

**TORCHMARK CORPORATION**

**Excess Investment Income**

(Unaudited)

(Dollar amounts in thousands, except per share data)

	As of June 30,			Three Months Ended June 30,		
	2019	2018		2019	2018	% Increase
Invested assets (at amortized cost)	\$16,898,297	\$16,129,116	Net Investment Income	\$ 227,425	\$ 218,568	4
Interest Expense:						
Net policy liabilities	10,065,665	9,744,335	Net policy liabilities	141,315	136,208	4
Debt	<u>1,610,848</u>	<u>1,489,140</u>	Interest on debt	<u>21,432</u>	<u>22,411</u>	(4)
			Total	162,747	158,619	3
Total interest bearing liabilities	<u>11,676,513</u>	<u>11,233,475</u>	Excess investment income <sup>(1)</sup>	<u>\$ 64,678</u>	<u>\$ 59,949</u>	8
Equity assets	<u>\$ 5,221,784</u>	<u>\$ 4,895,641</u>	Per Share	<u>\$ 0.58</u>	<u>\$ 0.52</u>	12

(1) Management uses excess investment income as the measure to evaluate the performance of the investment segment. It is defined as net investment income less both the required interest attributable to net policy liabilities and the interest on debt. We also view excess investment income per diluted common share as an important and useful measure to evaluate performance of the investment segment, as it takes into consideration our stock repurchase program.