

TORCHMARK CORPORATION

Operating Summary (Unaudited) (In thousands, except per share amounts)

3 Months Ended			1Q	4Q	3Q	2Q	1Q
3/08	3/07		2008	2007	2007	2007	2007
		UNDERWRITING INCOME					
		Life:					
\$402,948	\$391,468	Premium	\$402,948	\$393,486	\$392,720	\$392,290	\$391,468
-166,868	-165,717	Net Policy Obligations	-166,868	-159,294	-160,452	-165,791	-165,717
-128,505	-123,989	Commissions and Acquisition Expenses	-128,505	-125,766	-126,880	-125,037	-123,989
107,575	101,762	Underwriting Margin	107,575	108,426	105,388	101,462	101,762
		Health:					
253,095	264,886	Premium	253,095	252,549	253,117	258,987	264,886
-157,113	-165,951	Net Policy Obligations	-157,113	-156,901	-157,588	-162,653	-165,951
-50,478	-51,349	Commissions and Acquisition Expenses	-50,478	-49,697	-50,747	-50,567	-51,349
45,504	47,586	Underwriting Margin	45,504	45,951	44,782	45,767	47,586
4,899	5,121	Health - Part D Underwriting Margin	4,899	6,671	6,417	5,959	5,121
1,125	2,641	Annuity Underwriting Margin	1,125	1,581	2,421	2,694	2,641
159,103	157,110	Total Underwriting Margin	159,103	162,629	159,008	155,882	157,110
847	887	Other Income	847	1,069	978	1,379	887
-39,773	-38,687	Admin. Expenses	-39,773	-38,900	-40,058	-36,907	-38,687
120,177	119,310	Underwriting Income	120,177	124,798	119,928	120,354	119,310
		EXCESS INVESTMENT INCOME					
166,837	162,514	Net Investment Income	166,837	162,371	163,014	160,663	162,514
-67,304	-62,287	Required Interest on Net Policy Liabilities	-67,304	-66,212	-64,882	-64,119	-62,287
-16,106	-17,191	Interest on Debt	-16,106	-16,121	-17,513	-16,475	-17,191
83,427	83,036	Total Excess Investment Income	83,427	80,038	80,619	80,069	83,036
-1,659	-1,826	Parent Company Expenses	-1,659	-3,437	-2,024	-2,528	-1,826
201,945	200,520	Pre-Tax Operating Income	201,945	201,399	198,523	197,895	200,520
-68,488	-68,132	Income Tax	-68,488	-67,959	-67,541	-67,323	-68,132
\$133,457	\$132,388	Net Operating Income Before Stock Compensation Expense	\$133,457	\$133,440	\$130,982	\$130,572	\$132,388
-1,622	-1,329	Stock Compensation Expense, Net of Tax	-1,622	-1,240	-1,241	-1,459	-1,329
\$131,835	\$131,059	Net Operating Income	\$131,835	\$132,200	\$129,741	\$129,113	\$131,059
\$1.43	\$1.32	Per Share	\$1.43	\$1.41	\$1.38	\$1.34	\$1.32
91,877	99,026	Average Diluted Shares Outstanding	91,877	93,543	94,061	96,652	99,026
		Reconciling items, net of tax:					
\$12	\$587	Gain on Sale of Agency Buildings	\$12	\$181	\$789	\$1,211	\$587
-4,526	6,532	Capital Gain (Loss) - Investments	-4,526	-3,832	915	-1,838	6,532
-8,626	-3,126	Part D Adjustment	-8,626	3,260	1,469	-1,603	-3,126
0	350	Tax Settlements	0	536	-88	351	350
862	-211	Net Proceeds (Cost) from Legal Settlements	862	0	56	-117	-211
-1,384	0	Loss on Company Occupied Property	-1,384	0	0	0	0
\$118,173	\$135,191	Net Income	\$118,173	\$132,345	\$132,882	\$127,117	\$135,191

TORCHMARK CORPORATION

Insurance Operations (Unaudited)

(In thousands)

