

TORCHMARK CORPORATION
Effect of ASC 320, formerly FAS 115
(Unaudited)
(Amounts in thousands)

	06/30/2019	03/31/2019	12/31/2018	09/30/2018	06/30/2018
Fixed maturities	\$ 1,950,002	\$ 1,235,357	\$ 544,461	\$ 769,107	\$ 934,539
Deferred acquisition costs (DAC) adjustment	(8,299)	(8,469)	(5,270)	(7,150)	(8,328)
	1,941,703	1,226,888	539,191	761,957	926,211
Tax effect	(407,758)	(257,646)	(113,230)	(160,011)	(194,504)
Effect on shareholders' equity	1,533,945	969,242	425,961	601,946	731,707
Shareholders' equity as reported for GAAP	6,700,398	6,043,426	5,415,177	5,538,905	5,571,609
Shareholders' equity without unrealized gains and losses ⁽¹⁾	\$ 5,166,453	\$ 5,074,184	\$ 4,989,216	\$ 4,936,959	\$ 4,839,902
Actual shares outstanding	109,223	109,926	110,693	112,168	112,923
Book value per share without unrealized gains and losses ⁽¹⁾	\$ 47.30	\$ 46.16	\$ 45.07	\$ 44.01	\$42.86
GAAP book value per share	\$ 61.35	\$ 54.98	\$ 48.92	\$ 49.38	\$49.34
Diluted shares outstanding	111,264	111,643	112,561	114,559	115,026
Book value / diluted share without unrealized gains and losses ⁽¹⁾	\$ 46.43	\$ 45.45	\$ 44.32	\$ 43.10	\$42.08
GAAP book value per diluted share	\$ 60.22	\$ 54.13	\$ 48.11	\$ 48.35	\$48.44
DAC adjustment—detail by Company					
Liberty National	\$ (6,913)	\$ (6,986)	\$ (3,760)	\$ (5,388)	\$ (6,468)
Globe Life	(1,386)	(1,483)	(1,510)	(1,762)	(1,860)
	\$ (8,299)	\$ (8,469)	\$ (5,270)	\$ (7,150)	\$ (8,328)
GAAP:					
DAC	\$ 4,232,717	\$ 4,185,231	\$ 4,137,925	\$ 4,091,601	\$ 4,045,890
Taxes	1,351,495	1,225,497	1,047,737	1,072,856	1,098,411
Cash & invested assets	18,947,325	18,204,076	17,239,570	17,677,427	17,154,949
Total assets	24,855,445	24,133,438	23,095,722	23,469,488	22,878,701
Adjusted for ASC 320:⁽¹⁾					
DAC	\$ 4,241,016	\$ 4,193,700	\$ 4,143,195	\$ 4,098,751	\$ 4,054,218
Taxes	943,737	967,851	934,507	912,845	903,907
Cash & invested assets	16,997,323	16,968,719	16,695,109	16,908,320	16,220,410
Total assets	22,913,742	22,906,550	22,556,531	22,707,531	21,952,490
Short-term debt	\$ 257,453	\$ 294,378	\$ 307,848	\$ 615,011	\$ 671,666
Long-term debt	1,353,395	1,355,601	1,357,185	1,358,947	817,474
Total debt	1,610,848	1,649,979	1,665,033	1,973,958	1,489,140
Shareholders' equity without ASC 320 ⁽¹⁾	5,166,453	5,074,184	4,989,216	4,936,959	4,839,902
Total capital	\$ 6,777,301	\$ 6,724,163	\$ 6,654,249	\$ 6,910,917	\$ 6,329,042
Debt/equity ratio (excluding ASC 320) ⁽¹⁾	23.768%	24.538%	25.022%	28.563%	23.529%
Debt/equity—actual	19.382%	21.447%	23.517%	26.274%	21.090%

(1) ASC 320 includes guidance for treatment of unrealized gains and losses on available-for-sale fixed maturities previously included in FAS 115.