

**AMERICAN SAVINGS
LIFE INSURANCE COMPANY**



Founded 1954



**2025
Annual Report**

Chairman's Letter to Shareholders

Dear Shareholders,

I've had the privilege of serving as chairman of the board since 2018 and have been serving as a member on the board of directors since 2009. I am grateful for the other members of the board I get to work with. I feel their business experiences and their commitment to the company's success are integral in helping the company become the best it can be.

I wish to explain the board of directors approach to governance. Starting in 2018, the board worked on formalizing board and CEO expectations. Using the Carver Policy Model as a framework, the board defined some expectations for the company, the CEO, and described how the board should run. The outline of which has 4 main categories:

1) Ends – Long term outcomes which the board expects the CEO to lead the company towards.

2) Executive Limits - Boundaries upon management. In hopes of allowing staff creativity while also ensuring accountability.

3) Governance Policies – Lists the expectations for board members and the board as a whole.

4) Board Delegation Policies - An enumeration of board sponsored committees and which delegated authority is given to each committee.

I am pleased to report that the board

continues to review these governance documents and refer to them often.

The board takes responsibility for evaluating CEO performance, CEO compensation, and is also responsible for firing and hiring the CEO (the CEO is responsible for all other company employees). We use this framework to evaluate if the CEO is achieving the appropriate ends while keeping risks balanced.

The board continues to focus on shareholder value by focusing on company growth. The board desires consistent growth in profitability over sporadic returns. The board also desires quality in earnings as measured by our consistent adherence to our investment strategies. The board also values consistent dividends, and where profitability allows, consistent dividend growth.

A few years ago, the board approved a 10-year plan outlining company growth objectives, which our CEO felt was possible. Today, the board is elated at the progress that has been made so far. While no guarantee can be made for future results, the current business model (growth in annuities and loan participations) has proved to be an engine of revenue growth and is the primary driver in earnings growth these last few years. I expect this section of our business to continue to grow - and hopefully a lot.

It is my expectation that if the company can continue its trajectory of growth and consistent profitability growth, the value of the company's stock will also grow consistently.

Strategically, the board will keep considering how to help maximize the value of the company for our shareholders.

I am pleased to report that as a board, we continue to retain the core company values: a growth mindset, stewardship, consideration, professionalism and partnership.

Thank you for this opportunity to serve on the board of directors.



Heber Allen
Chairman of the Board



2026 Board of Directors and Officers



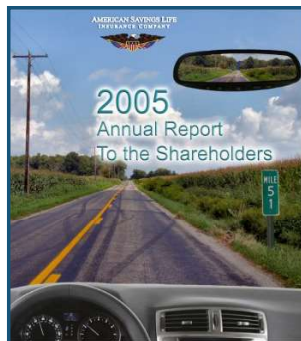
Back row: Kurt Tingey (Director), Paul Cardon (Director), Tracy Allen (Director), David Allen (Director Emeritus), Christopher Stapley (Director), David LeSueur (Director), Wayne Gardner (Director).
Front row: E. Paul Whetten (EVP/COO), Heber Allen (Chairman), Byron Allen (President/CEO), John Shirts (CFO).

President's Letter to Shareholders

April 10, 2026

Dear shareholders,

Long-time shareholders may find this year's annual report cover somewhat familiar. It is intentionally inspired by our 2005 annual report cover.



That earlier cover symbolized a forward-looking vision for the Company's bright future, while also reflecting—through the rearview mirror—on the strong legacy and solid foundation built during our first 51 years. Its significance marked the beginning of a new generation of leadership in 2006.

This letter offers an opportunity to reflect on the Company's key accomplishments over the past 20 years, as well as to share our perspective on the path ahead and how we intend to guide the Company into the future.

In the Rearview Mirror: The Foundation Enabling Today's Growth

Building upon the strong financial foundation and long-standing commitment to conservative investment

and operational principles, we have made deliberate, iterative progress .

While not every initiative produced the intended results, many of the initiatives over the past two decades have proven instrumental. They collectively established the capabilities, scale, and partnerships that are now driving the Company's recent growth and success.

Key milestones include:

- **2006** Established our lending subsidiary, American Life Financial.
- **2009** Began selling deferred annuities and began lending in TX.
- **2014** Expanded our lending to 6 states and completed our first loan participation sale to another life insurance company.
- **2016** Expanded lending footprint to 12 states.
- **2021** Increased maximum loan size to \$10 million and expanded our lending nationwide.
- **2022** Began regularly selling loan participations in large loans and actively growing our loan participation partnerships.
- **2023-2024** Increased maximum loan size to \$25 million+ and expanded our state licenses for selling annuities to 15 states.

