

GLOBE LIFE INC.
Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Six Months Ended June 30,			Q2	Q1	Q4	Q3	Q2
2020	2019		2020	2020	2019	2019	2019
		Underwriting income					
		Life:					
\$ 1,320,452	\$ 1,255,490	Premium	\$ 670,822	\$ 649,630	\$ 631,470	\$ 630,824	\$ 631,201
(537,102)	(491,478)	Net policy obligations	(286,637)	(250,465)	(241,163)	(239,244)	(245,448)
(403,046)	(381,418)	Non-deferred commissions and amortization	(203,476)	(199,570)	(192,508)	(191,050)	(191,949)
(39,802)	(37,705)	Non-deferred acquisition expense	(19,010)	(20,792)	(20,683)	(19,071)	(18,754)
340,502	344,889	Underwriting margin	161,699	178,803	177,116	181,459	175,050
		Health:					
563,082	532,966	Premium	282,877	280,205	275,214	269,166	266,282
(316,846)	(297,352)	Net policy obligations	(160,645)	(156,201)	(154,203)	(148,920)	(148,831)
(105,790)	(101,508)	Non-deferred commissions and amortization	(52,261)	(53,529)	(53,172)	(52,845)	(50,998)
(12,741)	(12,433)	Non-deferred acquisition expense	(5,731)	(7,010)	(6,815)	(6,460)	(6,294)
127,705	121,673	Underwriting margin	64,240	63,465	61,024	60,941	60,159
4,535	4,781	Annuity underwriting margin	2,265	2,270	2,326	2,351	2,365
472,742	471,343	Total underwriting margin	228,204	244,538	240,466	244,751	237,574
729	639	Other income	404	325	241	438	398
(125,186)	(118,607)	Administrative expense	(61,566)	(63,620)	(61,144)	(60,570)	(59,416)
348,285	353,375	Underwriting income	167,042	181,243	179,563	184,619	178,556
		Excess investment income					
460,559	454,098	Net investment income	231,568	228,991	227,456	228,905	227,425
(293,064)	(281,155)	Required interest on net policy liabilities	(147,618)	(145,446)	(144,355)	(143,038)	(141,315)
(43,621)	(42,710)	Interest on debt	(22,813)	(20,808)	(20,502)	(21,094)	(21,432)
123,874	130,233	Total excess investment income	61,137	62,737	62,599	64,773	64,678
(4,847)	(5,515)	Parent company expenses	(2,516)	(2,331)	(2,273)	(2,472)	(2,872)
467,312	478,093	Pre-tax operating income	225,663	241,649	239,889	246,920	240,362
(89,830)	(93,704)	Income tax	(43,070)	(46,760)	(47,146)	(48,305)	(47,114)
377,482	384,389	Net operating income before stock compensation expense	182,593	194,889	192,743	198,615	193,248
(11,906)	(12,763)	Stock compensation expense, net of tax	(5,761)	(6,145)	(4,650)	(6,232)	(6,366)
\$ 365,576	\$ 371,626	Net operating income	\$ 176,832	\$ 188,744	\$ 188,093	\$ 192,383	\$ 186,882
\$ 3.38	\$ 3.32	Per share	\$ 1.65	\$ 1.73	\$ 1.70	\$ 1.73	\$ 1.67
108,058	111,949	Average diluted shares outstanding	107,134	109,132	110,665	110,914	111,586
		Reconciling items, net of tax:					
\$ (24,401)	\$ 5,122	Realized gain (loss)—investments	\$ (3,784)	\$ (20,617)	\$ 1,734	\$ 9,435	\$ 4,072
—	(92)	Part D adjustments—discontinued operations	—	—	—	—	(43)
—	(400)	Administrative settlements	—	—	—	—	—
—	—	Non-operating fees	—	—	(508)	—	—
(2,587)	(4,345)	Legal proceedings	—	(2,587)	(2,258)	—	(4,345)
\$ 338,588	\$ 371,911	Net income	\$ 173,048	\$ 165,540	\$ 187,061	\$ 201,818	\$ 186,566
\$ 3.13	\$ 3.32	Per share	\$ 1.62	\$ 1.52	\$ 1.69	\$ 1.82	\$ 1.67

