GLOBE LIFE INC. Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Three Months Ended March 31,					Q1	Q4	(23		Q2		Q1	
	2020		2019			2020	2019	20	019	2	2019	2	2019
				Underwriting income									
				Life:									
\$	649,630	\$	624,289	Premium	\$6	649,630	\$631,470	\$63	0,824	\$6	31,201	\$ 62	24,289
	(250,465)		(246,030)	Net policy obligations	(2	250,465)	(241,163)	(23	9,244)	(24	45,448)	(24	46,030)
	(199,570)		(189,469)	Non-deferred commissions and amortization	(1	99,570)	(192,508)	(19	1,050)	(1	91,949)	(18	39,469)
	(20,792)		(18,951)	Non-deferred acquisition expense		(20,792)	(20,683)	(1	9,071)	(18,754)	(*	18,951)
	178,803		169,839	Underwriting margin	1	78,803	177,116	18	1,459	1	75,050	16	69,839
				Health:									
	280,205		266,684	Premium	2	280,205	275,214	26	9,166	2	66,282	26	6,684
	(156,201)		(148,521)	Net policy obligations	(1	56,201)	(154,203)	(14	8,920)	(1-	48,831)	(14	18,521)
	(53,529)		(50,510)	Non-deferred commissions and amortization		(53,529)	(53,172)	(5	2,845)	(50,998)	(5	50,510)
_	(7,010)		(6,139)	Non-deferred acquisition expense		(7,010)	(6,815)	(6,460)		(6,294)		(6,139)
	63,465		61,514	Underwriting margin		63,465	61,024	6	0,941		60,159	6	61,514
_	2,270		2,416	Annuity underwriting margin		2,270	2,326		2,351		2,365		2,416
	244,538		233,769	Total underwriting margin	2	244,538	240,466	24	4,751	2	37,574	23	33,769
	325		241	Other income		325	241		438		398		241
	(63,620)		(59,191)	Administrative expense		(63,620)	(61,144)	(6	0,570)	(59,416)	(5	59,191)
	181,243		174,819	Underwriting income	1	81,243	179,563	18	4,619	1	78,556	17	74,819
				Excess investment income									
	228,991		226,673	Net investment income	2	28,991	227,456	22	8,905	2	27,425	22	26,673
	(145,446)		(139,840)	Required interest on net policy liabilities	(1	45,446)	(144,355)	(14	3,038)	(14	41,315)	(13	89,840)
_	(20,808)		(21,278)	Interest on debt		(20,808)	(20,502)	(2	1,094)	()	21,432)	(2	21,278)
	62,737		65,555	Total excess investment income		62,737	62,599	6	4,773		64,678		85,555
_	(2,331)		(2,643)	Parent company expenses		(2,331)	(2,273)	(2,472)		(2,872)		(2,643)
	241,649		237,731	Pre-tax operating income	2	241,649	239,889	24	6,920	2	40,362	23	37,731
_	(46,760)		(46,590)	Income tax		(46,760)	(47,146)	(4	8,305)	(•	47,114)	(4	46,590)
	194,889		191,141	Net operating income before stock compensation expense	1	94,889	192,743		8,615	19	93,248		91,141
_	(6,145)		(6,397)	Stock compensation expense, net of tax		(6,145)	(4,650)		6,232)		(6,366)		(6,397)
\$	188,744	\$	184,744	Net operating income		88,744	\$ 188,093		2,383	\$ 1	86,882		34,744
\$		\$	1.64	Per share	\$	1.73	\$ 1.70	\$	1.73	\$	1.67	\$	1.64
	109,132		112,329	Average diluted shares outstanding	1	09,132	110,665	11	0,914	1	11,586	11	2,329
				Reconciling items, net of tax:			• • • • • •						
\$	4,548	\$	1,050	Realized gain (loss)—investments	\$		\$ 1,734	\$	9,435	\$	4,072	\$	1,050
	(25,165)		_	Provision for credit losses		(25,165)	_		—				_
	_		(49)	Part D adjustments—discontinued operations		—	_		—		(43)		(49)
	_		(400)	Administrative settlements		_	—		—				(400)
			—	Non-operating fees			(508)		—				—
•	(2,587)	_		Legal proceedings	<u> </u>	(2,587)	(2,258)	.			(4,345)		
\$	165,540	\$	185,345	Net income	_	65,540	\$ 187,061		1,818	_	86,566		35,345
\$	1.52	\$	1.65	Per share	\$	1.52	\$ 1.69	\$	1.82	\$	1.67	\$	1.65

GLOBE LIFE INC.

