

Thrivent Financial for Lutherans

Statutory-Basis Financial Statements and Other Financial Information

For the Years Ended December 31, 2023, 2022 and 2021



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Report of Independent Auditors

To the Board of Directors of Thrivent Financial for Lutherans

Opinions

We have audited the accompanying statutory-basis financial statements of Thrivent Financial for Lutherans (the "Company"), which comprise the statutory-basis statements of assets, liabilities and surplus as of December 31, 2023 and 2022, and the related statutory-basis statements of operations, surplus, and of cash flow for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities and surplus of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2023 and 2022, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2023.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance. Management is also responsible for the design, implementation,



and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 15, 2024

Thrivent Financial for Lutherans
Statutory-Basis Statements of Assets, Liabilities and Surplus
As of December 31, 2023 and 2022
(in millions)

| | 2023 | 2022 |
|---|------------|------------|
| Admitted Assets | | |
| Bonds | \$ 50,554 | \$ 50,056 |
| Stocks | 1,323 | 1,836 |
| Mortgage loans | 10,869 | 10,697 |
| Real estate | 41 | 43 |
| Cash, cash equivalents and short-term investments | 2,008 | 1,188 |
| Contract loans | 1,064 | 1,047 |
| Receivables for securities | 85 | 29 |
| Limited partnerships | 9,694 | 8,800 |
| Other invested assets | 822 | 290 |
| Total cash and invested assets | 76,460 | 73,986 |
| Accrued investment income | 742 | 489 |
| Due premiums and considerations | 124 | 122 |
| Other assets | 51 | 50 |
| Separate account assets | 36,144 | 33,288 |
| Total Admitted Assets | \$ 113,521 | \$ 107,935 |
| Liabilities | | |
| Aggregate reserves for life, annuity and health contracts | \$ 52,425 | \$ 50,824 |
| Deposit liabilities | 5,549 | 4,626 |
| Contract claims | 509 | 522 |
| Member dividends payable | 420 | 375 |
| Interest maintenance reserve | 316 | 454 |
| Asset valuation reserve | 2,787 | 2,653 |
| Borrowed money | - | 903 |
| Transfers due to/(from) separate accounts, net | (564) | (526) |
| Payable for securities | 185 | 160 |
| Securities lending obligation | 644 | 291 |
| Other liabilities | 921 | 677 |
| Separate account liabilities | 36,042 | 33,208 |
| Total Liabilities | \$ 99,234 | \$ 94,167 |
| Surplus | | |
| Unassigned funds | \$ 14,264 | \$ 13,737 |
| Other surplus | 23 | 31 |
| Total Surplus | \$ 14,287 | \$ 13,768 |
| Total Liabilities and Surplus | \$ 113,521 | \$ 107,935 |

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Statutory-Basis Statements of Operations
For the Years Ended December 31, 2023, 2022 and 2021
(in millions)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|----------------------|------------------------|------------------------|
| Revenues | | | |
| Premiums | \$ 5,520 | \$ 5,033 | \$ 5,182 |
| Considerations for supplementary contracts with life contingencies | 230 | 83 | 94 |
| Net investment income | 3,233 | 3,410 | 4,098 |
| Separate account fees | 739 | 758 | 832 |
| Amortization of interest maintenance reserve | 88 | 91 | 103 |
| Other revenues | 68 | 71 | 37 |
| Total Revenues | <u>\$ 9,878</u> | <u>\$ 9,446</u> | <u>\$ 10,346</u> |
| Benefits and Expenses | | | |
| Death benefits | \$ 1,289 | \$ 1,338 | \$ 1,373 |
| Surrender benefits | 4,472 | 3,634 | 3,650 |
| Change in reserves | 1,640 | 849 | 228 |
| Other benefits | 2,237 | 1,925 | 1,989 |
| Total benefits | <u>9,638</u> | <u>7,746</u> | <u>7,240</u> |
| Commissions | 280 | 275 | 305 |
| General insurance expenses | 950 | 822 | 821 |
| Fraternal benefits and expenses | 169 | 166 | 236 |
| Transfers due to/(from) separate accounts, net | (2,153) | (1,018) | (812) |
| Total expenses and net transfers | <u>(754)</u> | <u>245</u> | <u>550</u> |
| Total Benefits and Expenses | <u>\$ 8,884</u> | <u>\$ 7,991</u> | <u>\$ 7,790</u> |
| Gain from Operations before Dividends and Capital Gains and Losses | <u>\$ 994</u> | <u>\$ 1,455</u> | <u>\$ 2,556</u> |
| Member dividends | 419 | 375 | 292 |
| Gain from Operations before Capital Gains and Losses | <u>\$ 575</u> | <u>\$ 1,080</u> | <u>\$ 2,264</u> |
| Realized capital gains and (losses), net | (62) | 69 | 298 |
| Net Income | <u><u>\$ 513</u></u> | <u><u>\$ 1,149</u></u> | <u><u>\$ 2,562</u></u> |

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Statutory-Basis Statements of Surplus
For the Years Ended December 31, 2023, 2022 and 2021
(in millions)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|-------------------------|-------------------------|-------------------------|
| Surplus, Beginning of Year | \$ 13,768 | \$ 13,695 | \$ 10,699 |
| Prior year adjustment | 40 | 11 | - |
| Adjusted Balance – Beginning of Year | <u>\$ 13,808</u> | <u>\$ 13,706</u> | <u>\$ 10,699</u> |
| Net income | 513 | 1,149 | 2,562 |
| Change in unrealized investment gains and losses | (20) | (758) | 722 |
| Change in non-admitted assets | 32 | (63) | (25) |
| Change in asset valuation reserve | (134) | (269) | (413) |
| Change in surplus of separate account | 22 | (18) | (2) |
| Deferred gain on Medicare supplement reinsurance | (8) | 31 | - |
| Pension liability adjustment | 74 | (10) | 152 |
| Surplus, End of Year | <u><u>\$ 14,287</u></u> | <u><u>\$ 13,768</u></u> | <u><u>\$ 13,695</u></u> |

