

TORCHMARK CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited and in thousands except per share data)

	Three Months Ended March 31,	
	2003	2002
Revenue:		
Life premium	\$320,538	\$298,344
Health premium	262,406	262,507
Other premium	7,529	10,390
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Total premium	590,473	571,241
Net investment income	135,436	128,203
Realized investment gains (losses)	-14,413	-10,252
Other income	492	479
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Total revenue	711,988	689,671
Benefits and expenses:		
Life policyholder benefits	212,115	199,845
Health policyholder benefits	174,211	172,838
Other policyholder benefits	9,079	8,196
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Total policyholder benefits	395,405	380,879
Amortization of deferred acquisition costs	77,746	75,026
Commissions and premium taxes	42,486	42,507
Other operating expense	36,073	34,615
Interest expense	6,295	7,318
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Total benefits and expenses	558,005	540,345
Income from continuing operations before income taxes and preferred securities dividends	153,983	149,326
Income taxes	-52,495	-50,167
Preferred securities dividends (net of tax)	-855	-1,005
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Net income	100,633	98,154
Basic net income per share	<u>\$0.86</u>	<u>\$0.80</u>
Diluted net income per share	<u>\$0.85</u>	<u>\$0.80</u>