

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

	3 Months Ended September 30,		9 Months Ended September 30,	
	2013	2012	2013	2012
<b>Revenues:</b>				
Life premium	\$470,936	\$453,699	\$1,416,859	\$1,356,527
Health premium	279,948	246,000	884,403	766,950
Other premium	114	161	401	440
<b>Total premium</b>	<b>750,998</b>	<b>699,860</b>	<b>2,301,663</b>	<b>2,123,917</b>
Net investment income	176,656	169,400	531,459	518,697
Realized investment gains (losses)	1,781	7,283	6,465	16,950
Other-than-temporary impairments	2,678	0	0	0
Portion recognized in other comprehensive income	0	0	0	0
Other income	676	557	1,757	1,254
<b>Total revenue</b>	<b>932,789</b>	<b>877,100</b>	<b>2,841,344</b>	<b>2,660,818</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	305,931	295,845	921,921	879,317
Health policyholder benefits	199,983	172,130	638,971	564,259
Other policyholder benefits	10,869	11,144	32,393	32,997
<b>Total policyholder benefits</b>	<b>516,783</b>	<b>479,119</b>	<b>1,593,285</b>	<b>1,476,573</b>
Amortization of deferred acquisition costs	98,444	94,016	302,646	287,115
Commissions and premium taxes	53,791	46,898	166,490	148,254
Insurance G&A	45,018	40,515	134,235	120,942
Parent expense	1,807	2,608	7,234	6,818
Stock compensation expense	6,420	5,310	19,376	16,547
Interest expense	19,676	19,843	61,381	59,163
<b>Total benefits and expenses</b>	<b>741,939</b>	<b>688,309</b>	<b>2,284,647</b>	<b>2,115,412</b>
Income before income taxes	190,850	188,791	556,697	545,406
Income taxes	-58,728	-58,119	-171,042	-167,069
<b>Net income</b>	<b>\$132,122</b>	<b>\$130,672</b>	<b>\$385,655</b>	<b>\$378,337</b>
<b>Basic net income per share</b>	<b>\$1.45</b>	<b>\$1.37</b>	<b>\$4.18</b>	<b>\$3.89</b>
<b>Diluted net income per share</b>	<b>\$1.43</b>	<b>\$1.36</b>	<b>\$4.12</b>	<b>\$3.84</b>