TORCHMARK CORPORATION
GAAP versus Non-GAAP Financial Ratios and Measurements

	Non-GAAP Excluding the Revaluation Adj. ** at December 31,		Revaluation Adjustment ** at December 31,		GAAP at December 31,	
	2014	2013	2014	2013	2014	2013
Net income as a return on equity (YTD)	-	-			12.5%	13.2%
Net operating income * as a return on equity (YTD)	14.9%	15.5%			-	-
Total assets (in millions)	$18,562	$17,812	$1,653	$380	$20,215	$18,192
Shareholders' equity (in millions)	$3,623	$3,529	$1,074	$247	$4,697	$3,776
Book value per share	$27.91	$25.85	$8.28	$1.81	$36.19	$27.66
Debt to capital ratio	25.4%	25.7%			20.8%	24.4%

* Net operating income is a non-GAAP number that is defined and reconciled to GAAP Net Income in the press release.

** Accounting rules require a revaluation adjustment of fixed maturities available for sale to fair value. Without the revaluation adjustment, these assets would be reported at amortized cost. This adjustment includes the unrealized changes in fair value of these assets due primarily to interest rate fluctuations. Torchmark management and most industry analysts, rating agencies and lenders, prefer to view the financial ratios and balance sheet information shown above without the impact of the revaluation adjustment for two reasons: (1) the period to period changes in market value are primarily the result of changes in market interest rates and economic conditions outside the control of management, and (2) about 75% of Torchmark's fixed maturities support interest bearing liabilities, primarily the net policy liabilities. The accounting rule requiring the revaluation does not permit a corrresponding adjustment of the liabilities to market value, which results in an accounting mismatch that can be material to shareholders' equity. Therefore, management removes the effect of the revaluation adjustment when analyzing balance sheet based ratios and financial measures. Management believes that investors can equally benefit from viewing these data.