

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

	<b>3 Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>		
Life premium	\$544,151	\$513,342
Health premium	235,697	228,673
Other premium	12	41
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Total premium	779,860	742,056
Net investment income	197,053	191,596
Realized investment gains (losses)	293	119
Other income	421	669
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Total revenue	977,627	934,440
<b>Benefits and expenses:</b>		
Life policyholder benefits	362,860	339,701
Health policyholder benefits	152,775	148,029
Other policyholder benefits	9,338	10,045
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Total policyholder benefits	524,973	497,775
Amortization of deferred acquisition costs	118,806	110,660
Commissions and premium taxes	61,602	57,105
Insurance G&A	48,468	45,951
Parent expense	2,026	2,173
Stock compensation expense	6,935	7,239
Interest expense	19,369	19,060
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Total benefits and expenses	782,179	739,963
Income before income taxes	195,448	194,477
Income taxes	(61,874)	(63,699)
Discontinued Operations - Part D, net of tax	(9,541)	(9,130)
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<b>Net income</b>	<b>\$124,033</b>	<b>\$121,648</b>
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<b>Basic net income per share</b>	<b>\$1.02</b>	<b>\$0.96</b>
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<b>Diluted net income per share</b>	<b>\$1.01</b>	<b>\$0.95</b>
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Net income	\$124,033	\$121,648
Realized gain/loss, net of tax	(190)	(77)
Discontinued Operations - Part D adjustment, net of tax	11,517	12,015
Administrative settlements, net of tax	0	0
Legal settlement expense, net of tax	0	0
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<b>Net operating income from all operations</b>	<b>\$135,360</b>	<b>\$133,586</b>
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<b>Basic net operating income per share</b>	<b>\$1.11</b>	<b>\$1.05</b>
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<b>Diluted net operating income per share</b>	<b>\$1.10</b>	<b>\$1.04</b>
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Average shares outstanding	121,481	127,121
Diluted average shares outstanding	123,313	128,587