

GLOBE LIFE INC.
Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Nine Months Ended September 30,			Q3	Q2	Q1	Q4	Q3
2020	2019		2020	2020	2020	2019	2019
		Underwriting income					
		Life:					
\$ 1,994,473	\$ 1,886,314	Premium	\$ 674,021	\$ 670,822	\$ 649,630	\$ 631,470	\$ 630,824
(820,539)	(730,722)	Net policy obligations	(283,437)	(286,637)	(250,465)	(241,163)	(239,244)
(604,020)	(572,468)	Non-deferred commissions and amortization	(200,974)	(203,476)	(199,570)	(192,508)	(191,050)
(58,709)	(56,776)	Non-deferred acquisition expense	(18,907)	(19,010)	(20,792)	(20,683)	(19,071)
511,205	526,348	Underwriting margin	170,703	161,699	178,803	177,116	181,459
		Health:					
850,877	802,132	Premium	287,795	282,877	280,205	275,214	269,166
(477,313)	(446,272)	Net policy obligations	(160,467)	(160,645)	(156,201)	(154,203)	(148,920)
(154,523)	(154,353)	Non-deferred commissions and amortization	(48,733)	(52,261)	(53,529)	(53,172)	(52,845)
(18,476)	(18,893)	Non-deferred acquisition expense	(5,735)	(5,731)	(7,010)	(6,815)	(6,460)
200,565	182,614	Underwriting margin	72,860	64,240	63,465	61,024	60,941
6,788	7,132	Annuity underwriting margin	2,253	2,265	2,270	2,326	2,351
718,558	716,094	Total underwriting margin	245,816	228,204	244,538	240,466	244,751
1,021	1,077	Other income	292	404	325	241	438
(188,194)	(179,177)	Administrative expense	(63,008)	(61,566)	(63,620)	(61,144)	(60,570)
531,385	537,994	Underwriting income	183,100	167,042	181,243	179,563	184,619
		Excess investment income					
691,991	683,003	Net investment income	231,432	231,568	228,991	227,456	228,905
(443,496)	(424,193)	Required interest on net policy liabilities	(150,432)	(147,618)	(145,446)	(144,355)	(143,038)
(65,295)	(63,804)	Interest on debt	(21,674)	(22,813)	(20,808)	(20,502)	(21,094)
183,200	195,006	Total excess investment income	59,326	61,137	62,737	62,599	64,773
(7,536)	(7,987)	Parent company expenses	(2,689)	(2,516)	(2,331)	(2,273)	(2,472)
707,049	725,013	Pre-tax operating income	239,737	225,663	241,649	239,889	246,920
(135,775)	(142,009)	Income tax	(45,945)	(43,070)	(46,760)	(47,146)	(48,305)
571,274	583,004	Net operating income before stock compensation expense	193,792	182,593	194,889	192,743	198,615
(17,901)	(18,995)	Stock compensation expense, net of tax	(5,995)	(5,761)	(6,145)	(4,650)	(6,232)
\$ 553,373	\$ 564,009	Net operating income	\$ 187,797	\$ 176,832	\$ 188,744	\$ 188,093	\$ 192,383
\$ 5.14	\$ 5.05	Per share	\$ 1.75	\$ 1.65	\$ 1.73	\$ 1.70	\$ 1.73
107,705	111,592	Average diluted shares outstanding	107,053	107,134	109,132	110,665	110,914
		Reconciling items, net of tax:					
\$ (21,936)	\$ 14,557	Realized gain (loss)—investments	\$ 2,465	\$ (3,784)	\$ (20,617)	\$ 1,734	\$ 9,435
(501)	—	Realized loss—redemption of debt	(501)	—	—	—	—
—	(92)	Part D adjustments—discontinued operations	—	—	—	—	—
—	(400)	Administrative settlements	—	—	—	—	—
(816)	—	Non-operating expenses	(816)	—	—	(508)	—
(2,587)	(4,345)	Legal proceedings	—	—	(2,587)	(2,258)	—
\$ 527,533	\$ 573,729	Net income	\$ 188,945	\$ 173,048	\$ 165,540	\$ 187,061	\$ 201,818
\$ 4.90	\$ 5.14	Per share	\$ 1.76	\$ 1.62	\$ 1.52	\$ 1.69	\$ 1.82

