

INVESTOR PRESENTATION



# FBL Financial Group, Inc. Fight For A Fair Price

VOTE AGAINST ADOPTING THE PROPOSED MERGER

April 2021

CAPITAL RETURNS

# Important Information

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# I. Executive Summary

# About Capital Returns Management

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- ▶ Long short equity hedge fund founded by Ronald Bobman in 2003
- ▶ Insurance specialist with industry operating, acquisition and investing experience spanning 30+ years
- ▶ Patient, long-term investor with a typical investment horizon of multiple years
- ▶ History of successful activism in the insurance sector
  - ▶ Health Innovations, Watford Holdings and Protective Insurance
- ▶ Top 15 FBL Financial Group shareholder
  - ▶ Capital Returns owns 140,000 shares of Class A common stock
  - ▶ Investment thesis grounded in company's excellent track record of returning capital to shareholders, high-quality investment portfolio, specialty distribution model, leadership position in a niche market, and experienced management team

# Overview of Parties Involved

## Overview of Interested Parties

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

- Class A common stock trades on NYSE (FFG)
- Manages all aspects of P&C affiliate FBPCIC
- Sells life, annuity and investment products
- Significant board overlap with FBPCIC & IFBF

### **Farm Bureau P&C Insurance Co. (FBPCIC)**

- Sells P&C insurance products
- Relies upon FBL for all employees & operations
- Significant board overlap with FBL & IFBF
- Owns 0.8% of FBL outstanding common shares

### **Iowa Farm Bureau Federation (IFBF)**

- Not-for-profit, grassroots advocacy organization
- Owns 60.5% of FBL outstanding common shares

# Synopsis of the Situation

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- ▶ FBL has agreed to be acquired by FBPCIC, an affiliate with which it shares directors, management and employees, for a price of \$56 per share
- ▶ FBPCIC's initial interest in acquiring FBL became public in September 2020
- ▶ Special Committee formed to negotiate with FBPCIC failed to solicit outside bids, had no objective data that was not in the hands of the buyer, and received a flawed analysis from its financial advisor
- ▶ Special Committee communicated to FBPCIC in November that it expected to value FBL "in the mid-\$50s"; FBPCIC offered \$56 per share in January 2021
- ▶ Capital Returns urged Special Committee to protect the interests of unaffiliated shareholders, but no further attempts were made to negotiate with FBPCIC
- ▶ Capital Returns is soliciting proxies from other unaffiliated shareholders to vote against the proposed transaction, which significantly undervalues FBL

# Transaction Value is Inadequate

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*We believe the raised / revised terms from FBPCIC to buyout the minority shareholders at \$56.00 per share **is not sufficiently adequate to warrant a vote in favor of the transaction.** We believe the offer doesn't reasonably account for the company's conservative asset leverage and investment portfolio, competitive advantage in an attractive niche market, and superb dividend record and would expect an offer price to include a takeover premium of ~20% applied to the company's 5-year average forward P/E multiple...*

**– Greg Peters**  
ANALYST, RAYMOND JAMES

”

Source: Raymond James Research

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I. Executive Summary  
**CAPITAL RETURNS**



# Process Was Flawed

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## ▶ **Conflicts of interest**

- ▶ FBL and FBPCIC have overlapping board members and executive management, meaning the same executives sit at both sides of the negotiating table

## ▶ **Abbreviated process**

- ▶ Special Committee decided not to actively solicit outside interest, determined executing a go-private transaction is the best way to proceed, and indicated a price at which it was willing to support a transaction in a single meeting

## ▶ **Financial advisor's opinion was flawed**

- ▶ Financial advisor included only two comparable transactions in its analysis – and one was a rejected takeover bid
- ▶ Financial advisor inexplicably excluded the most recent acquisition of a publicly traded life insurance company

# Price is Inadequate

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- ▶ **The price is too low**

- ▶ Comparable take private deals and recently completed life transactions imply a valuation between \$66 and \$91 per share
- ▶ Transaction fails to adequately compensate shareholders for the rare, critically dependent relationship between FBL and FBPCIC

- ▶ **The transaction offers no meaningful premium to shareholders**

- ▶ The S&P 500 Life Insurance Index (S5LIFE) is up 46% since FBPCIC first publicly indicated its interest in taking FBL private suggesting that even without a deal FBL stock would be trading at approximately \$54 per share

- ▶ **The transaction removes \$1.50 special dividend to shareholders**

- ▶ Removal of special dividend was covert way of lowering transaction value, with FBL retaining ~\$37M, instead of unaffiliated shareholders

# Implied Price Ranges



Source: Bloomberg, Company reports, Capital Returns Management

Note: Prior trading price and takeover premium based on 3/5-year average P/E and P/B (ex. AOCI) multiples; buybacks based on high and low price-to-book range company paid to buyback shares between 2015-2019; life index based on performance of S5 Life Insurance Index

## II. Conflicts of Interest

# Transaction Overview

FBL Financial Group, Inc.		
	Current Ownership	Take Private Proposal
Iowa Farm Bureau Federation (IFBF)	60.5%	60.5%
Farm Bureau P&C Insurance Co. (FBPCIC)	0.8%	39.5%
Public & Other Stockholders	38.7%	

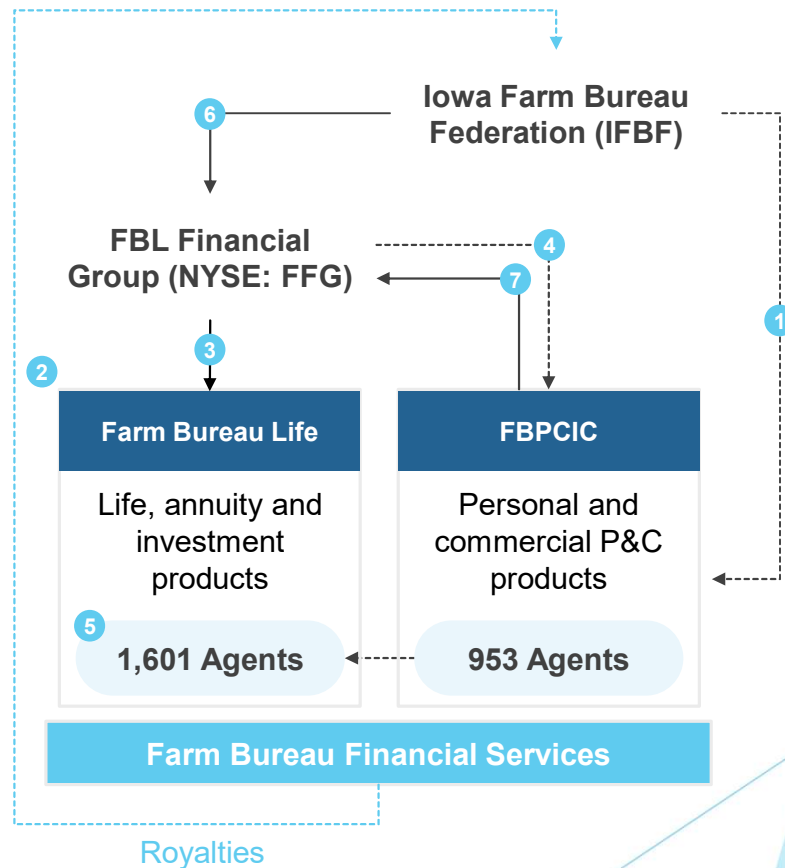
Source: Company reports, Capital Returns Management