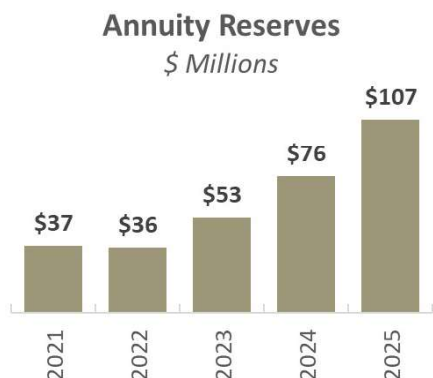
2022-2025:
**The Early Years of Our
 Current Growth Era**

The iterative developments over the past two decades have enabled our current growth phase. The last four years have been the start of very significant growth, which we expect to continue for many years to come.

Key Areas of Growth

1 **Annuity Reserves** have nearly tripled from \$37 million to \$107 million.

This increase is the primary driver of our growth in assets. Most of these annuity reserves are invested in our commercial mortgage loans.



2 Our **Company Loan Portfolio** (excluding loan participations) also nearly tripled from \$44 million to \$121 million.

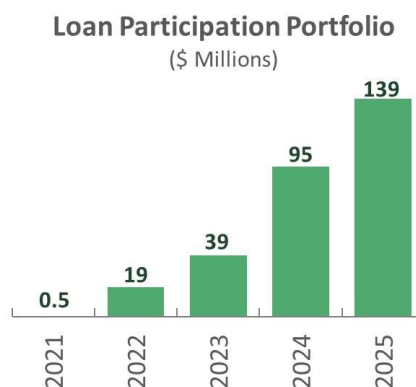
This growth has doubled mortgage loan interest income, from \$4.5 million in 2021 to over \$9 million in 2025.



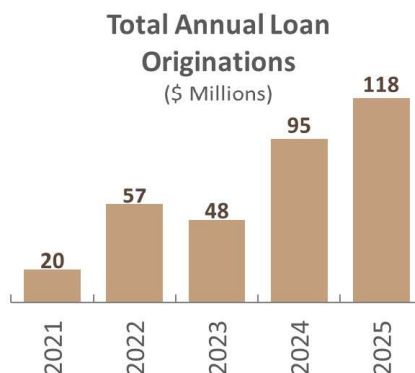
3 **Loan Participation Portfolio** grew from \$0.5 million to \$139 million.

This massive growth in capital invested by other insurance companies in our loans (called loan participations) allows us to earn loan origination fees and loan servicing fees on their invested capital.

In 2025, we earned \$1.2 million in fees resulting from loan participations.

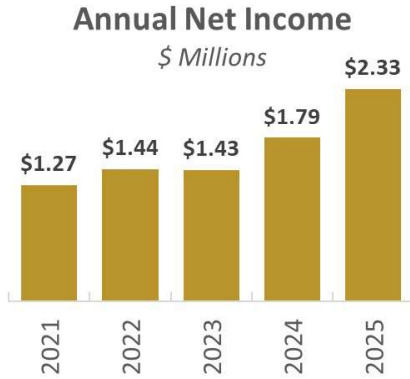


4 **Annual Loan Originations** grew nearly 600% from \$20 million to \$118 million.

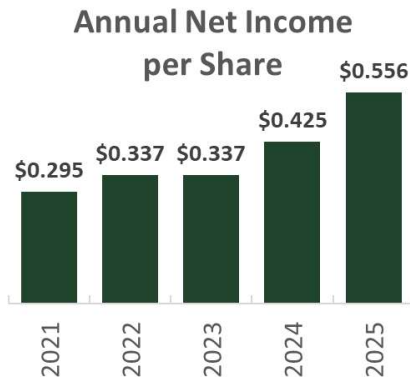


The Financial Results Of This Growth

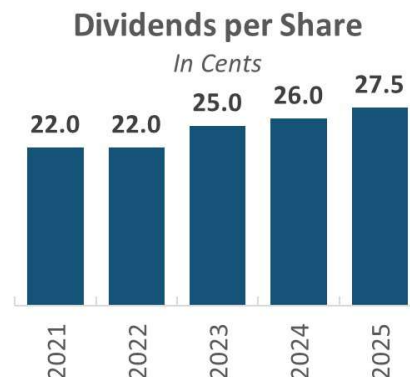
- 1** Annual Net Income grew 84% from \$1.3 million to \$2.3 million.



- 2** Net Income per share grew 89% from 29.5¢ to 55.6¢.



- 3** Dividends per share grew 25% from 22.0¢ to 27.5¢.



- 4** Total Shareholder Return grew 47% from 6.9% to 10.1%.