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 September 30,							
	Life				Health			
	2020	%	2019	%	2020	%	2019	%
American Income Life Division								
Premium	\$ 318,917		\$ 293,149		\$ 27,029		\$ 25,312	
Net policy obligations	104,453	33	86,614	30	6,226	23	6,101	24
Non-deferred commission & amortization	104,410	33	96,139	33	5,295	20	4,873	19
Non-deferred acquisition expenses	9,841	3	9,900	3	615	2	623	2
Underwriting margin	100,213	31	100,496	34	14,893	55	13,715	54
Direct to Consumer Division								
Premium	227,734		211,693		19,017		19,135	
Net policy obligations	134,403	59	112,706	53	15,099	79	15,249	80
Non-deferred commission & amortization	54,373	24	53,304	25	1,005	5	1,021	5
Non-deferred acquisition expenses	4,833	2	4,476	2	10	—	3	—
Underwriting margin	34,125	15	41,207	19	2,903	15	2,862	15
Liberty National Division								
Premium	73,815		71,812		47,199		47,439	
Net policy obligations	29,433	40	24,169	34	23,373	50	24,068	51
Non-deferred commission & amortization	25,652	35	24,677	34	8,278	18	10,869	23
Non-deferred acquisition expenses	4,031	5	4,394	6	938	2	1,126	2
Underwriting margin	14,699	20	18,572	26	14,610	31	11,376	24
Family Heritage Division								
Premium	1,081		971		80,225		74,168	
Net policy obligations	583	54	538	55	39,864	50	35,851	48
Non-deferred commission & amortization	185	17	198	20	16,138	20	17,361	23
Non-deferred acquisition expenses	24	2	28	3	1,757	2	2,155	3
Underwriting margin	289	27	207	21	22,466	28	18,801	25
Other								
Premium	52,474		53,199		114,325		103,112	
Net policy obligations	14,565	28	15,217	29	75,905	66	67,651	66
Non-deferred commission & amortization	16,354	31	16,732	31	18,017	16	18,721	18
Non-deferred acquisition expenses	178	—	273	1	2,415	2	2,553	2
Underwriting margin	21,377	41	20,977	39	17,988	16	14,187	14
Total								
Premium	674,021		630,824		287,795		269,166	
Net policy obligations	283,437	42	239,244	38	160,467	56	148,920	55
Non-deferred commission & amortization	200,974	30	191,050	30	48,733	17	52,845	20
Non-deferred acquisition expenses	18,907	3	19,071	3	5,735	2	6,460	2
Underwriting margin	<u>\$ 170,703</u>	25	<u>\$ 181,459</u>	29	<u>\$ 72,860</u>	25	<u>\$ 60,941</u>	23
Three Months Ended September 30,								
2020								
2019								
Total Underwriting Margins:								
Life	\$ 170,703		\$ 181,459					
Health	72,860		60,941					
Annuity	2,253		2,351					
Other income	292		438					
Administrative & other expenses	<u>(63,008)</u>		<u>(60,570)</u>					
Underwriting income	<u>\$ 183,100</u>		<u>\$ 184,619</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)