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II. Conflicts of Interest  
CAPITAL RETURNS

# Background of Intertwined Relationship

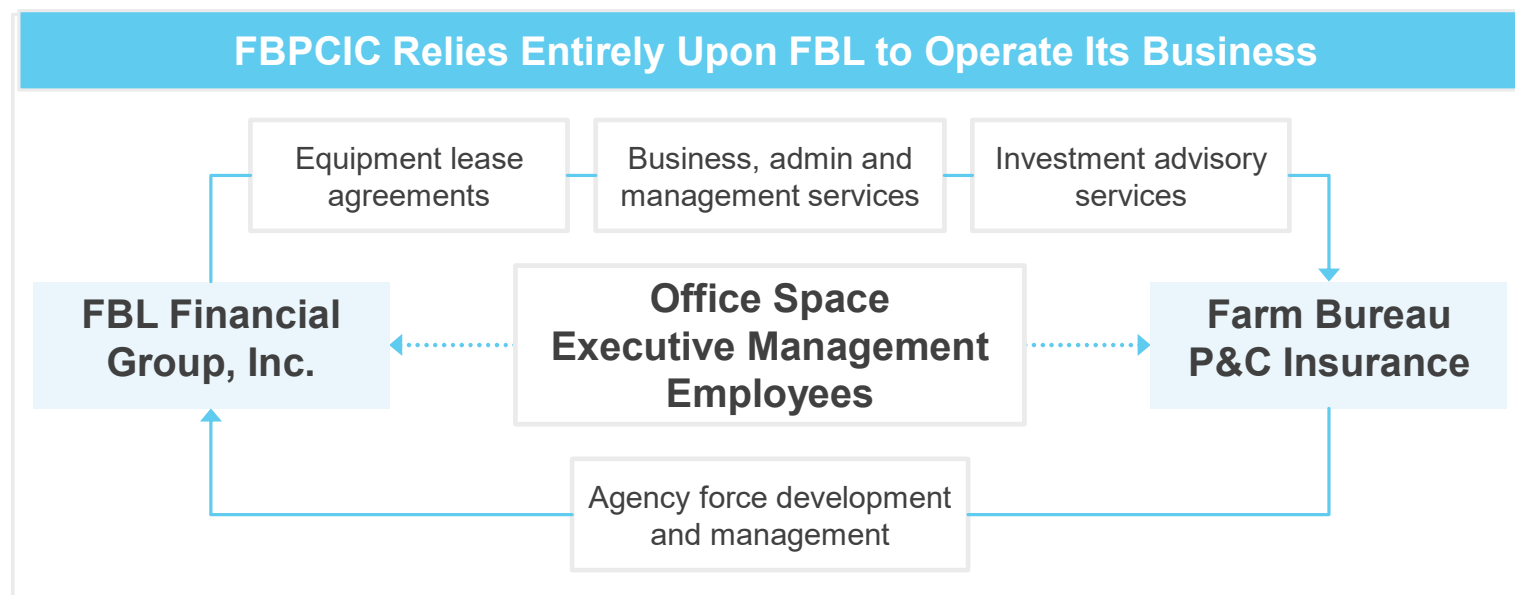
1. IFBF members have access to insurance products sold by Farm Bureau Financial Services (FBFS)
2. FBFS sells life and annuity products through Farm Bureau Life and P&C insurance products through FBPCIC
3. Farm Bureau Life is a wholly owned subsidiary of FBL Financial Group
4. FBL manages all aspects of its affiliate P&C company FBPCIC
5. FBFS exclusive multi-line agents cross-sell life & annuity products to Farm Bureau P&C customers
6. IFBF owns 60.5% of FFG stock
7. FBPCIC owns 0.8% of FFG stock



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II. Conflicts of Interest  
**CAPITAL RETURNS**

# Operational Overlap



- ▶ Intertwined relationship between FBL and FBPCIC presents what we believe are difficult conflicts of interest that cast doubt on the ability of the FBL Special Committee to conduct arm's length negotiations with FBPCIC

Source: Company reports

# Overlapping Board Seats

Director	Tenure	FBL	FBPCIC	IFBF
Craig D. Hill	14 years	✓	✓	✓
Joe D. Heinrich	8 years	✓	✓	✓
Richard W. Felts	6 years	✓	✓	
Kevin D. Paap	3 years	✓	✓	
Scott E. VanderWal	10 years	✓	✓	
Roger K. Brooks	12 years	✓		
Paul A. Juffer	4 years	✓		
Paul E. Larson	17 years	✓		
Bryan L. Searle	1 year	✓		
Daniel D. Pitcher	1 year	✓		

Half of FBL's Board overlaps with FBPCIC

Members of the Special Committee

Source: Company reports

Note: Tenure based on date elected to FBL Board, rounded to nearest full year



# Overlapping Executive Management

Director	FBL	FBPCIC
<b>Daniel D. Pitcher</b>	CEO	CEO
<b>Donald J. Seibel</b>	CFO	CFO
<b>Kelli A. Eddy</b>	COO Life	VP P&C
<b>Jay W. Seiboldt</b>	COO P&C	COO P&C
<b>Jeffrey A. Whitehead</b>	CIO	CIO
<b>Lori K. Geadelmann</b>	GC	CCO
<b>Daniel M. Koster</b>	VP Marketing	VP Marketing
<b>Ronald L. Mead</b>	VP Sales	VP Sales

