

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2013	2012	2013	2012
<b>Revenues:</b>				
Life premium	\$475,110	\$450,950	\$945,923	\$902,828
Health premium	290,584	254,506	604,455	520,950
Other premium	157	126	287	279
<b>Total premium</b>	<b>765,851</b>	<b>705,582</b>	<b>1,550,665</b>	<b>1,424,057</b>
Net investment income	177,964	175,176	354,803	349,297
Realized investment gains (losses)	5,913	4,661	4,684	9,667
Other-than-temporary impairments	0	0	-2,678	0
Portion recognized in other comprehensive income	0	0	0	0
Other income	611	376	1,081	697
<b>Total revenue</b>	<b>950,339</b>	<b>885,795</b>	<b>1,908,555</b>	<b>1,783,718</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	310,849	292,784	615,990	583,472
Health policyholder benefits	202,861	181,037	438,988	392,129
Other policyholder benefits	10,789	10,986	21,524	21,853
<b>Total policyholder benefits</b>	<b>524,499</b>	<b>484,807</b>	<b>1,076,502</b>	<b>997,454</b>
Amortization of deferred acquisition costs	102,488	96,601	204,202	193,099
Commissions and premium taxes	54,448	50,600	112,699	101,356
Insurance G&A	45,282	39,857	89,217	80,427
Parent expense	3,307	2,289	5,427	4,210
Stock compensation expense	6,703	5,612	12,956	11,237
Interest expense	20,828	19,649	41,705	39,320
<b>Total benefits and expenses</b>	<b>757,555</b>	<b>699,415</b>	<b>1,542,708</b>	<b>1,427,103</b>
Income before income taxes	192,784	186,380	365,847	356,615
Income taxes	-58,883	-57,392	-112,314	-108,950
<b>Net income</b>	<b>\$133,901</b>	<b>\$128,988</b>	<b>\$253,533</b>	<b>\$247,665</b>
<b>Basic net income per share</b>	<b>\$1.45</b>	<b>\$1.33</b>	<b>\$2.73</b>	<b>\$2.51</b>
<b>Diluted net income per share</b>	<b>\$1.44</b>	<b>\$1.32</b>	<b>\$2.70</b>	<b>\$2.48</b>