	Nine Months Ended September 30,							
	Life				Health			
	2020	%	2019	%	2020	%	2019	%
American Income Life Division								
Premium	\$ 930,444		\$ 863,250		\$ 78,310		\$ 73,861	
Net policy obligations	300,174	32	259,506	30	17,631	23	17,993	24
Non-deferred commission & amortization	306,077	33	283,768	33	15,557	20	14,525	20
Non-deferred acquisition expenses	30,711	3	29,165	3	1,927	2	1,838	2
Underwriting margin	293,482	32	290,811	34	43,195	55	39,505	53
Direct to Consumer Division								
Premium	682,978		646,530		57,873		58,644	
Net policy obligations	395,677	58	349,530	54	46,138	80	46,468	79
Non-deferred commission & amortization	171,960	25	165,237	26	3,080	5	3,106	5
Non-deferred acquisition expenses	14,593	2	14,146	2	19	—	23	—
Underwriting margin	100,748	15	117,617	18	8,636	15	9,047	15
Liberty National Division								
Premium	220,009		214,007		142,230		142,887	
Net policy obligations	78,496	36	73,973	35	71,385	50	71,721	50
Non-deferred commission & amortization	76,270	35	72,747	34	28,513	20	32,503	23
Non-deferred acquisition expenses	12,732	6	12,598	6	3,299	2	3,483	2
Underwriting margin	52,511	24	54,689	26	39,033	27	35,180	25
Family Heritage Division								
Premium	3,144		2,829		235,195		218,469	
Net policy obligations	1,644	52	1,596	56	118,201	50	108,837	50
Non-deferred commission & amortization	621	20	571	20	50,316	21	49,360	23
Non-deferred acquisition expenses	77	2	76	3	5,770	2	5,854	3
Underwriting margin	802	26	586	21	60,908	26	54,418	25
Other								
Premium	157,898		159,698		337,269		308,271	
Net policy obligations	44,548	28	46,117	29	223,958	66	201,253	65
Non-deferred commission & amortization	49,092	31	50,145	31	57,057	17	54,859	18
Non-deferred acquisition expenses	596	—	791	—	7,461	2	7,695	2
Underwriting margin	63,662	40	62,645	39	48,793	14	44,464	14
Total								
Premium	1,994,473		1,886,314		850,877		802,132	
Net policy obligations	820,539	41	730,722	39	477,313	56	446,272	56
Non-deferred commission & amortization	604,020	30	572,468	30	154,523	18	154,353	19
Non-deferred acquisition expenses	58,709	3	56,776	3	18,476	2	18,893	2
Underwriting margin	<u>\$ 511,205</u>	26	<u>\$ 526,348</u>	28	<u>\$ 200,565</u>	24	<u>\$ 182,614</u>	23
Nine Months Ended September 30,								
2020								
2019								
Total Underwriting Margins:								
Life	\$ 511,205		\$ 526,348					
Health	200,565		182,614					
Annuity	6,788		7,132					
Other income	1,021		1,077					
Administrative & other expenses	(188,194)		(179,177)					
Underwriting income	<u>\$ 531,385</u>		<u>\$ 537,994</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 September 30,		Increase (Decrease) %	Nine Months Ended September 30,		Increase (Decrease) %
	2020	2019		2020	2019	
Life						
American Income Life Division	\$ 67,808	\$ 59,692	14	182,091	\$ 178,291	2
Direct to Consumer Division	44,253	29,517	50	126,196	96,420	31
Liberty National Division	13,669	13,413	2	36,866	39,100	(6)
Other	2,369	2,975	(20)	7,688	9,265	(17)
Total Life	128,099	105,597	21	352,841	323,076	9
Health						
United American Division	12,870	15,795	(19)	39,335	47,276	(17)
Family Heritage Division	19,469	17,525	11	49,314	47,453	4
Liberty National Division	5,788	5,903	(2)	15,820	17,332	(9)
American Income Life Division	6,140	4,910	25	14,580	13,108	11
Direct to Consumer Division	496	546	(9)	1,608	2,273	(29)
Total Health	44,763	44,679	—	120,657	127,442	(5)
Total Net Sales	\$ 172,862	\$ 150,276	15	\$ 473,498	\$ 450,518	5

First-Year Collected Premium ⁽²⁾	Three Months Ended September 30,		Increase (Decrease) %	Nine Months Ended September 30,		Increase (Decrease) %
	2020	2019		2020	2019	
Life						
American Income Life Division	\$ 55,203	\$ 49,225	12	157,178	\$ 145,445	8
Direct to Consumer Division	28,418	20,220	41	76,193	62,667	22
Liberty National Division	10,645	10,188	4	31,953	29,663	8
Other	2,492	2,894	(14)	7,817	8,818	(11)
Total Life	96,758	82,527	17	273,141	246,593	11
Health						
United American Division	20,095	17,644	14	59,948	51,142	17
Family Heritage Division	13,841	12,658	9	40,425	37,123	9
Liberty National Division	4,992	5,031	(1)	15,399	14,692	5
American Income Life Division	4,908	4,683	5	13,859	12,467	11
Direct to Consumer Division	748	860	(13)	2,256	2,839	(21)
Total Health	44,584	40,876	9	131,887	118,263	12
Total First-Year Collected Premium	\$ 141,342	\$ 123,403	15	\$ 405,028	\$ 364,856	11

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)