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Statutory-Basis Statements of Cash Flow
For the Years Ended December 31, 2023, 2022 and 2021
(in millions)

| | 2023 | 2022 | 2021 |
|--|----------|------------|------------|
| Cash from Operations | | | |
| Premiums | \$ 5,743 | \$ 5,104 | \$ 5,269 |
| Net investment income | 2,672 | 2,501 | 2,536 |
| Other revenues | 807 | 829 | 869 |
| | 9,222 | 8,434 | 8,674 |
| Benefit and loss-related payments | (8,010) | (6,940) | (7,047) |
| Transfers (to)/from separate account, net | 2,115 | 1,129 | 752 |
| Commissions and expenses | (1,383) | (1,287) | (1,355) |
| Member dividends | (376) | (292) | (286) |
| Other | 3 | 5 | (9) |
| Net Cash from Operations | \$ 1,571 | \$ 1,049 | \$ 729 |
| Cash from Investments | | | |
| Proceeds from investments sold, matured or repaid: | | | |
| Bonds | \$ 6,723 | \$ 7,293 | \$ 12,421 |
| Stocks | 1,158 | 1,172 | 1,404 |
| Mortgage loans | 661 | 827 | 1,038 |
| Limited partnerships | 821 | 1,239 | 2,156 |
| Other | 449 | 112 | 135 |
| | 9,812 | 10,643 | 17,154 |
| Cost of investments acquired or originated: | | | |
| Bonds | (7,328) | (9,676) | (14,827) |
| Stocks | (631) | (1,226) | (1,062) |
| Mortgage loans | (812) | (1,253) | (1,664) |
| Limited partnerships | (1,787) | (1,666) | (1,985) |
| Other | (393) | (60) | (10) |
| | (10,951) | (13,881) | (19,548) |
| Transactions under mortgage dollar roll program, net | (67) | 742 | 1,758 |
| Change in net amounts due (to)/from broker | (55) | (678) | (1,784) |
| Change in collateral held for securities lending | 352 | (46) | 72 |
| Change in contract loans | (17) | 16 | 56 |
| Net Cash from Investments | \$ (926) | \$ (3,204) | \$ (2,292) |
| Cash from Financing and Miscellaneous Sources | | | |
| Borrowed money | \$ - | \$ 900 | \$ - |
| Net deposits (payments) on deposit-type contracts | 23 | 107 | 325 |
| Other | 152 | 41 | 72 |
| Net Cash from Financing and Miscellaneous Sources | \$ 175 | \$ 1,048 | \$ 397 |
| Net Change in Cash, Cash Equivalents and Short-Term Investments | \$ 820 | \$ (1,107) | \$ (1,166) |
| Cash, Cash Equivalents and Short-Term Investments, Beginning of Year | \$ 1,188 | \$ 2,295 | \$ 3,461 |
| Cash, Cash Equivalents and Short-Term Investments, End of Year | \$ 2,008 | \$ 1,188 | \$ 2,295 |
| <u>Supplemental disclosures for non-cash transactions not included above</u> | | | |
| Refinanced mortgage loans and mutual fund mortgage transfers | \$ 74 | \$ 136 | \$ 141 |
| Transferred collateral on collateralized fund obligation | \$ 739 | \$ - | \$ - |
| FHLB conversion from borrowed money to funding agreements | \$ 900 | \$ - | \$ - |

The accompanying notes are an integral part of these statutory-basis financial statements.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Thrivent Financial for Lutherans (“Thrivent”) is a fraternal benefit society that provides life insurance, retirement products, disability income, long-term care insurance and Medicare supplement insurance to members. Thrivent is licensed to conduct business throughout the United States and distributes products to members primarily through a network of career financial representatives. Thrivent’s members are offered additional financial products and services, such as investment funds and trust services, through subsidiaries and affiliates.

Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices (“SAP”) prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance. Thrivent has no prescribed or permitted practices.

The State of Wisconsin Office of the Commissioner of Insurance recognizes only SAP for determining and reporting the financial condition and results of operations of a fraternal benefit society in order to determine its solvency under Wisconsin’s Insurance Laws. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Wisconsin. NAIC SAP is comprised of the Preamble, the Statements of Statutory Accounting Principles (“SSAP”), and Appendices.

The significant accounting practices used in preparation of the statutory-basis financial statements are summarized as follows:

Investments

Bonds: Bonds are generally carried at amortized cost, depending on the nature of the security and as prescribed by NAIC guidelines. Discounts or premiums on bonds are amortized over the term of the securities using the modified scientific method. Discounts or premiums on loan-backed and structured securities are amortized over the term of the securities using the modified scientific method, adjusted to reflect anticipated pre-payment patterns. Interest income is recognized when earned. Bond exchange traded funds (“ETFs”) on the Securities Valuation Office (“SVO”) Identified Funds list are stated using the fair value measurement method.

Thrivent uses a mortgage dollar roll program to enhance the yield on the mortgage-backed security (“MBS”) portfolio. MBS dollar rolls are transactions whereby Thrivent sells an MBS to a counterparty and subsequently enters into a commitment to purchase another MBS security at a later date. Thrivent’s mortgage dollar roll program generally includes a series of MBS dollar rolls extending for more than a year. Thrivent had \$159 million and \$92 million in the mortgage dollar roll program as of December 31, 2023 and 2022, respectively.

Stocks: Common stocks of unaffiliated companies are stated at fair value. Common stocks of unconsolidated subsidiaries are carried at the stock’s equity basis. Investments in mutual funds are carried at net asset value (“NAV”), Preferred stocks are carried at market value or amortized cost depending on the preferred stock’s convertible characteristics and NAIC subgroup. Issues rated not in good standing are reported at lower of amortized cost or fair market value. Redeemable preferred stocks are reported at amortized costs unless they have an NAIC designation of 4, 5, or 6 which are reported at the lower of amortized cost or fair value. Perpetual preferred stocks are reported at fair value, not to exceed the current call price for the stock.

Mortgage Loans: Mortgage loans are generally carried at unpaid principal balances less valuation adjustments. Interest income is accrued on the unpaid principal balance using the loan’s contractual interest rate. Discounts or premiums are amortized over the term of the loans using the effective interest method. Interest income and amortization of premiums and discounts are recorded as a component of net investment income along with prepayment fees and mortgage loan fees.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Real Estate: Home office real estate is valued at original cost, plus capital expenditures less accumulated depreciation and encumbrances. Depreciation expense is determined using the straight-line method over the estimated useful life of the properties. Real estate expected to be disposed is carried at the lower of cost or fair value, less estimated costs to sell.

Cash, Cash equivalents and Short-term Investments: Cash and cash equivalents include demand deposits, highly liquid investments purchased with an original maturity of three months or less and investments in money market mutual funds. Demand deposits and highly liquid investments are carried at amortized cost while investments in money market mutual funds are carried at fair value. Short-term investments have contractual maturities of one year or less at the time of acquisition. Included in short-term investments are commercial paper and agency notes, which are carried at amortized cost.

Contract Loans: Contract loans are generally carried at the loans' aggregate unpaid balances. Contract loans are collateralized by the cash surrender value of the associated insurance contracts.

Limited Partnerships: Limited partnerships consist primarily of equity limited partnerships which are valued using the market or income comparable approach. For distributions received, income is recognized to the extent they do not exceed undistributed earnings. Distributions received in excess of undistributed earnings are recorded as a return of capital.

Other Invested Assets: Other invested assets include residual tranches, non-collateral loans, derivative instruments, and surplus notes. Residual tranches are carried at either the lower of amortized cost or fair value or the underlying audited equity of the investee. Non-collateral loans are carried at amortized cost. Derivatives are primarily carried at fair value. Surplus notes are carried at amortized cost.

