

GLOBE LIFE INC.
Operating Summary

(Unaudited)

(Amounts in thousands, except per share data)

Three Months Ended March 31,			Q1	Q4	Q3	Q2	Q1
2021	2020		2021	2020	2020	2020	2020
		Underwriting income					
		Life:					
\$ 708,119	\$ 649,630	Premium	\$708,119	\$ 678,331	\$ 674,021	\$ 670,822	\$ 649,630
(337,706)	(250,465)	Net policy obligations	(337,706)	(290,722)	(283,437)	(286,637)	(250,465)
(213,448)	(199,570)	Non-deferred commissions and amortization	(213,448)	(204,287)	(200,974)	(203,476)	(199,570)
(20,319)	(20,792)	Non-deferred acquisition expense	(20,319)	(19,581)	(18,907)	(19,010)	(20,792)
136,646	178,803	Underwriting margin	136,646	163,741	170,703	161,699	178,803
		Health:					
294,173	280,205	Premium	294,173	290,220	287,795	282,877	280,205
(162,834)	(156,201)	Net policy obligations	(162,834)	(162,693)	(160,467)	(160,645)	(156,201)
(52,966)	(53,529)	Non-deferred commissions and amortization	(52,966)	(50,094)	(48,733)	(52,261)	(53,529)
(6,193)	(7,010)	Non-deferred acquisition expense	(6,193)	(5,629)	(5,735)	(5,731)	(7,010)
72,180	63,465	Underwriting margin	72,180	71,804	72,860	64,240	63,465
2,187	2,270	Annuity underwriting margin	2,187	2,241	2,253	2,265	2,270
211,013	244,538	Total underwriting margin	211,013	237,786	245,816	228,204	244,538
295	325	Other income	295	304	292	404	325
(66,176)	(63,620)	Administrative expense	(66,176)	(62,753)	(63,008)	(61,566)	(63,620)
145,132	181,243	Underwriting income	145,132	175,337	183,100	167,042	181,243
		Excess investment income					
235,820	228,991	Net investment income	235,820	235,071	231,432	231,568	228,991
(154,098)	(145,446)	Required interest on net policy liabilities	(154,098)	(152,438)	(150,432)	(147,618)	(145,446)
(21,178)	(20,808)	Interest on debt	(21,178)	(21,409)	(21,674)	(22,813)	(20,808)
60,544	62,737	Total excess investment income	60,544	61,224	59,326	61,137	62,737
(2,318)	(2,331)	Parent company expenses	(2,318)	(2,355)	(2,689)	(2,516)	(2,331)
203,358	241,649	Pre-tax operating income	203,358	234,206	239,737	225,663	241,649
(38,562)	(46,760)	Income tax	(38,562)	(44,546)	(45,945)	(43,070)	(46,760)
164,796	194,889	Net operating income before stock compensation expense	164,796	189,660	193,792	182,593	194,889
(4,705)	(6,145)	Stock compensation expense, net of tax	(4,705)	(5,441)	(5,995)	(5,761)	(6,145)
\$ 160,091	\$ 188,744	Net operating income	\$160,091	\$ 184,219	\$ 187,797	\$ 176,832	\$ 188,744
\$ 1.53	\$ 1.73	Per share	\$ 1.53	\$ 1.74	\$ 1.75	\$ 1.65	\$ 1.73
104,838	109,132	Average diluted shares outstanding	104,838	105,778	107,053	107,134	109,132
		Reconciling items, net of tax:					
\$ 22,240	\$ (20,617)	Realized gain (loss)—investments	\$ 22,240	\$ 20,021	\$ 2,465	\$ (3,784)	\$ (20,617)
—	—	Realized loss—redemption of debt	—	—	(501)	—	—
—	—	Non-operating expenses	—	—	(816)	—	—
(3,814)	(2,587)	Legal proceedings	(3,814)	—	—	—	(2,587)
\$ 178,517	\$ 165,540	Net income	\$178,517	\$ 204,240	\$ 188,945	\$ 173,048	\$ 165,540
\$ 1.70	\$ 1.52	Per share	\$ 1.70	\$ 1.93	\$ 1.76	\$ 1.62	\$ 1.52

