

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2014	2013	2014	2013
<b>Revenues:</b>				
Life premium	\$491,952	\$475,110	\$981,010	\$945,923
Health premium	307,791	290,584	637,654	604,455
Other premium	123	157	222	287
<b>Total premium</b>	<b>799,866</b>	<b>765,851</b>	<b>1,618,886</b>	<b>1,550,665</b>
Net investment income	182,877	177,964	363,877	354,803
Realized investment gains (losses)	577	5,913	17,196	4,684
Other-than-temporary impairments	0	0	0	-2,678
Portion recognized in other comprehensive income	0	0	0	0
Other income	663	611	1,144	1,081
<b>Total revenue</b>	<b>983,983</b>	<b>950,339</b>	<b>2,001,103</b>	<b>1,908,555</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	324,192	310,849	644,368	615,990
Health policyholder benefits	220,554	202,861	476,272	438,988
Other policyholder benefits	10,461	10,789	21,084	21,524
<b>Total policyholder benefits</b>	<b>555,207</b>	<b>524,499</b>	<b>1,141,724</b>	<b>1,076,502</b>
Amortization of deferred acquisition costs	104,561	102,488	209,294	204,202
Commissions and premium taxes	62,020	54,448	121,398	112,699
Insurance G&A	45,206	45,782	91,910	89,717
Parent expense	2,302	2,807	4,045	4,927
Stock compensation expense	8,892	6,703	17,401	12,956
Interest expense	19,037	20,828	38,086	41,705
<b>Total benefits and expenses</b>	<b>797,225</b>	<b>757,555</b>	<b>1,623,858</b>	<b>1,542,708</b>
Income before income taxes	186,758	192,784	377,245	365,847
Income taxes	-55,835	-58,883	-113,466	-112,314
<b>Net income</b>	<b>\$130,923</b>	<b>\$133,901</b>	<b>\$263,779</b>	<b>\$253,533</b>
<b>Basic net income per share</b>	<b>\$1.00</b>	<b>\$0.97</b>	<b>\$1.99</b>	<b>\$1.82</b>
<b>Diluted net income per share</b>	<b>\$0.98</b>	<b>\$0.96</b>	<b>\$1.97</b>	<b>\$1.80</b>