Securities Lending: Securities loaned under Thrivent's securities lending agreement are carried at amortized cost or fair value, depending on the nature of the security and as prescribed by NAIC guidelines. Thrivent generally receives cash collateral in an amount that is in excess of the market value of the securities loaned, and the cash collateral is invested in highly-liquid, highly rated securities which are included in bonds and cash, cash equivalents and short-term investments. A liability is also recognized for the amount of the collateral. Market values of securities loaned and corresponding collateral are monitored daily, and additional collateral is obtained as necessary. Thrivent requires a minimum level of collateral to be held for loaned securities.

Offsetting Assets and Liabilities: Thrivent presents securities lending agreements and derivatives on a gross basis in the statutory-basis financial statements.

Unrealized Investment Gains and Losses: Unrealized investment gains and losses include changes in fair value of bonds, unaffiliated stocks, affiliated common stocks, affiliated mutual funds, ETFs, limited partnerships and other invested assets and are reported as a direct increase or decrease to surplus.

Realized Capital Gains and Losses: Realized capital gains and losses on sales of investments are determined using the specific identification method for bonds and average cost method for stocks.

Thrivent's investments are periodically reviewed, and those securities are evaluated where the current fair value is less than amortized cost for indicators that show the decline in value is other-than-temporary. The review includes an evaluation of each security issuer's creditworthiness, such as the ability to generate operating cash flow while remaining current on all debt obligations, and any changes in credit ratings from third party agencies. Other factors include the severity and duration of the impairment, Thrivent's ability to collect all amounts due according to the contractual terms of the debt security and Thrivent's ability and intent to hold the security for a period of time sufficient to allow for any anticipated recovery in the market.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The potential need to sell securities in an unrealized loss position which have no other indications of other-than-temporary impairment is evaluated based on the current market environment, near-term and long-term asset liability management strategies and target allocation strategies for various asset classes. Generally, Thrivent has the ability and intent to hold securities in an unrealized loss position for a period of time sufficient for the security to recover in value. Investments that are determined to be other-than-temporarily impaired are written down, primarily to fair value, and the write-down is included in realized capital gains and losses in the Statutory-Basis Statements of Operations. If, in response to changed conditions in the capital markets, Thrivent decides to sell a security in an unrealized loss position, a realized loss is recognized in the period that the decision is made to sell that security.

Certain realized capital gains and losses on fixed income securities sold prior to maturity are transferred to the interest maintenance reserve ("IMR").

Fair Value of Financial Instruments: In estimating the fair values for financial instruments, the amount of observable and unobservable inputs used to determine fair value is taken into consideration. Each of the financial instruments has been classified into one of three categories based on the evaluation. A Level 1 financial instrument is valued using quoted prices for identical assets in active markets. A Level 2 financial instrument is valued based on quoted prices for similar instruments in active markets that are accessible, quoted prices for identical or similar instruments in markets that are not active, or model-derived valuations where the significant value driver inputs are observable. A Level 3 financial instrument is valued using significant inputs that are unobservable.

Separate Accounts

Separate account assets and liabilities represent funds that are separately administered for variable annuity and variable life contracts, for which the contractholder, rather than Thrivent bears the investment risk. Fees charged on separate account contractholder account value, include mortality and expense charges, rider fees, and advisor fees and are recognized when due. Separate account assets, which consist of investment funds, are carried at fair value based on published market prices and include the value of seed money. Separate account liability values are not guaranteed to the contractholder; however, general account reserves include provisions for the guaranteed minimum death and living benefits contained in the contracts. Reserve assumptions for these benefits are discussed in the Aggregate Reserves for Life, Annuity and Health Contracts section.

Aggregate Reserves for Life, Annuity and Health Contracts

Reserves for life contracts issued prior to 2020 are calculated primarily using the Commissioners' Reserve Valuation Method generally based upon the 1941, 1958, 1980, 2001, and 2017 Commissioners' Standard Ordinary and American Experience Mortality Tables with assumed interest rates ranging from 2.5% to 5.5%. Reserves on contracts issued on a substandard basis are valued using the valuation mortality rates for the substandard rating. Reserves for life contracts issued on or after January 1, 2020, are calculated using the Principles-Based Reserve (PBR) approach described in VM-20. The reserve held is the greatest of two model-based reserve calculations and a formulaic calculation called the Net Premium Reserve ("NPR").

Reserves for fixed annuities, supplementary contracts with life contingencies and other benefits are computed using recognized and accepted mortality tables and methods, which equal or exceed the minimum reserves calculated under the Commissioners' Annuity Reserve Valuation Method. Fixed indexed annuity reserves are calculated according to the Black-Scholes Projection Method described in Actuarial Guideline 35. Reserves for variable annuities with guaranteed death and living benefits, regardless of issue date, are computed on an aggregate basis using the requirements specified in VM-21, including assumptions for guaranteed minimum death benefits and living benefits. This approach uses the greatest of two stochastic modeling approaches (company prudent assumptions or industry prescribed assumptions) but is never less than the cash surrender value floor.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accident and health contract reserves are generally calculated using the two-year preliminary term, one-year preliminary term and the net level premium methods based upon various morbidity tables. In addition, for long-term care and disability income products, a premium deficiency reserve is held to the extent future premiums and current reserves are less than the value of future expected claim payments and expenses.

The reserve assumptions inherent in these approaches are designed to be sufficient to provide for all contractual benefits. Thrivent waives deduction of deferred fractional premiums upon the death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

Deposit Liabilities

Deposit liabilities have been established on certain annuity and supplemental contracts, as well as funding agreements issued to the Federal Home Loan Bank of Chicago (“FHLB”), that do not subject Thrivent to mortality and morbidity risk. Changes in future benefits on these deposit-type contracts are classified as deposit-type transactions and thereby excluded from net additions to contract reserves.

Contract Claims

Claim liabilities are established in amounts estimated to cover incurred claims. These liabilities are based on individual case estimates for reported claims and estimates of unreported claims based on past experience.

Interest Maintenance Reserve

Thrivent is required by the NAIC to maintain an IMR which is primarily used to defer certain realized capital gains and losses on fixed income investments. Net realized capital gains and losses deferred to IMR are amortized into investment income over the estimated remaining term to maturity of the investment sold.

Asset Valuation Reserve

Thrivent is required to maintain an asset valuation reserve (“AVR”), which is a liability calculated using a formula prescribed by the NAIC. The AVR is a general provision for future potential losses in the value of investments, unrelated to changes in interest rates. Increases or decreases in the AVR are reported as direct adjustments to surplus in the Statutory-Basis Statements of Surplus.

Borrowed Money

Borrowed money represents advances from Federal Home Loan Bank. The liability is primarily carried at an amount equal to unpaid principal balance, including accrued interest, net of unamortized discount or premium.

Premiums and Considerations

Traditional life insurance premiums are recognized as revenue when due. Variable life, universal life, annuity premiums and considerations of supplemental contracts with life contingencies are recognized when received. Health insurance premiums are recognized pro rata over the terms of the policies.