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 June 30,							
	Life				Health			
	2020	%	2019	%	2020	%	2019	%
American Income Life Division								
Premium	\$ 308,675		\$ 288,334		\$ 25,554		\$ 24,450	
Net policy obligations	104,123	34	86,686	30	5,149	20	6,023	25
Non-deferred commission & amortization	101,168	33	94,932	33	5,008	20	4,777	20
Non-deferred acquisition expenses	9,930	3	9,710	3	622	2	610	2
Underwriting margin	93,454	30	97,006	34	14,775	58	13,040	53
Direct to Consumer Division								
Premium	235,201		217,278		19,060		19,249	
Net policy obligations	141,751	60	118,348	54	15,267	80	15,223	79
Non-deferred commission & amortization	60,541	26	55,222	25	991	5	1,024	5
Non-deferred acquisition expenses	4,761	2	4,666	2	—	—	11	—
Underwriting margin	28,148	12	39,042	18	2,802	15	2,991	16
Liberty National Division								
Premium	73,326		71,478		47,391		47,292	
Net policy obligations	25,011	34	24,502	34	23,920	50	23,600	50
Non-deferred commission & amortization	25,333	35	24,733	35	9,917	21	10,704	23
Non-deferred acquisition expenses	4,109	6	4,107	6	1,030	2	1,151	2
Underwriting margin	18,873	26	18,136	25	12,524	26	11,837	25
Family Heritage Division								
Premium	1,042		927		77,987		73,037	
Net policy obligations	529	51	522	56	40,807	52	37,085	51
Non-deferred commission & amortization	213	20	193	21	16,522	21	16,259	22
Non-deferred acquisition expenses	24	2	23	2	1,801	2	1,792	2
Underwriting margin	276	26	189	20	18,857	24	17,901	25
Other								
Premium	52,578		53,184		112,885		102,254	
Net policy obligations	15,223	29	15,390	29	75,502	67	66,900	65
Non-deferred commission & amortization	16,221	31	16,869	32	19,823	18	18,234	18
Non-deferred acquisition expenses	186	—	248	—	2,278	2	2,730	3
Underwriting margin	20,948	40	20,677	39	15,282	14	14,390	14
Total								
Premium	670,822		631,201		282,877		266,282	
Net policy obligations	286,637	43	245,448	39	160,645	57	148,831	56
Non-deferred commission & amortization	203,476	30	191,949	30	52,261	18	50,998	19
Non-deferred acquisition expenses	19,010	3	18,754	3	5,731	2	6,294	2
Underwriting margin	<u>\$ 161,699</u>	24	<u>\$ 175,050</u>	28	<u>\$ 64,240</u>	23	<u>\$ 60,159</u>	23
Three Months Ended June 30,								
2020								
2019								
Total Underwriting Margins:								
Life	\$ 161,699		\$ 175,050					
Health	64,240		60,159					
Annuity	2,265		2,365					
Other income	404		398					
Administrative & other expenses	(61,566)		(59,416)					
Underwriting income	<u>\$ 167,042</u>		<u>\$ 178,556</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.
Insurance Operations—Year-to-Date
(Unaudited)
(Dollar amounts in thousands)

