

GLOBE LIFE INC.
Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Twelve Months Ended December 31,			Q4	Q3	Q2	Q1	Q4
2019	2018		2019	2019	2019	2019	2018
		Underwriting income					
		Life:					
\$2,517,784	\$2,406,555	Premium	\$631,470	\$630,824	\$631,201	\$624,289	\$600,171
(971,885)	(955,750)	Net policy obligations	(241,163)	(239,244)	(245,448)	(246,030)	(233,507)
(764,976)	(725,897)	Non-deferred commissions and amortization	(192,508)	(191,050)	(191,949)	(189,469)	(180,421)
(77,459)	(72,607)	Non-deferred acquisition expense	(20,683)	(19,071)	(18,754)	(18,951)	(18,536)
703,464	652,301	Underwriting margin	177,116	181,459	175,050	169,839	167,707
		Health:					
1,077,346	1,015,339	Premium	275,214	269,166	266,282	266,684	256,900
(600,475)	(565,945)	Net policy obligations	(154,203)	(148,920)	(148,831)	(148,521)	(144,386)
(207,525)	(189,628)	Non-deferred commissions and amortization	(53,172)	(52,845)	(50,998)	(50,510)	(48,322)
(25,708)	(23,713)	Non-deferred acquisition expense	(6,815)	(6,460)	(6,294)	(6,139)	(5,978)
243,638	236,053	Underwriting margin	61,024	60,941	60,159	61,514	58,214
9,458	10,376	Annuity underwriting margin	2,326	2,351	2,365	2,416	2,660
956,560	898,730	Total underwriting margin	240,466	244,751	237,574	233,769	228,581
1,318	1,236	Other income	241	438	398	241	56
(240,321)	(223,941)	Administrative expense	(61,144)	(60,570)	(59,416)	(59,191)	(57,381)
717,557	676,025	Underwriting income	179,563	184,619	178,556	174,819	171,256
		Excess investment income					
910,459	882,512	Net investment income	227,456	228,905	227,425	226,673	224,233
(568,548)	(547,342)	Required interest on net policy liabilities	(144,355)	(143,038)	(141,315)	(139,840)	(138,943)
(84,306)	(90,076)	Interest on debt	(20,502)	(21,094)	(21,432)	(21,278)	(23,610)
257,605	245,094	Total excess investment income	62,599	64,773	64,678	65,555	61,680
(10,260)	(10,684)	Parent company expenses	(2,273)	(2,472)	(2,872)	(2,643)	(2,878)
964,902	910,435	Pre-tax operating income	239,889	246,920	240,362	237,731	230,058
(189,155)	(178,475)	Income tax	(47,146)	(48,305)	(47,114)	(46,590)	(44,870)
775,747	731,960	Net operating income before stock compensation expense	192,743	198,615	193,248	191,141	185,188
(23,645)	(24,986)	Stock compensation expense, net of tax	(4,650)	(6,232)	(6,366)	(6,397)	(8,166)
\$ 752,102	\$ 706,974	Net operating income	\$188,093	\$192,383	\$186,882	\$184,744	\$177,022
\$ 6.75	\$ 6.13	Per share	\$ 1.70	\$ 1.73	\$ 1.67	\$ 1.64	\$ 1.56
111,381	115,249	Average diluted shares outstanding	110,665	110,914	111,586	112,329	113,667
		Reconciling items, net of tax:					
\$ 16,291	\$ 7,327	Realized gain (loss)—investments	\$ 1,734	\$ 9,435	\$ 4,072	\$ 1,050	\$ (4,362)
—	(8,752)	Realized loss—redemption of debt	—	—	—	—	(8,752)
(92)	(44)	Part D adjustments—discontinued operations	—	—	(43)	(49)	11
(400)	(3,590)	Administrative settlements	—	—	—	(400)	—
(508)	(1,247)	Non-operating fees	(508)	—	—	—	—
(6,603)	—	Legal proceedings	(2,258)	—	(4,345)	—	—
—	798	Tax reform adjustment	—	—	—	—	798
\$ 760,790	\$ 701,466	Net income	\$187,061	\$201,818	\$186,566	\$185,345	\$164,717
\$ 6.83	\$ 6.09	Per share	\$ 1.69	\$ 1.82	\$ 1.67	\$ 1.65	\$ 1.45

Refer to 10-Q/10-K for supplemental information on www.sec.gov (NYSE: GL).

