks will loan between 75% and 100% of a property's value (this is called loan-to-value), we will loan no more than 65% loan-to-value. In fact, as shown in this chart, the majority of our loan portfolio



has a loan balance of 50% or less of the property's appraised value. Because we require the borrower to maintain so much equity, we only acquire a very small percentage of properties through foreclosure.

The combination of above-average interest rates and below-average loan-to-value ratios has proven to be a very profitable yet secure investment vehicle for the Company for decades.

Capital gains from the sale of real estate were another significant contributor to this year's record profits. Of the \$326,000 total capital gains, the single largest source was \$103,000 from the installment payments received in 2005 from the \$2.5 million sale of the land off I-8 near Vekol Wash. We also recognized \$122,000 in capital gains from the sale of two properties that we sold after acquiring them through foreclosure. One of these was the Pinetop Lodge, which the Company sold in 1998 and financed part of their purchase price. This loan was finally paid off in full, allowing us to recognize the remaining profit from that sale.

COMPANY STOCK BUY-BACK (TENDER)

Beginning in 2001, the Company's tender price has been set at 67% of the most recent book value. As of January 1, 2006 the tender price was \$2.03 per share. During 2005, the Company purchased 32,538 shares from stockholders. This is less than 1% of the total outstanding shares.

Management does not encourage shareholders to sell their shares because we believe the Company provides an excellent return with very little risk. We do recognize, however, that there are times when liquidity of investments is necessary. For this reason, we are pleased to provide a ready market for any stockholders needing to sell their shares.

Statement of Operations

(UNAUDITED)

REVENUES	2005	2004	2003
Life insurance premiums	126,282	128,569	241,158
Investment Income			
Interest on cash & cash equivalents	122,356	54,374	48,413
Interest on Mutual Funds	12,410	27,474	27,369
Interest on policy loans	5,703	6,698	7,761
Interest on mortgage loans	2,022,908	1,774,309	1,768,346
Rental income	82,540	96,366	118,808
Other investment income	333,952	251,115	180,587
TOTAL REVENUES	2,706,151	2,338,905	2,392,442
EXPENSES			
Death benefits	25,960	139,801	67,905
Other policyholder benefits	46,538	56,655	95,098
Policyholder dividends	21,273	20,443	18,840
Incr/decr in reserves and loading	19,591	(11,483)	78,004
Commissions and Advertising	8,364	351	13,471
Interest on insurance	85,997	65,830	59,661
General Expenses			
Salaries and wages	474,858	439,531	409,510
Welfare Plan	41,284	35,761	29,284
Profit Sharing Plan	47,439	43,930	40,956
Actuarial and accounting	30,321	27,730	23,325
Attorney and Directors fees	7,141	12,152	15,238
Office rent & utilities	82,456	70,477	66,331
Telephone, postage, printing	16,057	15,996	26,891
Other expenses	107,667	58,953	22,131
Taxes Licenses and Fees			
Real estate taxes	15,354	16,634	17,324
FICA and FUTA tax on salaries	34,052	31,790	30,048
Other taxes and fees	11,936	5,546	14,760
TOTAL EXPENSES	1,076,288	1,030,097	1,028,778
Net Gain From Operations	1,629,863	1,308,808	1,363,664
Realized Gain on Real Estate & Securities	326,453	357,160	63,090
Federal Income Tax Paid	(267,784)	(223,859)	(201,500)
NET INCOME	1,688,532	1,442,109	1,225,254

See accompanying notes to the financial statements

Statement of Financial Position

(UNAUDITED)

