

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

	3 Months Ended		9 Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues:				
Life premium	\$518,929	\$491,724	\$1,552,309	\$1,472,734
Health premium	280,744	293,879	913,001	931,533
Other premium	41	112	119	334
Total premium	799,714	785,715	2,465,429	2,404,601
Net investment income	193,213	189,588	579,632	567,569
Realized investment gains (losses)	5,140	(1,483)	7,872	15,713
Other income	692	668	2,052	1,812
Total revenue	998,759	974,488	3,054,985	2,989,695
Benefits and expenses:				
Life policyholder benefits	342,196	328,116	1,029,261	972,484
Health policyholder benefits	175,496	196,901	652,822	673,173
Other policyholder benefits	9,648	10,515	29,447	31,599
Total policyholder benefits	527,340	535,532	1,711,530	1,677,256
Amortization of deferred acquisition costs	112,523	103,834	336,690	313,128
Commissions and premium taxes	65,127	63,636	192,413	185,034
Insurance G&A	48,766	45,345	142,829	137,255
Parent expense	2,177	2,239	6,662	6,284
Stock compensation expense	6,836	7,818	21,877	25,219
Interest expense	19,246	19,033	57,420	57,119
Total benefits and expenses	782,015	777,437	2,469,421	2,401,295
Income before income taxes	216,744	197,051	585,564	588,400
Income taxes	(71,358)	(64,639)	(191,420)	(192,209)
Net income	\$145,386	\$132,412	\$394,144	\$396,191
Basic net income per share	\$1.17	\$1.02	\$3.13	\$3.01
Diluted net income per share	\$1.15	\$1.00	\$3.09	\$2.97
Net income	\$145,386	\$132,412	\$394,144	\$396,191
Realized gain/loss, net of tax	(3,341)	964	(5,117)	(10,213)
Part D adjustment, net of tax	(6,431)	(5,797)	13,631	10,952
Administrative settlements	0	3,329	0	5,316
Legal settlement expense, net of tax	0	0	0	1,519
Net operating income	\$135,614	\$130,908	\$402,658	\$403,765
Basic net operating income per share	\$1.09	\$1.01	\$3.20	\$3.07
Diluted net operating income per share	\$1.08	\$0.99	\$3.16	\$3.03
Average shares outstanding	124,458	129,970	125,789	131,530
Diluted average shares outstanding	126,140	131,877	127,403	133,431