Fraternal Benefits and Expenses

Fraternal benefits and expenses include all fraternal activities and expenses incurred to provide or administer fraternal benefits and programs related to Thrivent’s fraternal charter. This includes activities and costs necessary to maintain Thrivent’s fraternal lodge system. Thrivent conducts fraternal activities primarily through a lodge system where members participate in locally sponsored fraternal activities. Lodge activities are designed to create an opportunity for impact via social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic or religious purposes for the benefit of members and the public and are supported through a variety of lodge programs and services.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Dividends to Members

The majority of Thrivent's insurance products are participating in nature. Dividends on these policies to be paid to members in the subsequent 12 months are reflected in the Statutory-Basis Statements of Operations for the current year. Dividends are not currently being paid on most health insurance nor annuity contracts. Dividend scales are approved annually by Thrivent's Board of Directors.

Income Taxes

Thrivent, as a fraternal benefit society, qualifies as a tax-exempt organization under the Internal Revenue Code. Accordingly, income earned by Thrivent is generally exempt from taxation; therefore, no provision for income taxes has been recorded. Thrivent may pay income taxes on certain unrelated business activity.

Basis of Presentation

The accompanying statutory-basis financial statements of Thrivent have been prepared in accordance with accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, which practices differ from U.S. generally accepted accounting principles ("GAAP").

The following describes the more significant statutory accounting policies that are different from GAAP accounting policies:

Bonds and Preferred Stocks: For GAAP purposes, investments in bonds and preferred stocks are reported at fair value with the change in fair value reported as a separate component of comprehensive income for available-for-sale securities and reported as realized gains or losses for trading securities.

Common Stocks: For GAAP purposes, investments in common stocks are reported at fair value with unrealized gains and losses reported as a component of net income.

Limited Partnerships: For GAAP purposes, the equity method reports the change in the equity value of the limited partnerships through earnings as a component of net investment income.

Acquisition Costs: For GAAP purposes, costs incurred that are directly related to the successful acquisition and issuance of new or renewal insurance contracts are deferred to the extent such costs are deemed recoverable from future profits and amortized in proportion to estimated margins from interest, mortality and other factors under the contracts.

Contract Liabilities: For GAAP purposes, liabilities for future contract benefits and expenses are estimated based on expected experience or actual account balances.

Non-Admitted Assets: For GAAP purposes, certain assets, primarily furniture, equipment, receivables over 90 days old, values of certain entities and equity-method investments where audits are not performed, overfunded plan assets on qualified benefit plans and agents' debit balances, are not charged directly to members' equity and are not excluded from the balance sheet.

Interest Maintenance Reserve: For GAAP purposes, an IMR is not maintained.

Asset Valuation Reserve: For GAAP purposes, an AVR is not maintained.

Premiums and Withdrawals: For GAAP purposes, funds deposited and withdrawn on universal life and investment-type contracts are not recorded in the income statement.

Consolidation: For GAAP purposes, subsidiaries are consolidated into the results of their parent. Differences between consolidated GAAP financial statements and statutory-basis financial statements as of December 31, 2023 and 2022 and for the three years in the period ended December 31, 2023, have not been quantified but are presumed to be material.

Thrivent Financial for Lutherans

Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of statutory-basis financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the statutory-basis financial statements and accompanying notes. The more significant estimates relate to fair values of investments, reserves for life, health and annuity contracts and pension and other retirement benefit liabilities. Actual results could differ from those estimates.

New Accounting Guidance

In 2023, Thrivent adopted modifications to SSAP No. 48 (*Joint Ventures, Partnerships and Limited Liability Companies*), SSAP No. 32R (*Preferred Stock*) and SSAP No. 30R (*Common Stock*). The key revisions clarify that in-substance residual tranches or interests should focus on the substance of the investment rather than the form and be reported as Other Invested Assets. The guidance is effective beginning December 31, 2023 and did not have a material impact on Thrivent's financial statements.

In 2023, Thrivent adopted modifications to SSAP No. 34 (*Investment Income Due and Accrued*). The key revisions include adding new disclosures for Aggregate Deferred Interest and Paid-In-Kind (PIK) interest. The guidance is effective beginning December 31, 2023 and did not have a material impact on Thrivent's financial statements.

In 2022, Thrivent adopted modifications to SSAP No. 43R (*Loan-Backed and Structured Securities*). The key revisions clarify that residual tranches or interests shall be reported on Schedule BA - Other Long-Term Investments and valued at the lower of amortized cost or fair value. The guidance is effective beginning December 31, 2022 and did not have a material impact on Thrivent's financial statements.

In 2021, Thrivent adopted modifications to SSAP No. 32R (*Preferred Stock*). The key revisions include adding preferred stock definitions and adopting GAAP guidance for classifying preferred stock as redeemable or perpetual and revising the measurement guidance to provide consistent measurement based on the type of preferred stock held and the terms of the preferred stock. Additional disclosure was added in Note 1, Note 2 and Note 8. The guidance is effective beginning January 1, 2021 and did not have a material impact on Thrivent's financial statements.

In 2021, Thrivent adopted modifications to SSAP No. 26R (*Bonds*). The revisions clarify that perpetual bonds with an effective call option are recorded at amortized cost using the yield-to-worst concept with all other perpetual bonds recorded at fair value. Additional disclosure was added to Note 1. The guidance is effective beginning January 1, 2021 and did not have a material impact on Thrivent's financial statements.

In 2021, Thrivent adopted changes to SSAP No. 92 (*Postretirement Plans Other Than Pensions*) and SSAP No. 102 (*Pensions*). The guidance requires explanation for significant gains and losses related to changes in the benefit obligation for the period. Additional disclosure was added to Note 9. This guidance did not have a material impact on Thrivent's financial statements.

Prior Year Adjustment

During 2023, Thrivent identified an adjustment impacting the beginning of year surplus balance related to deferred annuity contracts. As a result, reserves were decreased and surplus was increased by \$40 million. During 2022, Thrivent identified adjustments impacting the beginning of year surplus balance. The pension plan was in an overfunded position of \$72 million which should have been reported as a non-admitted asset. A reserve related to universal life contracts with secondary guarantees was overstated by \$27 million. An incurred but not reported liability related to universal life disability waivers on a closed block of business was overstated by \$14 million. The investment income due and accrued on certain affiliated bonds was recorded incorrectly and understated by \$42 million. Thrivent reported an increase to opening surplus of \$40 million and \$11 million in 2023 and 2022, respectively.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Thrivent evaluated events or transactions that may have occurred after the Statutory-Basis Statements of Assets, Liabilities and Surplus date for potential recognition or disclosure through February 15, 2024, the date the statutory-basis financial statements were available to be issued. Effective February 15, 2024, Thrivent's Board of Directors approved an increase to the maximum borrowing capacity for the FHLB to \$6 billion. There were no other subsequent events or transactions which required recognition or disclosure.

