



# FBL Financial Group, Inc.

## GAAP to Non-GAAP Reconciliation

For the year ended December 31, 2010

(dollars in thousands, except per share data)

	2006	2007	2008	2009	2010
<b>Net income (loss)</b>	\$ 90,129	\$ 86,339	\$ (18,149)	\$ 69,835	\$ 120,653
Adjustments:					
Net realized/unrealized (gains) losses on investments <sup>(a)</sup>	(9,222)	(4,501)	79,542	18,060	(12,455)
Net change in unrealized gains/losses on derivatives <sup>(a)</sup>	(936)	13,500	(11,801)	2,209	(2,961)
Cumulative effect of change in accounting principle <sup>(a)</sup>	-	283	-	-	-
Lawsuit settlement <sup>(a)</sup>	3,172	-	-	-	-
<b>Operating Income <sup>(b)</sup></b>	<u>\$ 83,143</u>	<u>\$ 95,621</u>	<u>\$ 49,592</u>	<u>\$ 90,104</u>	<u>\$ 105,237</u>
<b>Operating income per common share assuming dilution <sup>(b)</sup></b>	<u>\$ 2.78</u>	<u>\$ 3.15</u>	<u>\$ 1.64</u>	<u>\$ 2.98</u>	<u>\$ 3.42</u>
<b>Book value</b>	\$ 29.59	\$ 29.98	\$ 8.46	\$ 28.49	\$ 36.95
Less: Per share impact of accumulated other comprehensive income (loss)	0.95	(1.21)	(21.54)	(3.89)	1.29
<b>Book value, excluding accumulated other comprehensive income/loss <sup>(c)</sup></b>	<u>\$ 28.64</u>	<u>\$ 31.19</u>	<u>\$ 30.00</u>	<u>\$ 32.38</u>	<u>\$ 35.66</u>

(a) Net of adjustments, as applicable, to amortization of unearned revenue reserves, deferred policy acquisition costs, deferred sales inducements, value of insurance in force acquired and income taxes attributable to these items.

(b) In addition to net income (loss), FBL Financial Group has consistently utilized operating income, a non-GAAP financial measure commonly used in the life insurance industry, as a primary economic measure to evaluate its financial performance. Operating income equals net income (loss) adjusted to eliminate the impact of realized/unrealized gains and losses on investments, the change in net unrealized gains and losses on derivatives, the cumulative effect of changes in accounting principles and a nonrecurring lawsuit settlement. FBL Financial Group uses operating income, in addition to net income (loss), to measure its performance since realized/unrealized gains and losses on investments and the change in net unrealized gains and losses on derivatives can fluctuate greatly from quarter to quarter, and the cumulative effect of change in accounting principles and lawsuit settlement in 2006 are nonrecurring items. These fluctuations make it difficult to analyze core operating trends. In addition, for derivatives not designated as hedges, there is a mismatch between the valuation of the asset and liability when deriving net income (loss). This non-GAAP measure is used for goal setting, determining company-wide short-term incentive compensation and evaluating performance on a basis comparable to that used by many in the investment community. FBL Financial Group believes the combined presentation and evaluation of operating income, together with net income (loss), provides information that may enhance an investor's understanding of FBL Financial Group's underlying results and profitability.

(c) Book value per share excluding accumulated other comprehensive income (loss) is a non-GAAP financial measure. Since accumulated other comprehensive income (loss) fluctuates from quarter to quarter due to unrealized changes in the fair market value of investments caused principally by changes in market interest rates, FBL Financial Group believes this non-GAAP financial measure provides useful supplemental information.