GLOBE LIFE INC.
Insurance Operations—Quarter
(Unaudited)
(Dollar amounts in thousands)

	Three Months Ended December 31,							
	Life				Health			
	2019	%	2018	%	2019	%	2018	%
American Income Life Division								
Premium	\$ 297,245		\$ 275,961		\$ 25,586		\$ 23,562	
Net policy obligations	90,562	30	86,032	31	6,237	24	5,604	24
Non-deferred commission & amortization	97,574	33	90,387	33	5,005	20	4,644	20
Non-deferred acquisition expenses	10,900	4	9,229	3	679	3	588	2
Underwriting margin	98,209	33	90,313	33	13,665	53	12,726	54
Direct to Consumer Division								
Premium	209,013		200,410		18,913		18,857	
Net policy obligations	111,603	53	106,521	53	15,040	80	15,040	80
Non-deferred commission & amortization	53,557	26	50,222	25	1,073	6	751	4
Non-deferred acquisition expenses	4,701	2	4,678	2	7	—	4	—
Underwriting margin	39,152	19	38,989	19	2,793	15	3,062	16
Liberty National Division								
Premium	71,544		69,654		46,691		46,780	
Net policy obligations	23,651	33	24,582	35	24,171	52	23,665	51
Non-deferred commission & amortization	24,697	35	22,985	33	10,853	23	10,615	23
Non-deferred acquisition expenses	4,717	7	4,334	6	1,290	3	1,305	3
Underwriting margin	18,479	26	17,753	25	10,377	22	11,195	24
Family Heritage Division								
Premium	1,001		904		75,713		70,360	
Net policy obligations	547	55	522	58	37,447	49	35,399	50
Non-deferred commission & amortization	208	21	183	20	17,115	23	15,565	22
Non-deferred acquisition expenses	31	3	24	3	2,315	3	1,870	3
Underwriting margin	215	21	175	19	18,836	25	17,526	25
Other								
Premium	52,667		53,242		108,311		97,341	
Net policy obligations	14,800	28	15,850	30	71,308	66	64,678	66
Non-deferred commission & amortization	16,472	31	16,644	31	19,126	18	16,747	17
Non-deferred acquisition expenses	334	1	271	1	2,524	2	2,211	2
Underwriting margin	21,061	40	20,477	38	15,353	14	13,705	14
Totals:								
Premium	631,470		600,171		275,214		256,900	
Net policy obligations	241,163	38	233,507	39	154,203	56	144,386	56
Non-deferred commission & amortization	192,508	30	180,421	30	53,172	19	48,322	19
Non-deferred acquisition expenses	20,683	3	18,536	3	6,815	2	5,978	2
Underwriting margin	<u>\$ 177,116</u>	28	<u>\$ 167,707</u>	28	<u>\$ 61,024</u>	22	<u>\$ 58,214</u>	23
Three Months Ended December 31,								
2019								
2018								
Total Underwriting Margins:								
Life	\$ 177,116		\$ 167,707					
Health	61,024		58,214					
Annuity	2,326		2,660					
Other income	241		56					
Administrative & other expenses	(61,144)		(57,381)					
Underwriting income	<u>\$ 179,563</u>		<u>\$ 171,256</u>					

Note: The following divisions are exclusive agencies of Globe Life Inc.: American Income Life Division, Family Heritage Division, and Liberty National Division.

Refer to 10-Q/10-K for supplemental information on www.sec.gov (NYSE: GL).