2. INVESTMENTS

Bonds

The admitted value and fair value of Thrivent's investment in bonds are summarized below (in millions):

| | Admitted Value | Gross Unrealized | | Fair Value |
|---|-------------------|------------------|-------------------|------------------|
| | | Gains | Losses | |
| December 31, 2023 | | | | |
| U.S. government and agency securities | \$ 1,536 | \$ 17 | \$ (116) | \$ 1,437 |
| U.S. state and political subdivision securities | 97 | 15 | (1) | 111 |
| Securities issued by foreign governments | 74 | - | (4) | 70 |
| Corporate debt securities | 39,209 | 644 | (2,767) | 37,086 |
| Residential mortgage-backed securities | 3,979 | 9 | (447) | 3,541 |
| Commercial mortgage-backed securities | 1,916 | 5 | (160) | 1,761 |
| Collateralized debt obligations | 2 | 8 | - | 10 |
| Other debt obligations | 1,521 | 2 | (22) | 1,501 |
| Affiliated bonds | 2,220 | 98 | (124) | 2,194 |
| Total bonds | <u>\$ 50,554</u> | <u>\$ 798</u> | <u>\$ (3,641)</u> | <u>\$ 47,711</u> |
| December 31, 2022 | | | | |
| U.S. government and agency securities | \$ 1,599 | \$ 4 | \$ (129) | \$ 1,474 |
| U.S. state and political subdivision securities | 97 | 13 | (1) | 109 |
| Securities issued by foreign governments | 83 | - | (6) | 77 |
| Corporate debt securities | 38,909 | 348 | (3,824) | 35,433 |
| Residential mortgage-backed securities | 4,046 | 3 | (519) | 3,530 |
| Commercial mortgage-backed securities | 1,978 | 1 | (196) | 1,783 |
| Collateralized debt obligations | 2 | 10 | - | 12 |
| Other debt obligations | 1,276 | - | (48) | 1,228 |
| Affiliated bonds | 2,066 | - | (131) | 1,935 |
| Total bonds | <u>\$ 50,056</u> | <u>\$ 379</u> | <u>\$ (4,854)</u> | <u>\$ 45,581</u> |

The admitted value of corporate debt securities issued in foreign currencies was \$773 million and \$547 million as of December 31, 2023 and 2022, respectively.

The admitted value and fair value of bonds, short-term investments and certain cash equivalents by contractual maturity are shown below (in millions). Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

| | Admitted Value | Fair Value |
|-------------------------------------|------------------|------------------|
| December 31, 2023 | | |
| Due in 1 year or less | \$ 3,347 | \$ 3,332 |
| Due after 1 year through 5 years | 13,144 | 12,833 |
| Due after 5 years through 10 years | 13,321 | 12,458 |
| Due after 10 years through 20 years | 8,574 | 8,314 |
| Due after 20 years | 13,674 | 12,280 |
| Total | <u>\$ 52,060</u> | <u>\$ 49,217</u> |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

The following table shows the fair value and gross unrealized losses aggregated by investment category and length of time that individual bonds have been in a continuous unrealized loss position (dollars in millions).

| | Less than 12 Months | | | 12 Months or More | | |
|---|----------------------|------------|-------------------------|----------------------|------------|-------------------------|
| | Number of Securities | Fair Value | Gross Unrealized Losses | Number of Securities | Fair Value | Gross Unrealized Losses |
| December 31, 2023 | | | | | | |
| U.S. government and agency securities | 7 | \$ 262 | \$ (3) | 31 | \$ 791 | \$ (112) |
| U.S. state and political subdivision securities | - | - | - | 2 | 12 | (1) |
| Securities issued by foreign governments | - | - | - | 9 | 70 | (4) |
| Corporate debt securities | 209 | 1,362 | (60) | 3,428 | 26,246 | (2,707) |
| Residential mortgage-backed securities | 10 | 151 | (1) | 267 | 3,064 | (446) |
| Commercial mortgage-backed securities | 6 | 52 | (2) | 180 | 1,565 | (158) |
| Other debt obligations | 21 | 121 | - | 150 | 690 | (22) |
| Affiliated bonds | 1 | 1,170 | (56) | 1 | 557 | (69) |
| Total bonds | 254 | \$ 3,118 | \$ (122) | 4,068 | \$ 32,995 | \$ (3,519) |
| December 31, 2022 | | | | | | |
| U.S. government and agency securities | 40 | \$ 1,039 | \$ (108) | 3 | \$ 120 | \$ (21) |
| U.S. state and political subdivision securities | 2 | 12 | (2) | - | - | - |
| Securities issued by foreign governments | 9 | 69 | (6) | - | - | - |
| Corporate debt securities | 3,710 | 27,546 | (2,995) | 433 | 2,885 | (829) |
| Residential mortgage-backed securities | 258 | 2,104 | (211) | 49 | 1,336 | (307) |
| Commercial mortgage-backed securities | 178 | 1,530 | (147) | 25 | 216 | (49) |
| Other debt obligations | 125 | 527 | (19) | 88 | 406 | (29) |
| Affiliated bonds | 2 | 1,513 | (131) | - | - | - |
| Total bonds | 4,324 | \$ 34,340 | \$ (3,619) | 598 | \$ 4,963 | \$ (1,235) |

Based on Thrivent's current evaluation in accordance with Thrivent's impairment policy, a determination was made that the declines in the securities summarized above are temporary in nature and Thrivent has the ability and intent to hold securities in an unrealized loss position for a period of time sufficient for the security to recover in value.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Stocks

The cost and fair value of Thrivent's investment in stocks as of December 31 are presented below (in millions).

| | 2023 | 2022 |
|-----------------------------------|----------|----------|
| Unaffiliated Preferred Stocks: | | |
| Cost | \$ 382 | \$ 463 |
| Gross unrealized gains | 6 | 7 |
| Gross unrealized losses | (35) | (32) |
| Fair value | \$ 353 | \$ 438 |
| Statement value | \$ 365 | \$ 461 |
| Unaffiliated Common Stocks: | | |
| Cost | \$ 467 | \$ 753 |
| Gross unrealized gains | 111 | 126 |
| Gross unrealized losses | (11) | (58) |
| Fair value/statement value | \$ 567 | \$ 821 |
| Affiliated Common Stocks: | | |
| Cost | \$ 321 | \$ 345 |
| Gross unrealized gains | 35 | 27 |
| Gross unrealized losses | (97) | (62) |
| Fair value/statement value | \$ 259 | \$ 310 |
| Affiliated Mutual Funds and ETFs: | | |
| Cost | \$ 118 | \$ 259 |
| Gross unrealized gains | 15 | 4 |
| Gross unrealized losses | (1) | (19) |
| Fair value/statement value | \$ 132 | \$ 244 |
| Total statement value | \$ 1,323 | \$ 1,836 |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Mortgage Loans

Thrivent invests in mortgage loans that principally involve commercial real estate consisting of first mortgage liens on completed income-producing properties. The carrying value of mortgage loans was \$10.9 billion and \$10.7 billion for the years ended December 31, 2023 and 2022. There was no allowance for credit losses as of December 31, 2023 or 2022.