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			
	2021	%	2020	%	2021	%	2020	%
American Income Life Division								
Premium	\$ 334,895		\$ 302,852		\$ 27,351		\$ 25,727	
Net policy obligations	116,594	35	91,598	30	6,678	24	6,256	24
Non-deferred commission & amortization	109,774	33	100,499	33	5,521	20	5,254	20
Non-deferred acquisition expenses	10,369	3	10,940	4	645	2	690	3
Underwriting margin	98,158	29	99,815	33	14,507	53	13,527	53
Direct to Consumer Division								
Premium	244,028		220,043		19,360		19,796	
Net policy obligations	169,433	69	119,523	54	15,355	79	15,772	80
Non-deferred commission & amortization	60,709	25	57,046	26	1,031	5	1,084	5
Non-deferred acquisition expenses	5,270	2	4,999	2	8	—	9	—
Underwriting margin	8,616	4	38,475	17	2,966	15	2,931	15
Liberty National Division								
Premium	75,737		72,868		47,040		47,640	
Net policy obligations	34,955	46	24,052	33	23,290	50	24,092	51
Non-deferred commission & amortization	26,663	35	25,285	35	8,551	18	10,318	22
Non-deferred acquisition expenses	4,227	6	4,592	6	1,034	2	1,331	3
Underwriting margin	9,892	13	18,939	26	14,165	30	11,899	25
Family Heritage Division								
Premium	1,118		1,021		83,335		76,983	
Net policy obligations	562	50	532	52	40,587	49	37,530	49
Non-deferred commission & amortization	227	20	223	22	18,813	23	17,656	23
Non-deferred acquisition expenses	26	2	29	3	1,910	2	2,212	3
Underwriting margin	303	27	237	23	22,025	26	19,585	25
Other								
Premium	52,341		52,846		117,087		110,059	
Net policy obligations	16,162	31	14,760	28	76,924	66	72,551	66
Non-deferred commission & amortization	16,075	31	16,517	31	19,050	16	19,217	17
Non-deferred acquisition expenses	427	1	232	—	2,596	2	2,768	3
Underwriting margin	19,677	38	21,337	40	18,517	16	15,523	14
Total								
Premium	708,119		649,630		294,173		280,205	
Net policy obligations	337,706	48	250,465	39	162,834	55	156,201	56
Non-deferred commission & amortization	213,448	30	199,570	31	52,966	18	53,529	19
Non-deferred acquisition expenses	20,319	3	20,792	3	6,193	2	7,010	3
Underwriting margin	<u>\$ 136,646</u>	19	<u>\$ 178,803</u>	28	<u>\$ 72,180</u>	25	<u>\$ 63,465</u>	23
Three Months Ended March 31,								
2021								
2020								
Total Underwriting Margins:								
Life	\$ 136,646		\$ 178,803					
Health	72,180		63,465					
Annuity	2,187		2,270					
Other income	295		325					
Administrative & other expenses	<u>(66,176)</u>		<u>(63,620)</u>					
Underwriting income	<u>\$ 145,132</u>		<u>\$ 181,243</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) %
	2021	2020	
Life			
American Income Life Division	\$ 69,623	\$ 62,869	11
Direct to Consumer Division	39,691	32,547	22
Liberty National Division	16,225	12,488	30
Other	2,688	2,709	(1)
Total Life	128,227	110,613	16
Health			
United American Division	12,945	14,464	(11)
Family Heritage Division	15,579	16,281	(4)
Liberty National Division	5,839	5,943	(2)
American Income Life Division	4,611	4,752	(3)
Direct to Consumer Division	642	590	9
Total Health	39,616	42,030	(6)
Total Net Sales	\$ 167,843	\$ 152,643	10

First-Year Collected Premium ⁽²⁾	Three Months Ended March 31,		Increase (Decrease) %
	2021	2020	
Life			
American Income Life Division	\$ 58,597	\$ 50,669	16
Direct to Consumer Division	30,627	21,094	45
Liberty National Division	11,240	10,666	5
Other	2,330	2,652	(12)
Total Life	102,794	85,081	21
Health			
United American Division	14,306	19,005	(25)
Family Heritage Division	13,811	13,446	3
Liberty National Division	4,815	5,286	(9)
American Income Life Division	4,587	4,507	2
Direct to Consumer Division	759	767	(1)
Total Health	38,278	43,011	(11)
Total First-Year Collected Premium	\$ 141,072	\$ 128,092	10

Net sales and first-year collected premium are statistical measures utilized as indicators of future premium growth. Below are definitions:

