

TORCHMARK CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited and in thousands except per share data)

	3 Months Ended September 30,		9 Months Ended September 30,	
	2003	2002	2003	2002
Revenue:				
Life premium	\$329,524	\$307,275	\$976,805	\$912,156
Health premium	255,324	251,068	774,306	768,143
Other premium	7,350	9,299	23,026	30,120
 Total premium	 592,198	 567,642	 1,774,137	 1,710,419
Net investment income	138,272	130,581	410,479	386,859
Realized investment gains (losses)	-6,785	16,911	-22,010	-60,045
Other income	-3	691	904	1,743
 Total revenue	 723,682	 715,825	 2,163,510	 2,038,976
Benefits and expenses:				
Life policyholder benefits	216,852	202,271	645,350	608,616
Health policyholder benefits	168,667	166,158	515,947	506,648
Other policyholder benefits	9,508	9,206	28,505	25,340
 Total policyholder benefits	 395,027	 377,635	 1,189,802	 1,140,604
Amortization of deferred acquisition costs	82,834	75,993	238,197	226,193
Commissions and premium taxes	39,341	41,554	124,586	125,777
Other operating expense	35,064	34,135	105,196	101,088
Interest expense	7,190	7,188	19,684	21,736
 Total benefits and expenses	 559,456	 536,505	 1,677,465	 1,615,398
Income from continuing operations before income taxes and preferred securities dividends	164,226	179,320	486,045	423,578
Income taxes	-56,344	-60,973	-166,239	-142,389
Preferred securities dividends	0	-972	-1,699	-2,948
 Net income	 <u>\$107,882</u>	 <u>\$117,375</u>	 <u>\$318,107</u>	 <u>\$278,241</u>
Basic net income per share	<u>\$0.95</u>	<u>\$0.98</u>	<u>\$2.75</u>	<u>\$2.30</u>
Diluted net income per share	<u>\$0.94</u>	<u>\$0.98</u>	<u>\$2.74</u>	<u>\$2.29</u>