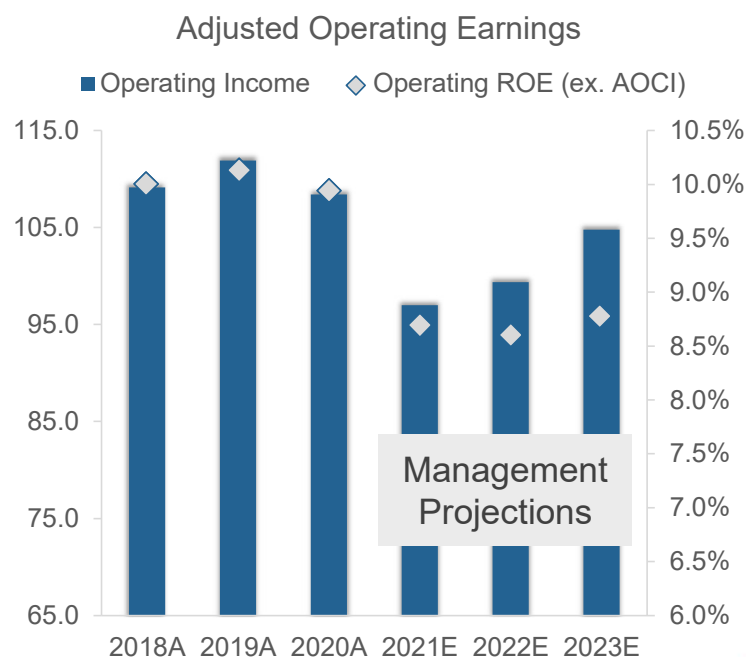
Source: Company reports

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II. Conflicts of Interest  
**CAPITAL RETURNS**

# Executive Projections are Unreliable

- ▶ **Same executives sit at both sides of the negotiating table**
  - ▶ FBL and FPCIC have common executive management
  - ▶ FBL's executives were responsible for preparing FBPCIC's proposal
- ▶ **Company prepared projections are unreliable and inconsistent with historical levels of performance**
  - ▶ Richard Felts (FBPCIC's Chairman) and Craig Hill (FBPCIC Board Member) sit on FBL's Executive Committee, which has final say on approving FBL's Financial Plan



Source: Company reports

Note: Adjusted operating earnings excludes impact of COVID losses and DAC unlocking

### III. Inadequate Process

# Conflicted Special Committee

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- ▶ Special Committee should consist solely of independent and disinterested directors, yet members of FBL's Board serve with IFBF's approval
- ▶ The two companies share a management team and have several overlapping board members thus we do not believe this transaction was the result of rigorous, arm's length negotiations
- ▶ Special Committee was not provided with objective data, had no access to executives and was not supplied with other relevant information about FBL that was not already in the hands of FBPCIC
- ▶ The three members of the Special Committee – Roger Brooks, Paul Juffer, and Paul Larson – have served on the FBL Board for an average of 11 years

Source: Company reports

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III. Inadequate Process  
**CAPITAL RETURNS**

# Failure to Solicit Outside Interest

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- ▶ Special Committee did not authorize its financial advisor to solicit, and its financial advisor did not solicit, any indications of interest from any third party with respect to the purchase of all or a part of the Company's business
- ▶ Special Committee let IFBF stand in the way of its duty to maximize unaffiliated shareholder value by caving to IFBF posturing that the only outcome it supports is a take private transaction
- ▶ Numerous US and international insurers and private equity firms would have a keen interest in acquiring FBL

Source: Company reports

# Pressure to Transact

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- ▶ IFBF publicly and privately stated the only outcome it will support is the Take Private Proposal
- ▶ Special Committee members serve on FBL's Board with IFBF approval thus the Special Committee has incentive to satisfy IFBF's Board
- ▶ Special Committee decision to focus on going-private transaction appears to give very little consideration to continued operation on a stand-alone basis
- ▶ Special Committee concern that further negotiations with FBPCIC would cause it to abandon the transaction is unreasonable
- ▶ FBPCIC's repeated indications of "best and final" offers seemingly designed to put pressure on Special Committee to accept low-ball bid

# Suspect Negotiating Tactics

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- ▶ Special Committee named the price at which it would be willing to support a transaction – “in the mid \$50’s” – to FBPCIC’s financial advisor early in the negotiations and **before** completing its analytical work
- ▶ FBPCIC Executive Committee recommended an increased offer of \$55 per share to the Board almost immediately following informal feedback from the Special Committee then instructed its financial advisor not to engage in further negotiation and to indicate offer is “best and final”
- ▶ Special Committee seemingly ignored Capital Returns suggestions to maximize shareholder value, holding no meetings between acknowledging receipt of our letter (12/7/20) and agreeing to the revised proposal (12/11/20)

Source: Company reports

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III. Inadequate Process  
**CAPITAL RETURNS**

# Lack of Pushback to Valuation Analysis

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- ▶ Special Committee accepted its financial advisor's valuation analysis despite only including two comparable transactions (only one of which was an actual transaction) and excluding the most recent comparable transaction
- ▶ Special Committee named the price at which it would be willing to support a transaction – “in the mid \$50's” – to buyer's financial advisor the **same day** its financial advisor presented its preliminary valuation analysis for the first time
- ▶ Valuation analysis should have raised red flags given two members of the Special Committee – Roger Brooks and Paul Larson – have been involved in the sale of life insurance companies in the past
- ▶ Financial advisor provided updated valuation analysis after our letter to the Special Committee was sent, yet there is no evidence the Special Committee questioned the difference in recent comparable transactions

Source: Company reports

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III. Inadequate Process  
**CAPITAL RETURNS**



# Improved Offer Smoke and Mirrors

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- ▶ Transaction presentation notes “negotiations secured a significantly improved offer” for shareholders and cites the 19% premium over the initial offer of \$47 per share as evidence the Special Committee adequately performed its duty to maximize shareholder value
- ▶ Fails to acknowledge initial offer was a grossly inadequate low-ball bid that valued FFG at just 0.7x book value, substantially below multiples paid in similar transactions and significantly below average historic trading levels
- ▶ Effort to make revised Take Private Proposal appear attractive despite current consideration remaining significantly below the fair price for FBL and significantly below the price that FBPCIC and IFBF could pay

Source: Company reports

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III. Inadequate Process  
**CAPITAL RETURNS**

# Exaggerated Review Process Rigor

- ▶ Special Committee claims of a rigorous review process prior to making its recommendation to FBL's Board do not mesh with reality
- ▶ Special Committee indicated a valuation supporting an offer price "in the mid \$50s" after meeting just 6 times, 4 of which were procedural in nature
- ▶ In a single meeting, Special Committee decided not to actively solicit outside interest, determined executing a go-private transaction is best way to proceed, and indicated a price at which it was willing to support a transaction
- ▶ Special Committee claim it engaged in "multiple rounds" of negotiations resulting in a substantial increase over initial offer is grossly exaggerated
- ▶ Special Committee in similar transaction (EMCI) engaged in 6 rounds of negotiations, twice the number of FBL's Special Committee, and sought a 33% premium to the initial offer compared to 15-20% for FBL

Source: Company reports

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III. Inadequate Process  
**CAPITAL RETURNS**