ASSETS	Dec 31, 2005	Dec 31, 2004
Cash and cash equivalents	1,613,534	3,039,323
Long term certificates of deposit	500,000	500,000
Mutual Funds owned	0	851,669
Common & preferred stock	36,790	38,899
Policy loans	117,464	118,893
Mortgage loans	17,089,295	13,922,113
Employee notes	1,174	1,792
Real estate investments & receivables	537,619	396,777
Property tax CP's	34,181	66,635
TOTAL CASH & CASH EQUIVALENTS	19,930,057	18,936,101
Accrued interest & deposits	257,278	232,913
Land and building	164,362	164,362
Office equipment	30,998	17,063
TOTAL ASSETS	20,382,695	19,350,439
LIABILITIES		
Reserves for life policies	2,116,455	2,096,013
Insurance policy claims pending	9,050	19,050
Policy holder & GIC funds on deposit	2,210,460	1,940,833
Other policy holder liabilities	28,161	27,051
Taxes & expenses due & accrued	91,222	72,524
Unearned investment income	4,684	6,069
Amounts held by ASLIC for others	335,238	319,346
Income tax payable	25,798	22,750
TOTAL LIABILITIES	4,821,068	4,503,636
SHAREHOLDERS EQUITY		
Capital stock	914,933	914,933
Capital stock in excess of par	2,205,412	2,205,412
Stock notes & Employee receivables	(13,679)	(21,698)
Retained earnings	17,116,627	16,356,734
Unrealized gain on securities	24,016	13,936
Less treasury stock	(4,685,682)	(4,622,514)
TOTAL SHAREHOLDERS EQUITY	15,561,627	14,846,803
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	20,382,695	19,350,439

See accompanying notes to the financial statements

Statement of Cash Flows

(UNAUDITED)

OPERATING ACTIVITIES	2005	2004
<i>Funds provided from operations</i>		
Premiums received	127,121	129,080
Net investment income (excluding realized gains)	2,468,007	1,844,843
<i>Total funds provided from operations</i>	2,595,128	1,973,923
<i>Funds used in operations</i>		
Benefits and loss related payments	(167,060)	(260,480)
Commissions and other expenses and taxes paid (excluding federal income taxes)	(680,194)	(629,131)
Dividends paid to policyholders	(20,150)	(18,918)
Federal income taxes paid (excluding capital gains tax)	(213,442)	(175,335)
<i>Total funds (used) in operations</i>	(1,080,846)	(1,083,864)
 <i>NET CASH PROVIDED FROM OPERATIONS</i>	 1,514,282	 890,059
 INVESTING ACTIVITIES		
<i>Funds provided from investments sold, matured or repaid</i>		
Bonds	859,637	200,296
Stocks	1,757	0
Mortgage Loans	4,742,679	7,616,969
Real Estate	309,530	183,374
Other invested assets	46,475	36,383
<i>Total investment proceeds before capital gains tax</i>	5,960,078	8,037,022
<i>Cost of investments acquired</i>		
Class one mutual funds & long term CD's	(11,720)	(777,474)
Mortgage Loans	(7,678,040)	(5,260,472)
Real Estate	(398,221)	(286,332)
Other invested assets	(5,419)	(31,904)
<i>Total cost of investments acquired</i>	(8,093,400)	(6,356,182)
(Increase) Decrease in policy loans	1,429	31,833
 <i>NET CASH PROVIDED BY INVESTING ACTIVITIES</i>	 (2,131,893)	 1,712,673
 FINANCING ACTIVITIES		
<i>Funds provided from (used for) financing activities</i>		
Net deposits on deposit-type contracts	183,630	292,755
Cash dividends paid	(928,639)	(884,514)
Treasury stock purchased	(63,169)	(78,518)
<i>Net cash provided from (used for) financing activities</i>	(808,178)	(670,277)
 Increase (Decrease) in cash and short-term investments	 (1,425,789)	 1,932,455
Cash and short-term investments, beginning of year	3,039,323	1,106,868
Cash and short-term investments, end of year	1,613,534	3,039,323

See accompanying notes to the financial statements

Statement of Changes in Stockholders Equity

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004
(UNAUDITED)