Insurance Operations—Quarter (Unaudited)

(Dollar amounts in thousands)

	Three Months Ended March 31,											
		Li	fe			Hea						
	2020	%	2019	%	2020	%	2019	%				
American Income Life Division												
Premium	\$ 302,852		\$ 281,767		\$ 25,727		\$ 24,099					
Net policy obligations	91,598	30	86,206	31	6,256	24	5,869	24				
Non-deferred commission & amortization	100,499	33	92,697	33	5,254	20	4,875	20				
Non-deferred acquisition expenses	10,940	4	9,555	3	690	3	605	3				
Underwriting margin	99,815	33	93,309	33	13,527	53	12,750	53				
Direct to Consumer Division												
Premium	220,043		217,559		19,796		20,260					
Net policy obligations	119,523	54	118,476	54	15,772	80	15,996	79				
Non-deferred commission & amortization	57,046	26	56,711	26	1,084	5	1,061	5				
Non-deferred acquisition expenses	4,999	2	5,004	2	9	—	9	—				
Underwriting margin	38,475	17	37,368	17	2,931	15	3,194	16				
Liberty National Division												
Premium	72,868		70,717		47,640		48,156					
Net policy obligations	24,052	33	25,302	36	24,092	51	24,053	50				
Non-deferred commission & amortization	25,285	35	23,337	33	10,318	22	10,930	23				
Non-deferred acquisition expenses	4,592	6	4,097	6	1,331	3	1,206	3				
Underwriting margin	18,939	26	17,981	25	11,899	25	11,967	25				
Family Heritage Division												
Premium	1,021		931		76,983		71,264					
Net policy obligations	532	52	536	58	37,530	49	35,901	50				
Non-deferred commission & amortization	223	22	180	19	17,656	23	15,740	22				
Non-deferred acquisition expenses	29	3	25	3	2,212	3	1,907	3				
Underwriting margin	237	23	190	20	19,585	25	17,716	25				
Other												
Premium	52,846		53,315		110,059		102,905					
Net policy obligations	14,760	28	15,510	29	72,551	66	66,702	65				
Non-deferred commission & amortization	16,517	31	16,544	31	19,217	17	17,904	17				
Non-deferred acquisition expenses	232	—	270	1	2,768	3	2,412	2				
Underwriting margin	21,337	40	20,991	39	15,523	14	15,887	15				
Totals:												
Premium	649,630		624,289		280,205		266,684					
Net policy obligations	250,465	39	246,030	39	156,201	56	148,521	56				
Non-deferred commission & amortization	199,570	31	189,469	30	53,529	19	50,510	19				
Non-deferred acquisition expenses	20,792	3	18,951	3	7,010	3	6,139	2				
Underwriting margin	\$ 178,803	28	\$ 169,839	27	\$ 63,465	23	\$ 61,514	23				
	Three Mont	hs Endec	March 31,									
	2020		2019									
Total Underwriting Margins:												
Life	\$ 178,803		\$ 169,839									
Health	63,465		61,514									
Annuity	2,270		2,416									
Other income	325		241									
Administrative & other expenses	(63,620)		(59,191)									
Underwriting income	\$ 181,243		\$ 174,819									

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. Net Sales and First-Year Collected Premium (Unaudited)

(Dollar amounts in thousands)

Net Sales ⁽¹⁾	 Three Mon Marc	Increase (Decrease)	
	 2020	 2019	%
Life			
American Income Life Division	\$ 62,869	\$ 57,551	9
Direct to Consumer Division	32,547	32,447	—
Liberty National Division	12,488	12,259	2
Other	 2,709	 3,083	(12)
Total Life	110,613	105,340	5
<u>Health</u>			
United American Division	14,464	14,894	(3)
Family Heritage Division	16,281	13,030	25
Liberty National Division	5,943	5,565	7
American Income Life Division	4,752	3,899	22
Direct to Consumer Division	 590	 1,145	(48)
Total Health	42,030	38,533	9
Total Net Sales	\$ 152,643	\$ 143,873	6

First-Year Collected Premium ⁽²⁾	 Three Mon Marc	Increase (Decrease)			
	2020	2019		%	
Life					
American Income Life Division	\$ 50,669	\$	47,476	7	
Direct to Consumer Division	21,094		21,256	(1)	
Liberty National Division	10,666		9,394	14	
Other	 2,652		2,958	(10)	
Total Life	 85,081		81,084	5	
Health					
United American Division	19,005		16,084	18	
Family Heritage Division	13,446		11,936	13	
Liberty National Division	5,286		4,601	15	
American Income Life Division	4,507		3,758	20	
Direct to Consumer Division	 767		1,023	(25)	
Total Health	43,011		37,402	15	
Total First-Year Collected Premium	\$ 128,092	\$	118,486	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)