	LIFE				HEALTH				HEALTH - PART D				ANNUITY	
	1Q 2008	%	1Q 2007	%	1Q 2008	%	1Q 2007	%	1Q 2008	%	1Q 2007	%	1Q 2008	1Q 2007
LNL Exclusive Agency														
Premium	\$72,052		\$74,207		\$34,390		\$36,376							
Net Policy Obligations	33,100	46	35,112	47	21,147	61	23,213	64						
Comm. & Acq. Exp.	21,391	30	20,442	28	4,294	12	4,326	12						
Underwriting Margin	17,561	24	18,653	25	8,949	26	8,837	24						
UA Independent														
Premium	8,356		9,465		94,996		103,768							
Net Policy Obligations	3,806	46	4,168	44	60,627	64	66,008	64						
Comm. & Acq. Exp.	3,985	48	4,576	48	18,733	20	20,073	19						
Underwriting Margin	565	7	721	8	15,636	16	17,687	17						
UA Branch Office Agency														
Premium	4,246		3,764		94,146		96,904							
Net Policy Obligations	1,856	44	1,610	43	59,472	63	61,719	64						
Comm. & Acq. Exp.	1,592	37	1,408	37	21,961	23	21,532	22						
Underwriting Margin	798	19	746	20	12,713	14	13,653	14						
Direct Response														
Premium	128,635		122,677		11,647		10,965							
Net Policy Obligations	60,189	47	56,852	46	9,283	80	8,599	78						
Comm. & Acq. Exp.	38,127	30	36,282	30	830	7	929	8						
Underwriting Margin	30,319	24	29,543	24	1,534	13	1,437	13						
American Income Agency														
Premium	115,483		106,446		17,916		16,873							
Net Policy Obligations	37,341	32	36,682	34	6,584	37	6,412	38						
Comm. & Acq. Exp.	40,699	35	37,295	35	4,660	26	4,489	27						
Underwriting Margin	37,443	32	32,469	31	6,672	37	5,972	35						
Military														
Premium	50,651		50,923											
Net Policy Obligations	20,757	41	20,952	41										
Comm. & Acq. Exp.	16,617	33	16,803	33										
Underwriting Margin	13,277	26	13,168	26										
Part D														
Premium									\$46,621		\$54,688			
Net Policy Obligations									37,432	80	44,024	81		
Net Amortization of DAC									1,166	3	1,368	3		
Fees to PBM									3,124	7	4,175	8		
Underwriting Margin									4,899	11	5,121	9		
Other Distribution														
Premium	23,525		23,986										\$3,981	\$5,066
Net Policy Obligations	9,819	42	10,341	43									-718	-651
Comm. & Acq. Exp.	6,094	26	7,183	30									3,574	3,076
Underwriting Margin	7,612	32	6,462	27									1,125	2,641
Totals:														
Premium	\$402,948		\$391,468		\$253,095		\$264,886		\$46,621		\$54,688		\$3,981	\$5,066
Net Policy Obligations	166,868	41	165,717	42	157,113	62	165,951	63	37,432	80	44,024	81	-718	-651
Comm. & Acq. Exp.	128,505	32	123,989	32	50,478	20	51,349	19	4,290	9	5,543	10	3,574	3,076
Underwriting Margin	\$107,575	27	\$101,762	26	\$45,504	18	\$47,586	18	\$4,899	11	\$5,121	9	\$1,125	\$2,641
TOTAL UNDERWRITING MARGINS, ALL LINES					\$159,103		\$157,110							
Other Income					847		887							
Administrative & Other Expenses					-39,773		-38,687							
INSURANCE UNDERWRITING INCOME					<u>\$120,177</u>		<u>\$119,310</u>							

TORCHMARK CORPORATION

Net Sales and First Year Collected Premium (Unaudited)
(In thousands)

NET SALES **

	<u>YTD</u> <u>3/08</u>	<u>YTD</u> <u>3/07</u>	<u>% Incr</u> <u>(Decr)</u>
<u>LIFE</u>			
Direct Response	\$30,556	\$28,238	8
American Income Agency	24,355	20,898	17
LNL Exclusive Agency	10,050	8,782	14
Military	2,146	2,449	-12
UA Independent	164	121	36
UA Branch Office Agency	2,040	517	295
Other Distribution	1,183	1,370	-14
Total Life	<u>70,494</u>	<u>62,375</u>	<u>13</u>
<u>HEALTH</u>			
Direct Response	1,482	1,746	-15
American Income Agency	2,771	2,568	8
LNL Exclusive Agency	2,299	2,189	5
UA Independent	9,903	10,104	-2
UA Branch Office Agency	25,331	42,327	-40
Total Health	<u>41,786</u>	<u>58,934</u>	<u>-29</u>
Part D	9,225	10,784 *	-14
TOTAL NET SALES	\$121,505	\$132,093	-8

** Net sales is defined as annualized premium issued, net of cancellations in the first 30 days after issue, except at Direct Response where net sales is annualized premium issued at the time the first full premium is paid after any introductory offer period has expired.