(1) Net sales, a statistical performance measure, is calculated as annualized premium issued, net of cancellations in the first thirty days after issue, except in the case of Direct to Consumer, 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 than 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,	
	2021	2020
Assets:		
Investments:		
Fixed maturities—available for sale, at fair value (amortized cost: 2021—\$17,411,959; 2020—\$16,371,944, allowance for credit losses: 2021—\$0; 2020—\$31,854)	\$ 20,154,910	\$ 17,879,541
Policy loans	584,297	579,133
Other long-term investments (includes: 2021—\$459,707; 2020—\$211,791 under the fair value option)	619,741	377,239
Short-term investments	93,348	272,601
Total investments	21,452,296	19,108,514
Cash	81,504	90,370
Accrued investment income	268,384	258,437
Other receivables	477,596	441,740
Deferred acquisition costs	4,662,509	4,386,478
Goodwill	441,591	441,591
Other assets	729,016	624,784
Total assets	<u>\$ 28,112,896</u>	<u>\$ 25,351,914</u>
Liabilities:		
Future policy benefits	\$ 15,433,249	\$ 14,617,072
Unearned and advance premium	68,817	67,868
Policy claims and other benefits payable	398,190	364,276
Other policyholders' funds	98,251	96,525
Total policy liabilities	15,998,507	15,145,741
Current and deferred income taxes	1,586,288	1,295,024
Short-term debt	274,919	458,127
Long-term debt (estimated fair value: 2021—\$1,799,129; 2020—\$1,386,511)	1,668,322	1,346,795
Other liabilities	752,523	585,945
Total liabilities	<u>20,280,559</u>	<u>18,831,632</u>
Commitments and Contingencies		
Shareholders' equity:		
Preferred stock, par value \$1 per share—5,000,000 shares authorized; outstanding: 0 in 2021 and 2020	—	—
Common stock, par value \$1 per share—320,000,000 shares authorized; outstanding: (2021—113,218,183 issued; 2020—117,218,183 issued)	113,218	117,218
Additional paid-in-capital	516,013	519,428
Accumulated other comprehensive income (loss)	2,024,515	1,066,247
Retained earnings	6,020,552	5,686,431
Treasury stock, at cost: (2021—10,025,038 shares; 2020—10,783,915 shares)	(841,961)	(869,042)
Total shareholders' equity	7,832,337	6,520,282
Total liabilities and shareholders' equity	<u>\$ 28,112,896</u>	<u>\$ 25,351,914</u>
Diluted Basis:		
Shares outstanding	104,292	106,926
Book value per common share	\$ 75.10	\$ 60.98
Book value per common share excluding net unrealized gains on fixed maturities ⁽¹⁾	\$ 54.36	\$ 49.66

(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, 2021

	Amortized Cost, net⁽¹⁾	Fair Value	% of Total Amortized Cost, net	Life & Health Insurance Industry %⁽¹⁾
Fixed maturities available for sale	\$ 17,411,959	\$ 20,154,910	93	78
Policy loans	584,297	584,297	3	2
Equities	260	1,138	—	1
Mortgage loans	158,693	158,693	1	12
Investment real estate	203	203	—	1
Other long-term investments	439,280	459,707	3	5
Short-term investments	93,348	93,348	—	1
Total	<u>\$ 18,688,040</u>	<u>\$ 21,452,296</u>	<u>100</u>	<u>100</u>

(1) Data available from SNL as of December 31, 2020.

Fixed Maturities Available-For-Sale by Amortized Cost, net and Fair Value at March 31, 2021

Summary	Amortized Cost, net	Net Unrealized Gain/(Loss)	Fair Value	Average Rating	% of Total Amortized Cost, net
Investment Grade	\$16,610,247	\$ 2,690,178	\$19,300,425	A-	95
Below Investment Grade ⁽¹⁾	801,712	52,773	854,485	BB-	5
Total	<u>\$17,411,959</u>	<u>\$ 2,742,951</u>	<u>\$20,154,910</u>	A-	<u>100</u>
By Type					
Corporates ⁽¹⁾	\$14,901,294	\$ 2,474,876	\$ 17,376,170	BBB+	86
Municipals	1,901,330	190,029	2,091,359	AA	11
Government, agencies & GSEs	437,907	52,677	490,584	AAA	2
Collateralized debt obligations (CDOs)	36,810	24,491	61,301	C+	—
Other asset-backed securities	134,618	878	135,496	BBB-	1
Total	<u>\$17,411,959</u>	<u>\$ 2,742,951</u>	<u>\$20,154,910</u>	A-	<u>100</u>

(1) Fixed maturities at amortized cost as of March 31, 2021 were \$17.4 billion less \$— for allowance for credit losses.