## IV. Flawed Analysis

# Fundamentally Flawed Valuation Analysis

Date	Buyer	Target	P/B ex. AOCI	Implied Price
Sep '20	MassMutual/Athene	AEL	1.25x	\$56.45
July '20	KKR	Global Atlantic	1.00x	\$45.16
Feb '20	Fidelity National	FG Holdings	1.65x	\$74.51

Inexplicably included  
rejected takeover bid  
(MassMutual/AEL)

Inexplicably excluded  
most relevant recent  
transaction (FNF/FGL)

- ▶ Financial advisor included only **two** comparable transactions in its analysis – and one is a rejected takeover bid
- ▶ Financial advisor inexplicably excluded FNF's acquisition of FGL in 2020 – the most recent acquisition of a publicly traded life insurance company

Source: Company reports, Capital Returns Management  
Note: Implied price based on FBL book value ex. AOCI per share of \$45.16 at 12/31/2020

## V. Insufficient Value

# Comparable Take Private Transactions

Date	Buyer	Target	Business Mix	Price (\$B)	P/B ex. AOCI	P/B
Feb '20	Fidelity National	FG Holdings	Annuities, Life	\$2.7	1.65x	1.25x
Aug '15	Sumitomo Life	Symetra	Life, Benefits, Annuities	\$3.7	1.56x	1.19x
July '15	Meiji Yasuda	StanCorp	Benefits, Life	\$5.0	2.24x	2.17x
June '14	Dai-ichi Life	Protective Life	Life, Annuities	\$5.7	<u>1.68x</u>	<u>1.29x</u>
Average					1.78x	1.48x
FBL Book Value per Share (12/31/2020)					\$45.16	\$69.24
Indicated FBL Per Share Valuation					\$80.50	\$102.32
<b>Implied Value per FBL Share (Average of Two Approaches)</b>						<b>\$91.41</b>

- ▶ Applying multiples of four most recent completed whole company publicly traded life transactions to FBL **implies a value of \$91.41 per share**

Source: Company reports, Capital Returns Management

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V. Insufficient Value  
**CAPITAL RETURNS**

# Comparable Recent Life Transactions

Date	Buyer/Investor	Target	Business Mix	Price (\$B)	P/B ex. AOCI	P/B
Oct '20	Brookfield (9.9%)	AEL	Annuities	\$0.3	1.28x	0.78x
July '20	KKR	Global Atlantic	Annuities, Life	\$4.4	1.00x	1.08x
Feb '20	Fidelity National	FG Holdings	Annuities	\$2.7	<u>1.65x</u>	<u>1.25x</u>
Average					1.31x	1.04x
FBL Book Value per Share (12/31/2020)					\$45.16	\$69.24
Indicated FBL Per Share Valuation					\$59.16	\$72.01
<b>Implied Value per FBL Share (Average of Two Approaches)</b>						<b>\$65.58</b>

- ▶ Applying multiples of three most recent completed life insurance transactions (take private and minority investments) indicate **an arm's length buyer would pay \$65.58 per share**

Source: Company reports, Capital Returns Management

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V. Insufficient Value  
**CAPITAL RETURNS**

# Minority Buy-In Transactions

	Price/Book Value	Implied Price
High	2.08x	\$93.99
Mean	1.48x	\$66.86
Median	1.31x	\$59.32
Low	1.05x	\$47.49

- ▶ Minority buy-in transaction multiples elevated relative to whole company and other comparable transactions, reflecting **premium for strategic importance**
- ▶ Average buy-in transaction multiple implies a value in excess of \$66 per share

Source: S&P Global Market Intelligence, Capital Returns Management

Note: Implied price based on FBL book value ex AOCI per share of \$45.16 at 12/31/2020; See APPENDIX for underlying data



# Special Committee Experience

## Special Committee Members Have Experience In Sale of Life Businesses

	Target	Multiple	Implied Price
Roger Brooks	AmerUS Group	1.64x Price / BVPS ex. AOCI	\$74 Per Share
Paul Larson	Equitable of Iowa	2.62x Price / BVPS ex. AOCI	\$118 Per Share

- ▶ Transactions are older, but we expect the members of the Special Committee to use their best efforts to achieve a similar outcome for FFG's shareholders

Source: Company reports, Capital Returns Management  
Note: Implied price based on FBL book value ex. AOCI per share of \$45.16 at 12/31/2020

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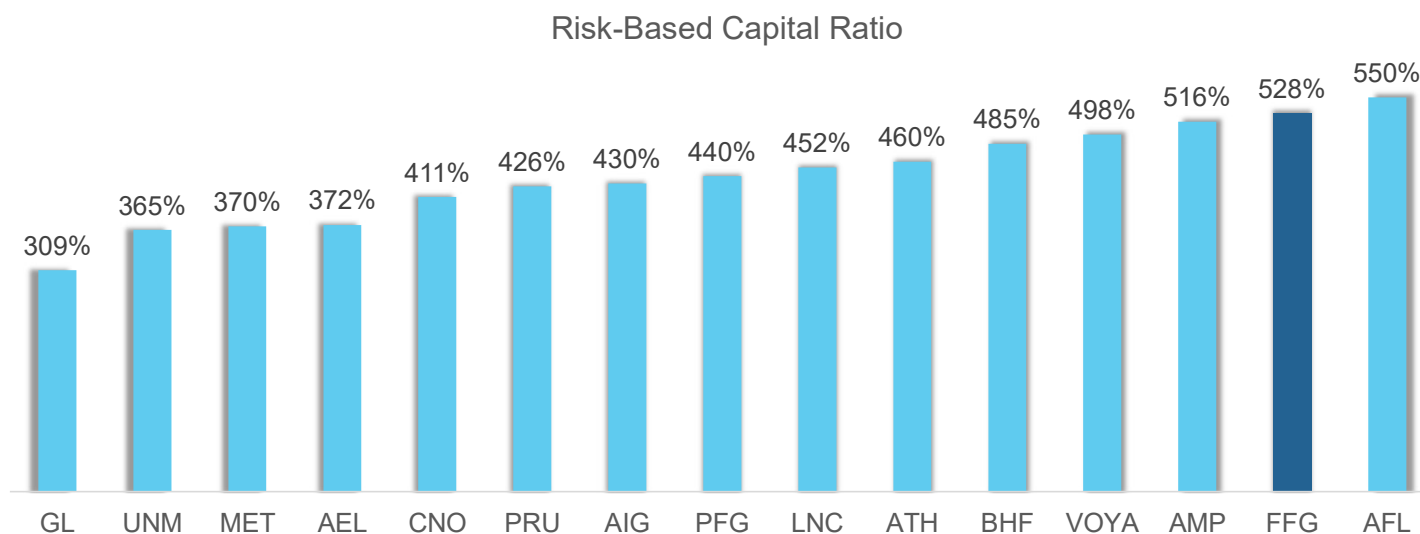
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# Strategic Importance Demands Premium