GLOBE LIFE INC.
Insurance Operations—Year-to-Date
(Unaudited)
(Dollar amounts in thousands)

	Twelve Months Ended December 31,							
	Life				Health			
	2019	%	2018	%	2019	%	2018	%
American Income Life Division								
Premium	\$ 1,160,495		\$ 1,081,333		\$ 99,447		\$ 93,313	
Net policy obligations	350,068	30	334,373	31	24,230	24	22,646	24
Non-deferred commission & amortization	381,342	33	354,732	33	19,530	20	18,371	20
Non-deferred acquisition expenses	40,065	3	35,898	3	2,517	3	2,289	2
Underwriting margin	389,020	34	356,330	33	53,170	53	50,007	54
Direct to Consumer Division								
Premium	855,543		828,935		77,557		76,297	
Net policy obligations	461,133	54	449,876	54	61,508	79	60,611	79
Non-deferred commission & amortization	218,794	26	213,112	26	4,179	5	3,156	4
Non-deferred acquisition expenses	18,847	2	18,327	2	30	—	19	—
Underwriting margin	156,769	18	147,620	18	11,840	15	12,511	16
Liberty National Division								
Premium	285,551		278,878		189,578		191,378	
Net policy obligations	97,624	34	103,474	37	95,892	51	96,377	50
Non-deferred commission & amortization	97,444	34	90,566	32	43,356	23	42,742	22
Non-deferred acquisition expenses	17,315	6	17,074	6	4,773	3	4,904	3
Underwriting margin	73,168	26	67,764	24	45,557	24	47,355	25
Family Heritage Division								
Premium	3,830		3,501		294,182		273,275	
Net policy obligations	2,143	56	2,037	58	146,284	50	139,497	51
Non-deferred commission & amortization	779	20	689	20	66,475	23	60,539	22
Non-deferred acquisition expenses	107	3	97	3	8,169	3	7,596	3
Underwriting margin	801	21	678	19	73,254	25	65,643	24
Other								
Premium	212,365		213,908		416,582		381,076	
Net policy obligations	60,917	29	65,990	31	272,561	65	246,814	65
Non-deferred commission & amortization	66,617	31	66,798	31	73,985	18	64,820	17
Non-deferred acquisition expenses	1,125	1	1,211	1	10,219	2	8,905	2
Underwriting margin	83,706	39	79,909	37	59,817	14	60,537	16
Totals:								
Premium	2,517,784		2,406,555		1,077,346		1,015,339	
Net policy obligations	971,885	39	955,750	40	600,475	56	565,945	56
Non-deferred commission & amortization	764,976	30	725,897	30	207,525	19	189,628	19
Non-deferred acquisition expenses	77,459	3	72,607	3	25,708	2	23,713	2
Underwriting margin	<u>\$ 703,464</u>	28	<u>\$ 652,301</u>	27	<u>\$ 243,638</u>	23	<u>\$ 236,053</u>	23
Twelve Months Ended December 31,								
2019								
2018								
Total Underwriting Margins:								
Life	\$ 703,464		\$ 652,301					
Health	243,638		236,053					
Annuity	9,458		10,376					
Other income	1,318		1,236					
Administrative & other expenses	(240,321)		(223,941)					
Underwriting income	<u>\$ 717,557</u>		<u>\$ 676,025</u>					

Note: The following divisions are exclusive agencies of Globe Life Inc.: American Income Life Division, Family Heritage Division, and Liberty National Division.

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GLOBE LIFE INC.
Net Sales and First-Year Collected Premium

(Unaudited)
(Dollar amounts in thousands)

