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## Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

### FORM 8-K

#### CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): February 7, 2019

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### FBL Financial Group, Inc.

(Exact name of registrant as specified in its charter)

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Iowa	1-11917	42-1411715
(State of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

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5400 University Avenue, West Des Moines, Iowa	50266-5997
(Address of principal executive offices)	(Zip Code)

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(515) 225-5400

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a.12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Item 2.02. Results of Operations and Financial Condition

On February 7, 2019, FBL Financial Group, Inc. issued a news release reporting its financial results for the three months ended December 31, 2018 and a related financial supplement. The news release is furnished as Exhibit 99.1 hereto and the Financial Supplement is furnished as Exhibit 99.2 hereto.

The information contained in this Form 8-K including the exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

## Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	<a href="#">News release of FBL Financial Group, Inc. dated February 7, 2019</a>
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99.2	<a href="#">Financial Supplement of FBL Financial Group, Inc. for the quarter ended December 31, 2018</a>
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### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 7, 2019

**FBL FINANCIAL GROUP, INC.**

By /s/ Donald J. Seibel  
Donald J. Seibel  
Chief Financial Officer

### EXHIBIT INDEX

<u>Exhibit No:</u>	<u>Description</u>
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Exhibit 99.1	News release of FBL Financial Group, Inc. dated February 7, 2019
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Exhibit 99.2	Financial Supplement of FBL Financial Group, Inc. for the quarter ended December 31, 2018
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[\(Back To Top\)](#)

## Section 2: EX-99.1 (EXHIBIT 99.1)

**FOR IMMEDIATE RELEASE**

Thursday, February 7, 2019

**CONTACT:**

Kathleen Till Stange, V.P. Corporate & Investor Relations  
(515) 226-6780, [Kathleen.TillStange@FBLFinancial.com](mailto:Kathleen.TillStange@FBLFinancial.com)

**FBL Financial Group Reports Fourth Quarter 2018 Results**

West Des Moines, Iowa, February 7, 2019 -

### Financial Highlights

(Dollars in thousands, except per share data)

	Three months ended December 31,	
	2018	2017
Net income attributable to FBL Financial Group	\$ 6,415	\$ 103,980
Non-GAAP operating income <sup>(1)</sup>	18,826	23,003
Earnings per common share (assuming dilution):		
Net income	0.26	4.15
Non-GAAP operating income <sup>(1)</sup>	0.75	0.92

**FBL Financial Group, Inc. (NYSE: FFG)** today reported net income attributable to FBL Financial Group for the fourth quarter of 2018 of \$6.4 million, or \$0.26 per diluted common share, compared to \$104.0 million, or \$4.15 per diluted common share, for the fourth quarter of 2017. Fourth quarter 2017 net income included a one-time benefit from the Tax Cuts and Jobs Act of 2017 of \$81.2 million (\$3.24 per share). Non-GAAP operating income<sup>(1)</sup> totaled \$18.8 million, or \$0.75 per common share, for the fourth quarter of 2018, compared to \$23.0 million, or \$0.92 per common share, for the fourth quarter of 2017. Full year 2018 net income totaled \$4.15 per share and full year 2018 non-GAAP operating income totaled \$4.36 per share. Fourth quarter 2018 earnings per share reflects:

- Net realized losses on investments primarily due to a change in the fair value of equity securities and other-than-temporary impairments
- Lower investment income due to a change in the fair value of derivatives
- Negative impact of \$0.24 per share from the offering of a voluntary early retirement program; this program supports ongoing expense savings efforts while providing eligible employees with enhanced retirement benefits
- Increased benefit expenses totaling \$0.17 per share due to updating the estimate of an immaterial error related to a closed block of life insurance business along with accrued interest associated with remediating the error
- Higher amortization of acquisition costs in the Corporate and Other segment due to the negative impact of equity markets on separate account performance
- Favorable mortality results in the Life Segment
- The benefit of other investment-related income of \$0.02 per share

Non-GAAP operating income differs from the GAAP measure, net income attributable to FBL Financial Group, in that it excludes the initial impact of changes in federal statutory income tax rates and tax laws, realized gains and losses on investments, and the change in net unrealized gains and losses on derivatives and equity securities. For further information on this non-GAAP financial measure, please refer to Note (1) and the reconciliation provided within this release.

"FBL Financial Group fourth quarter net income of \$0.26 per share and operating income of \$0.75 per share reflect the impact of several items, including volatile equity markets and a charge related to ongoing expense savings. Even so, we reported a record \$4.36 per share in full year non-GAAP operating income," said James P. Brannen, Chief Executive Officer of FBL Financial Group, Inc. "Sales in the fourth quarter were strong, resulting in a five percent increase in life insurance premiums collected and a three percent increase in annuity premiums collected compared to the prior year quarter. We have a positive outlook in 2019 based on financial strength, a robust Farm Bureau Financial Services agent force, and enhanced distribution through the addition of Farm Bureau wealth management advisors. These factors empower us to fulfill our purpose of protecting livelihoods and futures."

**Product Revenues Increase from 2017.** Premiums and product charges for the fourth quarter of 2018 totaled \$80.2 million compared to \$75.8 million in the fourth quarter of 2017. Interest sensitive product charges increased 17 percent while traditional life insurance premiums were flat during the quarter. Premiums collected<sup>(2)</sup> in the fourth quarter of 2018 totaled \$157.4 million compared to \$153.7 million in the fourth quarter of 2017.

**Investment Income of \$84 Million in Fourth Quarter.** Net investment income in the fourth quarter of 2018 totaled \$83.9 million, compared to \$107.3 million in the fourth quarter of 2017. This decrease is due to a change in the fair value of derivatives as well as lower investment yields and a decline in other investment-related income. The annualized yield earned on average invested assets, with securities at amortized cost, including investments held as securities and indebtedness of related parties, was 5.13 percent for the year ended December 31, 2018 compared to 5.28 percent for the year ended December 31, 2017. At December 31, 2018, 98 percent of the fixed maturity securities in FBL Financial Group's investment portfolio were investment grade debt securities.

**Benefits and Expenses.** Benefits and expenses totaled \$156.0 million in the fourth quarter of 2018, compared to \$153.4 million in the fourth quarter of 2017. Death benefits, net of reinsurance and reserves released, totaled \$30.4 million in the fourth quarter of 2018, compared to \$29.2 million in the fourth quarter of 2017. By its nature, mortality experience can fluctuate from quarter to quarter.

**Net Realized Losses in the Fourth Quarter.** In the fourth quarter of 2018, FBL Financial Group recognized net realized losses on investments of \$9.6 million. This is attributable to realized gains on sales of \$0.4 million, realized losses on sales of \$1.3 million and unrealized losses on equity securities of \$4.7 million. In addition, other-than-temporary impairments totaled \$3.9 million.

**Stock Repurchases.** During the fourth quarter of 2018, FBL Financial Group repurchased 103,826 shares of its Class A common stock. FBL Financial Group has \$40.9 million remaining under its current stock repurchase program.

**Capital and Book Value.** As of December 31, 2018, the book value per share of FBL Financial Group common stock totaled \$47.78, compared to \$55.12 at December 31, 2017. Book value per share, excluding accumulated other comprehensive income<sup>(3)</sup>, totaled \$44.09 at December 31, 2018, compared to

\$43.68 at December 31, 2017. The December 31, 2018 company action level risk based capital ratio of FBL Financial Group's wholly owned subsidiary, Farm Bureau Life Insurance Company, was approximately 552 percent.

**Further Financial Information.** Further information on FBL Financial Group's financial results, including results by segment, may be found in FBL Financial Group's financial supplement, available on its website, [www.fblfinancial.com](http://www.fblfinancial.com).

