

GLOBE LIFE INC.
Management VS. GAAP Measures

(Unaudited)

(Dollar amounts in thousands, except per share data)

Shareholders' equity, excluding net unrealized gains on fixed maturities, and book value per share, excluding net unrealized gains on fixed maturities, are non-GAAP measures that are utilized by management to view the business without the effect of unrealized gains or losses which are primarily attributable to fluctuation in interest rates associated with the available-for-sale portfolio. Management views the business in this manner because the Company has the ability and generally, the intent, to hold investments to maturity and meaningful trends can more easily be identified without the fluctuations. Shareholders' equity and book value per share are the most directly comparable GAAP measures.

	Twelve Months Ended December 31,	
	2019	2018
Net income as an ROE ⁽¹⁾	11.6%	12.3%
Net operating income as an ROE (excluding net unrealized gains on fixed maturities)	14.5%	14.6%
	December 31,	
	2019	2018
Shareholders' equity	\$ 7,294,307	\$ 5,415,177
Impact of adjustment to exclude net unrealized gains on fixed maturities	(1,962,268)	(425,961)
Shareholders' equity, excluding net unrealized gains on fixed maturities	<u>\$ 5,332,039</u>	<u>\$ 4,989,216</u>
Book value per share	\$ 66.02	\$ 48.11
Impact of adjustment to exclude net unrealized gains on fixed maturities	(17.76)	(3.79)
Book value per share, excluding net unrealized gains on fixed maturities	<u>\$ 48.26</u>	<u>\$ 44.32</u>

(1) Calculated using average shareholders' equity for the measurement period.