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- ▶ FBPCIC employs no personnel and relies entirely upon FBL's employees, management and executives to operate its business
- ▶ FBL's employees perform nearly every task, function and operation of FBPCIC, including providing general administrative and management services as well as investment advisory services
- ▶ Simple comparable valuation analysis fails to capture and value the rare, critically dependent relationship between FBL and FBPCIC

# Price Ignores Superior Capitalization



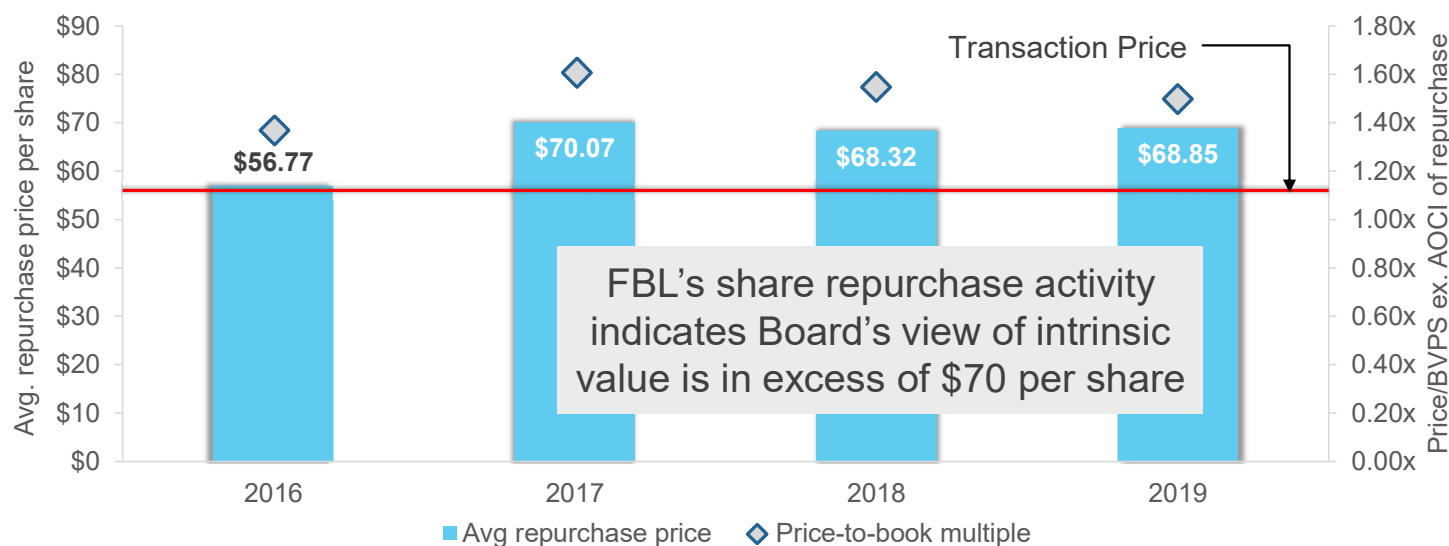
- ▶ FBL's capital and liquidity positions are strong, and it continues to pay quarterly dividends and repurchase shares
- ▶ The current proposal of \$56 per share does not justify ending FBL's successful existence as a publicly traded company

Source: Company reports, Autonomous Research, Capital Return Management

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V. Insufficient Value  
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# Ignores Board's View of Intrinsic Value



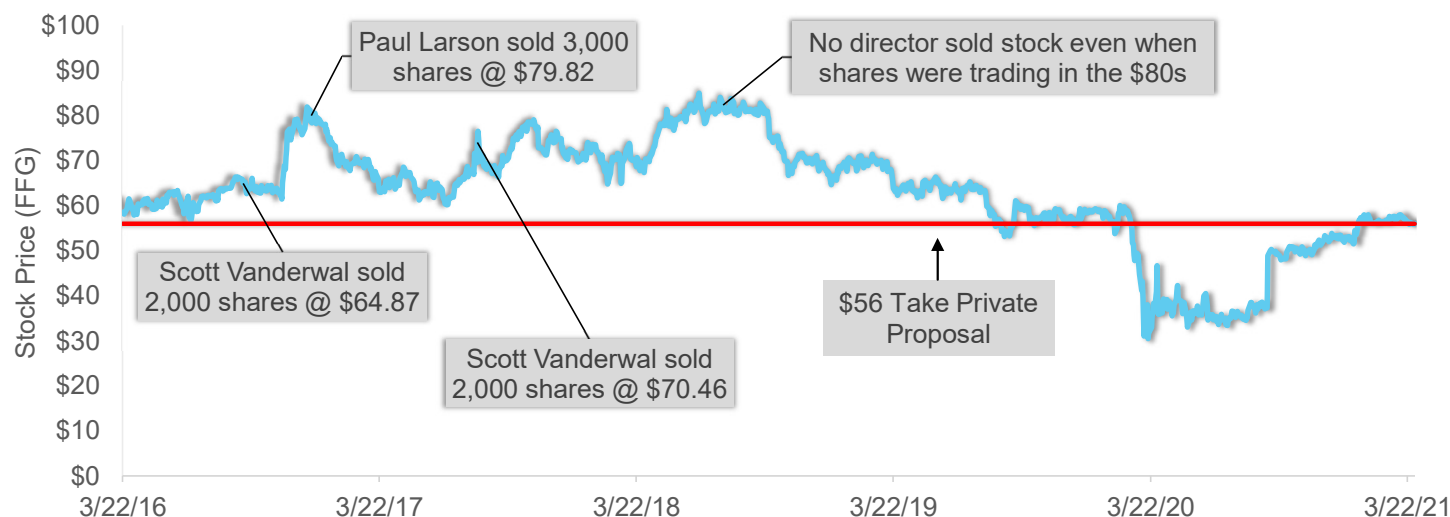
- ▶ FBL repurchased shares at an average price of \$69 per share between 2017-2019, well above the Take Private Proposal price of \$56 per share
- ▶ FBL Board authorized the purchase of FBL stock in 2018 and 2019 with stock trading at an average P/B (ex. AOCI) of 1.72x and 1.41x, respectively

Source: Company reports, Capital Returns Management

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V. Insufficient Value  
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# Ignores Director Sales at Higher Prices