**Conference Call.** FBL Financial Group will hold a conference call with investors tomorrow, February 8, 2019, at 9:00 a.m. Eastern Time. The call will be webcast and a replay will be available on FBL Financial Group's website.

*Certain statements in this release concerning FBL Financial Group's prospects for the future are forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act. These statements generally can be identified by their context, including terms such as "believes," "anticipates," "expects," or similar words. These statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statement. These risks and uncertainties are detailed in FBL Financial Group's reports filed with the Securities and Exchange Commission and include, but are not limited to, changes in interest rates, difficult conditions in financial markets and the economy, lack of liquidity and access to capital, investment valuations, competitive factors, a decrease in ratings, changes in laws and regulations, differences between actual claims experience and underwriting assumptions, relationships with Farm Bureau organizations, the ability to attract and retain sales agents and adverse results from litigation. These forward-looking statements are based on assumptions which FBL Financial Group believes to be reasonable; however, no assurance can be given that the assumptions will prove to be correct. FBL Financial Group undertakes no obligation to update any forward-looking statements.*

FBL Financial Group is a holding company whose purpose is to protect livelihoods and futures. Operating under the consumer brand name Farm Bureau Financial Services, it offers a broad range of life insurance and annuity products distributed by multiline exclusive Farm Bureau agents. In addition, FBL Financial Group manages all aspects of two Farm Bureau affiliated property-casualty insurance companies for a management fee. Headquartered in West Des Moines, Iowa, FBL Financial Group is traded on the New York Stock Exchange under the symbol FFG. For more information, please visit [www.fblfinancial.com](http://www.fblfinancial.com) and [www.fbfs.com](http://www.fbfs.com).

**- FINANCIAL INFORMATION AND NOTES FOLLOW -**

**FBL Financial Group, Inc.**  
**Consolidated Statements of Operations (Unaudited)**  
(Dollars in thousands, except per share data)

	Three months ended		Year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Revenues:				
Interest sensitive product charges	\$ 30,624	\$ 26,275	\$ 122,789	\$ 112,936
Traditional life insurance premiums	49,600	49,547	198,312	195,330
Net investment income	83,865	107,347	394,618	415,199
Net realized capital gains (losses)	(5,661)	—	(7,276)	599
Net other-than-temporary impairment losses recognized in earnings	(3,908)	(1,420)	(4,998)	(1,553)
Other income	4,116	3,689	16,181	15,400
Total revenues	<u>158,636</u>	<u>185,438</u>	<u>719,626</u>	<u>737,911</u>
Benefits and expenses:				
Interest sensitive product benefits	59,626	63,661	253,753	251,878
Traditional life insurance benefits	41,860	44,826	175,209	173,023
Policyholder dividends	2,539	2,543	10,130	10,140
Underwriting, acquisition and insurance expenses	44,434	36,649	152,055	134,878
Interest expense	1,213	1,212	4,851	4,850
Other expenses	6,314	4,520	22,595	18,382
Total benefits and expenses	<u>155,986</u>	<u>153,411</u>	<u>618,593</u>	<u>593,151</u>
	2,650	32,027	101,033	144,760
Income taxes	2,812	72,000	(11,650)	39,983
Equity income (loss), net of related income taxes	998	(39)	4,439	2,590
Net income	<u>6,460</u>	<u>103,988</u>	<u>93,822</u>	<u>187,333</u>
Net income attributable to noncontrolling interest	(45)	(8)	(29)	(28)
Net income attributable to FBL Financial Group, Inc.	<u>\$ 6,415</u>	<u>\$ 103,980</u>	<u>\$ 93,793</u>	<u>\$ 187,305</u>
Earnings per common share - assuming dilution	<u>\$ 0.26</u>	<u>\$ 4.15</u>	<u>\$ 3.75</u>	<u>\$ 7.47</u>
Weighted average common shares	24,887,779	25,039,449	24,932,189	25,038,334
Effect of dilutive securities	9,762	17,087	12,412	19,111
Weighted average common shares - diluted	<u>24,897,541</u>	<u>25,056,536</u>	<u>24,944,601</u>	<u>25,057,445</u>

### (1) Reconciliation of Net Income Attributable to FBL Financial Group to Non-GAAP Operating Income - Unaudited

In addition to net income, FBL Financial Group has consistently utilized non-GAAP operating income, a financial measure common in the life insurance industry that is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), as a primary economic measure to evaluate its financial performance. Non-GAAP operating income equals net income attributable to FBL Financial Group adjusted to exclude the initial impact of changes in federal statutory income tax rates and tax laws, realized gains and losses on investments, and the change in net unrealized gains and losses on derivatives and equity securities, which can fluctuate greatly from period to period. 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). Specifically, call options relating to indexed business are one-year assets while the embedded derivatives in the indexed contracts represent the rights of the contract holder to receive index credits over the entire period the indexed products are expected to be in force. This non-GAAP measure is used for goal setting, determining 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 non-GAAP operating income, together with net income, provides information that may enhance an investor's understanding of FBL Financial Group's underlying results and profitability. A reconciliation is provided in the following table:

	Three months ended		Year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	(Dollars in thousands, except per share data)			
Net income attributable to FBL Financial Group	\$ 6,415	\$ 103,980	\$ 93,793	\$ 187,305
Adjustments:				
Initial impact of the Tax Act <sup>(a)</sup>	—	(81,157)	(617)	(81,157)
Net realized gains/losses on investments <sup>(b) (c)</sup>	7,414	656	9,546	459
Change in net unrealized gains/losses on derivatives <sup>(b)</sup>	4,997	(476)	6,188	(2,549)
Non-GAAP operating income	<u>\$ 18,826</u>	<u>\$ 23,003</u>	<u>\$ 108,910</u>	<u>\$ 104,058</u>
Non-GAAP operating income per common share - assuming dilution	<u>\$ 0.75</u>	<u>\$ 0.92</u>	<u>\$ 4.36</u>	<u>\$ 4.15</u>

<sup>(a)</sup> Amount represents the change in deferred tax assets and liabilities due to the enactment of the Tax Cuts and Jobs Act of 2017.

<sup>(b)</sup> Net of adjustments, as applicable, to amortization of unearned revenue reserves, deferred acquisition costs, value of insurance in force acquired, interest sensitive policy reserves and income taxes attributable to these items.

<sup>(c)</sup> Beginning in 2018, the change in net unrealized gains/losses on equity securities is included as an adjustment to net income.

**(2) Premiums Collected** - Net statutory premiums collected is a non-GAAP measure and includes premiums collected from annuities and universal life-type products. It is a useful metric for investors as it is a measure of sales production. For GAAP reporting, these premiums received are not reported as revenues.

### (3) Reconciliation of Book Value Per Share Excluding Accumulated Other Comprehensive Income - Unaudited

	December 31, 2018	December 31, 2017
Book value per share	\$ 47.78	\$ 55.12
Less: Per share impact of accumulated other comprehensive income	3.69	11.44
Book value per share, excluding accumulated other comprehensive income	<u>\$ 44.09</u>	<u>\$ 43.68</u>

Book value per share excluding accumulated other comprehensive income is a non-GAAP financial measure. Accumulated other comprehensive income totaled \$91.3 million at December 31, 2018 and \$285.0 million at December 31, 2017. Since accumulated other comprehensive income fluctuates from quarter to quarter due to unrealized changes in the fair value of investments caused principally by changes in market interest rates, FBL Financial Group believes this non-GAAP financial measure provides useful supplemental information.

