

AMERICAN SAVINGS LIFE INSURANCE COMPANY



Founded 1954

October 7, 2024

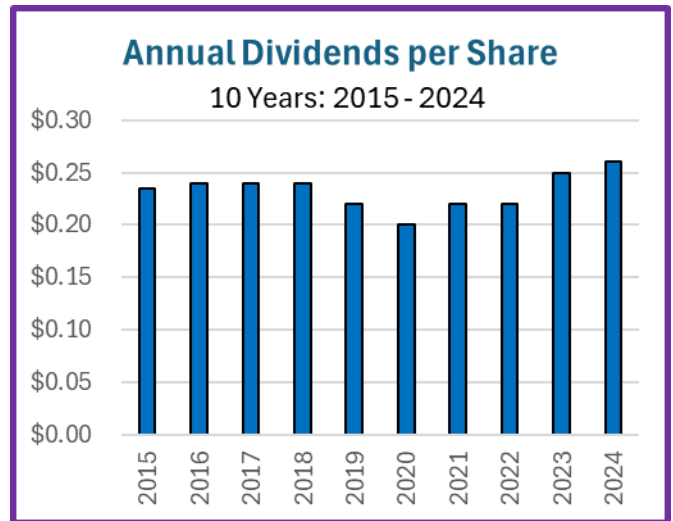
Dear Shareholders,

I am pleased to report that enclosed with this letter is the **second semi-annual dividend for 2024**, in the amount of **thirteen cents per share**. Together with the 13-cent per share dividend paid in April, the **2024 annual dividend is 26 cents per share, which equals a 5.4% annual dividend yield**.

In addition to the dividend yield, **your shares have also increased in value 3.4%** over the 12-month period from June 30, 2023 to June 30, 2024. **Therefore, your stock's total return over the last twelve months has been 8.8%.**

Business Update as of 6/30/2024

Net income: For the first 6 months of 2024, net income stands at \$717,000 (16.9 cents per share), which is an 11% increase over the net income from the same period last year.



New Loans Originated: Our commercial real estate lending continues to be a critical component of our business model, and 2024 has already been a record year! **During the first half of 2024, we originated \$52 million in new loans.** Our previous record year for loan originations was 2022, with total annual loan originations of \$57 million. 2023 was a total of \$48 million. **Real-Time Update:** As of the writing of this letter, we have already blown past our prior record, now having originated \$75 million in new loans. Plus, the fourth quarter is usually the highest volume quarter of the year, and Q4-2024 is looking like it will continue this pattern. We expect to surpass \$100 million in new loan originations this year.

Loan Participations: The primary reason we have been able to grow our lending as much as we have is combining loan participations with our annuity sales. Loan participation is when other insurance companies co-invest with us in our loans, which allows us to make more loans and larger loans than we could just by ourselves. Our total loan portfolio has grown from \$116 million at the beginning of the year to **\$152 million as of 6/30/2024**. This includes \$82 million of the Company's assets and \$70 million of other insurance companies' assets in loan participations. **Real-Time Update:** As of the writing of this letter, our total loan portfolio has grown to \$173 million, of which \$89 million are Company assets and \$84 million are loan participation assets.

Annuity Sales and Expanding Our Insurance Footprint: We sold \$18 million in annuity premiums during the first half of 2024. For the full year, we anticipate selling a similar amount to 2023's total annuity premiums of \$28 million. We have also been successful in expanding our national footprint for selling life insurance and annuities. **Real-Time Update: We are now admitted to sell life insurance and annuities in 14 states**, with applications still in process with a few more states. This greater reach should enable us to sell

annuities at a lower cost. Increasing the number of states in which we are admitted to sell insurance provides options for future business growth while also increasing the Company's enterprise value.

Mid-Year Progress on Our Goals for 2024: In the 2023 Annual Report, we reported five performance goals for 2024. As of midway through the year, here is how we are doing on them:

	As of 6/30/2024
• Grow our total (combined) mortgage loan portfolio from \$116 million to \$150 million or more.	\$152 million
• Originate at least \$75 million in new loans.	\$52 million
• Increase the number of states where we are admitted to sell insurance from three to 12 or more.	12 states
• Pre-Tax Income (EBITDA) = 11.6% or more.	9.1%*
• Total Shareholder Return = 9.2% or more.	8.5%*

**Annualized percentages*

We are pleased that we are meeting or exceeding each of our operational performance measurements (growth in loan originations, growth in our loan total (combined) loan portfolio, and growth in the number of states in which we are admitted to sell insurance and annuities). Although as of 6/30, we are not yet achieving all our financial performance goals, the growth in our business will certainly lead to achieving them. As our loan originations and loan participation portfolio continue to grow, our fee income will become an increasingly bigger contributor to our income.

We have ambitious growth goals and are committed to making the investments needed in improving our efficiencies, leveraging technology, and adding personnel when necessary to allow us to achieve our goals. We are confident that this growth will lead to greater profitability.

If you have any questions about the Company, I welcome you to call me personally at 480-835-5000. Thank you for your continued support!

Sincerely,



Byron Frihoff Allen, President

***FORWARD-LOOKING STATEMENTS:** Certain statements contained in this letter are forward-looking statements. 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.*

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Key Financial Data

June 30, 2024 and June 30, 2023

(unaudited)

	Jun 30, 2024	Jun 30, 2023
Key Balance Sheet Data		
Total Assets	\$ 108,342,000	\$ 91,251,000
Total Loan Portfolio (including loan participations)	\$ 151,993,000	\$ 79,039,000
Reserves for Life Ins, Annuities, & Deposit Accounts	\$ 80,667,000	\$ 68,907,000
Total Shareholders Equity*	\$ 20,808,000	\$ 20,221,000

*Note: The \$587,000 increase in Total Shareholders Equity is after (in addition to) buying back \$132,000 of stock and the \$1,063,000 (25 cents per share) in dividends paid during this time period.

	Jan-Jun, 2024	Jan-Jun, 2023
Key Income Statement Data (the first 6 months)		
Net Investment Income	\$ 4,194,000	\$ 3,141,000
Earnings Before Tax & Depreciation	\$ 932,000	\$ 719,000
Net Income	\$ 717,000	\$ 650,000
Comprehensive Income Attributable to Shareholders**	\$ 797,000	\$ 852,000

*Note: Per GAAP accounting rules, Comprehensive Income Attributable to Shareholders includes the after-tax impact on Shareholders Equity of unrealized changes in the market value of our common stock investments, which increased \$79,000 Jan-Jun 2024 (Jan-Jun 2023 was a \$202,000 increase).

	Jun 30, 2024	Jun 30, 2023
Key Per Share Data		
Shareholders Equity per share	\$4.91	\$4.75
Year-to-date Net Income per share	\$0.17	\$0.15
Year-to-date Comprehensive Income per share	\$0.19	\$0.20
Dividends per share (annual)	\$0.26	\$0.25

You can always stay informed of our current financial condition by going to the stockholders page on the Company website: www.AmericanSavingsLife.com/stock
It is updated quarterly with unaudited financial figures.