Investments: Fixed maturities—available for sale, at fair value (amortized cost: 2020—\$16,371,944; 2019 —\$15,988,228, allowance for credit losses: 2020—\$31,854; 2019—\$0) \$ 17,879,541 \$ 17,223, 5 Policy leans 579,133 555,4 Other long-term investments (includes: 2020—\$211,791; 2019—\$118,556 under the fair value option) 377,239 231,5 Short-term investments 272,601 125,5 Total investments 272,801 188,377 Cash 90,370 67,5 Accrued investment income 288,437 255,1 Other receivables 441,740 4195,2 Other receivables 441,741 4415,51 Other assets 624,784 4,85,2 Assets related to discontinued operations 62,784 559,31 Future policy benefits 96,525 96,525 Total assets 324,276 357,234,334,334,334 Labilities 12,450,241 14,465,2 Current and davance premium 66,85 96,525 Policy clains and other benefits payable 344,276 357,27 Other benefits payable 344,276 357		March 31,			1.	
Investments: Fixed maturities—available for sale, at fair value (amortized cost: 2020—\$16,371,944; 2019 —\$15,988,228, allowance for credit losses: 2020—\$31,854; 2019—\$0) \$ 17,879,541 \$ 17,223, 5 Policy leans 579,133 555,4 Other long-term investments (includes: 2020—\$211,791; 2019—\$118,556 under the fair value option) 377,239 231,5 Short-term investments 272,601 125,7 Total investments 90,370 67,3 Cash 90,370 67,3 Accrued investment income 288,437 225,61 Other receivables 441,740 419,91 Deferred acquisition costs 4,386,478 4,185,2 Goodwill 441,591 441,591 Adust 523,51,914 \$ 24,734 Stot assets 624,764 559,3 Assets related to discontinued operations 62,764 557,3 Atlue policy benefits 96,525 96,525 Total assets 364,276 357,23 Other policycholders' funds 96,525 96,525 Total advance premium 63,831,632 14,805,62 <td< th=""><th></th><th>2020</th><th></th><th></th><th>2019</th></td<>		2020			2019	
Fixed maturities—available for sale, at fair value (amortized cost 2020—\$16,371,944; 2019 \$ 17,879,541 \$ 17,223, f S15,986,228, allowance for credit losses: 2020—\$31,864; 2019—\$0) \$ 77,133 5556. Other long-term investments (includes: 2020—\$211,791; 2019—\$118,556 under the fair value (amortized cost 2020—\$22,601 122,7 Short-term investments 19,108,514 18,136,7 Cash 90,370 67.3 Accrued investment income 258,437 255,1 Other receivables 441,740 441,50 Deferred acquisition costs 4,386,478 4,185,2 Goodwill 441,591 441,591 441,591 Other assets 52,531,914 \$ 24,138,4 418,62 Jobicy banefits 14,617,072 \$ 14,080,5 14,081,72 \$ 14,080,5 Total assets \$ 25,351,914 \$ 24,138,4 364,276 357,2 Other policy banefits \$ 14,617,072 \$ 14,080,5	Assets:					
	Investments:					
Other long-term investments (includes: 2020—\$211,791; 2019—\$118,556 under the fair value option) 377,239 231,0 Short-term investments 272,601 128,57 Total investments 19,108,514 18,136,7 Cash 90,370 67,7 Accrued investment income 258,437 255,1 Other receivables 441,740 419,9 Deferred acquisition costs 441,740 419,9 Goodwill 441,591 444,1591 Other assets 624,784 559,2 Assets related to discontinued operations — 68,5 Total assets \$ 25,535,1914 \$ 24,133,4 Iabilities: \$ 14,617,072 \$ 14,084,0 Puture policy benefits 96,255 99,6 Policy claims and other benefits payable 364,276 357,2 Current and deferred income taxes 1,295,024 1,225,02 Current and beter benefits 96,525 99,6 Current and deferred income taxes 1,295,024 1,225,024 Current and deferred income taxes 1,295,024 1,225,024	Fixed maturities—available for sale, at fair value (amortized cost: 2020—\$16,371,944; 2019 —\$15,988,228, allowance for credit losses: 2020—\$31,854; 2019—\$0)	\$ 17,879,	541	\$1	7,223,58	
value option) 377,239 231.0 Short-term investments 19,08,514 18,38,7 Cash 90,370 67.2 Accrued investment income 258,437 255,1 Other receivables 441,740 441,740 Deferred acquisition costs 4,386,478 4,185,2 Goodwill 441,591 441,591 Other receivables 624,784 559,2 Assets related to discontinued operations — 68,5 Total assets § 25,351,914 § 24,133,4 iabilities: — 68,5 Future policy benefits \$ 14,617,072 \$ 14,084,0 Unearned and advance premium 67,868 606,0 Policy claims and other benefits payable 364,276 357,7 Other policyholders' funds 96,525 96,6 Total policy liabilities 12,45,741 14,609,0 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Liabilities related to discontinued operations — - <td>Policy loans</td> <td>579,</td> <td>133</td> <td></td> <td>555,45</td>	Policy loans	579,	133		555,45	
Total investments 19,108,514 18,136,7 Cash 90,370 67.3 Accrued investment income 256,437 255.1 Other receivables 441,740 419,60 Deferred acquisition costs 4,386,478 4,1850 Goodwill 441,591 441,591 Other receivables 624,784 4,559, Assets related to discontinued operations — 68,6 Total assets 624,784 68,6 Total assets 5 24,531,914 \$ 24,133,4 Ibilites: — 68,6 665,0 Future policy benefits \$ 14,617,072 \$ 14,084,0 Unearned and advance premium 67,868 665,25 Other policyholders' funds 96,525 96,6 Total policy liabilities 13,46,795 1,325,024 Current and deferred income taxes 1,256,4 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,366,511,2019—\$1,458,751) 1,346,795 1,356,577,677,73 Total liabilities		377,	239		231,93	