Thrivent requires that all properties subject to mortgage loans have fire insurance at least equal to the value of the property.

The carrying values of mortgage loans by credit quality as of December 31 are presented below where restructured loans, in good standing, represent loans with reduced principal or interest rates below market (dollars in millions):

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|------------------|------------------|
| In good standing | \$ 10,848 | \$ 10,676 |
| Restructured loans, in good standing | 21 | 20 |
| Delinquent | - | 1 |
| In process of foreclosure | - | - |
| Total mortgage loans | <u>\$ 10,869</u> | <u>\$ 10,697</u> |

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Loans with Interest Rates Reduced During the Year: | | |
| Weighted average interest rate reduction | 0.2% | 0.6% |
| Total principal | \$ 1 | \$ 23 |
| Number of loans | 1 | 27 |

| | | |
|---|------|------|
| Interest Rates for Loans Issued During the Year: | | |
| Maximum | 7.3% | 6.4% |
| Minimum | 4.4% | 2.5% |
| Maximum loan-to-value ratio for loans issued during the year, exclusive of purchase money mortgages | 82% | 63% |

The age analysis of mortgage loans as of December 31 are presented below (in millions):

| | <u>2023</u> | <u>2022</u> |
|------------------------|------------------|------------------|
| Current | \$ 10,851 | \$ 10,695 |
| 30 – 59 days past due | 18 | 1 |
| 60 – 89 days past due | - | - |
| 90 – 179 days past due | - | 1 |
| 180+ days past due | - | - |
| Total mortgage loans | <u>\$ 10,869</u> | <u>\$ 10,697</u> |

| | | |
|---|------|------|
| 90 - 179 Days Past Due and Accruing Interest: | | |
| Investment | \$ - | \$ 1 |
| Interest accrued | - | - |
| 180+ Days Past Due and Accruing Interest: | | |
| Investment | \$ - | \$ - |
| Interest accrued | - | - |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

The distribution of Thrivent's mortgage loans among various geographic regions of the United States as of December 31 are presented below:

| | 2023 | 2022 |
|--------------------|------|------|
| Geographic Region: | | |
| Pacific | 30% | 31% |
| South Atlantic | 19 | 19 |
| East North Central | 7 | 8 |
| West North Central | 8 | 9 |
| Mountain | 7 | 7 |
| Mid-Atlantic | 12 | 11 |
| West South Central | 12 | 10 |
| Other | 5 | 5 |
| Total | 100% | 100% |

The distribution of Thrivent's mortgage loans among various property types as of December 31 are presented below:

| | 2023 | 2022 |
|----------------|------|------|
| Property Type: | | |
| Industrial | 26% | 25% |
| Retail | 16 | 17 |
| Office | 13 | 14 |
| Church | 8 | 8 |
| Apartments | 30 | 29 |
| Other | 7 | 7 |
| Total | 100% | 100% |

Impaired loans

A loan is determined to be impaired when it is considered probable that the principal and interest will not be collected according to the contractual terms of the loan agreement. For the years ended December 31, 2023 and 2022, Thrivent held impaired loans with carrying values of \$39 million and \$22 million, and unpaid principal balances of \$47 million and \$22 million for which there was no related allowance for credit losses recorded, respectively.

Any payments received on impaired loans are either applied against the principal or reported as net investment income, based on an assessment as to the collectability of the principal. Interest income on impaired loans that are delinquent are recognized upon receipt.

After loans become 180 days delinquent on principal or interest payments, or if the loans have been determined to be impaired, any accrued but uncollectible interest on the mortgage loans is non-admitted and charged to surplus in the period in which the loans are determined to be impaired. Generally, only after the loans become less than 180 days delinquent from the contractual due date will accrued interest be returned to admitted status. The amount of impairments included in realized capital losses due to debt restructuring was \$8 million for the year ended December 31, 2023, and less than \$1 million for both years ended December 31, 2022 and 2021. The average recorded investment in impaired mortgage loans was \$10 million and \$7 million for the years ended December 31, 2023 and 2022, respectively. Interest income recognized on impaired mortgage loans was \$2 million for the year ended December 31, 2023, and less than \$1 million for both years ended December 31, 2022 and 2021.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

In certain circumstances, Thrivent may restructure the terms of a troubled loan to maximize the collection of amounts due. During both years ended December 31, 2023 and 2022, Thrivent restructured two loans with a carrying value of \$2 million.

For the years ended December 31, 2023 and 2022, Thrivent held eight mortgage loans with a carrying value of \$21 million and seven loans with a carrying value of \$20 million, where loan restructures had occurred and the loans were in good standing, respectively. For the year ended December 31, 2023, the eight restructured mortgage loans had no payment defaults after modifications. For the year ended December 31, 2022, there was one restructured mortgage loan with a payment default greater than 90 days with a carrying value of \$1 million.

During the years ended December 31, 2023 and 2022, there were no mortgage loans that were derecognized as a result of foreclosure.

Real Estate

The components of real estate investments as of December 31 were as follows (in millions):

| | 2023 | 2022 |
|---------------------------------------|--------|--------|
| Home office properties | \$ 141 | \$ 141 |
| Held-for-sale | - | - |
| Total before accumulated depreciation | 141 | 141 |
| Accumulated depreciation | (100) | (98) |
| Total real estate | \$ 41 | \$ 43 |

In February 2021, Thrivent sold a newly constructed corporate home office property that was completed in 2020 for a cash payment of \$128 million. Thrivent entered into an agreement with the purchaser to lease the property for 20 years. An \$11 million realized capital gain was recognized on the sale of the property in 2021.

In November 2022, Thrivent sold a corporate office property for a cash payment of \$4 million. A realized capital gain of less than \$1 million was recognized on the sale of the property in 2022.

