



# FBL Financial Group, Inc.

## GAAP to Non-GAAP Reconciliation

For the year ended December 31, 2011

(dollars in thousands, except per share data)

	2009	2010	2011
<b>Net income</b>	\$ 69,835	\$ 120,653	\$ 31,276
Adjustments:			
Loss on redemption of debt <sup>(a)</sup>	-	-	21,564
Net impact of discontinued operations <sup>(a)</sup>	(19,344)	(36,252)	24,042
Net realized/unrealized (gains) losses on investments <sup>(a)</sup>	20,025	(5,899)	5,825
Net change in unrealized gains/losses on derivatives <sup>(a)</sup>	(1,732)	(2,293)	(931)
<b>Operating Income <sup>(b)</sup></b>	<u>\$ 68,784</u>	<u>\$ 76,209</u>	<u>\$ 81,776</u>
<b>Operating income per common share assuming dilution <sup>(b)</sup></b>	<u>\$ 2.28</u>	<u>\$ 2.48</u>	<u>\$ 2.61</u>
<b>Book value</b>	\$ 28.49	\$ 36.95	\$ 41.60
Less: Per share impact of accumulated other comprehensive income (loss)	(3.89)	1.29	4.88
<b>Book value, excluding accumulated other comprehensive income/loss <sup>(c)</sup></b>	<u>\$ 32.38</u>	<u>\$ 35.66</u>	<u>\$ 36.72</u>

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

(b) In addition to net income 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 attributable to FBL adjusted to eliminate the impact of realized gains and losses on investments, the change in net unrealized gains and losses on derivatives, the impact of discontinued operations and the loss on debt redemption. FBL uses operating income, in addition to net income, to measure its performance since realized gains and losses on investments and the change in net unrealized gains and losses on derivatives can fluctuate greatly from quarter to quarter. Also, the discontinued operations and loss on debt redemption are nonrecurring items. These fluctuations make it difficult to analyze core operating trends. A view of our operating performance without the impact of these mismatches and nonrecurring items enhances the analysis of our results. We use operating income for goal setting, determining short-term incentive compensation and evaluating performance on a basis comparable to that used by many in the investment community.

(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.