	September 30,	
	2020	2019
Assets:		
Investments:		
Fixed maturities—available for sale, at fair value (amortized cost: 2020—\$16,892,054; 2019—\$16,209,723, allowance for credit losses: 2020—\$4,387; 2019—\$0)	\$ 20,277,056	\$ 18,797,674
Policy loans	581,211	568,892
Other long-term investments (includes: 2020—\$326,641; 2019—\$184,466 under the fair value option)	492,884	315,535
Short-term investments	263,879	77,556
Total investments	<u>21,615,030</u>	<u>19,759,657</u>
Cash	80,101	66,675
Accrued investment income	259,697	253,125
Other receivables	458,359	432,236
Deferred acquisition costs	4,517,255	4,281,018
Goodwill	441,591	441,591
Other assets	669,860	557,604
Total assets	<u>\$ 28,041,893</u>	<u>\$ 25,791,906</u>
Liabilities:		
Future policy benefits	\$ 15,045,864	\$ 14,358,592
Unearned and advance premium	64,703	62,586
Policy claims and other benefits payable	367,453	351,729
Other policyholders' funds	97,463	95,875
Total policy liabilities	<u>15,575,483</u>	<u>14,868,782</u>
Current and deferred income taxes	1,682,060	1,498,025
Short-term debt	279,758	233,314
Long-term debt (estimated fair value: 2020—\$1,842,164; 2019—\$1,466,868)	1,667,506	1,351,190
Other liabilities	612,178	528,064
Total liabilities	<u>19,816,985</u>	<u>18,479,375</u>
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	536,727	538,051
Accumulated other comprehensive income (loss)	2,550,619	1,943,124
Retained earnings	6,002,407	5,686,636
Treasury stock, at cost: (2020—12,160,518 shares; 2019—12,773,862 shares)	(982,063)	(976,498)
Total shareholders' equity	<u>8,224,908</u>	<u>7,312,531</u>
Total liabilities and shareholders' equity	<u>\$ 28,041,893</u>	<u>\$ 25,791,906</u>
Diluted Basis:		
Shares outstanding	105,986	110,855
Book value per common share	\$ 77.60	\$ 65.96
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 52.39	\$ 47.58

(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 September 30, 2020

	Amortized Cost, net ⁽¹⁾	Fair Value	% of Total Amortized Cost, net	Life & Health Insurance Industry % ⁽²⁾
Fixed maturities available for sale	\$ 16,887,667	\$ 20,277,056	93	78
Policy loans	581,211	581,211	3	2
Equities	260	1,138	—	2
Mortgage loans	164,902	164,902	1	12
Investment real estate	203	203	—	1
Other long-term investments	323,941	326,641	2	4
Short-term investments	263,879	263,879	1	1
Total	<u>\$ 18,222,063</u>	<u>\$ 21,615,030</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 September 30, 2020

Summary	Amortized Cost, net	Net Unrealized Gain/(Loss)	Fair Value	Average Rating	% of Total Amortized Cost, net
Investment Grade	\$16,048,166	\$ 3,427,162	\$19,475,328	A-	95
Below Investment Grade ⁽¹⁾	839,501	(37,773)	801,728	BB-	5
Total	<u>\$16,887,667</u>	<u>\$ 3,389,389</u>	<u>\$20,277,056</u>	BBB+	<u>100</u>
By Type					
Corporates ⁽¹⁾	\$14,575,810	\$ 3,061,060	\$ 17,636,870	BBB+	86
Municipals	1,703,408	220,416	1,923,824	AA	10
Government, agencies & GSEs	419,660	98,423	518,083	AAA	3
Collateralized debt obligations (CDOs)	56,763	11,894	68,657	CCC-	—
Other asset-backed securities	132,026	(2,404)	129,622	BBB-	1
Total	<u>\$16,887,667</u>	<u>\$ 3,389,389</u>	<u>\$20,277,056</u>	BBB+	<u>100</u>

(1) Fixed maturities at amortized cost as of September 30, 2020 were \$16.9 billion less \$4 million for allowance for credit losses.

GLOBE LIFE INC.