Net Sales ⁽¹⁾	Twelve Months Ended December 31,		Increase (Decrease) %	Three Months Ended December 31,		Increase (Decrease) %
	2019	2018		2019	2018	
Life						
American Income Life Division	\$ 237,587	\$ 223,924	6	\$ 59,296	\$ 54,482	9
Direct to Consumer Division	126,208	126,133	—	29,788	29,155	2
Liberty National Division	53,718	49,173	9	14,618	12,984	13
Other	12,301	13,293	(7)	3,036	3,392	(10)
Total Life	429,814	412,523	4	106,738	100,013	7
Health						
United American Division	79,218	69,967	13	31,942	29,752	7
Family Heritage Division	65,626	60,268	9	18,173	15,221	19
Liberty National Division	24,504	22,098	11	7,172	6,392	12
American Income Life Division	18,059	14,432	25	4,951	3,735	33
Direct to Consumer Division	3,827	4,769	(20)	1,554	1,330	17
Total Health	191,234	171,534	11	63,792	56,430	13
Total Net Sales	\$ 621,048	\$ 584,057	6	\$ 170,530	\$ 156,443	9

First-Year Collected Premium ⁽²⁾	Twelve Months Ended December 31,		Increase (Decrease) %	Three Months Ended December 31,		Increase (Decrease) %
	2019	2018		2019	2018	
Life						
American Income Life Division	\$ 195,225	\$ 190,680	2	\$ 49,780	\$ 47,182	6
Direct to Consumer Division	82,615	82,432	—	19,948	19,543	2
Liberty National Division	39,840	36,463	9	10,177	9,094	12
Other	11,564	10,342	12	2,746	2,918	(6)
Total Life	329,244	319,917	3	82,651	78,737	5
Health						
United American Division	72,021	62,720	15	20,879	17,703	18
Family Heritage Division	50,204	47,422	6	13,081	12,226	7
Liberty National Division	19,698	17,809	11	5,006	4,479	12
American Income Life Division	17,142	15,249	12	4,675	3,897	20
Direct to Consumer Division	3,749	5,111	(27)	910	1,249	(27)
Total Health	162,814	148,311	10	44,551	39,554	13
Total First-Year Collected Premium	\$ 492,058	\$ 468,228	5	\$ 127,202	\$ 118,291	8

Net sales and first-year collected premium are statistical measures utilized as indicators of future premium growth. Below are definitions:

(1) Net sales is annualized premium issued (gross premium that would be received during the policies' first year in force and assuming that none of the policies lapsed or terminated), net of cancellations in the first thirty days after issue, except in the case of our Direct to Consumer Division, where net sales is annualized premium issued at the time the first full premium is paid after any introductory offer period has expired. We believe that net sales is a better indicator of the rate of premium growth as compared with annualized premium issued.

(2) First-year collected premium is defined as the premium collected during the reporting period for all policies in their first policy year. First-year collected premium takes lapses into account in the first year when lapses are more likely to occur, and thus is a useful indicator of how much new premium is expected to be added to premium income in the future.

Note: The following divisions are exclusive agencies of Globe Life Inc.: American Income Life Division, Family Heritage Division, and Liberty National Division.

GLOBE LIFE INC.
Condensed Consolidated Balance Sheet
(Unaudited)
(Dollar amounts in thousands, except per share data)

	December 31,	
	2019	2018
Assets:		
Investments:		
Fixed maturities—available for sale, at fair value (amortized cost: 2019—\$16,415,776; 2018—\$15,753,471)	\$ 18,907,147	\$ 16,297,932
Policy loans	575,492	550,066
Other long-term investments (includes: 2019—\$185,851; 2018—\$108,241 under the fair value option)	326,347	207,258
Short-term investments	38,285	63,288
Total investments	<u>19,847,271</u>	<u>17,118,544</u>
Cash	75,933	121,026
Accrued investment income	245,129	243,003
Other receivables	441,662	415,157
Deferred acquisition costs	4,341,941	4,137,925
Goodwill	441,591	441,591
Other assets	583,933	549,899
Assets related to discontinued operations	—	68,577
Total assets	<u>\$ 25,977,460</u>	<u>\$ 23,095,722</u>
Liabilities:		
Future policy benefits	\$ 14,508,134	\$ 13,953,826
Unearned and advance premiums	63,709	61,208
Policy claims and other benefits payable	365,402	350,826
Other policyholders' funds	96,282	97,459
Total policy liabilities	<u>15,033,527</u>	<u>14,463,319</u>
Current and deferred income taxes	1,476,832	1,047,737
Short-term debt	298,738	307,848
Long-term debt (estimated fair value: 2019—\$1,473,364; 2018—\$1,384,455)	1,348,988	1,357,185
Other liabilities	525,068	453,270
Liabilities related to discontinued operations	—	51,186
Total liabilities	<u>18,683,153</u>	<u>17,680,545</u>
Commitments and Contingencies		
Shareholders' equity:		
Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2019 and 2018	—	—
Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2019—117,218,183 issued; 2018—121,218,183 issued)	117,218	121,218
Additional paid-in-capital	531,554	524,414
Accumulated other comprehensive income (loss)	1,844,830	319,475
Retained earnings	5,551,329	5,213,468
Treasury stock, at cost: (2019—9,497,940 shares; 2018—10,525,147 shares)	<u>(750,624)</u>	<u>(763,398)</u>
Total shareholders' equity	<u>7,294,307</u>	<u>5,415,177</u>
Total liabilities and shareholders' equity	<u>\$ 25,977,460</u>	<u>\$ 23,095,722</u>
Diluted Basis:		
Shares outstanding	110,494	112,561
Book value per common share	\$ 66.02	\$ 48.11
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 48.26	\$ 44.32