	Capital Stock	Capital in Excess of Par	Unrealized Net Gain on Marketable Securities	Unassigned Surplus	Receivables from the Sale of Capital Stock	Treasury Stock	Total
BALANCES, December 31, 2003	914,933	2,205,412	20,348	15,799,138	(31,239)	(4,543,996)	14,364,596
Net Income				1,442,109			1,442,109
Dividends declared & accrued				(884,514)			(884,514)
Repurchase Capital Stock (Treasury)						(78,518)	(78,518)
Change Unrealized Gain on Securities			(6,411)				(6,411)
Change in Non-admitted Assets					9,541		9,541
BALANCES, December 31, 2004	914,933	2,205,412	13,937	16,356,733	(21,698)	(4,622,514)	14,846,803
Net Income				1,688,532			1,688,532
Dividends declared & accrued				(928,639)			(928,639)
Repurchase Capital Stock (Treasury)						(63,169)	(63,169)
Change Unrealized Gain on Securities			10,080				10,080
Change in Non-admitted Assets					8,019		8,019
BALANCES, December 31, 2005	914,933	2,205,412	24,017	17,116,626	(13,679)	(4,685,683)	15,561,626

See accompanying notes to the financial statements

Notes to the Financial Statements

(1) ORGANIZATION:

American Savings Life Insurance Company (the Company) is a registered capital stock life, health and accident insurance company authorized to conduct business in the states of Arizona and Utah. The Company is currently engaged in the life and disability insurance business. It is customary in the insurance industry for a portion of income to be derived from mortgage loans; however, a majority of the Company's income is attributed to mortgage loans.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Investments - The following Company investments are recorded in accordance with the Statement of Financial Accounting Standards No. 60, Accounting and Reporting by Insurance Enterprises:

- A. Mortgage loans are reported at outstanding principal balance or amortized cost.
- B. Receivables secured by real estate including property tax certificates of purchase are reported at their outstanding principal balance, less deferred gains, which are recognized under the installment method.
- C. Real estate investments are reported at lower of cost or fair market value with the related charge to realized loss if applicable.
- D. Common stock and mutual funds are reported at market and temporary changes in the market value of those securities are recognized as an unrealized gain (loss). Non-redeemable preferred stock is reported at cost.
- E. Bonds are stated at amortized cost, since they are expected to be held until maturity.
- F. Policy loans are reported at their outstanding principal balance.
- G. Realized gains (losses) are determined on a specific identification basis and are credited (charged) to operations; unrealized gains (losses) are credited (charged) to the equity section.

Cash and cash equivalents - The company considers all highly liquid investments with a maturity of one year or less at the time of purchase to be cash equivalents.

Restricted Securities - In accordance with the State of Arizona Insurance Regulations, long term certificates of deposit with an aggregate value of \$500,000 at year end in 2005 and 2004 were on deposit with the Arizona State Treasurer.

Policy Claims Pending - The liability for policy claims is based on the estimated cost of individual claims reported plus estimated claims incurred but unreported prior to December 31, 2005 and December 31, 2004 respectively.

Reinsurance - The Company had no agreements with nonaffiliated reinsurers or reinsured policies during the period covered by this report.

Estimates - The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial

statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) CASH AND INVESTMENTS:

Cash and short-term investments consist of the following:

	December 31	<u>2005</u>	<u>2004</u>
Certificates of deposit	\$	397,000	\$1,198,389
Money market funds		158,762	744,819
Demand deposits		<u>1,057,772</u>	<u>1,096,115</u>
Total cash & short term investments		\$1,613,534	\$3,039,323

The Company maintains certificates of deposit at several banks with amounts not exceeding \$100,000. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. Cash in some bank demand deposits exceeded FDIC insurance limits in the amounts of \$820,782 and \$915,656 at December 31, 2005 and 2004, respectively. The money market funds utilized by the Company invest in short-term U.S. government and commercial paper securities.

Mortgage Loans consist of commercial, consumer and purchase money loans collateralized by real estate. The Company's lending policies allow for commercial and consumer loans up to 65% of appraised values at interest rates ranging from 9.9% to 13.9% and terms ranging from 1 to 15 years. Purchase money mortgages were provided to purchasers of Company owned real estate at rates from 7% to 10%. Purchase money mortgages are shown at the Company's unamortized cost of the real estate sold. The balance of the remaining installments is unamortized deferred gain, and is excluded from the mortgage loan assets. The deferred gain will be recognized as income, only as the installment payments are received.

