

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2015	2014	2015	2014
<b>Revenues:</b>				
Life premium	\$520,756	\$493,566	\$2,073,065	\$1,966,300
Health premium	235,299	224,682	925,520	869,440
Other premium	16	66	135	400
Total premium	756,071	718,314	2,998,720	2,836,140
Net investment income	194,319	190,717	773,951	758,286
Realized investment gains (losses)	(16,663)	7,835	(8,791)	23,548
Other income	133	309	2,185	2,121
Total revenue	933,860	917,175	3,766,065	3,620,095
<b>Benefits and expenses:</b>				
Life policyholder benefits	345,347	329,078	1,374,608	1,301,562
Health policyholder benefits	154,071	145,210	602,610	559,817
Other policyholder benefits	9,547	10,406	38,994	42,005
Total policyholder benefits	508,965	484,694	2,016,212	1,903,384
Amortization of deferred acquisition costs	111,584	104,913	445,625	415,914
Commissions and premium taxes	61,386	57,093	237,541	222,463
Insurance G&A	47,597	43,685	186,191	177,254
Parent expense	2,341	1,790	9,003	8,074
Stock compensation expense	6,787	6,984	28,664	32,203
Interest expense	19,222	19,007	76,642	76,126
Total benefits and expenses	757,882	718,166	2,999,878	2,835,418
Income before income taxes	175,978	199,009	766,187	784,677
Income taxes	(56,848)	(65,350)	(249,894)	(256,603)
Discontinued Operations - Part D, net of tax	13,826	13,089	10,807	14,865
<b>Net income</b>	<b>\$132,956</b>	<b>\$146,748</b>	<b>\$527,100</b>	<b>\$542,939</b>
<b>Basic net income per share</b>	<b>\$1.08</b>	<b>\$1.14</b>	<b>\$4.21</b>	<b>\$4.15</b>
<b>Diluted net income per share</b>	<b>\$1.07</b>	<b>\$1.13</b>	<b>\$4.16</b>	<b>\$4.09</b>
Net income	\$132,956	\$146,748	\$527,100	\$542,939
Realized gain/loss, net of tax	10,831	(5,093)	5,714	(15,306)
Discontinued Operations - Part D adjustment, net of tax	(13,631)	(10,952)	0	0
Administrative settlements, net of tax	906	0	906	5,316
Legal settlement expense, net of tax	0	0	0	1,519
<b>Net operating income from all operations</b>	<b>\$131,062</b>	<b>\$130,703</b>	<b>\$533,720</b>	<b>\$534,468</b>
<b>Basic net operating income per share</b>	<b>\$1.07</b>	<b>\$1.02</b>	<b>\$4.27</b>	<b>\$4.09</b>
<b>Diluted net operating income per share</b>	<b>\$1.05</b>	<b>\$1.00</b>	<b>\$4.21</b>	<b>\$4.03</b>
Average shares outstanding	123,034	128,324	125,095	130,722
Diluted average shares outstanding	124,725	130,229	126,757	132,640