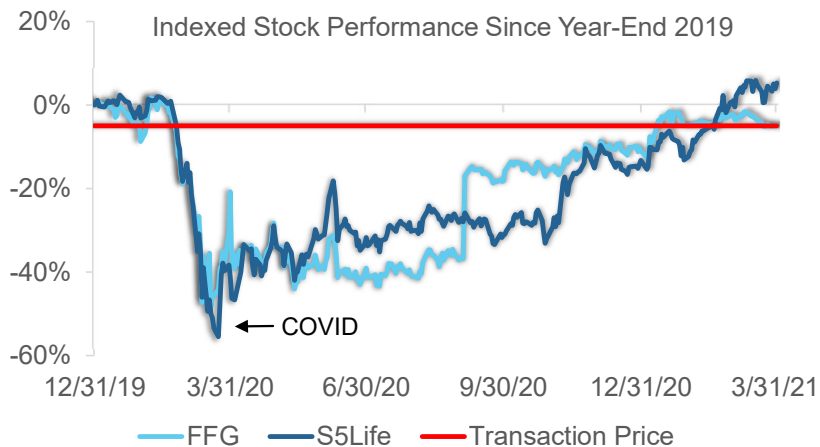
- ▶ No member of the Special Committee has sold stock anywhere close to \$56; the last sale of FBL stock among Special Committee members was in December 2016 at a price of \$80 per share, at a time when FBL's BVPS was substantially lower
- ▶ Price-to-book (ex. AOCI) multiple of Board member sales over last 5 years between 1.62x and 1.95x, indicating current intrinsic value is \$73-88 per share

Source: Bloomberg, Capital Returns Management

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V. Insufficient Value  
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# Ignores Insurance Index Stock Performance



Deal Premium	S&P500 Life Insurer Index (S5LIFE)
Unaffected FBL share price (9/3/20)	\$37.25
Life Insurer Index performance	+46.1%
FFG implied price	\$54.43
Adj. premium @\$56	2.9%

- ▶ FBL stock price performance prior to the Take Private Proposal was heavily correlated with the life insurance sector
- ▶ Purchase price is grossly inadequate in light of life insurance sector stock performance since the time FBPCIC publicly indicated its interest in buying FBL
- ▶ Adjusted for peer appreciation since September 3, 2020, the transaction price is not much higher than FBL's implied price

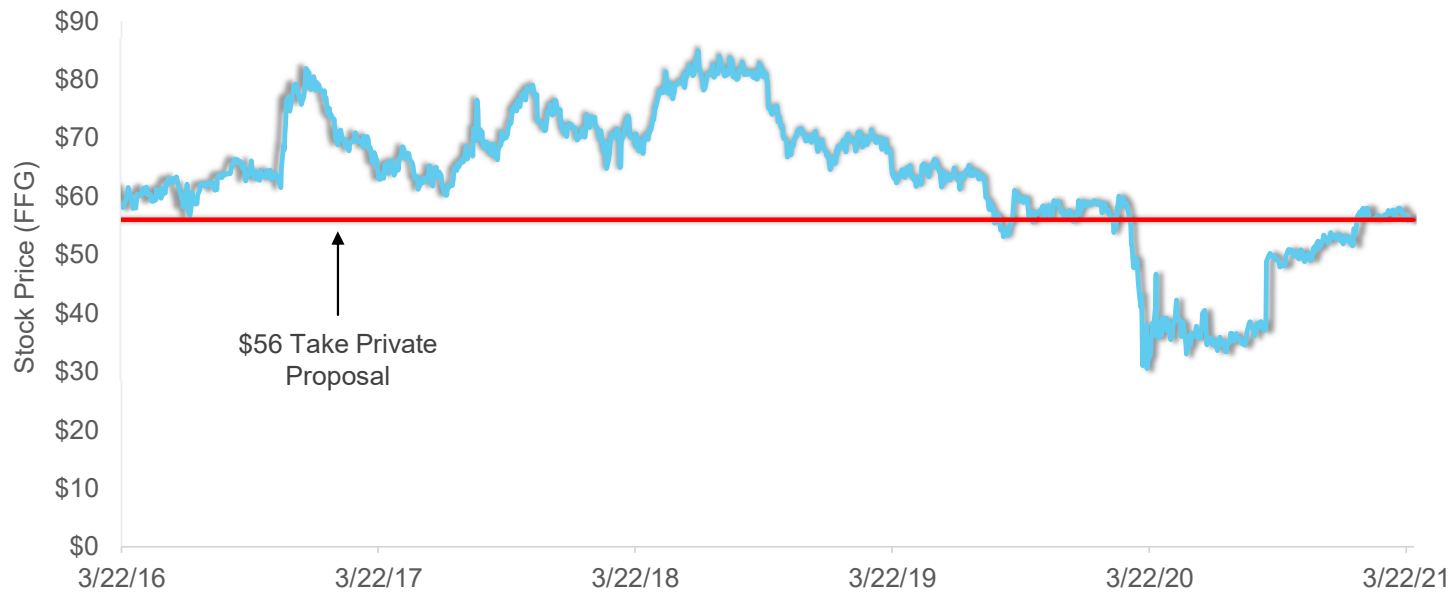
Source: Bloomberg, Capital Returns Management

Note: Transaction price is relative to FBL stock price of \$58.93 on 12/31/2019; indexed performance through 4/1/2021

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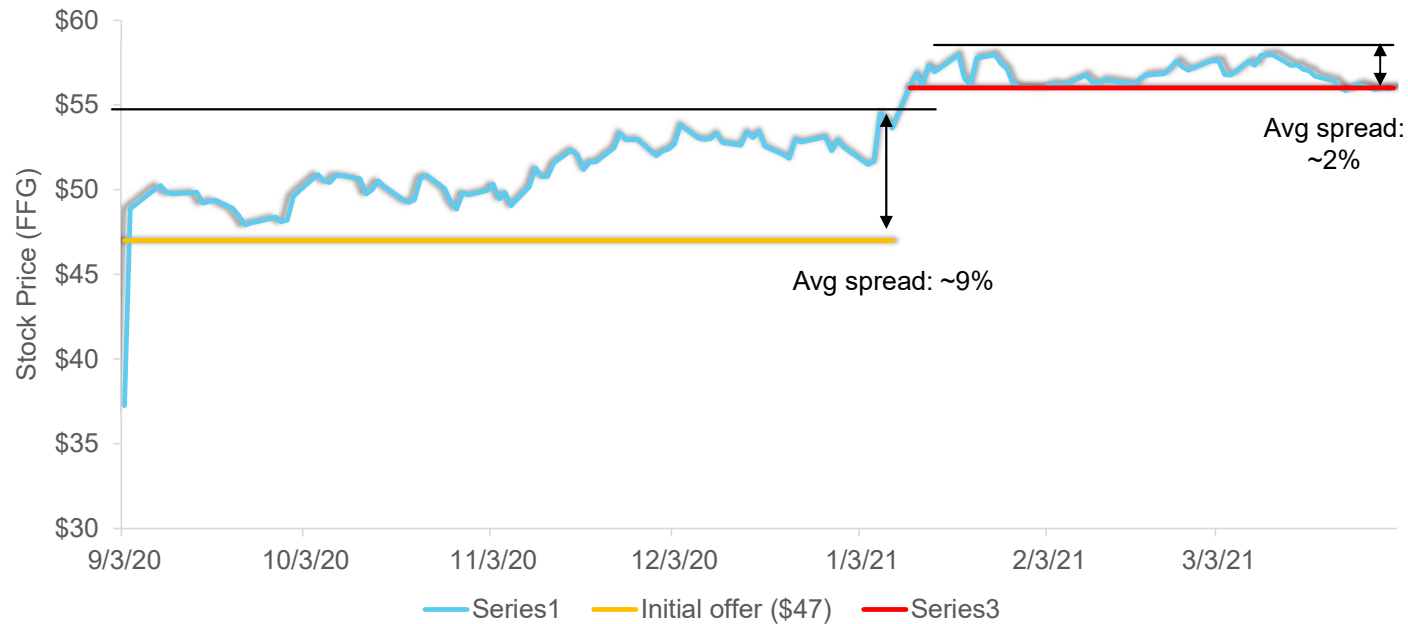
# Deal Price Ignores Trading History