	Six Months Ended June 30,							
	Life				Health			
	2020	%	2019	%	2020	%	2019	%
American Income Life Division								
Premium	\$ 611,527		\$ 570,101		\$ 51,281		\$ 48,549	
Net policy obligations	195,721	32	172,892	30	11,405	22	11,892	24
Non-deferred commission & amortization	201,667	33	187,629	33	10,262	20	9,652	20
Non-deferred acquisition expenses	20,870	3	19,265	3	1,312	3	1,215	3
Underwriting margin	193,269	32	190,315	33	28,302	55	25,790	53
Direct to Consumer Division								
Premium	455,244		434,837		38,856		39,509	
Net policy obligations	261,274	57	236,824	54	31,039	80	31,219	79
Non-deferred commission & amortization	117,587	26	111,933	26	2,075	5	2,085	5
Non-deferred acquisition expenses	9,760	2	9,670	2	9	—	20	—
Underwriting margin	66,623	15	76,410	18	5,733	15	6,185	16
Liberty National Division								
Premium	146,194		142,195		95,031		95,448	
Net policy obligations	49,063	34	49,804	35	48,012	51	47,653	50
Non-deferred commission & amortization	50,618	35	48,070	34	20,235	21	21,634	23
Non-deferred acquisition expenses	8,701	6	8,204	6	2,361	2	2,357	2
Underwriting margin	37,812	26	36,117	25	24,423	26	23,804	25
Family Heritage Division								
Premium	2,063		1,858		154,970		144,301	
Net policy obligations	1,061	51	1,058	57	78,337	51	72,986	51
Non-deferred commission & amortization	436	21	373	20	34,178	22	31,999	22
Non-deferred acquisition expenses	53	3	48	3	4,013	3	3,699	3
Underwriting margin	513	25	379	20	38,442	25	35,617	25
Other								
Premium	105,424		106,499		222,944		205,159	
Net policy obligations	29,983	28	30,900	29	148,053	66	133,602	65
Non-deferred commission & amortization	32,738	31	33,413	31	39,040	18	36,138	18
Non-deferred acquisition expenses	418	—	518	—	5,046	2	5,142	3
Underwriting margin	42,285	40	41,668	39	30,805	14	30,277	15
Total								
Premium	1,320,452		1,255,490		563,082		532,966	
Net policy obligations	537,102	41	491,478	39	316,846	56	297,352	56
Non-deferred commission & amortization	403,046	31	381,418	30	105,790	19	101,508	19
Non-deferred acquisition expenses	39,802	3	37,705	3	12,741	2	12,433	2
Underwriting margin	<u>\$ 340,502</u>	26	<u>\$ 344,889</u>	27	<u>\$ 127,705</u>	23	<u>\$ 121,673</u>	23
Six Months Ended June 30,								
2020								
2019								
Total Underwriting Margins:								
Life	\$ 340,502		\$ 344,889					
Health	127,705		121,673					
Annuity	4,535		4,781					
Other income	729		639					
Administrative & other expenses	(125,186)		(118,607)					
Underwriting income	<u>\$ 348,285</u>		<u>\$ 353,375</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⁾	Three Months Ended June 30,		Increase (Decrease) %	Six Months Ended June 30,		Increase (Decrease) %
	2020	2019		2020	2019	
Life						
American Income Life Division	\$ 51,414	\$ 61,048	(16)	114,283	\$ 118,599	(4)
Direct to Consumer Division	49,396	34,456	43	81,943	66,903	22
Liberty National Division	10,709	13,428	(20)	23,197	25,687	(10)
Other	2,610	3,207	(19)	5,319	6,290	(15)
Total Life	114,129	112,139	2	224,742	217,479	3
Health						
United American Division	12,001	16,587	(28)	26,465	31,481	(16)
Family Heritage Division	13,564	16,898	(20)	29,845	29,928	—
Liberty National Division	4,089	5,864	(30)	10,032	11,429	(12)
American Income Life Division	3,688	4,299	(14)	8,440	8,198	3
Direct to Consumer Division	522	582	(10)	1,112	1,727	(36)
Total Health	33,864	44,230	(23)	75,894	82,763	(8)
Total Net Sales	\$ 147,993	\$ 156,369	(5)	\$ 300,636	\$ 300,242	—

First-Year Collected Premium ⁽²⁾	Three Months Ended June 30,		Increase (Decrease) %	Six Months Ended June 30,		Increase (Decrease) %
	2020	2019		2020	2019	
Life						
American Income Life Division	\$ 51,306	\$ 48,744	5	101,975	\$ 96,220	6
Direct to Consumer Division	26,681	21,191	26	47,775	42,447	13
Liberty National Division	10,642	10,081	6	21,308	19,475	9
Other	2,673	2,966	(10)	5,325	5,924	(10)
Total Life	91,302	82,982	10	176,383	164,066	8
Health						
United American Division	20,848	17,414	20	39,853	33,498	19
Family Heritage Division	13,138	12,529	5	26,584	24,465	9
Liberty National Division	5,121	5,060	1	10,407	9,661	8
American Income Life Division	4,444	4,026	10	8,951	7,784	15
Direct to Consumer Division	741	956	(22)	1,508	1,979	(24)
Total Health	44,292	39,985	11	87,303	77,387	13
Total First-Year Collected Premium	\$ 135,594	\$ 122,967	10	\$ 263,686	\$ 241,453	9

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. Management considers net sales to be 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)