	December 31	<u>2005</u>	<u>2004</u>
Commercial & consumer loans	\$	16,713,053	\$ 13,441,232
Purchase Money Loans	\$	376,241	\$ 480,879
Remaining Deferred Gain	\$	2,257,392	\$ 2,366,018
Annual Realized Deferred Gain	\$	190,809	\$ 261,630

The Company has a concentration of mortgage loans in central Arizona.

Land and Building. The office occupied by the company is located at 935 E. Main Street, Mesa, AZ. The Company acquired the building through a section 1031 property exchange and is valued as shown in the following schedule:

	December 31	<u>2005</u>	<u>2004</u>
Building cost		\$434,605	\$434,605
Improvements		100,745	100,745
Land cost		<u>75,633</u>	<u>75,633</u>
		610,983	610,983
Less deferred gain on 1031 exchange		<u>-446,621</u>	<u>-446,621</u>
Statement value of land and building		164,362	164,362

Since the book value of land and building does not exceed the estimate salvage value, no depreciation is taken on this property. Management estimates the fair market value of this property to be \$1,000,000.

(4) RESERVE FOR POLICY AND CONTRACT CLAIMS:

The reserve reflects the liability for aggregate reserve amounts which, with additions from premiums to be received and with interest compounded annually at a level 5% interest assumption, are calculated to be sufficient to meet policy obligations as they mature.

(5) GUARANTEED INTEREST CONTRACTS:

Guaranteed Interest Contracts are amounts held on behalf of outside parties. Interest is paid yearly at a rate equal to 90% of the rate earned by the Company on certificates of deposit and is recalculated each month with a guaranteed minimum rate of 4.00%. Guaranteed interest contracts are held primarily by stockholders of the Company. Contracts owned by stockholders represent 85% and 80% of all contracts at December 31, 2005 and 2004 respectively.

(6) STOCKHOLDERS' EQUITY:

State of Arizona insurance regulations require the Company to keep a minimum capital of \$400,000 and a minimum free surplus of \$100,000. At December 31, 2005 and December 31, 2004 the Company had a capital amount of \$914,933 and a free surplus of \$14,646,694 and \$13,931,870, respectively. Free surplus was reduced by the \$4,685,682 and \$4,622,514 cost of treasury stock for years 2005 and 2004 respectively.

In March 2001, the Board of Directors authorized an open-ended offer to purchase shares of American Savings Life Insurance stock for 67% of the most recent equity value. The equity value is prepared monthly using GAAP standards and adjusted for any accrued dividends payable. During 2005, treasury stock increased by the purchase of 32,538 shares of capital stock at prices ranging from \$1.91 to \$2.01 per share. During 2004 a total of 42,277 shares were purchased at prices of \$1.83 to \$1.90 per share.

On January 10, 2006, the Board of Directors declared a cash dividend of 20¢ per share payable in two payments of 10¢ per share. The first payment will be on April 10, 2006 to stockholders of record on March 31, 2006, and the second on October 9, 2006 to stockholders of record on September 30, 2006.

(7) PARTICIPATING INSURANCE POLICIES:

The allocation of dividends to participating policy owners is based on actuarial mortality rates with consideration for investment yields (which are subject to periodic review), issues ages, policy durations and premium charges. The mortality rates correspond with rates assumed in the calculation of the premium charges. Participating business comprised approximately 20% of total life insurance in force at December 31, 2005 and 19% at December 31, 2004.

(8) RELATED PARTIES:

Although there is a significant inter-relationship between policyholders who are also stockholders and members of Company management, no related party transactions involving this group have occurred during the years ended December 31, 2005 and 2004, other than ordinary compensation, expense reimbursements and

similar items incurred in the ordinary course of business, except as follows:

1. A loan for employee educational expenses of \$29,132 was authorized by the board in 2001. Educational fringe benefit amounts of \$5,244 during 2005 and \$5,244 during 2004 have been applied as payments on this loan. The loan balance at December 31, 2005 is \$11,653. Ninety percent of this balance is subject to future fringe benefit payments, and is therefore not included as an asset in this statement.
2. Insurance premiums paid by Company officers and directors totaled 17.7% and 16.2% of total premiums paid in 2005 and 2004, respectively. Company officers and directors also owned 10.2% and 7.5% of total policy face value in 2005 and 2004, respectively.