**FBL Financial Group, Inc.**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
(Dollars in thousands)

	December 31, 2018	December 31, 2017
<b>Assets</b>		
Investments	\$ 8,414,118	\$ 8,620,243
Cash and cash equivalents	19,035	52,696
Deferred acquisition costs	418,802	302,611
Other assets	420,394	425,888
Assets held in separate accounts	561,281	651,963
Total assets	\$ 9,833,630	\$ 10,053,401
 <b>Liabilities and stockholders' equity</b>		
Liabilities		
Future policy benefits	\$ 7,205,471	\$ 7,050,465
Other policy funds, claims and benefits	615,177	634,128
Debt	97,000	97,000
Other liabilities	170,442	242,720
Liabilities related to separate accounts	561,281	651,963
Total liabilities	8,649,371	8,676,276
 Stockholders' equity		
FBL Financial Group, Inc. stockholders' equity:		
Preferred stock	3,000	3,000
Class A common stock	152,652	153,589
Class B common stock	72	72
Accumulated other comprehensive income	91,318	284,983
Retained earnings	937,097	935,423
Total FBL Financial Group, Inc. stockholders' equity	1,184,139	1,377,067
Noncontrolling interest	120	58
Total stockholders' equity	1,184,259	1,377,125
Total liabilities and stockholders' equity	\$ 9,833,630	\$ 10,053,401
 Common shares outstanding	 24,718,815	 24,930,526

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[\(Back To Top\)](#)

**Section 3: EX-99.2 (EXHIBIT 99.2)**



**FBL FINANCIAL GROUP, INC.**  
**INVESTOR SUPPLEMENT**  
**2018 Fourth Quarter**



 **FBL Financial Group, Inc.**

**Corporate Headquarters**

FBL Financial Group, Inc.  
5400 University Avenue  
West Des Moines, Iowa 50266-5997  
(515) 225-5400

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**Financial Inquiries**

*For more information contact:*  
Kathleen Till Stange  
Vice President Corporate & Investor Relations  
[Kathleen.TillStange@FBLFinancial.com](mailto:Kathleen.TillStange@FBLFinancial.com)  
(515) 226-6780

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**Internet Information**

FBL Financial Group, Inc.  
[www.fblfinancial.com](http://www.fblfinancial.com)

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**Stock Symbol**

NYSE: FFG

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**Transfer Agent**

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
<http://www.astfinancial.com>

**FBL Financial Group, Inc.**  
**Financial Supplement (Unaudited)**  
**December 31, 2018**  
**Table of Contents/Notes**

Consolidated Financial Statements:	
Consolidated Balance Sheets	<a href="#"><u>2</u></a>
Consolidated Statements of Comprehensive Income	<a href="#"><u>4</u></a>
Consolidated Statements of Comprehensive Income, last five quarters	<a href="#"><u>5</u></a>
Net Income to Non-GAAP Operating Income Reconciliation and Pre-tax Non-GAAP Operating Income by Segment, last five quarters	<a href="#"><u>6</u></a>
Financial Information by Segment:	
Segment Information	<a href="#"><u>7</u></a>
Statements of Pre-tax Non-GAAP Operating Income, last five quarters:	
Annuity Segment	<a href="#"><u>8</u></a>
Life Insurance Segment	<a href="#"><u>9</u></a>
Corporate and Other Segment	<a href="#"><u>11</u></a>
Deferred Acquisition Costs by Segment	<a href="#"><u>12</u></a>
Impact of Unlocking on Pre-tax Non-GAAP Operating Income	<a href="#"><u>14</u></a>
Collected Premiums, last five quarters	<a href="#"><u>15</u></a>
Other Information	<a href="#"><u>16</u></a>

NOTE 1: In addition to net income as determined using U.S. Generally Accepted Accounting Principles (GAAP), we have consistently used non-GAAP operating income (a measure of earnings not recognized under GAAP), a financial measure common in the life insurance industry, as a primary economic measure to evaluate our financial performance. Non-GAAP operating income for the periods presented consists of net income adjusted to exclude the initial impact of changes in federal statutory income tax rates and tax laws, realized gains and losses on investments and the change in net unrealized gains and losses on derivatives and equity securities.

We use non-GAAP operating income, in addition to net income, to measure our performance since realized gains and losses on investments and the change in net unrealized gains and losses on derivatives and equities can fluctuate greatly from quarter to quarter. These fluctuations make it difficult to analyze core operating trends. A view of our non-GAAP operating performance without the impact of these items enhances the analysis of our results. We use non-GAAP 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.

NOTE 2: During the third quarter of 2018, we voluntarily changed our accounting policy for low income housing tax credit (LIHTC) investments. The accounting change is applied retrospectively to our financial statements and all prior financial information in this exhibit has been adjusted to reflect this change. For further details on the accounting change, see Note 1 to our consolidated financial statements in our Form 10-Q for the quarter ended September 30, 2018.

NOTE 3: Certain financial information presented herein may not add due to rounding.

**FBL Financial Group, Inc.**  
**Consolidated Balance Sheets (Unaudited)**  
(Dollars in thousands)

	December 31, 2018	December 31, 2017
<b>Assets</b>		
Investments:		
Fixed maturities - available for sale, at fair value (amortized cost: 2018 - \$6,856,277; 2017 - \$6,757,250)	\$ 7,033,045	\$ 7,291,967
Equity securities - at fair value (cost: 2018 - \$93,564; 2017 - \$96,715)	92,857	104,145
Mortgage loans	1,039,829	971,812
Real estate	1,543	1,543
Policy loans	197,366	191,398
Short-term investments	15,713	17,007
Other investments	33,765	42,371
<b>Total investments</b>	<b>8,414,118</b>	<b>8,620,243</b>
Cash and cash equivalents	19,035	52,696
Securities and indebtedness of related parties	60,962	47,823
Accrued investment income	74,524	76,468
Amounts receivable from affiliates	3,812	3,561
Reinsurance recoverable	102,386	108,948
Deferred acquisition costs	418,802	302,611
Value of insurance in force acquired	10,385	4,560
Current income taxes recoverable	4,807	6,764
Other assets	163,518	177,764
Assets held in separate accounts	561,281	651,963
<b>Total assets</b>	<b>\$ 9,833,630</b>	<b>\$ 10,053,401</b>

**FBL Financial Group, Inc.**  
**Consolidated Balance Sheets (Continued)**  
(Dollars in thousands)

	December 31, 2018	December 31, 2017
<b>Liabilities and stockholders' equity</b>		
Liabilities:		
Future policy benefits:		
Interest sensitive products	\$ 5,403,125	\$ 5,299,961
Traditional life insurance and accident and health products	1,802,346	1,750,504
Other policy claims and benefits	51,298	44,475
Supplementary contracts without life contingencies	303,627	322,630
Advance premiums and other deposits	260,252	267,023
Amounts payable to affiliates	1,461	1,164
Long-term debt payable to non-affiliates	97,000	97,000
Deferred income taxes	75,449	130,425
Other liabilities	93,532	111,131
Liabilities related to separate accounts	561,281	651,963
Total liabilities	8,649,371	8,676,276
Stockholders' equity:		
FBL Financial Group, Inc. stockholders' equity:		
Preferred stock, without par value, at liquidation value - authorized 10,000,000 shares, issued and outstanding 5,000,000 Series B shares	3,000	3,000
Class A common stock, without par value - authorized 88,500,000 shares, issued and outstanding 24,707,402 in 2018 and 24,919,113 shares in 2017	152,652	153,589
Class B common stock, without par value - authorized 1,500,000 shares, issued and outstanding 11,413 shares in 2018 and 2017	72	72
Accumulated other comprehensive income	91,318	284,983
Retained earnings	937,097	935,423
Total FBL Financial Group, Inc. stockholders' equity	1,184,139	1,377,067
Noncontrolling interest	120	58
Total stockholders' equity	1,184,259	1,377,125
Total liabilities and stockholders' equity	\$ 9,833,630	\$ 10,053,401