FIRST YEAR COLLECTED PREMIUM

	<u>YTD</u> <u>3/08</u>	<u>YTD</u> <u>3/07</u>	<u>% Incr</u> <u>(Decr)</u>
<u>LIFE</u>			
Direct Response	\$20,602	\$19,659	5
American Income Agency	19,237	17,985	7
LNL Exclusive Agency	6,924	7,834	-12
Military	2,244	2,782	-19
UA Independent	102	248	-59
UA Branch Office Agency	921	338	172
Other Distribution	1,232	1,493	-17
Total Life	<u>51,262</u>	<u>50,339</u>	<u>2</u>
<u>HEALTH</u>			
Direct Response	1,155	1,370	-16
American Income Agency	2,788	2,825	-1
LNL Exclusive Agency	1,985	2,245	-12
UA Independent	8,836	10,416	-15
UA Branch Office Agency	25,882	31,671	-18
Total Health	<u>40,646</u>	<u>48,527</u>	<u>-16</u>
Part D	4,079	28,521	-86
TOTAL FIRST YEAR COLLECTED PREMIUM	\$95,987	\$127,387	-25

* Corrected April 2008

TORCHMARK CORPORATION
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(Amounts in thousands)

	At March 31,	
	2008	2007
Assets		
Investments:		
Fixed maturities available for sale *	\$9,108,559	\$9,166,081
Equity securities available for sale	19,831	38,685
Mortgage loans	18,277	19,456
Real estate	7,297	8,653
Policy loans	346,599	330,662
Other long-term investments	49,160	40,244
Short-term investments	84,368	106,577
Total investments	9,634,091	9,710,358
Cash	7,944	328
Accrued investment income	182,952	172,921
Other receivables	91,482	92,758
Deferred acquisition costs	3,158,017	2,943,564
Value of insurance purchased	59,858	66,532
Property and equipment	49,681	32,369
Goodwill	423,519	423,507
Other assets	129,020	139,918
Separate account assets	1,235,785	1,474,536
Total assets	\$14,972,349	\$15,056,791
Liabilities and Shareholders' Equity		
Liabilities:		
Future policy benefits	\$8,125,428	\$7,613,912
Unearned and advance premium	87,468	91,514
Policy claims and other benefits payable	258,002	249,822
Other policy liabilities	90,236	90,095
Deferred and accrued income taxes	898,156	1,028,252
Short-term debt	241,099	152,862
Long-term debt	721,849	721,365
Other liabilities	234,506	238,940
Separate account liabilities	1,235,785	1,474,536
Total liabilities	11,892,529	11,661,298
Shareholders' equity:		
Preferred stock	0	0
Common stock	94,875	99,875
Additional paid-in-capital	480,673	499,859
Unrealized investment gains (losses), net of tax	-289,800	116,306
Retained earnings	3,108,298	2,941,790
Treasury stock, at cost	-314,226	-262,337
Total shareholders' equity	3,079,820	3,395,493
Total liabilities and shareholders' equity	\$14,972,349	\$15,056,791
Diluted Basis:		
Shares outstanding	90,785	97,207
Book value per common share	\$33.92	\$34.93
Book value per common share excluding FAS 115	\$36.88	\$33.63
* Amortized cost of fixed maturities	\$9,548,760	\$8,960,943

TORCHMARK CORPORATION

Fixed Maturities

(Millions of \$)

March 31, 2008

Total Fixed Maturities

	<u>3/31/08</u>	<u>3/31/07</u>
Amortized Cost	\$9,549	\$8,961
Unrealized:		
Gains	216	301
Losses	<u>-656</u>	<u>-96</u>
Market	\$9,109	\$9,166
Annual Effective Yield (1Q)	6.97%	7.01%
Average Life To:		
First Call	14.6	11.6
Maturity	21.3	17.3

Fixed Maturities at 3/31/08

	Amort.	Unrealized			Market	Ratings
	<u>Cost</u>	<u>Gains</u>	<u>Losses</u>	<u>Net</u>		
Investment Grade	\$8,870	\$197	-\$559	-\$362	\$8,508	A-
Below Investment Grade	<u>679</u>	<u>19</u>	<u>-97</u>	<u>-78</u>	<u>600</u>	BB-
Total	\$9,549	\$216	-\$656	-\$440	\$9,109	A-

Fixed Maturity Acquisitions:

	<u>1Q'08</u>	<u>1Q'07</u>
Amount	\$431	\$546
Yield	7.2%	6.6%
Ratings	A-	A
Average Life To:		
First Call	22.0	19.5
Maturity	34.6	29.2