Cash 90,370 67,3 Accrued investment income 258,437 255,1 Other receivables 441,740 419,6 Deferred acquisition costs 4,386,478 4,185,1 Goodwill 441,591 441,591 441,591 Other assets 624,784 559,2 553,2 Total assets \$ 25,351,914 \$ 24,133,4 Labilities:	Short-term investments	272,	601		125,75	
Cash 90,370 67,3 Accrued investment income 258,437 255,1 Other receivables 441,740 419,6 Deferred acquisition costs 4,386,478 4,185,1 Goodwill 441,591 441,591 441,591 Other assets 624,784 559,2 553,2 Total assets \$ 25,351,914 \$ 24,133,4 Labilities:	Total investments	19,108,	514	1	8,136,73	
Accrued investment income 258,437 255,1 Other receivables 441,740 4419,6 Deferred acquisition costs 4,386,478 4,185,2 Goodwill 441,591 441,51 Other assets 624,784 559,2 Assets related to discontinued operations	Cash	90,	370		67,34	
Deferred acquisition costs 4,386,478 4,185,2 Goodwill 441,591 441,591 Other assets 624,784 559,2 Total assets \$ 25,351,914 \$ 24,133,4 iabilities: * * * Future policy benefits \$ 14,617,072 \$ 14,084,078 * Policy claims and other benefits payable 364,276 357,2 Other policyholders' funds 96,525 99,62 Total abelities 15,145,741 14,065,204 1,225,024 Short-term debt 458,127 294,3 294,33 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,65 Other iabilities 18,831,632 18,090,07 Comment mebt 18,831,632 18,090,07 Common stock, par value \$1 per share—\$20,000,000 shares authorized; outstanding: 0 in 2020 and 2019 - - Common stock, par value \$1 per share—\$20,000,000 shares authorized; outstanding: 0 in 2020 and 2019 - - Common stock, par value \$1 per share—\$20,000,000 shares authorized; outstanding: 0 in 2020 and 2019 - - <td>Accrued investment income</td> <td></td> <td></td> <td></td> <td>255,14</td>	Accrued investment income				255,14	
Goodwill 441,591 441,591 Other assets 624,784 558,2 Assets related to discontinued operations 68,6 Total assets \$25,51,914 \$24,1334 Jabilities: 8 \$25,51,914 \$24,134 Future policy benefits \$14,617,072 \$14,084,00 Unearmed and advance premium 67,688 66,5 Policy claims and other benefits payable 364,276 357,2 Other policyholders' funds 96,525 99,52 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,175 13,556,6 Liabilities related to discontinued operations - 51,4 Total liabilities 585,945 557,6 Liabilities related to discontinued operations - 51,4 Total liabilities 18,831,632 18,090,02 Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 0 in 2020 and 2019 - - Common stock, par value \$1 per share—320,000,000 shares authorized; outst	Other receivables	441,	740		419,61	
Goodwill 441,591 441,591 Other assets 624,784 558,2 Assets related to discontinued operations 68,6 Total assets \$25,51,914 \$24,1334 Jabilities: 8 \$25,51,914 \$24,134 Future policy benefits \$14,617,072 \$14,084,00 Unearmed and advance premium 67,688 66,5 Policy claims and other benefits payable 364,276 357,2 Other policyholders' funds 96,525 99,52 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,175 13,556,6 Liabilities related to discontinued operations - 51,4 Total liabilities 585,945 557,6 Liabilities related to discontinued operations - 51,4 Total liabilities 18,831,632 18,090,02 Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 0 in 2020 and 2019 - - Common stock, par value \$1 per share—320,000,000 shares authorized; outst	Deferred acquisition costs	4,386,4	478		4,185,23	
Other assets 624,784 559,2 Assets related to discontinued operations		441,	591		441,59	
Total assets § 24,132,4 iabilities: 5 Future policy benefits \$ 14,617,072 \$ 14,084,0 Unearned and advance premium 67,868 66,5 Policy claims and other benefits payable 364,276 357,2 Other policyholders' funds 96,525 96,6 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,6 14,000,000 Commitments and Contingencies — 51,4 14,000,000,000 Shareholders' equity: — — 51,4 Prefered stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 0 in 2020 and 2019 — — -117,218,183 issued; 2019—12,12,81,83 issued) 117,218 121,2 Additional paid-in-capital 519,415 536,431 Accumulated other comprehensive income (loss) 1,066,247 870,0	Other assets	624,	784		559,22	
Labilities: Identifies Future policy benefits \$ 14,617,072 \$ 14,084,0 Unearned and advance premium 67,868 66,5 Policy claims and other benefits payable 364,276 357,2 Other policy holders' funds 96,525 96,6 Total policy liabilities 15,145,741 14,605,25 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,5 14,000,000 Liabilities related to discontinued operations — 514,4 514,000,000 Commitments and Contingencies — 514,000,000,000,000,000,000,000,000,000,0	Assets related to discontinued operations		_		68,55	