(1) ASC 320 includes guidance for treatment of unrealized gains and losses on available-for-sale fixed maturities previously included in FAS 115. This is considered a non-GAAP measure.

GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

Investment Portfolio at December 31, 2019

	Amortized Cost	Fair Value	% of Total Amortized Cost	Life & Health Insurance Industry %⁽¹⁾
Fixed maturities available for sale	\$ 16,415,776	\$ 18,907,147	95	77
Policy loans	575,492	575,492	3	2
Equities	260	898	—	2
Mortgage loans	137,692	137,692	1	13
Investment real estate	203	203	—	1
Other long-term investments	178,055	187,554	1	4
Short-term investments	38,285	38,285	—	1
Total	<u>\$ 17,345,763</u>	<u>\$ 19,847,271</u>	<u>100</u>	<u>100</u>

(1) Data available from SNL as of December 31, 2018.

Fixed Maturities at December 31, 2019

Summary	Amortized Cost	Fair Value	Net Unrealized Gain/(Loss)	Average Rating	% of Total Amortized Cost
Investment Grade	\$ 15,741,621	\$ 18,262,620	\$ 2,520,999	A-	96
Below Investment Grade	674,155	644,527	(29,628)	B+	4
Total	<u>\$ 16,415,776</u>	<u>\$ 18,907,147</u>	<u>\$ 2,491,371</u>	A-	<u>100</u>

By Type

Corporates	\$ 14,233,301	\$ 16,501,797	\$ 2,268,496	BBB+	87
Municipals	1,559,736	1,717,656	157,920	AA	10
Government-sponsored enterprises	332,340	373,278	40,938	AAA	2
Government & agencies	89,167	91,317	2,150	AAA	—
Collateralized debt obligations (CDOs)	56,990	74,104	17,114	CCC-	—
Other asset-backed securities	144,242	148,995	4,753	BBB	1
Total	<u>\$ 16,415,776</u>	<u>\$ 18,907,147</u>	<u>\$ 2,491,371</u>	A-	<u>100</u>

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GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

December 31, 2019

By Sector:	Amortized Cost	Fair Value⁽¹⁾	Net Unrealized Gain/(Loss)	Average Rating	% of Total Amortized Cost
Financial—life/health/PC insurance	\$ 2,111,735	\$ 2,496,784	\$ 385,049	BBB+	12
Financial—bank	904,449	1,078,920	174,471	A-	6
Financial—other	1,085,733	1,205,102	119,369	BBB+	7
Utilities	1,937,738	2,352,287	414,549	A-	12
Energy	1,678,969	1,914,884	235,915	BBB	10
Consumer, non-cyclical	2,126,768	2,422,981	296,213	BBB+	13
Consumer, cyclical	517,833	560,288	42,455	BBB	3
Communications	758,934	872,900	113,966	BBB+	5
Basic materials	1,117,569	1,280,287	162,718	BBB	7
Transportation	570,694	678,271	107,577	BBB+	3
Technology	113,730	130,718	16,988	A-	1
Other industrials	1,309,149	1,508,375	199,226	BBB+	8
Governments (U.S., municipal, foreign)	1,981,243	2,182,250	201,007	AA	12
Collateralized debt obligations	56,990	74,104	17,114	CCC-	—
Other asset-backed securities	144,242	148,996	4,754	BBB	1
Total	\$ 16,415,776	\$ 18,907,147	\$ 2,491,371	A-	100