GLOBE LIFE INC.
Fixed Maturity Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

March 31, 2021

By Sector:	Amortized Cost, net	Net Unrealized Gain/(Loss)	Fair Value⁽¹⁾	Average Rating	% of Total Amortized Cost, net
Financial—life/health/PC insurance	\$ 2,271,939	\$ 398,576	\$ 2,670,515	BBB+	13
Financial—bank	969,244	165,804	1,135,048	BBB+	6
Financial—other	1,216,893	127,448	1,344,341	BBB+	7
Utilities	1,976,871	422,834	2,399,705	A-	11
Energy	1,637,352	248,164	1,885,516	BBB	10
Consumer, non-cyclical	2,215,755	352,235	2,567,990	BBB+	13
Consumer, cyclical	564,433	74,641	639,074	BBB-	3
Communications	851,825	120,615	972,440	BBB+	5
Basic materials	1,164,613	218,860	1,383,473	BBB	7
Transportation	567,389	117,733	685,122	BBB+	3
Technology	196,059	7,287	203,346	A+	1
Other industrials	1,268,921	220,679	1,489,600	BBB+	7
Governments (U.S., municipal, foreign)	2,339,237	242,706	2,581,943	AA	13
Collateralized debt obligations	36,810	24,491	61,301	C+	—
Other asset-backed securities	134,618	878	135,496	BBB-	1
Total	\$ 17,411,959	\$ 2,742,951	\$ 20,154,910	A-	100

(1) Amounts reported on the balance sheet.

March 31, 2021

Rating by Sector at Amortized Cost, net:	AAA	AA	A	BBB	BIG	Total
Financial—life/health/PC insurance	\$ —	\$ 160,795	\$ 762,052	\$1,291,480	\$ 57,612	\$ 2,271,939
Financial—bank	—	110,311	282,966	548,962	27,005	969,244
Financial—other	—	—	478,776	623,182	114,935	1,216,893
Utilities	—	25,956	1,014,910	885,926	50,079	1,976,871
Energy	—	112,486	132,833	1,206,019	186,014	1,637,352
Consumer, non-cyclical	10,727	3,051	628,186	1,489,433	84,358	2,215,755
Consumer, cyclical	—	—	64,726	348,822	150,885	564,433
Communications	—	5,060	198,840	619,083	28,842	851,825
Basic materials	—	16,483	115,918	1,032,212	—	1,164,613
Transportation	—	—	145,870	395,860	25,659	567,389
Technology	14,947	58,504	43,455	79,153	—	196,059
Other industrials	—	—	206,782	1,036,501	25,638	1,268,921
Governments (U.S., municipal, foreign)	717,486	1,253,238	368,513	—	—	2,339,237
Collateralized debt obligations	—	—	—	—	36,810	36,810
Other asset-backed securities	345	—	—	120,398	13,875	134,618
Total Amortized Cost, net	\$743,505	\$1,745,884	\$4,443,827	\$9,677,031	\$801,712	\$17,411,959
% of Total Amortized Cost, net	4%	10%	25%	56%	5%	100%

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

GLOBE LIFE INC.
Fixed Maturity Assets

(Unaudited)

(Dollar amounts in thousands, except per share data)

<u>Below Investment Grade Bonds by Sector at Amortized Cost, net:</u>	March 31, 2021	December 31, 2020	Increase (Decrease) Amount
Financial—life/health/PC insurance	\$ 57,612	\$ 57,658	\$ (46)
Financial—bank	27,005	27,014	(9)
Financial—other	114,935	114,919	16
Utilities	50,079	50,663	(584)
Energy	186,014	191,948	(5,934)
Consumer, non-cyclical	84,358	96,265	(11,907)
Consumer, cyclical	150,885	150,989	(104)
Communications	28,842	28,889	(47)
Basic materials	—	—	—
Transportation	25,659	25,777	(118)
Technology	—	—	—
Other industrials	25,638	25,661	(23)
Governments (U.S., municipal, foreign)	—	—	—
Collateralized debt obligations	36,810	57,007	(20,197)
Other asset-backed securities	13,875	13,949	(74)
Total, net of credit losses	\$ 801,712	\$ 840,739	\$ (39,027)

Fixed Maturity Acquisitions:	Three Months Ended March 31,	
	2021	2020
Amount	\$ 298,849	\$ 211,754
Average annual effective yield	3.4%	3.8%
Average rating	A	A+
Average Life (in years) to:		
Next Call	29.6	14.9
Maturity	33.7	27.0

<u>Below Investment Grade Bonds By SVO⁽¹⁾ Class at Statutory Adjusted Carrying Value:</u>	March 31, 2021	December 31, 2020	Increase (Decrease) Amount
Asset Class 3	\$ 827,111	\$ 876,746	\$ (49,635)
Asset Class 4	111,504	114,804	(3,300)
Asset Class 5	—	—	—
Asset Class 6 (at lower of cost or market value)	36,810	37,887	(1,077)
	\$ 975,425	\$ 1,029,437	\$ (54,012)

(1) NAIC Securities Valuation Office

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