Future policy benefits \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 14,617,072 \$ 06,525 06,525 06,525 06,525 06,525 06,525 06,525 06,525 06,525 06,525 06,525 06,525 01,724 11,256,074 11,605,22 12,250,024 12,250,024 12,250,024 12,256,024 12,255,024 12,255,024 12,556,055 557,85 557,85 557,85 557,85 13,556,057,85 13,850,032 148,090,020 13,831,632 18,090,020 14	Total assets	\$ 25,351,	914	\$ 2	4,133,43	
Uneared and advance premium 67,868 66,9 Policy claims and other benefits payable 364,276 357,2 Other policy/holders' funds 96,525 96,9 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,02 Short-term debt 458,127 294,32 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,65 Other liabilities 585,945 557,6 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,000 Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 0 in 2020 — —	Liabilities:					
Policy claims and other benefits payable 364,276 357,2 Other policyholders' funds 96,525 96,5 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,00 Commitments and Contingencies — 51,4 Shareholders' equity: — — 51,4 Preferred stock, par value \$1 per share—\$,000,000 shares authorized; outstanding: 0 in 2020 and 2019 — — — -117,218,183 issued; 2019—121,218,183 issued) 117,218 121,22 518,5 Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (6,520,282 6,	Future policy benefits	\$ 14,617,	072	\$1	4,084,08	
Other policyholders' funds 96,525 96,5 Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,000,00 Commitments and Contingencies — 51,4 Shareholders' equity: — — 51,4 Preferred stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 0 in 2020 and 2019 — — Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: 117,218 121,22 121,22 Additional paid-in-capital 519,428 518,52 536,64,31 Accumulated other comprehensive income (loss) 1,066,247 870,02 6,520,282 6,043,42 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 6,520,282 6,043,42	Unearned and advance premium	67,	868		66,92	
Total policy liabilities 15,145,741 14,605,2 Current and deferred income taxes 1,295,024 1,295,024 1,225,4 Short-term debt 458,127 294,2 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,0 Commitments and Contingencies 18,831,632 18,090,0 Shareholders' equity: — 51,4 Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 — — -117,218,183 issued; 2019—12,1218,183 issued) 117,218 121,2 Additional paid-in-capital 519,428 518,5 Accumulated other comprehensive income (loss) 1,066,247 870,0 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) 6,520,282 6,043,4 Total liabilities and shareholders' equity 6,520,282 6,043,4 5,364,4 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) <t< td=""><td>Policy claims and other benefits payable</td><td>364,</td><td>276</td><td></td><td>357,29</td></t<>	Policy claims and other benefits payable	364,	276		357,29	
Current and deferred income taxes 1,295,024 1,225,4 Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,00 Commitments and Contingencies — 51,4 Shareholders' equity: — — 51,4 Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 — —	Other policyholders' funds	96,	525		96,98	
Short-term debt 458,127 294,3 Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,000 Commitments and Contingencies — 51,4 Shareholders' equity: — — Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 and 2019 — — -117,218,183 issued; 2019—121,218,183 issued) 117,218 121,2 Additional paid-in-capital 519,428 518,5 Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total liabilities and shareholders' equity 6,520,282 6,043,4 Total liabilities and shareholders' equity § 25,351,914 \$ 24,133,4 Diluted Basis: Shares outstanding 106,926 111,6 Book value per common share § 60,98 \$ 54	Total policy liabilities	15,145,	741	1	4,605,28	
Long-term debt (estimated fair value: 2020_\$1,386,511; 2019_\$1,458,751) 1,346,795 1,355,6 Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,000,000 Commitments and Contingencies — 51,4 Shareholders' equity: — — — Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: (2020 — 117,218,183 issued; 2019 — 121,218,183 issued) 117,218 121,2 Additional paid-in-capital 519,428 518,5 Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total liabilities and shareholders' equity 6,520,282 6,043,4 Total liabilities and shareholders' equity \$ 25,351,914 \$ 24,133,4 Diluted Basis:	Current and deferred income taxes	1,295,	024		1,225,49	
Other liabilities 585,945 557,8 Liabilities related to discontinued operations — 51,4 Total liabilities 18,831,632 18,090,00 Commitments and Contingencies 18,831,632 18,090,00 Shareholders' equity: — — Preferred stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2020) — — -117,218,183 issued; 2019—121,218,183 issued) 117,218 121,2 Additional paid-in-capital 519,428 518,8 Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total liabilities and shareholders' equity § 25,351,914 § 24,133,4 Diluted Basis:	Short-term debt	458,	127		294,37	