**FBL Financial Group, Inc.**  
**Consolidated Statements of Comprehensive Income (Unaudited)**  
(Dollars in thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Interest sensitive product charges	\$ 30,624	\$ 26,275	\$ 122,789	\$ 112,936
Traditional life insurance premiums	49,600	49,547	198,312	195,330
Net investment income	83,865	107,347	394,618	415,199
Net realized capital gains (losses)	(5,661)	—	(7,276)	599
<b>Total other-than-temporary impairment losses</b>	<b>(3,982)</b>	<b>(1,420)</b>	<b>(5,072)</b>	<b>(1,553)</b>
Non-credit portion in other comprehensive income	74	—	74	—
Net impairment losses recognized in earnings	(3,908)	(1,420)	(4,998)	(1,553)
Other income	4,116	3,689	16,181	15,400
<b>Total revenues</b>	<b>158,636</b>	<b>185,438</b>	<b>719,626</b>	<b>737,911</b>
<b>Benefits and expenses:</b>				
Interest sensitive product benefits	59,626	63,661	253,753	251,878
Traditional life insurance benefits	41,860	44,826	175,209	173,023
Policyholder dividends	2,539	2,543	10,130	10,140
Underwriting, acquisition and insurance expenses	44,434	36,649	152,055	134,878
Interest expense	1,213	1,212	4,851	4,850
Other expenses	6,314	4,520	22,595	18,382
<b>Total benefits and expenses</b>	<b>155,986</b>	<b>153,411</b>	<b>618,593</b>	<b>593,151</b>
	2,650	32,027	101,033	144,760
Income tax benefit (expense)	2,812	72,000	(11,650)	39,983
Equity income (loss), net of related income taxes	998	(39)	4,439	2,590
Net income	6,460	103,988	93,822	187,333
Net income attributable to noncontrolling interest	(45)	(8)	(29)	(28)
Net income attributable to FBL Financial Group, Inc.	<u>\$ 6,415</u>	<u>\$ 103,980</u>	<u>\$ 93,793</u>	<u>\$ 187,305</u>
<b>Comprehensive income (loss) attributable to FBL Financial Group, Inc.</b>	<b><u>\$ 8,772</u></b>	<b><u>\$ 116,868</u></b>	<b><u>\$ (94,392)</u></b>	<b><u>\$ 274,507</u></b>
<b>Earnings per common share</b>	<b><u>\$ 0.26</u></b>	<b><u>\$ 4.15</u></b>	<b><u>\$ 3.76</u></b>	<b><u>\$ 7.47</u></b>
<b>Earnings per common share - assuming dilution</b>	<b><u>\$ 0.26</u></b>	<b><u>\$ 4.15</u></b>	<b><u>\$ 3.75</u></b>	<b><u>\$ 7.47</u></b>
<b>Cash dividends per common share</b>	<b><u>\$ 0.46</u></b>	<b><u>\$ 0.44</u></b>	<b><u>\$ 1.84</u></b>	<b><u>\$ 1.76</u></b>
<b>Special cash dividend per common share</b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 1.50</u></b>	<b><u>\$ 1.50</u></b>

**FBL Financial Group, Inc.**  
**Consolidated Statements of Comprehensive Income (Unaudited) - Quarterly**  
(Dollars in thousands, except per share data)

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Revenues:</b>					
Interest sensitive product charges	\$ 26,275	\$ 30,098	\$ 30,906	\$ 31,161	\$ 30,624
Traditional life insurance premiums	49,547	49,497	51,091	48,124	49,600
Net investment income	107,347	101,022	103,974	105,757	83,865
Net realized capital gains (losses)	—	(1,747)	841	(709)	(5,661)
Total other-than-temporary impairment losses	(1,420)	(1,040)	—	(50)	(3,982)
Non-credit portion in other comprehensive income	—	—	—	—	74
Net impairment losses recognized in earnings	(1,420)	(1,040)	—	(50)	(3,908)
Other income	3,689	4,600	3,637	3,828	4,116
<b>Total revenues</b>	<b>185,438</b>	<b>182,430</b>	<b>190,449</b>	<b>188,111</b>	<b>158,636</b>
<b>Benefits and expenses:</b>					
Interest sensitive product benefits	63,661	61,345	62,637	70,145	59,626
Traditional life insurance benefits	44,826	45,456	43,725	44,168	41,860
Policyholder dividends	2,543	2,551	2,560	2,480	2,539
Underwriting, acquisition and insurance expenses	36,649	39,577	37,210	30,834	44,434
Interest expense	1,212	1,213	1,213	1,212	1,213
Other expenses	4,520	5,593	5,627	5,061	6,314
<b>Total benefits and expenses</b>	<b>153,411</b>	<b>155,735</b>	<b>152,972</b>	<b>153,900</b>	<b>155,986</b>
Income tax benefit (expense)	32,027	26,695	37,477	34,211	2,650
Equity income (loss), net of related income taxes	72,000	(3,813)	(5,831)	(4,818)	2,812
Net income	(39)	660	1,139	1,642	998
Net loss (income) attributable to noncontrolling interest	103,988	23,542	32,785	31,035	6,460
Net income attributable to FBL Financial Group, Inc.	(8)	23	18	(25)	(45)
	<b>\$ 103,980</b>	<b>\$ 23,565</b>	<b>\$ 32,803</b>	<b>\$ 31,010</b>	<b>\$ 6,415</b>
Comprehensive income (loss) attributable to FBL Financial Group, Inc.	<b>\$ 116,868</b>	<b>\$ (69,327)</b>	<b>\$ (22,727)</b>	<b>\$ (11,110)</b>	<b>\$ 8,772</b>
Earnings per common share	<b>\$ 4.15</b>	<b>\$ 0.94</b>	<b>\$ 1.31</b>	<b>\$ 1.24</b>	<b>\$ 0.26</b>
Earnings per common share - assuming dilution	<b>\$ 4.15</b>	<b>\$ 0.94</b>	<b>\$ 1.31</b>	<b>\$ 1.24</b>	<b>\$ 0.26</b>
Cash dividends per common share	<b>\$ 0.44</b>	<b>\$ 0.46</b>	<b>\$ 0.46</b>	<b>\$ 0.46</b>	<b>\$ 0.46</b>
Special cash dividend per common share	<b>\$ —</b>	<b>\$ 1.50</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Weighted average common shares outstanding (in thousands):</b>					
Basic	25,039	25,004	24,917	24,919	24,888
Effect of dilutive securities	18	16	13	11	10
Diluted	25,057	25,020	24,930	24,930	24,898

**FBL Financial Group, Inc.**

**Net Income to Non-GAAP Operating Income Reconciliation and Pre-tax Non-GAAP Operating Income by Segment**  
(Dollars in thousands, except per share data)

	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
Net income attributable to FBL Financial Group, Inc.	\$ 103,980	\$ 23,565	\$ 32,803	\$ 31,010	\$ 6,415
Net income adjustments:					
Impact of change in federal tax rate (1)	(81,157)	—	—	(617)	—
Realized gains/losses on investments (2)(3)	656	2,223	(694)	603	7,414
Change in net unrealized gains/losses on derivatives (2)	(476)	509	(194)	876	4,997
Non-GAAP operating income	\$ 23,003	\$ 26,297	\$ 31,915	\$ 31,872	\$ 18,826
Non-GAAP operating income per common share - assuming dilution	\$0.92	\$1.05	\$1.28	\$1.28	\$0.75
Non-GAAP operating return on equity, excluding AOCI - last twelve months	10.0%	10.0%	9.7%	10.5%	10.0%
Non-GAAP operating return on equity, including AOCI - last twelve months	8.3%	8.3%	8.1%	9.0%	8.8%