Derivative Financial Instruments

Thrivent uses derivative financial instruments in the normal course of business to manage investment risks, to reduce interest rate and duration imbalances determined in asset/liability analyses and to offset risks associated with the guaranteed living benefits features of certain variable annuity products.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

The following table summarizes the carrying values, which primarily equal fair values, included in other invested assets or other liabilities on the Statutory-Basis Statements of Assets, Liabilities and Surplus, and the notional amounts of Thrivent's derivative financial instruments (in millions):

| | Carrying Value | Notional Amount | Realized Gains/(Losses) |
|---|-------------------|--------------------|----------------------------|
| As of and for the year ended December 31, 2023 | | | |
| Assets: | | | |
| Call spread options | \$ 161 | \$ 1,091 | \$ (13) |
| Futures | - | 299 | (172) |
| Foreign currency swaps | 51 | 726 | 10 |
| Interest rate swaps | - | - | - |
| Covered written call options | - | - | - |
| Total assets | \$ 212 | \$ 2,116 | \$ (175) |
| Liabilities: | | | |
| Call spread options | \$ (110) | \$ 1,144 | \$ 18 |
| Futures | - | 1,063 | - |
| Foreign currency swaps | (9) | 84 | 1 |
| Covered written call options | - | - | - |
| Total liabilities | \$ (119) | \$ 2,291 | \$ 19 |
| As of and for the year ended December 31, 2022 | | | |
| Assets: | | | |
| Call spread options | \$ 48 | \$ 936 | \$ (28) |
| Futures | - | 234 | 11 |
| Foreign currency swaps | 77 | 750 | 11 |
| Interest rate swaps | - | - | (2) |
| Covered written call options | - | - | - |
| Total assets | \$ 125 | \$ 1,920 | \$ (8) |
| Liabilities: | | | |
| Call spread options | \$ (32) | \$ 961 | \$ 17 |
| Futures | - | 1,424 | - |
| Foreign currency swaps | (1) | 65 | 1 |
| Covered written call options | - | - | 6 |
| Total liabilities | \$ (33) | \$ 2,450 | \$ 24 |

All gains and losses on derivatives are reflected in realized capital gains and losses in the statutory-basis financial statements except foreign currency swaps which are reflected in net investment income. Notional amounts do not represent amounts exchanged by the parties and therefore are not a measure of Thrivent's exposure. The amounts exchanged are calculated based on the notional amounts and the other terms of the instruments, such as interest rates, exchange rates, security prices or financial and other indices.

Call Spread Options

Thrivent uses over-the-counter S&P 500 index call spread options (i.e. buying call options and selling cap call options) to manage risks associated with fixed indexed annuities. Purchased call spread options are reported at fair value in other invested assets and written call spread options are reported at fair value in other liabilities. The changes in the fair value of the call spread options are recorded in unrealized gains and losses.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Covered Written Call Options

Thrivent sells covered written call option contracts to enhance the return on residential mortgage-backed “to be announced” collateral that Thrivent owns. The premium received for these call options is recorded in other liabilities at book value at each reporting period. All positions in these contracts are settled at month end. Upon disposition of the options, the gains are recorded as a component of realized capital gains and losses. During the years ended December 31, 2023, 2022 and 2021, zero, \$4 million and \$16 million, respectively, was received in call premium.

Futures

Thrivent utilizes futures contracts to manage a portion of the risks associated with the guaranteed minimum accumulation benefit feature of variable annuity products and to manage foreign equity risk. Cash paid for the futures contracts is recorded in other invested assets. The futures contracts are valued at fair value at each reporting period. The daily change in fair value from the contracts variation margin is recognized in unrealized gains and losses until the contract is closed and/or otherwise expired. Realized gains and losses are recognized when the contract is closed and/or otherwise expired.

Foreign Currency Swaps

Thrivent utilizes foreign currency swaps to manage the risk associated with changes in the exchange rate of foreign currency to U.S. dollar payments for foreign denominated bonds. The swaps are reported at fair value with the change in the fair value recognized in unrealized gains and losses. Realized capital gains and losses are recognized upon settlement of the swap. No cash is exchanged at the outset of the swaps, and interest payments received are recorded as a component of net investment income.

Securities Lending

Elements of the securities lending program as of December 31 are presented below (in millions).

| | 2023 | 2022 |
|-----------------------------|--------|--------|
| Loaned Securities: | | |
| Carrying value | \$ 654 | \$ 303 |
| Fair value | 629 | 282 |
| Cash Collateral Reinvested: | | |
| Open | \$ 292 | \$ 63 |
| 30 days or less | 196 | 112 |
| 31 - 60 days | 46 | 59 |
| 61 - 90 days | 75 | 15 |
| 91 - 120 days | 5 | 6 |
| 121 - 180 days | 15 | 10 |
| 181 - 365 days | - | 11 |
| 1 - 2 years | 15 | 15 |
| 2 - 3 years | - | - |
| Greater than 3 years | - | - |
| Total | \$ 644 | \$ 291 |
| Cash collateral liabilities | \$ 644 | \$ 291 |

The maturity dates of the cash collateral liabilities generally match the maturity dates of the invested assets.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Collateral Received

Elements of reinvested collateral received in the securities lending program as of December 31 are presented below (in millions):

| | 2023 | 2022 |
|-------------------------|--------|--------|
| Bonds: | | |
| Carrying value | \$ 30 | \$ 52 |
| Fair value | 30 | 52 |
| Short-term Investments: | | |
| Carrying value | \$ 115 | \$ 46 |
| Fair value | 115 | 46 |
| Cash Equivalents: | | |
| Carrying value | \$ 499 | \$ 193 |
| Fair value | 499 | 193 |
| Common Stocks: | | |
| Carrying value | \$ - | \$ - |
| Fair Value | - | - |

All collateral received is less than 1% of total admitted assets.

Wash Sales

In the normal course of Thrivent's investment management activities, securities are periodically sold and repurchased within 30 days of the sale date to enhance total return on the investment portfolio. At December 31, 2023, Thrivent completed 33 transactions, selling 26 securities with a book value totaling \$1 million where the cost to repurchase within 30 days totaled \$1 million. The net gain for securities sold and later repurchased totaled less than \$1 million. At December 31, 2022, Thrivent completed 1,251 transactions, selling 61 securities with a book value totaling \$12 million where the cost to repurchase within 30 days totaled \$13 million. The net gain for securities sold and later repurchased totaled \$1 million.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Reverse Repurchase Agreements

Thrivent has a tri-party reverse repurchase agreement (“repo”) to purchase and resell short-term securities. The securities are classified as an NAIC designation of 1 and the maturity of the securities is three months to one year with a carrying value and fair value of \$30 million and \$10 million for the years ended December 31, 2023 and 2022, respectively. Thrivent is not permitted to sell or repledge these securities. The purchased securities are included in cash, cash equivalents and short-term investments in the accompanying Statutory-Basis Statements of Assets, Liabilities and Surplus. Thrivent received cash as collateral, having a fair value at least equal to 102% of the purchase price paid for the securities and Thrivent’s designated custodian takes possession of the collateral. The collateral is not recorded in Thrivent’s financial statements.