Liabilities related to discontinued operations—51,4Total liabilities18,831,63218,090,0Commitments and ContingenciesShareholders' equity:18,831,63218,090,0Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 — 117,218,183 issued; 2019— 121,218,183 issued)——Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2020) —117,218,183 issued; 2019— 121,218,183 issued)117,218121,2Additional paid-in-capital519,428518,5Accumulated other comprehensive income (loss)1,066,247870,0Retained earnings5,686,4315,364,6Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares)(869,042)(831,2Total iabilities and shareholders' equity6,520,2826,043,4Total liabilities and shareholders' equity\$ 24,133,4Diluted Basis:106,926111,6Shares outstanding106,926111,6Book value per common share\$ 60,98\$ 54	Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751)	1,346,	795		1,355,60	
Total liabilities18,831,63218,090,0Commitments and ContingenciesShareholders' equity:18,831,63218,090,0Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 and 2019——Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2020 —117,218,183 issued; 2019—121,218,183 issued)117,218121,22Additional paid-in-capital519,428518,5Accumulated other comprehensive income (loss)1,066,247870,0Retained earnings5,686,4315,364,6Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares)(869,042)(831,2Total liabilities and shareholders' equity\$ 25,351,914\$ 24,133,4Diluted Basis:55111,6Shares outstanding106,926111,6Book value per common share\$ 60,98\$ 54	Other liabilities	585,	945		557,82	
Commitments and ContingenciesShareholders' equity:Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 and 2019	Liabilities related to discontinued operations		_		51,42	
Shareholders' equity:	Total liabilities	18,831,	632	1	8,090,01	
Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 — Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2020) 117,218 121,2 Additional paid-in-capital 519,428 518,5 Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total liabilities and shareholders' equity 6,520,282 6,043,4 Diluted Basis: \$ 25,351,914 \$ 24,133,4 Shares outstanding 106,926 111,6 \$ 5,46,83 5,4 Book value per common share \$ 60.98 \$ 5,4	Commitments and Contingencies					
and 2019 — Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2020) 117,218 —117,218,183 issued; 2019—121,218,183 issued) 117,218 Additional paid-in-capital 519,428 Accumulated other comprehensive income (loss) 1,066,247 Retained earnings 5,686,431 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (869,042) (831,2 Total shareholders' equity 6,520,282 Total liabilities and shareholders' equity \$ 25,351,914 Shares outstanding 106,926 111,6 Book value per common share \$ 00.98 \$ 54	Shareholders' equity:					
	Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2020 and 2019		_		-	
Accumulated other comprehensive income (loss) 1,066,247 870,0 Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total shareholders' equity 6,520,282 6,043,4 Total liabilities and shareholders' equity \$ 25,351,914 \$ 24,133,4 Diluted Basis: 106,926 111,6 Shares outstanding 106,926 111,6 Book value per common share \$ 60.98 \$ 54		117,	218		121,21	
Retained earnings 5,686,431 5,364,8 Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total shareholders' equity 6,520,282 6,043,4 Total liabilities and shareholders' equity \$ 25,351,914 \$ 24,133,4 Diluted Basis: 106,926 111,6 Book value per common share \$ 60.98 \$ 54	Additional paid-in-capital	519,4	428		518,52	
Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares) (869,042) (831,2 Total shareholders' equity 6,520,282 6,043,4 Total liabilities and shareholders' equity \$ 25,351,914 \$ 24,133,4 Diluted Basis: 106,926 111,6 Shares outstanding 106,926 111,6 Book value per common share \$ 60.98 \$ 54	Accumulated other comprehensive income (loss)	1,066,	247		870,06	
Total shareholders' equity6,520,2826,043,4Total liabilities and shareholders' equity\$ 25,351,914\$ 24,133,4Diluted Basis:\$ 106,926111,6Shares outstanding106,926\$ 111,6Book value per common share\$ 60.98\$ 54	Retained earnings	5,686,4	431		5,364,82	
Total liabilities and shareholders' equity\$ 25,351,914\$ 24,133,4Diluted Basis:\$ 106,926111,6Shares outstanding106,926111,6Book value per common share\$ 60.98\$ 54	Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares)	(869,	042)		(831,20	
Diluted Basis:Shares outstanding106,926Book value per common share\$ 60.98\$ 54	Total shareholders' equity	6,520,	282		6,043,42	
Shares outstanding106,926111,6Book value per common share\$ 60.98\$ 54	Total liabilities and shareholders' equity	\$ 25,351,	914	\$ 2	4,133,43	
Book value per common share \$ 60.98 \$ 54	Diluted Basis:					
	Shares outstanding	106,	926		111,64	
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾ \$ 49.66 \$ 45		\$ 60).98	\$	54.1	
	Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 49	9.66	\$	45.4	