(9) CASH FLOW RECONCILIATION:

A reconciliation of net income to cash flows from operating activities is as follows:

	December 31,	<u>2005</u>	2004
Net income		\$1,688,532	\$1,442,109
Adjustments to reconcile net income to net cash provided from operations			
(Increase) decrease in investment due & accrued		-23,289	-74,227
(Incr.) decr. In income tax refundable		5,372	0
Incr. (decr.) in payables, accrued expense & other		33,207	-222,775
Incr. (decr.) in reserves for policy & contract claims		-10,000	0
Incr. (decr.) in other policyholder funds		1,110	1,680
Incr. (decr.) in income tax payable		3,048	1,841
Incr. (decr.) in life insurance reserve		20,442	-11,126
Incr. (decr.) in deposit to deposit type accts		269,627	358,585
Incr. (decr.) in net deposits to deposit type accts		-183,631	-292,755
Net realized capital gains		-275,159	-310,447
(Incr.) decr. In office equipment		-13,935	-1,443
(Incr.) decr. In prepaid expenses		-1,042	-353
Net cash from operations		1,514,282	890,059

(10) EMPLOYEE PROFIT SHARING PLAN:

In 1993, the Company began to sponsor a qualified profit sharing plan available to full-time employees who meet the plan's eligibility requirements. The terms of the plan call for annual discretionary contributions by the Company as determined by the Board of Directors. The plan contribution was \$47,439 for 2005 and \$43,930 for 2004.

(11) CLAIMS AND CONTINGENCIES:

The Company has various legal proceedings and claims pending that are common to its operations. While it is not possible to determine the ultimate outcome of these matters, it is the opinion of management that they will not result in monetary

damages that in the aggregate would be material to the business or operations of the Company.

(12) SPECIAL NOTE - Statutory Financial Statements:

Each year, the Company files another set of financial statements with the Arizona Department of Insurance and the National Association of Insurance Commissioners (NAIC). They are prepared according to statutory (state law) requirements, and are used by state regulators to review our Company's strength. We refer to these as the "statutory" financial statements, and they are audited each year by a qualified Certified Public Accounting firm.

The statutory financial statements differ in several respects with the financial statements provided herein (referred to as the Stockholders Financial Statements). The stockholders financial statements, although unaudited, are prepared using generally accepted accounting principles. The following table shows a comparison of the financial highlights of your stockholders financial statements with the statutory financial statements:

	<u>2005 <i>Stockholders</i></u> <u>Financial Statements</u>	<u>2005 <i>Statutory</i></u> <u>Financial Statements</u>
Total Assets	\$20,382,695	\$20,668,291
Total Liabilities	4,821,068	6,445,356
Total Stockholders Equity	15,561,627	14,222,935
Equity per Share	\$ 3.02	\$ 2.76
Annual Net Income	1,688,532	1,731,127
Net Income per Share	\$ 0.33	\$ 0.34

The Company would be pleased to provide you with a copy of the audited statutory financial statements upon your request.

(13) FORWARD-LOOKING STATEMENTS:

Certain statements contained in this Annual Report are forward-looking statements. Examples of forward-looking statements include (i) projections of revenues, income or lost earnings or loss per share and other financial items, (ii) statements of plans and objectives of the Company or its management, and (iii) statements of future economic performance. Words such as "believe", "anticipates", "expects", "intends", "may", "will" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying these statements. In addition, all statements other than statements of historical facts that address activities that the Company expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements involve risk and uncertainties, which may cause actual results to differ materially from those in such statements.

AMERICAN SAVINGS LIFE
INSURANCE COMPANY



Founded 1954

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