	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
<i>Impact of Adjustments on FBL Net Income</i>					
Initial impact of the Tax Act (1)	\$ 81,157	\$ —	\$ —	\$ 617	\$ —
Realized gains (losses) on investments and change in net unrealized gains/losses on equity securities and derivatives	(791)	(3,995)	1,357	(2,658)	(19,216)
Offsets: (4)					
Change in amortization	(90)	338	(226)	725	945
Reserve change on interest sensitive products	79	199	(7)	60	2,561
Income tax	622	726	(236)	394	3,299
Net impact of net income adjustments	\$ 80,977	\$ (2,732)	\$ 888	\$ (862)	\$ (12,411)

	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
Pre-tax non-GAAP operating income by segment:					
Annuity segment	\$ 17,211	\$ 16,582	\$ 15,998	\$ 18,179	\$ 12,087
Life Insurance segment	9,856	10,897	16,381	11,958	8,444
Corporate and Other segment	5,694	3,533	5,434	7,999	(953)
Total pre-tax non-GAAP operating income	32,761	31,012	37,813	38,136	19,578
Income taxes on non-GAAP operating income	(9,758)	(4,715)	(5,898)	(6,264)	(752)
Non-GAAP operating income	\$ 23,003	\$ 26,297	\$ 31,915	\$ 31,872	\$ 18,826

- (1) During the third quarter of 2018, we adjusted the provisional estimate of the impact of the Tax Act on our deferred tax assets and liabilities as of December 31, 2017. See Note 5 to our consolidated financial statements in Form 10-Q for the quarter ended September 30, 2018 for additional information.
- (2) Amounts are net of offsets related to changes in amortization of unearned revenue reserves, deferred sales inducements and deferred acquisition costs, as well as changes in interest sensitive product reserves and income taxes attributable to these items.
- (3) Beginning in 2018, amount includes changes in net unrealized gains/losses on equity securities.
- (4) The items excluded from non-GAAP operating income impact the amortization of deferred acquisition costs, value of business acquired and unearned revenue reserve. Certain interest sensitive reserves as well as income taxes are also impacted.





## **FBL Financial Group, Inc.**

### **Segment Information**

We analyze operations by reviewing financial information regarding our primary products that are aggregated into the Annuity and Life Insurance product segments. In addition, our Corporate and Other segment includes various support operations, corporate capital and other product lines that are not currently underwritten by the Company.

The Annuity segment primarily consists of fixed rate and index annuities and supplementary contracts (some of which involve life contingencies). Fixed rate and index annuities provide for tax-deferred savings and supplementary contracts provide for the systematic repayment of funds that accumulate interest. Fixed rate annuities consist primarily of flexible premium deferred annuities, but also include single premium deferred and immediate contracts. With fixed rate annuities, we bear the underlying investment risk and credit interest to the contracts at rates we determine, subject to interest rate guarantees. With index annuity products, we bear the underlying investment risk and credit interest in an amount equal to a percentage of the gain in a specified market index, subject to minimum guarantees.

The Life Insurance segment consists of whole life, term life and universal life policies. These policies provide benefits upon the death of the insured and may also allow the customer to build cash value on a tax-deferred basis.

The Corporate and Other segment consists of the following corporate items and products/services that do not meet the quantitative threshold for separate segment reporting:

- investments and related investment income not specifically allocated to our product segments;
- interest expense;
- closed blocks of variable annuity, variable universal life insurance and accident and health insurance products;
- advisory services for the management of investments and other companies;
- marketing and distribution services for the sale of mutual funds and insurance products not issued by us; and
- leasing services, primarily with affiliates.

We analyze our segment results based on pre-tax non-GAAP operating income. Accordingly, income taxes are not allocated to the segments. In addition, non-GAAP operating results are reported net of transactions between the segments.

**FBL Financial Group, Inc.**  
**Statements of Pre-tax Non-GAAP Operating Income**  
**Annuity Segment**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
	(Dollars in thousands)				
<b>Pre-tax Non-GAAP Operating Income</b>					
Non-GAAP operating revenues:					
Interest sensitive product charges	\$ 1,032	\$ 1,202	\$ 1,217	\$ 1,280	\$ 1,474
Net investment income (1)	56,275	56,233	55,198	54,144	53,248
Total non-GAAP operating revenues	57,307	57,435	56,415	55,424	54,722
Non-GAAP operating benefits and expenses:					
Interest sensitive product benefits	31,096	31,286	31,393	29,037	32,299
Underwriting, acquisition and insurance expenses:					
Commission expense, net of deferrals	611	504	518	374	631
Amortization of deferred acquisition costs	2,690	3,065	3,070	2,319	2,789
Amortization of value of insurance in force acquired	169	172	172	165	165
Other underwriting expenses (1)	5,530	5,826	5,264	5,350	6,751
Total underwriting, acquisition and insurance expenses	9,000	9,567	9,024	8,208	10,336
Total non-GAAP operating benefits and expenses	40,096	40,853	40,417	37,245	42,635
Pre-tax non-GAAP operating income	\$ 17,211	\$ 16,582	\$ 15,998	\$ 18,179	\$ 12,087
<b>Selected balance sheet data, securities at amortized cost:</b>					
Assets:					
Investments	\$ 4,470,721	\$ 4,586,256	\$ 4,576,410	\$ 4,596,422	\$ 4,489,765
Deferred acquisition costs	92,116	92,400	92,377	92,442	93,819
Value of insurance in force acquired	3,526	3,354	3,182	3,017	2,852
Liabilities and equity:					
Liabilities:					
Interest sensitive product reserves	\$ 3,963,187	\$ 4,110,232	\$ 4,075,995	\$ 4,096,314	\$ 4,036,152
Other insurance reserves	355,877	352,747	346,270	344,963	338,646
Allocated equity, excluding AOCI	272,101	272,242	269,758	270,918	266,863
<b>Other data:</b>					
Number of direct contracts	53,250	52,991	53,184	52,925	52,911
Portfolio yield net of assumed defaults	4.50%	4.47%	4.44%	4.43%	4.48%
Credited rate	2.56	2.56	2.56	2.57	2.58
Spread on individual annuities at end of quarter (2)	1.94%	1.91%	1.88%	1.86%	1.90%
<b>Interest sensitive reserve activity:</b>					
Individual annuity reserve:					
Balance, beginning of period	\$ 3,082,310	\$ 3,109,789	\$ 3,134,862	\$ 3,171,359	\$ 3,176,881
Deposits	66,097	76,067	76,725	53,584	67,075
Withdrawals, surrenders and death benefits	(49,428)	(60,623)	(53,788)	(62,234)	(59,661)
Net flows	16,669	15,444	22,937	(8,650)	7,414
Policyholder interest	20,817	20,363	20,787	20,524	20,824
Annuityizations and other	(10,007)	(10,734)	(7,227)	(6,352)	(10,812)
Balance, end of period	3,109,789	3,134,862	3,171,359	3,176,881	3,194,307

Other interest sensitive reserves	853,398	975,370	904,636	919,433	<b>841,845</b>
<b>Total interest sensitive product reserves</b>	<b>\$ 3,963,187</b>	<b>\$ 4,110,232</b>	<b>\$ 4,075,995</b>	<b>\$ 4,096,314</b>	<b>\$ 4,036,152</b>

- (1) During the fourth quarter of 2018 we offered a voluntary early retirement program resulting in a decrease in net investment income from increased investment expenses (\$0.6 million) and an increase in other underwriting expenses (\$1.9 million).
- (2) Point-in-time spread at the balance sheet date used by management for decision making, which differs from the spread earned during the reporting period disclosed in the Form 10Q or 10K.