(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 March 31, 2020

Amortized Cost, net ⁽¹⁾	Fair Value	% of Total Amortized Cost, net	Life & Health Insurance Industry % ⁽²⁾
\$ 16,340,090	\$ 17,879,541	93	78
579,133	579,133	3	2
260	1,707	—	2
161,841	161,841	1	12
203	203	—	1
203,407	213,488	1	4
272,601	272,601	2	1
\$ 17,557,535	\$ 19,108,514	100	100
	Cost, net ⁽¹⁾ \$ 16,340,090 579,133 260 161,841 203 203,407 272,601	Cost, net(1)Fair Value\$ 16,340,090\$ 17,879,541579,133579,1332601,707161,841161,841203203203,407213,488272,601272,601	Amortized Cost, net(1)Fair ValueAmortized Cost, net(1)\$ 16,340,090\$ 17,879,54193579,133579,13332601,707161,841161,8411203203203,407213,4881272,601272,6012

(1) On January 1, 2020, the Company prospectively adopted ASU 2016-13 *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* For available-for-sale fixed maturities, the standard removed the loss impairment methodology of a direct write-down of the amortized cost and replaced it with allowances for credit losses. The current quarter balance reflects amortized cost less allowance for credit losses.

(2) Data available from SNL as of December 31, 2019.

Fixed Maturities Available-For-Sale by Amortized Cost, net and Fair Value at March 31, 2020

Summary	Amortized Cost, net	Net Inrealized ain/(Loss)	Fair Value	Average Rating	% of Total Amortized Cost, net
Investment Grade	\$15,599,881	\$ 1,661,530	\$17,261,411	A-	95
Below Investment Grade ⁽¹⁾	740,209	\$ (122,079)	618,130	BB-	5
Total	\$16,340,090	\$ 1,539,451	\$17,879,541	BBB+	100
<u>Ву Туре</u>					
Corporates ⁽¹⁾	\$14,172,319	\$ 1,294,998	\$ 15,467,317	BBB+	87
Municipals	1,582,294	\$ 157,180	1,739,474	AA	10
Government-sponsored enterprises	318,887	\$ 77,955	396,842	AAA	2
Government & agencies	77,903	\$ 4,686	82,589	AAA	
Collateralized debt obligations (CDOs)	56,733	\$ 11,640	68,373	CCC-	_
Other asset-backed securities	131,954	\$ (7,008)	124,946	BBB	1
Total	\$16,340,090	\$ 1,539,451	\$17,879,541	BBB+	100

(1) Fixed maturities at amortized cost as of March 31, 2020 were \$16.4 billion less \$32 million for allowance for credit losses.

GLOBE LIFE INC.

