

GLOBE LIFE INC.
Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Three Months Ended March 31,			Q1	Q4	Q3	Q2	Q1
2020	2019		2020	2019	2019	2019	2019
		Underwriting income					
		Life:					
\$ 649,630	\$ 624,289	Premium	\$649,630	\$ 631,470	\$ 630,824	\$ 631,201	\$ 624,289
(250,465)	(246,030)	Net policy obligations	(250,465)	(241,163)	(239,244)	(245,448)	(246,030)
(199,570)	(189,469)	Non-deferred commissions and amortization	(199,570)	(192,508)	(191,050)	(191,949)	(189,469)
(20,792)	(18,951)	Non-deferred acquisition expense	(20,792)	(20,683)	(19,071)	(18,754)	(18,951)
178,803	169,839	Underwriting margin	178,803	177,116	181,459	175,050	169,839
		Health:					
280,205	266,684	Premium	280,205	275,214	269,166	266,282	266,684
(156,201)	(148,521)	Net policy obligations	(156,201)	(154,203)	(148,920)	(148,831)	(148,521)
(53,529)	(50,510)	Non-deferred commissions and amortization	(53,529)	(53,172)	(52,845)	(50,998)	(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	60,941	60,159	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	244,538	240,466	244,751	237,574	233,769
325	241	Other income	325	241	438	398	241
(63,620)	(59,191)	Administrative expense	(63,620)	(61,144)	(60,570)	(59,416)	(59,191)
181,243	174,819	Underwriting income	181,243	179,563	184,619	178,556	174,819
		Excess investment income					
228,991	226,673	Net investment income	228,991	227,456	228,905	227,425	226,673
(145,446)	(139,840)	Required interest on net policy liabilities	(145,446)	(144,355)	(143,038)	(141,315)	(139,840)
(20,808)	(21,278)	Interest on debt	(20,808)	(20,502)	(21,094)	(21,432)	(21,278)
62,737	65,555	Total excess investment income	62,737	62,599	64,773	64,678	65,555
(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	241,649	239,889	246,920	240,362	237,731
(46,760)	(46,590)	Income tax	(46,760)	(47,146)	(48,305)	(47,114)	(46,590)
194,889	191,141	Net operating income before stock compensation expense	194,889	192,743	198,615	193,248	191,141
(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	\$188,744	\$ 188,093	\$ 192,383	\$ 186,882	\$ 184,744
\$ 1.73	\$ 1.64	Per share	\$ 1.73	\$ 1.70	\$ 1.73	\$ 1.67	\$ 1.64
109,132	112,329	Average diluted shares outstanding	109,132	110,665	110,914	111,586	112,329
		Reconciling items, net of tax:					
\$ 4,548	\$ 1,050	Realized gain (loss)—investments	\$ 4,548	\$ 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	(2,587)	(2,258)	—	(4,345)	—
\$ 165,540	\$ 185,345	Net income	\$165,540	\$ 187,061	\$ 201,818	\$ 186,566	\$ 185,345
\$ 1.52	\$ 1.65	Per share	\$ 1.52	\$ 1.69	\$ 1.82	\$ 1.67	\$ 1.65

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 March 31,							
	Life				Health			
	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	<u>\$ 178,803</u>	28	<u>\$ 169,839</u>	27	<u>\$ 63,465</u>	23	<u>\$ 61,514</u>	23
Three Months Ended 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	<u>\$ 181,243</u>		<u>\$ 174,819</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.
Net Sales and First-Year Collected Premium
(Unaudited)
(Dollar amounts in thousands)

Net Sales⁽¹⁾	Three Months Ended March 31,		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
Health			
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 Months Ended March 31,		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)

	March 31,	
	2020	2019
Assets:		
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	\$ 17,223,585
Policy loans	579,133	555,456
Other long-term investments (includes: 2020—\$211,791; 2019—\$118,556 under the fair value option)	377,239	231,934
Short-term investments	272,601	125,759
Total investments	19,108,514	18,136,734
Cash	90,370	67,342
Accrued investment income	258,437	255,148
Other receivables	441,740	419,610
Deferred acquisition costs	4,386,478	4,185,231
Goodwill	441,591	441,591
Other assets	624,784	559,225
Assets related to discontinued operations	—	68,557
Total assets	\$ 25,351,914	\$ 24,133,438
Liabilities:		
Future policy benefits	\$ 14,617,072	\$ 14,084,082
Unearned and advance premium	67,868	66,924
Policy claims and other benefits payable	364,276	357,294
Other policyholders' funds	96,525	96,986
Total policy liabilities	15,145,741	14,605,286
Current and deferred income taxes	1,295,024	1,225,497
Short-term debt	458,127	294,378
Long-term debt (estimated fair value: 2020—\$1,386,511; 2019—\$1,458,751)	1,346,795	1,355,601
Other liabilities	585,945	557,824
Liabilities related to discontinued operations	—	51,426
Total liabilities	18,831,632	18,090,012
Commitments and Contingencies		
Shareholders' equity:		
Preferred 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)	117,218	121,218
Additional paid-in-capital	519,428	518,529
Accumulated other comprehensive income (loss)	1,066,247	870,067
Retained earnings	5,686,431	5,364,820
Treasury stock, at cost: (2020—10,783,915 shares; 2019—11,292,000 shares)	(869,042)	(831,208)
Total shareholders' equity	6,520,282	6,043,426
Total liabilities and shareholders' equity	\$ 25,351,914	\$ 24,133,438
Diluted Basis:		
Shares outstanding	106,926	111,643
Book value per common share	\$ 60.98	\$ 54.13
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 49.66	\$ 45.45

(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⁾
Fixed maturities available for sale	\$ 16,340,090	\$ 17,879,541	93	78
Policy loans	579,133	579,133	3	2
Equities	260	1,707	—	2
Mortgage loans	161,841	161,841	1	12
Investment real estate	203	203	—	1
Other long-term investments	203,407	213,488	1	4
Short-term investments	272,601	272,601	2	1
Total	<u>\$ 17,557,535</u>	<u>\$ 19,108,514</u>	<u>100</u>	<u>100</u>

(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 Unrealized Gain/(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	<u>\$16,340,090</u>	<u>\$ 1,539,451</u>	<u>\$17,879,541</u>	BBB+	<u>100</u>

By Type	Amortized Cost, net	Net Unrealized Gain/(Loss)	Fair Value	Average Rating	% of Total Amortized Cost, net
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	<u>\$16,340,090</u>	<u>\$ 1,539,451</u>	<u>\$17,879,541</u>	BBB+	<u>100</u>

(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 Cost, net	Net Unrealized Gain/(Loss)	Fair 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	A	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 %

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

GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

<u>Below Investment Grade Bonds by Sector at Amortized Cost, net:</u>	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

Fixed Maturity Acquisitions:	Three Months Ended March 31,	
	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>	March 31, 2020	December 31, 2019	Increase (Decrease) 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