

Dear Fellow Shareholders,

March 1, 2012

The year 2011 was another eventful year for American Savings Life Insurance Company, with many positive improvements. Although our end of year net income of \$1,069,000 was only slightly higher than the prior year's, the above-the-line activity that yielded these results were what made the year so interesting. In this letter we provide only the highlights but we discuss these in much greater detail in the "Management's Discussion and Analysis" section following this letter.

In one sentence, gains made on loans made in recent years plus profitability of our new annuity business have offset foreclosure related losses on loans made in the real estate bubble years of 2005 through 2007. We also have seen significant improvements in our mortgage loan delinquencies and the sale or leasing of our real estate owned (REO) properties.

2012 Semi-Annual Dividend Declared & Your Stock's Performance in 2011

We are pleased to report that the Board of Directors has declared a 9 cent per share semi-annual dividend to be paid on April 10, 2012 to shareholders of record as of March 31, 2012. This is an increase from the most recent 8 cent per share dividend paid in October 2011.

The total dividends per share paid out in 2011 were 17 cents per share, which equals a 5.2% dividend yield on your 2010 year end book value of \$3.29 per share. When you add to the dividends the increase in book value of 9 cents per share, your total return as a shareholder was 26 cents per share, which equals an 8.0% total annual return on your year ago book value of \$3.29 per share.

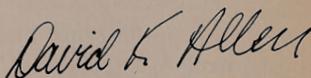
Looking Ahead

We have several reasons to be optimistic of our Company's future. 1) There are many indications that the major declines in real estate values are now behind us, 2) Our mortgage loan portfolio has fewer delinquent loans than it has since 2008, 3) We have more of our Real Estate Owned assets generating income, 4) Most of our annuity and insurance assets are now invested profitably, and 5) Continuing annuity sales will also fuel increased future profitable growth. All of these factors should add up to improving future results.

It is indeed a privilege to be a part of this great Company and we look forward to sharing our bright future with you, our fellow shareholders.



Byron Frihoff Allen, President



David K. Allen, Chairman

The Management Team



David K. Allen, Chairman Robert E. Allen, Vice President Clark E. Allen, Director Byron F. Allen, President