Invested Assets (Unaudited)

(Dollar amounts in thousands, except per share data)

	March 31, 2020											
By Sector:	-	Amortized Net Unrealized Cost, net Gain/(Loss) F			air Value ⁽¹⁾	Average Rating	% of Total Amortized Cost, net					
Financial—life/health/PC insurance	\$	2,125,813	\$	320,570	\$	2,446,383	BBB+	13				
Financial—bank		905,842		121,312		1,027,154	A-	6				
Financial—other		1,075,490		11,914		1,087,404	BBB+	6				
Utilities		1,927,517		336,358		2,263,875	A-	12				
Energy		1,630,155		(163,887)		1,466,268	BBB	10				
Consumer, non-cyclical		2,137,299		233,981		2,371,280	BBB+	13				
Consumer, cyclical		522,812		(10,208)		512,604	BBB-	3				
Communications		752,760		97,017		849,777	BBB+	5				
Basic materials		1,111,425		77,265		1,188,690	BBB	7				
Transportation		573,838		92,341		666,179	BBB+	4				
Technology		113,683		17,862		131,545	A-					
Other industrials		1,295,685		160,473		1,456,158	BBB+	8				
Governments (U.S., municipal, foreign)		1,979,084		239,821		2,218,905	AA	12				
Collateralized debt obligations		56,733		11,640		68,373	CCC-	_				
Other asset-backed securities		131,954		(7,008)		124,946	BBB	1				
Total	\$	16,340,090	\$	1,539,451	\$	17,879,541	BBB+	100				

(1) Amounts reported on the balance sheet

	March 31, 2020									
Rating by Sector at Amortized Cost, net:	AAA	AA	Α	BBB	BIG	Total				
Financial—life/health/PC insurance	\$ —	\$190,910	\$730,526	\$1,146,587	\$57,790	\$2,125,813				
Financial—bank		110,610	370,643	397,551	27,038	905,842				
Financial—other	_	_	455,216	522,686	97,588	1,075,490				
Utilities		25,814	1,109,452	745,516	46,735	1,927,517				
Energy	_	26,885	132,688	1,321,397	149,185	1,630,155				
Consumer, non-cyclical	10,751	3,053	638,032	1,388,661	96,802	2,137,299				
Consumer, cyclical	_	_	50,482	369,351	102,979	522,812				
Communications		_	187,227	536,510	29,023	752,760				
Basic materials	_	16,531	132,896	951,443	10,555	1,111,425				
Transportation	_	_	146,281	401,681	25,876	573,838				
Technology	_	_	69,840	43,843	_	113,683				
Other industrials		_	241,200	1,028,755	25,730	1,295,685				
Governments (U.S., municipal, foreign)	716,072	996,020	216,618	50,374	_	1,979,084				
Collateralized debt obligations		_	_	_	56,733	56,733				
Other asset-backed securities	535	—	4,673	112,571	14,175	131,954				
Total Amortized Cost, net	\$727,358	\$1,369,823	\$4,485,774	\$9,016,926	\$740,209	\$16,340,090				
% of Total Amortized Cost, net	4 %	8 %	28 %	55 %	5 %	100 %				

GLOBE LIFE INC. Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

Below Investment Grade Bonds by Sector at Amortized Cost, net:	I	March 31, 2020	December 31, 2019	Increase (Decrease) Amount
Financial—life/health/PC insurance	\$	57,790	\$ 57,833	\$ (43)
Financial—bank		27,038	27,045	(7)
Financial—other		97,588	97,580	8
Utilities		46,735	47,298	(563)
Energy		149,185	147,305	1,880
Consumer, non-cyclical		96,802	33,474	63,328
Consumer, cyclical		102,979	101,003	1,976
Communications		29,023	29,066	(43)
Basic materials		10,555	10,563	(8)
Transportation		25,876	25,996	(120)
Technology		—	—	—
Other industrials		25,730	25,752	(22)
Governments (U.S., municipal, foreign)		_	_	_
Collateralized debt obligations		56,733	56,990	(257)
Other asset-backed securities		14,175	14,250	(75)
Total, net of credit losses	\$	740,209	\$ 674,155	\$ 66,054

	Three Months Ended March 31,					
Fixed Maturity Acquisitions:		2020		2019		
Amount	\$	211,754	\$	450,664		
Average annual effective yield		3.8%		4.9%		
Average rating		A+		A+		
Average Life (in years) to:						
Next Call		14.9		19.5		
Maturity		27.0		28.2		

<u>Below Investment Grade Bonds By SVO⁽¹⁾ Class at Statutory Adjusted Carrying Value:</u>	Mar	ch 31, 2020	Decer	nber 31, 2019	(D	ncrease ecrease) Amount
Asset Class 3	\$	693,974	\$	570,280	\$	123,694
Asset Class 4		94,998		94,984		14
Asset Class 5		23,571		64,216		(40,645)
Asset Class 6 (at lower of cost or market value)		36,733		36,990		(257)
	\$	849,276	\$	766,470	\$	82,806

(1) NAIC Securities Valuation Office