**FBL Financial Group, Inc.**  
**Statements of Pre-tax Non-GAAP Operating Income**  
**Life Insurance Segment**

<b>Pre-tax Non-GAAP Operating Income</b>	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
	(Dollars in thousands)				
<b>Non-GAAP operating revenues:</b>					
Interest sensitive product charges	\$ 14,230	\$ 18,059	\$ 19,079	\$ 18,876	\$ <b>18,471</b>
Traditional life insurance premiums	49,547	49,497	51,091	48,124	<b>49,600</b>
Net investment income (1)	41,118	40,250	39,764	39,654	<b>38,335</b>
Other income	(140)	(79)	(353)	(108)	<b>(66)</b>
<b>Total non-GAAP operating revenues</b>	<b>104,755</b>	<b>107,727</b>	<b>109,581</b>	<b>106,546</b>	<b>106,340</b>
<b>Non-GAAP operating benefits and expenses:</b>					
<b>Interest sensitive product benefits:</b>					
Interest and index credits (2)	9,506	8,393	9,093	8,697	<b>10,103</b>
Death benefits and other (2)	13,204	15,241	14,709	18,475	<b>16,661</b>
<b>Total interest sensitive product benefits</b>	<b>22,710</b>	<b>23,634</b>	<b>23,802</b>	<b>27,172</b>	<b>26,764</b>
<b>Traditional life insurance benefits:</b>					
Death benefits	23,707	23,735	19,297	21,888	<b>20,001</b>
Surrender and other benefits	8,642	10,144	10,392	8,110	<b>9,196</b>
Increase in traditional life future policy benefits (2)	12,477	11,578	14,022	14,170	<b>12,666</b>
<b>Total traditional life insurance benefits</b>	<b>44,826</b>	<b>45,457</b>	<b>43,711</b>	<b>44,168</b>	<b>41,863</b>
Policyholder dividends	2,543	2,551	2,560	2,480	<b>2,539</b>
<b>Underwriting, acquisition and insurance expenses:</b>					
Commission expense, net of deferrals	4,919	4,923	4,715	4,200	<b>5,275</b>
Amortization of deferred acquisition costs	4,816	4,436	4,498	2,148	<b>4,182</b>
Amortization of value of insurance in force acquired	375	373	373	373	<b>373</b>
Other underwriting expenses (1)	14,448	16,151	14,833	14,907	<b>17,893</b>
<b>Total underwriting, acquisition and insurance expenses</b>	<b>24,558</b>	<b>25,883</b>	<b>24,419</b>	<b>21,628</b>	<b>27,723</b>
<b>Total non-GAAP operating benefits and expenses</b>	<b>94,637</b>	<b>97,525</b>	<b>94,492</b>	<b>95,448</b>	<b>98,889</b>
	\$ 10,118	\$ 10,202	\$ 15,089	\$ 11,098	\$ <b>7,451</b>
Equity income (loss), before tax	(262)	695	1,292	860	<b>993</b>
<b>Pre-tax non-GAAP operating income</b>	<b>\$ 9,856</b>	<b>\$ 10,897</b>	<b>\$ 16,381</b>	<b>\$ 11,958</b>	<b>\$ 8,444</b>
<b>Selected balance sheet data, securities at amortized cost:</b>					
<b>Assets:</b>					
Investments	\$ 2,935,517	\$ 2,967,238	\$ 3,006,593	\$ 3,031,624	\$ <b>3,060,235</b>
Deferred acquisition costs	287,421	291,212	294,365	298,368	<b>308,937</b>
Value of insurance in force acquired	15,904	15,531	15,157	14,784	<b>14,411</b>
<b>Liabilities and equity:</b>					
<b>Liabilities: (3)</b>					
Interest sensitive reserves	\$ 944,690	\$ 953,635	\$ 966,032	\$ 979,858	\$ <b>989,513</b>
Other insurance reserves	1,951,565	1,964,649	1,976,014	1,995,675	<b>2,001,449</b>
Allocated equity, excluding AOCI	396,571	439,031	442,808	450,927	<b>452,274</b>



**FBL Financial Group, Inc.**  
**Statements of Pre-tax Non-GAAP Operating Income**  
**Life Insurance Segment (Continued)**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
	(Dollars in thousands)				
<b>Other data:</b>					
Number of direct policies - traditional life	365,382	364,757	364,339	364,412	<b>365,909</b>
Number of direct policies - universal life	66,382	66,939	67,466	67,951	<b>69,832</b>
Direct face amounts - traditional life	\$ 50,841,581	\$ 51,159,302	\$ 51,524,879	\$ 51,833,952	<b>\$ 52,191,204</b>
Direct face amounts - universal life	\$ 7,275,994	\$ 7,383,996	\$ 7,483,427	\$ 7,539,216	<b>\$ 7,777,370</b>
Portfolio yield net of assumed defaults	5.07%	5.04%	4.99%	4.98%	<b>5.02%</b>
Credited rate	3.69	3.70	3.73	3.76	<b>3.78</b>
Spread on universal life at end of quarter (4)	1.38%	1.34%	1.26%	1.22%	<b>1.24%</b>
<b>Interest sensitive reserve activity: (3)</b>					
Balance, beginning of period	\$ 930,850	\$ 944,690	\$ 953,635	\$ 966,032	<b>\$ 979,858</b>
Deposits	26,267	27,847	29,415	26,617	<b>29,660</b>
Withdrawals and surrenders	(5,672)	(8,110)	(7,708)	(7,577)	<b>(7,778)</b>
Net flows	20,595	19,737	21,707	19,040	<b>21,882</b>
Policyholder interest	8,806	7,752	8,386	7,827	<b>7,297</b>
Policy charges	(15,008)	(18,807)	(19,248)	(19,129)	<b>(19,736)</b>
Benefits and other	(553)	263	1,552	6,088	<b>212</b>
Balance, end of period	\$ 944,690	\$ 953,635	\$ 966,032	\$ 979,858	<b>\$ 989,513</b>

- (1) During the fourth quarter of 2018 we offered a voluntary early retirement program resulting in a decrease in net investment income from increased investment expenses (\$0.4 million) and an increase in other underwriting expenses (\$3.6 million).
- (2) During the fourth quarter of 2018 we incurred additional charges due to updating the estimate of the impact of an immaterial error related to policy benefits on a closed block of interest sensitive whole life business. The correction, along with accrued interest, resulted in increases to interest credited (\$2.0 million), interest sensitive death benefits (\$3.3 million) and traditional life future policy benefits (\$0.2 million).
- (3) Reserves on riders in interest sensitive life insurance products are included in Other insurance reserves.
- (4) Point-in-time spread at the balance sheet date used by management for decision making with universal life (excluding products with a secondary guarantee) differs from the spread earned during the reporting period disclosed in the Form 10Q or 10K.