Report on 2025 Goals

In last year's report we shared five goals for 2025. Here are the results:

- GOAL 1:** Grow our **total mortgage loan portfolio** (Company + loan participations) from \$185 million to \$250 million.
 - RESULTS:** Total loan portfolio grew to [\\$260 million](#).
- GOAL 2:** Originate \$125 million in new loans.
 - 94% RESULTS:** Loan originations totaled [\\$118 million](#).
- GOAL 3:** Sell [\\$25 million](#) in annuity premiums.
 - RESULTS:** Sold [\\$33.8 million](#).
- GOAL 4:** Net Taxable Income Return on Equity (ROE) = 12.0%.
 - RESULTS:** Net Taxable Income ROE = [13.9%](#).
- GOAL 5:** Total Shareholder Return (TSR) = 9.4%.
 - RESULTS:** TSR = [10.1%](#).

Our Goals for 2026

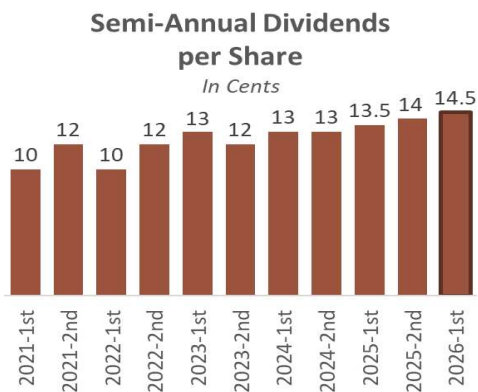
- **GOAL 1:** Grow total mortgage loan portfolio (Company + loan participations) from \$260 million to \$350 million.
- **GOAL 2:** Originate \$175 million in new loans.
- **GOAL 3:** Grow Annuity Reserves from \$107 million to \$120 million.
- **GOAL 4:** Net Taxable Income ROE = 15.0%.
- **GOAL 5:** Total Shareholder Return = 12.0%.

2025 & 2026 Dividends

Shareholders received two cash dividends in 2025, totaling 27.5¢ per share, which equals a **5.4% dividend yield**.

A **14.5¢ per share dividend** (up from 13.5¢ a year ago) was paid on April 10, 2026 and a second dividend is expected to be paid in October.

The year 2026 will be **the 44th consecutive year** we have paid cash dividends!



Annual Shareholders Meeting

All shareholders are invited to attend the 2026 Annual Shareholders Meeting beginning at **8:30 AM on Tuesday, May 19, 2026** at the Company's home office located at 935 E. Main St., Mesa, AZ. Come join us!

MAY 2026

SUN	MON	TUE	WED	THU	FRI	SAT
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

Looking Down the Road Ahead

We are committed to more fully realizing the Company's potential through disciplined growth, while maintaining exceptional capital strength.

Top Priority: Continued Growth Of Our Lending Business

Growing our lending business is our top priority because it is our core business and our differentiator. Plus, when combining our assets together with loan participation assets, we are able to make larger, higher quality loans while earning greater fee income from the larger loans and loan servicing fees.

In 2022, management presented to the board of directors a BHAG (big, hairy, audacious goal) of growing our loan portfolio from \$44 million at

beginning of 2022 to **over \$1 billion by the end of 2032 — over 20X growth!**

With our loan portfolio at \$260 million at year-end 2025, we are on track to achieve this goal!

To reach this audacious goal, we will need to grow our loan origination volume dramatically. We have already grown it from \$20 million in 2021 to \$118 million in 2025.

We will also need to grow the amount of capital that our loan participation partners (other life insurance companies) invest in our loans. We anticipate that at least 75% of our \$1 billion loan portfolio will be loan participation capital.

Although these are very ambitious goals, the progress being made toward them reflects the dedication of our team and gives us genuine confidence in the Company's trajectory!

How Will We Actually Do This?

There are many, many things that need to happen along the way for us to accomplish our goals. Some we know of now, and certainly more will become apparent with time. A few of the major priorities include:

Major technology enhancements:

Most of our systems are decades old and are no longer adequate for our larger, more complex business. Some progress has already been made, but much more remains. We will certainly leverage AI as much as possible, and we anticipate AI will become an extremely valuable enabler for the Company.

Growing our team:

We have been able to achieve this remarkable growth while only growing our team by +/- 12 additional employees over the last 20 years. Technology has enabled much of this, but even with AI, we will certainly have to continue to grow our team to reach our goals.

Growing our outside relationships:

This massive growth will also require deliberate expansion across all three of our key distribution relationships: annuity advisors, loan brokers, and loan participation partners.

A True A-Team Effort

The growth and success we have enjoyed thus far have only been possible because of our amazing “A-Team” of all-star employees. They work diligently day in and day out to make this Company great. It is an honor to work side by side with all of them.

Finally, I look forward to the adventure we get to share together as we journey down the road in front of us. The opportunities are exciting indeed!



Byron Frihoff Allen,
President & CEO