- ▶ The average closing price of FBL stock over the three and five years prior to March 1, 2020 was \$68 per share and \$66 per share, respectively

Source: Bloomberg, Capital Returns Management  
Note: Stock price through 4/1/2021

# Stock Trading Above Deal Price



- ▶ Market appears similarly skeptical that FBPCIC's proposal represents maximum value for FBL's shareholders

Source: Bloomberg, Company reports

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V. Insufficient Value  
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# Missing Takeover Premium

FBL Price / Earnings Multiple		
Proposed Transaction	5 Year Average	3 Year Average
14.1x	13.6x	14.6x
Takeover Premium (+20%)	16.3x	17.5x
Implied Takeover Price	\$65	\$69

Source: Bloomberg, Company reports, Raymond James Research, Capital Returns Management

Note: Implied takeover price based on FBL's estimated 2021 operating EPS of \$3.96; 3-year average reflects 2017-2019 (i.e., "pre-COVID")

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V. Insufficient Value  
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# Price-to-Book Multiple Disconnect

FBL Price / Book Value ex. AOCI Multiple		
Proposed Transaction	5 Year Average	3 Year Average
<b>1.24x</b>	<b>1.47x</b>	<b>1.60x</b>
Takeover Premium (+20%)	<b>1.76x</b>	<b>1.92x</b>
Implied Takeover Price	<b>\$80</b>	<b>\$87</b>

- ▶ Transaction multiple is materially lower than FBL's pre-COVID valuation multiple and is well below FBL's average P/B over the prior five years

Source: Bloomberg, Capital Returns Management  
Note: 3-year average reflects 2017-2019 (i.e., "pre-COVID")

# Inexplicable Special Dividend Stoppage

Dividend History		
	Average 2016-2020	2021E
Ordinary & Special Dividends	<b>\$3.45</b>	<b>\$2.08</b>
Dividend Payout Ratio	<b>82%</b>	<b>53%</b>

- ▶ FBL's Board removed \$1.50 special dividend for June 30, 2021 from 2021-2023 Financial Plan despite strong capital and liquidity positions
- ▶ Removal of special dividend was covert way of lowering transaction value, with FBL retaining ~\$37M, instead of unaffiliated shareholders

Source: Company reports, Capital Returns Management  
Note: Payout ratio calculates as percent of FBL adjusted operating income

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V. Insufficient Value  
**CAPITAL RETURNS**

## VI. Recommendation

# Vote **AGAINST** this Flawed Transaction

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- ▶ **Transaction is rife with conflicts of interest**
  - ▶ Special Committee tasked with negotiating against FBL Board colleagues with limited access to objective data that was not already in the hands of the buyer
- ▶ **Special Committee received flawed analysis**
  - ▶ Financial advisor inexplicably excluded the most recent acquisition of a publicly traded life insurance company and inexplicably included a failed takeover bid
- ▶ **Negotiating process was lackluster at best**
  - ▶ Special Committee never tested FBPCIC's willingness to pay a fair or higher price by signaling it would support a transaction "in the mid-\$50's" early in negotiations
- ▶ **Consideration is well below value implied by comparable transactions**
  - ▶ Recent precedent life insurance company transactions support a fair price for FBL that is substantially higher than \$56 per share

# Vote **AGAINST** this Flawed Transaction

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- ▶ **Consideration fails to reflect FBL's strategic importance to FBPCIC**
  - ▶ Simple comparable valuation analysis fails to capture and value the rare, critically dependent, and richly valued relationship between FBL and FBPCIC
- ▶ **Stock continues to trade above the proposed transaction price**
  - ▶ The market seems to agree with our assessment that FBPCIC's offer does not represent fair and full value as FBL has traded above the deal price every day since FBPCIC's interest became public in September 2020
- ▶ **Acquisition proposal offers no real premium to shareholders**
  - ▶ Adjusted for peer appreciation since September 3, 2020, the transaction price is not much higher than FBL's implied price given the rally in life insurance stocks
- ▶ **Limited downside to rejecting the proposal and remaining independent**
  - ▶ In our view, FBL stock would continue to trade in-line with peers in the mid-\$50s even in the absence of a transaction

## VII. Appendix

# Business Mix Details

	FBL	Protective	Symetra	F&G	StanCorp
Fixed annuities	54%	50%	55%	95%	20%
Life Insurance	46%	50%	15%	5%	0%
Employee Benefits	0%	0%	30%	0%	80%
<u>Transaction Multiples</u>					
Price/Book ex. AOCI	1.24x	1.68x	1.56x	1.65x	2.24x
Price/Book	0.81x	1.29x	1.19x	1.25x	2.17x

Source: Company reports, KBW Research, Capital Returns Management

Note: Business mix is approximate based on adjusted operating earnings (ex. Corporate) around time of transaction; FBL reflects 3-year average



# Minority Buy-In Transactions

Date	Acquirer	Target	P/B
Nov '18	Employers Mutual Casualty	EMC Insurance Group	1.27x
Mar '16	American Financial Group Inc.	National Interstate Corp.	1.76x
Apr '11	CNA Financial	CNA Surety Corp.	1.10x
Sep '09	Fairfax Financial Holdings Ltd.	Odyssey Re	1.25x
Dec '08	Fairfax Financial Holdings Ltd.	Northbridge Financial Corp	1.31x
Mar '08	National Mutual Insurance Co.	Nationwide Financial Services Inc.	1.47x
July '07	Alfa Mutual Insurance Co.	Alfa Corp.	2.04x
Feb '07	American Financial Group Inc.	Great American Financial Resources Inc.	1.05x
Jan '07	American International Group Inc.	21st Century Insurance Group	2.08x