**FBL Financial Group, Inc.**  
**Statements of Pre-tax Non-GAAP Operating Income**  
**Corporate and Other**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Pre-tax Non-GAAP Operating Income (Loss)</b>	(Dollars in thousands)				
<b>Non-GAAP operating revenues:</b>					
Interest sensitive product charges	\$ 11,252	\$ 11,021	\$ 11,102	\$ 10,494	\$ 11,005
Net investment income (1)	8,788	8,411	8,777	8,349	7,735
Other income	3,829	4,679	3,990	3,936	4,182
<b>Total non-GAAP operating revenues</b>	<b>23,869</b>	<b>24,111</b>	<b>23,869</b>	<b>22,779</b>	<b>22,922</b>
<b>Non-GAAP operating benefits and expenses:</b>					
Interest sensitive product benefits	9,410	9,342	7,714	8,465	8,944
<b>Underwriting, acquisition and insurance expenses:</b>					
Commission expense, net of deferrals	716	680	667	684	631
Amortization of deferred acquisition costs	904	2,512	1,876	(1,148)	5,629
Other underwriting expenses	1,607	1,402	1,506	1,698	1,369
<b>Total underwriting, acquisition and insurance expenses</b>	<b>3,227</b>	<b>4,594</b>	<b>4,049</b>	<b>1,234</b>	<b>7,629</b>
Interest expense	1,212	1,213	1,213	1,212	1,213
Other expenses (1)	4,520	5,593	5,627	5,061	6,314
<b>Total non-GAAP operating benefits and expenses</b>	<b>18,369</b>	<b>20,742</b>	<b>18,603</b>	<b>15,972</b>	<b>24,100</b>
	5,500	3,369	5,266	6,807	(1,178)
Net loss (income) attributable to noncontrolling interest	(8)	23	18	(25)	(45)
Equity income, before tax	202	141	150	1,217	270
<b>Pre-tax non-GAAP operating income (loss)</b>	<b>\$ 5,694</b>	<b>\$ 3,533</b>	<b>\$ 5,434</b>	<b>\$ 7,999</b>	<b>\$ (953)</b>
<b>Selected balance sheet data, securities at amortized cost:</b>					
<b>Assets:</b>					
Investments	\$ 671,857	\$ 680,285	\$ 678,014	\$ 684,541	\$ 688,057
Deferred acquisition costs	70,247	68,202	66,315	69,887	62,778
Separate account assets	651,963	638,751	638,061	651,797	561,281
<b>Liabilities and equity:</b>					
<b>Liabilities:</b>					
Interest sensitive reserves	\$ 369,726	\$ 369,022	\$ 367,937	\$ 371,502	\$ 372,056
Other insurance reserves	93,754	91,305	89,427	89,389	86,324
Separate account liabilities	651,963	638,751	638,061	651,797	561,281
Allocated equity, excluding AOCI	420,412	351,866	369,593	379,918	370,684
<b>Rollforward of separate account balances:</b>					
Beginning separate account balance	\$ 637,746	\$ 651,963	\$ 638,751	\$ 638,061	\$ 651,797
Net premiums and transfers	4,745	6,667	6,264	836	3,518
Net investment income (loss)	26,039	(3,424)	11,995	28,717	(77,872)
Charges, benefits and surrenders	(16,567)	(16,455)	(18,949)	(15,817)	(16,162)
<b>Ending separate account balance</b>	<b>\$ 651,963</b>	<b>\$ 638,751</b>	<b>\$ 638,061</b>	<b>\$ 651,797</b>	<b>\$ 561,281</b>
<b>Other data:</b>					
Number of direct contracts - variable annuity	9,857	9,671	9,491	9,343	9,217



Number of direct policies - variable universal life	36,986	36,548	36,056	35,613	<b>35,160</b>
Direct face amounts - variable universal life	\$ 4,549,732	\$ 4,501,972	\$ 4,440,315	\$ 4,388,771	<b>\$ 4,321,462</b>

- (1) During the fourth quarter of 2018 we offered a voluntary early retirement program resulting in a decrease in net investment income from increased investment expenses (\$0.1 million) and an increase in other expenses (\$1.0 million).

**FBL Financial Group, Inc.**  
**Deferred Acquisition Costs by Segment**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
	(Dollars in thousands)				
<b>Annuity</b>					
Balance - beginning of period	\$ 91,802	\$ 92,116	\$ 92,400	\$ 92,377	\$ 92,442
Cumulative effect of change in accounting principle related to net unrealized gains on equity securities	—	—	(103)	—	—
Capitalization:					
Commissions	2,681	2,972	2,892	2,119	2,994
Expenses	237	283	313	291	433
Deferral of sales inducements	124	129	—	—	—
Total capitalization	3,042	3,384	3,205	2,410	3,427
Amortization - non-GAAP operating basis, before impact of unlocking	(2,762)	(3,157)	(3,137)	(2,616)	(2,857)
Amortization - unlocking, non-GAAP operating basis	—	—	—	249	—
Amortization - realized gains/losses on investments and unrealized gains/losses on derivatives and equities	34	57	12	22	807
Balance - end of period	\$ 92,116	\$ 92,400	\$ 92,377	\$ 92,442	\$ 93,819
<b>Life Insurance</b>					
Balance - beginning of period	\$ 282,116	\$ 287,421	\$ 291,212	\$ 294,365	\$ 298,368
Cumulative effect of change in accounting principle related to net unrealized gains on equity securities	—	—	(357)	—	—
Capitalization:					
Commissions	7,250	5,505	5,068	4,279	9,724
Expenses	2,309	2,391	2,559	2,257	3,230
Deferral of sales inducements	595	355	257	163	1,746
Total capitalization	10,154	8,251	7,884	6,699	14,700
Amortization - non-GAAP operating basis, before impact of unlocking	(4,973)	(4,566)	(4,679)	(4,416)	(4,360)
Amortization - unlocking, non-GAAP operating basis	—	—	—	2,009	—
Amortization - realized gains/losses on investments and unrealized gains/losses on derivatives and equities	124	106	305	(289)	229
Balance - end of period	\$ 287,421	\$ 291,212	\$ 294,365	\$ 298,368	\$ 308,937
<b>Corporate and Other</b>					
Balance - beginning of period	\$ 71,038	\$ 70,247	\$ 68,202	\$ 66,315	\$ 68,101
Cumulative effect of change in accounting principle related to net unrealized gains on equity securities	—	—	(30)	—	—
Capitalization:					
Commissions	113	142	120	86	114
Deferral of sales inducements	7	4	2	2	15
Total capitalization	120	146	122	88	129
Amortization - non-GAAP operating basis, before impact of unlocking	(902)	(2,568)	(1,910)	(1,240)	(5,687)
Amortization - unlocking, non-GAAP operating basis	—	—	—	2,458	—
Amortization - realized gains/losses on investments and unrealized gains/losses on derivatives and equities	(9)	377	(69)	480	235
Balance - end of period	\$ 70,247	\$ 68,202	\$ 66,315	\$ 68,101	\$ 62,778



**FBL Financial Group, Inc.**  
**Deferred Acquisition Costs by Segment (Continued)**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
	(Dollars in thousands)				
<b>Total</b>					
Balance - beginning of period	\$ 444,956	\$ 449,784	\$ 451,814	\$ 453,057	\$ <b>458,911</b>
Cumulative effect of change in accounting principle related to net unrealized gains on equity securities	—	—	(490)	—	—
Capitalization:					
Commissions	10,044	8,619	8,080	6,484	<b>12,832</b>
Expenses	2,546	2,674	2,872	2,548	<b>3,663</b>
Deferral of sales inducements	726	488	259	165	<b>1,761</b>
Total capitalization	13,316	11,781	11,211	9,197	<b>18,256</b>
Amortization - non-GAAP operating basis, before impact of unlocking	(8,637)	(10,291)	(9,726)	(8,272)	<b>(12,904)</b>
Amortization - unlocking, non-GAAP operating basis	—	—	—	4,716	—
Amortization - realized gains/losses on investments and unrealized gains/losses on derivatives and equities	149	540	248	213	<b>1,271</b>
Balance - end of period	449,784	451,814	453,057	458,911	<b>465,534</b>
Impact of unrealized gains in AOCI	(147,173)	(93,953)	(65,530)	(46,865)	<b>(46,732)</b>
Deferred acquisition costs	<u>\$ 302,611</u>	<u>\$ 357,861</u>	<u>\$ 387,527</u>	<u>\$ 412,046</u>	<u>\$ <b>418,802</b></u>