(1) Amounts reported on the balance sheet

December 31, 2019

Rating by Sector at Amortized Cost:	AAA	AA	A	BBB	BIG	Total
Financial—life/health/PC insurance	\$ —	\$ 187,541	\$ 736,142	\$ 1,130,219	\$ 57,833	\$ 2,111,735
Financial—bank	—	111,482	373,342	392,580	27,045	904,449
Financial—other	—	—	454,550	533,603	97,580	1,085,733
Utilities	—	26,042	1,114,447	749,951	47,298	1,937,738
Energy	—	26,887	187,699	1,317,078	147,305	1,678,969
Consumer, non-cyclical	10,757	6,487	632,713	1,443,337	33,474	2,126,768
Consumer, cyclical	—	—	68,433	348,397	101,003	517,833
Communications	—	—	187,496	542,372	29,066	758,934
Basic materials	—	16,543	133,310	957,153	10,563	1,117,569
Transportation	—	—	146,380	398,318	25,996	570,694
Technology	—	—	69,867	43,863	—	113,730
Other industrials	—	—	262,657	1,020,740	25,752	1,309,149
Governments (U.S., municipal, foreign)	758,216	936,920	235,740	50,367	—	1,981,243
Collateralized debt obligations	—	—	—	—	56,990	56,990
Other asset-backed securities	591	—	6,183	123,218	14,250	144,242
Total	\$ 769,564	\$ 1,311,902	\$ 4,608,959	\$ 9,051,196	\$ 674,155	\$ 16,415,776
% of Total Amortized Cost	5	8	28	55	4	100

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GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

Below Investment Grade Bonds by Sector:	December 31, 2019	September 30, 2019	Increase (Decrease) Amount
Financial—life/health/PC insurance	\$ 57,833	\$ 57,875	\$ (42)
Financial—bank	27,045	27,053	(8)
Financial—other	97,580	97,571	9
Utilities	47,298	47,298	—
Energy	147,305	113,375	33,930
Consumer, non-cyclical	33,474	33,569	(95)
Consumer, cyclical	101,003	83,965	17,038
Communications	29,066	29,109	(43)
Basic materials	10,563	10,571	(8)
Transportation	25,996	25,988	8
Technology	—	—	—
Other industrials	25,752	25,773	(21)
Governments (U.S., municipal, foreign)	—	—	—
Collateralized debt obligations	56,990	56,815	175
Other asset-backed securities	14,250	14,325	(75)
Total	\$ 674,155	\$ 623,287	\$ 50,868

Fixed Maturity Acquisitions:	Three Months Ended December 31,	
	2019	2018
Amount	\$ 449,101	\$ 409,050
Average annual effective yield	4.1%	5.3%
Average rating	A+	A-
Average Life (in years) to:		
Next Call	15.2	17.6
Maturity	31.4	22.5

Below Investment Grade Bonds By SVO⁽¹⁾ Class (Statutory):	December 31, 2019	September 30, 2019	Increase (Decrease) Amount
Asset Class 3	\$ 570,280	\$ 528,186	\$ 42,094
Asset Class 4	94,984	156,588	(61,604)
Asset Class 5	64,216	19,467	44,749
Asset Class 6 (at market value)	61,288	65,090	(3,802)
	\$ 790,768	\$ 769,331	\$ 21,437

(1) NAIC Securities Valuation Office