	June 30,	
	2020	2019
Assets:		
Investments:		
Fixed maturities—available for sale, at fair value (amortized cost: 2020—\$16,697,900; 2019—\$15,984,272, allowance for credit losses: 2020—\$32,719; 2019—\$0)	\$ 19,661,182	\$ 17,934,274
Policy loans	579,541	560,469
Other long-term investments (includes: 2020—\$264,246; 2019—\$165,426 under the fair value option)	432,325	289,147
Short-term investments	531,651	74,116
Total investments	21,204,699	18,858,006
Cash	114,031	89,319
Accrued investment income	251,595	247,383
Other receivables	445,539	425,372
Deferred acquisition costs	4,446,356	4,232,717
Goodwill	441,591	441,591
Other assets	630,369	561,057
Total assets	<u>\$ 27,534,180</u>	<u>\$ 24,855,445</u>
Liabilities:		
Future policy benefits	\$ 14,826,175	\$ 14,218,030
Unearned and advance premium	68,397	66,892
Policy claims and other benefits payable	380,178	351,347
Other policyholders' funds	96,708	95,753
Total policy liabilities	15,371,458	14,732,022
Current and deferred income taxes	1,631,817	1,351,495
Short-term debt	831,076	257,453
Long-term debt (estimated fair value: 2020—\$1,417,343; 2019—\$1,446,082)	1,272,104	1,353,395
Other liabilities	579,356	460,682
Total liabilities	19,685,811	18,155,047
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	528,060	526,518
Accumulated other comprehensive income (loss)	2,231,893	1,439,250
Retained earnings	5,838,930	5,514,517
Treasury stock, at cost: (2020—10,767,653 shares; 2019—11,995,233 shares)	(867,732)	(901,105)
Total shareholders' equity	7,848,369	6,700,398
Total liabilities and shareholders' equity	<u>\$ 27,534,180</u>	<u>\$ 24,855,445</u>
Diluted Basis:		
Shares outstanding	107,137	111,264
Book value per common share	\$ 73.26	\$ 60.22
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 51.21	\$ 46.43

(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 June 30, 2020

	Amortized Cost, net ⁽¹⁾	Fair Value	% of Total Amortized Cost, net	Life & Health Insurance Industry % ⁽²⁾
Fixed maturities available for sale	\$ 16,665,181	\$ 19,661,182	91	78
Policy loans	579,541	579,541	3	2
Equities	260	1,707	—	2
Mortgage loans	164,420	164,420	1	12
Investment real estate	203	203	—	1
Other long-term investments	275,349	265,995	2	4
Short-term investments	531,651	531,651	3	1
Total	<u>\$ 18,216,605</u>	<u>\$ 21,204,699</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 June 30, 2020

Summary	Amortized Cost, net	Net Unrealized Gain/(Loss)	Fair Value	Average Rating	% of Total Amortized Cost, net
Investment Grade	\$15,893,337	\$ 3,056,577	\$18,949,914	A-	95
Below Investment Grade ⁽¹⁾	771,844	(60,576)	711,268	B+	5
Total	<u>\$16,665,181</u>	<u>\$ 2,996,001</u>	<u>\$19,661,182</u>	BBB+	<u>100</u>
By Type					
Corporates ⁽¹⁾	\$14,449,440	\$ 2,690,543	\$ 17,139,983	BBB+	87
Municipals	1,617,951	206,076	1,824,027	AA	10
Government, agencies & GSEs	411,100	91,849	502,949	AAA	2
Collateralized debt obligations (CDOs)	57,031	12,068	69,099	CCC-	—
Other asset-backed securities	129,659	(4,535)	125,124	BBB-	1
Total	<u>\$16,665,181</u>	<u>\$ 2,996,001</u>	<u>\$19,661,182</u>	BBB+	<u>100</u>

(1) Fixed maturities at amortized cost as of June 30, 2020 were \$16.7 billion less \$33 million for allowance for credit losses.

GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

June 30, 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	\$ 2,237,514	\$ 424,653	\$ 2,662,167	BBB+	13
Financial—bank	984,093	213,114	1,197,207	BBB+	6
Financial—other	1,081,982	107,169	1,189,151	BBB+	7
Utilities	1,930,929	516,879	2,447,808	A-	11
Energy	1,630,332	155,736	1,786,068	BBB	10
Consumer, non-cyclical	2,140,193	452,302	2,592,495	BBB+	13
Consumer, cyclical	527,798	35,358	563,156	BBB-	3
Communications	774,585	168,206	942,791	BBB+	5
Basic materials	1,125,031	197,052	1,322,083	BBB	7
Transportation	581,022	151,623	732,645	BBB+	3
Technology	123,616	26,240	149,856	A-	1
Other industrials	1,312,345	242,211	1,554,556	BBB+	8
Governments (U.S., municipal, foreign)	2,029,051	297,925	2,326,976	AA	12
Collateralized debt obligations	57,031	12,068	69,099	CCC-	—
Other asset-backed securities	129,659	(4,535)	125,124	BBB-	1
Total	\$ 16,665,181	\$ 2,996,001	\$ 19,661,182	BBB+	100

(1) Amounts reported on the balance sheet

June 30, 2020

Rating by Sector at Amortized Cost, net:	AAA	AA	A	BBB	BIG	Total
Financial—life/health/PC insurance	\$ —	\$ 195,814	\$ 764,640	1,219,313	\$ 57,747	\$ 2,237,514
Financial—bank	—	109,860	335,754	511,449	27,030	984,093
Financial—other	—	—	456,306	510,784	114,892	1,081,982
Utilities	—	25,917	1,112,009	746,840	46,163	1,930,929
Energy	—	26,882	132,791	1,322,357	148,302	1,630,332
Consumer, non-cyclical	10,745	3,052	638,198	1,391,572	96,626	2,140,193
Consumer, cyclical	—	—	50,485	358,478	118,835	527,798
Communications	—	—	187,251	558,355	28,979	774,585
Basic materials	—	16,520	105,591	992,373	10,547	1,125,031
Transportation	—	—	146,180	408,957	25,885	581,022
Technology	—	—	69,814	53,802	—	123,616
Other industrials	—	—	241,643	1,044,995	25,707	1,312,345
Governments (U.S., municipal, foreign)	726,899	1,005,203	247,061	49,888	—	2,029,051
Collateralized debt obligations	—	—	—	—	57,031	57,031
Other asset-backed securities	491	—	2,698	112,370	14,100	129,659
Total Amortized Cost, net	\$738,135	\$1,383,248	\$4,490,421	\$9,281,533	\$771,844	\$16,665,181
% of Total Amortized Cost, net	4 %	8 %	27 %	56 %	5 %	100 %

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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>	June 30, 2020	March 31, 2020	Increase (Decrease) Amount
Financial—life/health/PC insurance	\$ 57,747	\$ 57,790	\$ (43)
Financial—bank	27,030	27,038	(8)
Financial—other	114,892	97,588	17,304
Utilities	46,163	46,735	(572)
Energy	148,302	149,185	(883)
Consumer, non-cyclical	96,626	96,802	(176)
Consumer, cyclical	118,835	102,979	15,856
Communications	28,979	29,023	(44)
Basic materials	10,547	10,555	(8)
Transportation	25,885	25,876	9
Technology	—	—	—
Other industrials	25,707	25,730	(23)
Governments (U.S., municipal, foreign)	—	—	—
Collateralized debt obligations	57,031	56,733	298
Other asset-backed securities	14,100	14,175	(75)
Total, net of credit losses	\$ 771,844	\$ 740,209	\$ 31,635

Fixed Maturity Acquisitions:	Three Months Ended June 30,	
	2020	2019
Amount	\$ 351,034	\$ 252,742
Average annual effective yield	4.4%	5.0%
Average rating	A-	A-
Average Life (in years) to:		
Next Call	16.1	23.7
Maturity	22.8	29.2

<u>Below Investment Grade Bonds By SVO⁽¹⁾ Class at Statutory Adjusted Carrying Value:</u>	June 30, 2020	March 31, 2020	Increase (Decrease) Amount
Asset Class 3	\$ 798,027	\$ 693,974	\$ 104,053
Asset Class 4	127,261	94,998	32,263
Asset Class 5	23,527	23,571	(44)
Asset Class 6 (at lower of cost or market value)	37,031	36,733	298
	\$ 985,846	\$ 849,276	\$ 136,570

(1) NAIC Securities Valuation Office