**FBL Financial Group, Inc.**  
**Impact of Unlocking on Pre-tax Non-GAAP Operating Income**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
	(Dollars in thousands)				
<b>Annuity Segment</b>					
Amortization of deferred sales inducements reported in interest sensitive product benefits	\$ —	\$ —	\$ —	\$ 13	\$ —
Amortization of deferred acquisition costs	—	—	—	236	—
Changes in reserves reported in interest sensitive product benefits	—	—	—	—	—
Increase to pre-tax non-GAAP operating income	\$ —	\$ —	\$ —	\$ 249	\$ —
<b>Life Segment</b>					
Amortization of unearned revenue reserve reported in interest sensitive product charges and other income	\$ —	\$ —	\$ —	\$ 420	\$ —
Amortization of deferred sales inducements reported in interest sensitive product benefits	—	—	—	(209)	—
Amortization of deferred sales inducements reported in traditional life insurance benefits	—	—	—	65	—
Amortization of deferred acquisition costs	—	—	—	2,152	—
Changes in reserves reported in interest sensitive product benefits	—	—	—	(4,755)	—
Decrease to pre-tax non-GAAP operating income	\$ —	\$ —	\$ —	\$ (2,327)	\$ —
<b>Corporate and Other Segment</b>					
Amortization of unearned revenue reserve reported in interest sensitive product charges	\$ —	\$ —	\$ —	\$ (667)	\$ —
Amortization of deferred sales inducements reported in interest sensitive product benefits	—	—	—	76	—
Amortization of deferred acquisition costs	—	—	—	2,382	—
Changes in reserves reported in interest sensitive product benefits	—	—	—	—	—
Increase to pre-tax non-GAAP operating income	\$ —	\$ —	\$ —	\$ 1,791	\$ —
Total impact of unlocking on pre-tax non-GAAP operating income	\$ —	\$ —	\$ —	\$ (287)	\$ —

**FBL Financial Group, Inc.**

**Collected Premiums (1)**

	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
	(Dollars in thousands)				
<b>Annuity</b>					
Individual:					
Fixed rate:					
First year	\$ 17,575	\$ 17,554	\$ 22,514	\$ 14,593	\$ 21,256
Renewal	18,621	20,875	16,446	11,371	14,361
Total fixed rate	36,196	38,429	38,960	25,964	35,617
Index annuity	30,174	37,665	37,442	29,183	33,337
Total individual	66,370	76,094	76,402	55,147	68,954
Group	2,115	2,716	3,436	1,186	1,503
Total Annuity	68,485	78,810	79,838	56,333	70,457
<b>Life Insurance</b>					
Direct:					
Universal life:					
First year	4,746	7,157	7,962	7,140	6,625
Renewal	18,868	19,848	20,602	18,887	20,764
Total universal life	23,614	27,005	28,564	26,027	27,389
Participating whole life:					
First year	3,304	2,695	3,537	3,249	2,658
Renewal	24,058	24,281	24,244	22,269	23,761
Total participating whole life	27,362	26,976	27,781	25,518	26,419
Term life and other:					
First year	2,738	2,718	2,751	2,513	2,861
Renewal	25,583	26,620	26,538	25,995	26,656
Total term life and other	28,321	29,338	29,289	28,508	29,517
Total direct life insurance	79,297	83,319	85,634	80,053	83,325
Reinsurance	(6,902)	(7,056)	(7,734)	(6,186)	(7,126)
Total Life Insurance	72,395	76,263	77,900	73,867	76,199
<b>Corporate and Other</b>					
Variable, net of reinsurance	12,554	14,529	13,575	11,424	10,447
Accident and health, net of reinsurance	217	55	42	43	271
Total Corporate and Other	12,771	14,584	13,617	11,467	10,718
<b>Total collected premiums</b>	<b>\$ 153,651</b>	<b>\$ 169,657</b>	<b>\$ 171,355</b>	<b>\$ 141,667</b>	<b>\$ 157,374</b>

(1) Collected premiums is a measure of sales production not recognized under GAAP.

**FBL Financial Group, Inc.**  
**Other Information**

	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(Dollars in thousands, except per share data)				
<b>Capitalization:</b>					
Short-term debt	\$ —	\$ —	\$ 27,000	\$ —	\$ —
Trust preferred securities, due 2047	97,000	97,000	97,000	97,000	97,000
Total debt	97,000	97,000	124,000	97,000	97,000
Preferred stock	3,000	3,000	3,000	3,000	3,000
Common stockholders' equity, excluding AOCI	1,089,084	1,063,139	1,082,159	1,101,762	1,089,821
<b>Total capitalization, excluding AOCI</b>	<b>1,189,084</b>	<b>1,163,139</b>	<b>1,209,159</b>	<b>1,201,762</b>	<b>1,189,821</b>
Accumulated other comprehensive income	284,983	186,222	131,081	88,961	91,318
<b>Total capitalization, including AOCI</b>	<b>\$ 1,474,067</b>	<b>\$ 1,349,361</b>	<b>\$ 1,340,240</b>	<b>\$ 1,290,723</b>	<b>\$ 1,281,139</b>
Common shares outstanding	24,930,526	24,837,976	24,818,209	24,818,209	24,718,815
<b>Book Value per Share:</b>					
Excluding AOCI	\$ 43.68	\$ 42.80	\$ 43.60	\$ 44.39	\$ 44.09
Including AOCI	55.12	50.30	48.89	47.98	47.78
<b>Debt-to-Capital Ratio:</b>					
Excluding AOCI	8.1%	8.3%	10.2%	8.1%	8.2%
Including AOCI	6.5	7.1	9.2	7.5	7.6
<b>Debt-to-Capital Ratio with 50% Credit for Trust Preferred Securities:</b>					
Excluding AOCI	4.0%	4.1%	5.1%	4.0%	4.1%
Including AOCI	3.3	3.6	4.6	3.8	3.8
<b>Class A Common Ownership:</b>					
Iowa Farm Bureau Federation	59.2%	59.5%	59.5%	59.5%	59.7%
Public	40.8	40.5	40.5	40.5	40.3
	100.0%	100.0%	100.0%	100.0%	100.0%

**FBL Financial Group, Inc.**  
**Other Information (Continued)**

	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
<b>Investment by Type:</b>					
Fixed maturity securities	60.7%	59.3%	58.0%	57.2%	57.5%
Residential mortgage-backed	6.0	6.4	7.0	7.2	7.2
Commercial mortgage-backed	8.2	9.2	10.1	10.2	10.4
Other asset-backed	9.7	9.5	9.2	9.0	8.4
Mortgage loans	11.3	11.3	11.5	12.0	12.4
Equity securities	1.5	1.2	1.2	1.2	1.1
Other	2.6	3.1	3.0	3.2	3.0
<b>Quality of Fixed Maturity Securities:</b>					
AAA, AA, A	65.4%	66.1%	67.6%	68.0%	68.3%
BBB	31.1	30.4	29.5	29.2	29.3
BB	2.4	2.5	2.0	1.8	1.5
<BB	1.1	1.0	0.9	1.0	0.9
<b>Agent Strength Totals:</b>					
Full time agents and agency managers:					
8-state Farm Bureau Property & Casualty channel	1,192	1,168	1,132	1,145	1,190
6 life partner states and Colorado	648	657	655	665	649
	1,840	1,825	1,787	1,810	1,839

**FBL Financial Group, Inc.**  
**Income Taxes**  
**(Dollars in thousands)**

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Income tax benefit (expense)	\$ 72,000	\$ (3,813)	\$ (5,831)	\$ (4,818)	\$ 2,812
Tax on equity income	21	(176)	(303)	(435)	(265)
Net income adjustments:					
Impact of change in federal tax rate	(81,157)	—	—	(617)	—
Income tax offset on net income adjustments	(622)	(726)	236	(394)	(3,299)
Income taxes on non-GAAP operating income	\$ (9,758)	\$ (4,715)	\$ (5,898)	\$ (6,264)	\$ (752)
Income taxes on non-GAAP operating income before benefits of LIHTC investments	\$ (10,770)	\$ (5,642)	\$ (6,824)	\$ (7,148)	\$ (1,841)
Amounts related to LIHTC investments	1,012	927	926	884	1,089
Income taxes on non-GAAP operating income	\$ (9,758)	\$ (4,715)	\$ (5,898)	\$ (6,264)	\$ (752)