Source: Company reports, S&P Market Intelligence, Capital Returns Management

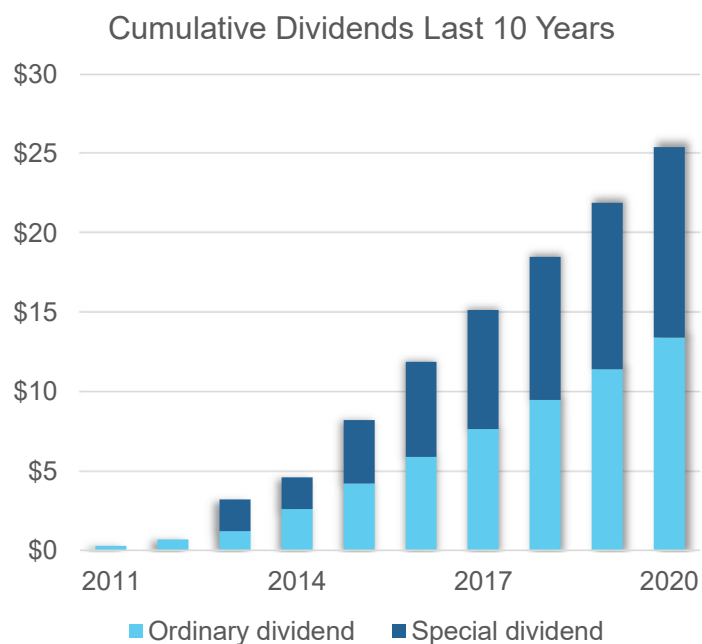
# FBL's P/E Closely Tracks 10Y Yields



Source: Bloomberg, Capital Returns Management

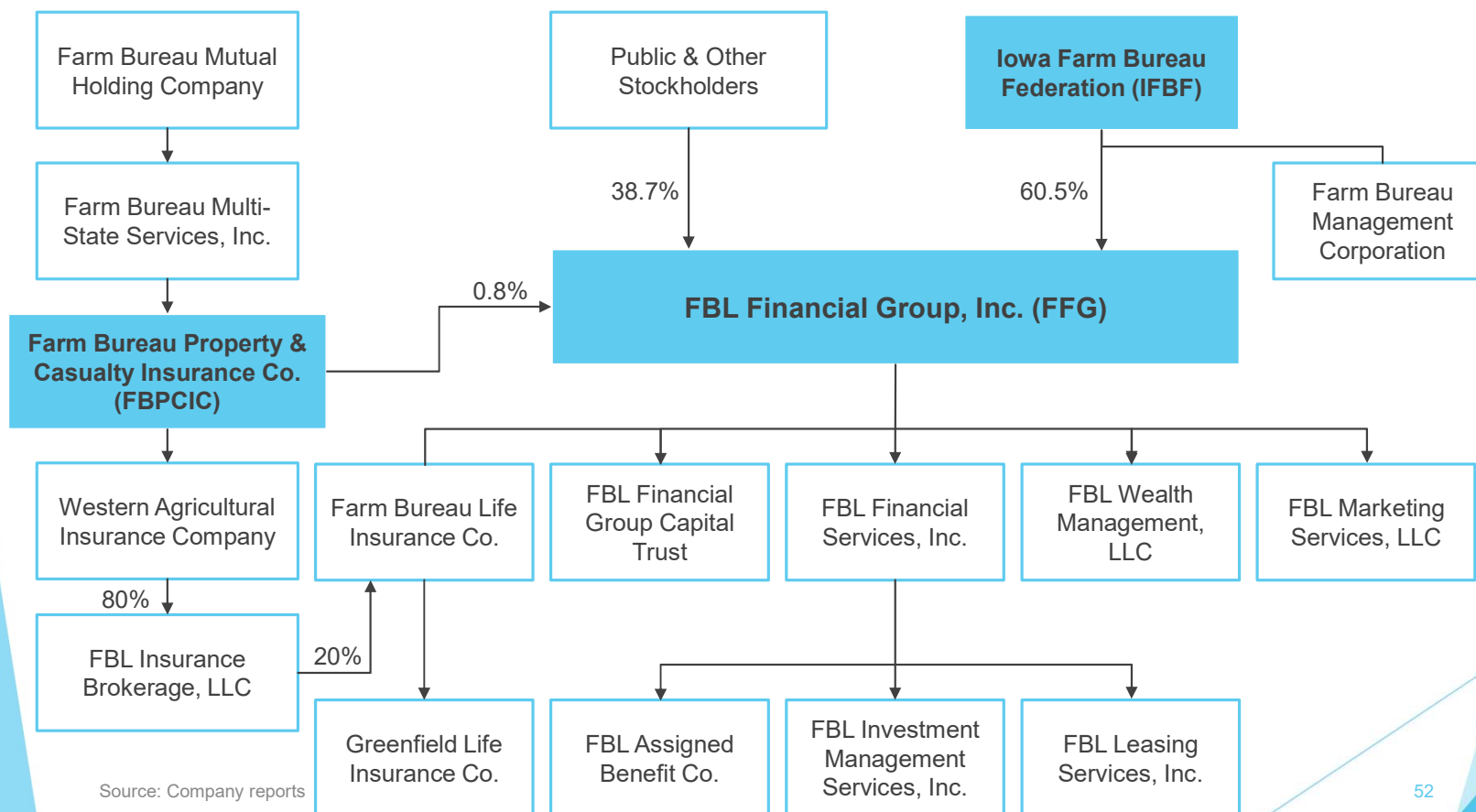
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# FBL's Record of Capital Return to Shareholders



Source: Company reports, Capital Returns Management

# Organizational Chart



Source: Company reports

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# Brief Overview

FBL Financial Group, Inc.			
Company	Farm Bureau Life Insurance Co. (FBLIC)	Greenfields Life Insurance Co.	Farm Bureau P&C Insurance Co. (FBPCIC)
Relationship	Wholly-owned subsidiary	Subsidiary of FBLIC	Managed by FBL Group
Brand	Farm Bureau Financial Services	Greenfields	Farm Bureau Financial Services
Distribution	1,601 exclusive agents	13 exclusive agents	953 exclusive agents
Products	Life, annuity and investments	Life, annuity and investments	Personal and commercial P&C

Source: Company reports