Invested Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

September 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	\$ 2,269,176	\$ 486,964	\$ 2,756,140	BBB+	14
Financial—bank	971,760	228,215	1,199,975	BBB+	6
Financial—other	1,094,850	139,309	1,234,159	BBB+	6
Utilities	1,956,732	557,789	2,514,521	A-	12
Energy	1,618,804	219,847	1,838,651	BBB	10
Consumer, non-cyclical	2,173,213	491,460	2,664,673	BBB+	12
Consumer, cyclical	527,752	51,507	579,259	BBB-	3
Communications	797,615	170,701	968,316	BBB+	5
Basic materials	1,140,477	242,912	1,383,389	BBB	7
Transportation	581,865	163,286	745,151	BBB+	3
Technology	130,739	27,583	158,322	A-	1
Other industrials	1,312,827	281,487	1,594,314	BBB+	8
Governments (U.S., municipal, foreign)	2,123,068	318,839	2,441,907	AA	12
Collateralized debt obligations	56,763	11,894	68,657	CCC-	—
Other asset-backed securities	132,026	(2,404)	129,622	BBB-	1
Total	\$ 16,887,667	\$ 3,389,389	\$ 20,277,056	BBB+	100

(1) Amounts reported on the balance sheet

September 30, 2020

Rating by Sector at Amortized Cost, net:	AAA	AA	A	BBB	BIG	Total
Financial—life/health/PC insurance	\$ —	\$ 195,748	\$ 708,851	1,306,874	\$ 57,703	\$ 2,269,176
Financial—bank	—	109,971	301,146	533,621	27,022	971,760
Financial—other	—	—	456,864	523,081	114,905	1,094,850
Utilities	—	25,920	1,121,331	763,434	46,047	1,956,732
Energy	—	26,879	132,785	1,268,185	190,955	1,618,804
Consumer, non-cyclical	10,739	3,052	669,169	1,393,806	96,447	2,173,213
Consumer, cyclical	—	—	50,488	322,143	155,121	527,752
Communications	—	5,060	192,141	571,479	28,935	797,615
Basic materials	—	16,509	105,642	1,018,326	—	1,140,477
Transportation	—	—	146,079	409,892	25,894	581,865
Technology	—	9,893	67,064	53,782	—	130,739
Other industrials	—	—	241,607	1,045,536	25,684	1,312,827
Governments (U.S., municipal, foreign)	686,823	1,134,373	301,187	685	—	2,123,068
Collateralized debt obligations	—	—	—	—	56,763	56,763
Other asset-backed securities	436	—	—	117,565	14,025	132,026
Total Amortized Cost, net	\$697,998	\$1,527,405	\$4,494,354	\$9,328,409	\$839,501	\$16,887,667
% of Total Amortized Cost, net	4%	9%	27%	55%	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>	September 30, 2020	June 30, 2020	Increase (Decrease) Amount
Financial—life/health/PC insurance	\$ 57,703	\$ 57,747	\$ (44)
Financial—bank	27,022	27,030	(8)
Financial—other	114,905	114,892	13
Utilities	46,047	46,163	(116)
Energy	190,955	148,302	42,653
Consumer, non-cyclical	96,447	96,626	(179)
Consumer, cyclical	155,121	118,835	36,286
Communications	28,935	28,979	(44)
Basic materials	—	10,547	(10,547)
Transportation	25,894	25,885	9
Technology	—	—	—
Other industrials	25,684	25,707	(23)
Governments (U.S., municipal, foreign)	—	—	—
Collateralized debt obligations	56,763	57,031	(268)
Other asset-backed securities	14,025	14,100	(75)
Total, net of credit losses	\$ 839,501	\$ 771,844	\$ 67,657

<u>Fixed Maturity Acquisitions:</u>	<u>Three Months Ended September 30,</u>	
	2020	2019
Amount	\$ 342,583	\$ 408,869
Average annual effective yield	3.2%	4.1%
Average rating	A+	A
Average Life (in years) to:		
Next Call	17.8	18.6
Maturity	29.2	28.6

<u>Below Investment Grade Bonds By SVO⁽¹⁾ Class at Statutory Adjusted Carrying Value:</u>	September 30, 2020	June 30, 2020	Increase (Decrease) Amount
Asset Class 3	\$ 856,167	\$ 798,027	\$ 58,140
Asset Class 4	109,050	127,261	(18,211)
Asset Class 5	—	23,527	(23,527)
Asset Class 6 (at lower of cost or market value)	37,632	37,031	601
	\$ 1,002,849	\$ 985,846	\$ 17,003

(1) NAIC Securities Valuation Office

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