The fair value of the securities for the repo transactions accounted for each reporting period presented below (in millions):

December 31, 2023

| | <u>Maximum</u> | <u>Ending Balance</u> |
|-------------------------|----------------|-----------------------|
| Bonds: | | |
| 1 st quarter | \$ 85 | \$ 25 |
| 2 nd quarter | 100 | 70 |
| 3 rd quarter | 30 | 30 |
| 4 th quarter | 80 | 30 |

December 31, 2022

| | <u>Maximum</u> | <u>Ending Balance</u> |
|-------------------------|----------------|-----------------------|
| Bonds: | | |
| 1 st quarter | \$ - | \$ - |
| 2 nd quarter | 90 | 10 |
| 3 rd quarter | 55 | - |
| 4 th quarter | 45 | 10 |

The fair value of the cash collateral under the repo transactions for each reporting period by remaining contractual maturity presented below (in millions):

December 31, 2023

| | <u>Maximum</u> | <u>Ending Balance</u> |
|---------------------------|----------------|-----------------------|
| Overnight and Continuous: | | |
| 1 st quarter | \$ 87 | \$ 26 |
| 2 nd quarter | 102 | 71 |
| 3 rd quarter | 31 | 31 |
| 4 th quarter | 82 | 31 |

December 31, 2022

| | <u>Maximum</u> | <u>Ending Balance</u> |
|---------------------------|----------------|-----------------------|
| Overnight and Continuous: | | |
| 1 st quarter | \$ - | \$ - |
| 2 nd quarter | 92 | 10 |
| 3 rd quarter | 56 | - |
| 4 th quarter | 46 | 10 |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Federal Home Loan Bank Agreements

During the fourth quarter of 2021, Thrivent became a member of the FHLB. FHLB membership required an initial purchase of membership stock and gives Thrivent access to low-cost funding. As of December 31, 2023, Thrivent held both activity-based and membership stock. Thrivent held membership stock of \$9 million as of December 31, 2023, and zero as of December 31, 2022, and activity-based stock of \$68 million and \$25 million as of December 31, 2023 and 2022, respectively. Thrivent's strategy is to utilize funds from the FHLB to optimize liquidity and for spread investment purposes. Additional FHLB activity-based stock purchases are required based upon the amount of borrowed funds or funding agreements from the FHLB. Thrivent is required to post acceptable forms of collateral for any borrowed funds or funding agreements from the FHLB. In the event of default, the FHLB's recovery on the collateral is limited to the amount of Thrivent's outstanding liability to the FHLB. FHLB activity will be limited to the general account. As of December 31, 2023, Thrivent has an internally approved maximum borrowing capacity for the FHLB of \$4 billion. Thrivent established this limit in accordance with its overall risk management process.

The amount of collateral pledged to FHLB as of December 31 (in millions):

| | 2023 | | | 2022 | | |
|--------------------------|------------|----------------|---------------------------|------------|----------------|---------------------------|
| | Fair Value | Carrying Value | Aggregate Total Borrowing | Fair Value | Carrying Value | Aggregate Total Borrowing |
| Total Collateral Pledged | \$ 2,296 | \$ 2,637 | \$ 1,510 | \$ 1,559 | \$ 1,732 | \$ 900 |

The maximum amount of collateral pledged to FHLB during the reporting period (in millions):

| | 2023 | | | 2022 | | |
|----------------------------------|------------|----------------|---------------------------|------------|----------------|---------------------------|
| | Fair Value | Carrying Value | Aggregate Total Borrowing | Fair Value | Carrying Value | Aggregate Total Borrowing |
| Total Maximum Collateral Pledged | \$ 2,452 | \$ 2,964 | \$ 1,800 | \$ 1,559 | \$ 1,732 | \$ 900 |

During the third quarter of 2023, Thrivent transitioned \$900 million in FHLB advances into funding agreements. These advances were previously reported as borrowed money and funding agreements are reported in deposit liabilities.

The fair value and carrying amount of the borrowed funds and funding agreements, excluding accrued interest, was \$1.5 billion and \$900 million as of December 31, 2023 and 2022, respectively. Interest accrues as of December 31, 2023 and 2022 at a weighted average rate of 5.4% and 3.8%, respectively. Interest paid in 2023 and 2022 was \$73 million and \$12 million, respectively. The outstanding deposit liabilities of \$1.5 billion as of December 31, 2023 have scheduled maturity dates through 2026 and Thrivent has the discretion to roll those maturities into future borrowings or funding agreements.

The amount of borrowed funds and funding agreements from FHLB as of December 31 (in millions):

| | General Account | | Funding Agreements Reserves Established | |
|--------------------|-----------------|--------|---|------|
| | 2023 | 2022 | 2023 | 2022 |
| Borrowed Money | \$ - | \$ 900 | \$ - | \$ - |
| Funding Agreements | 1,510 | - | 1,517 | - |
| Other | - | - | - | - |
| Aggregate Total | \$ 1,510 | \$ 900 | \$ 1,517 | \$ - |

The Company does not have prepayment obligations for these funding agreements.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Pledged and Restricted Assets

Thrivent owns assets which are pledged to others as collateral or are otherwise restricted totaling \$3.4 billion and \$2.2 billion at December 31, 2023 and 2022, respectively. Total pledged and restricted assets, which primarily include collateral held under futures transactions, securities lending agreements, FHLB and reverse repurchase agreements are 3% of total admitted assets. Securities on deposit with state insurance departments were \$2 million for both years ended December 31, 2023 and 2022.

Net Investment Income

Investment income by type of investment for the years ended December 31 is presented below (in millions):

| | 2023 | 2022 | 2021 |
|---|----------|----------|----------|
| Bonds | \$ 2,107 | \$ 1,854 | \$ 1,792 |
| Preferred stock | 20 | 22 | 21 |
| Unaffiliated common stocks | 17 | 24 | 22 |
| Affiliated common stocks | 77 | 165 | 101 |
| Mortgage loans | 417 | 400 | 423 |
| Real estate | 12 | 12 | 13 |
| Contract loans | 75 | 75 | 78 |
| Cash, cash equivalents and short-term investments | 63 | 25 | 5 |
| Limited partnerships | 547 | 901 | 1,680 |
| Other invested assets | 30 | 17 | 31 |
| Gross investment income | 3,365 | 3,495 | 4,166 |
| Investment expenses | (130) | (82) | (63) |
| Depreciation on real estate | (2) | (3) | (5) |
| Net investment income | \$ 3,233 | \$ 3,410 | \$ 4,098 |

Net investment income includes bonds sold or redeemed with a callable bond or tender feature. During 2023, there were 68 securities with a callable or tender feature sold or redeemed totaling \$2 million. During 2022, there were 207 securities with a callable or tender feature sold or redeemed totaling \$29 million.

Investment Income Due and Accrued

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans that are in default for more than 180 days, are nonadmitted. As of December 31, 2023 the total amount of gross, nonadmitted and admitted amounts of interest income due and accrued is \$760 million, \$18 million and \$742 million, respectively. Aggregate deferred interest is \$182 million as of December 31, 2023. Cumulative amounts of paid-in-kind interest included in the current principal balances is zero.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

2. INVESTMENTS, CONTINUED

Realized Capital Gains and Losses

Realized capital gains and losses for the years ended December 31 is presented below (in millions):

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|----------------|--------------|---------------|
| Net Gains and (Losses) on Sales: | | | |
| Bonds: | | | |
| Gross gains | \$ 93 | \$ 90 | \$ 302 |
| Gross losses | (140) | (190) | (122) |
| Stocks: | | | |
| Gross gains | 131 | 168 | 348 |
| Gross losses | (64) | (75) | (18) |
| Futures | (172) | 11 | (20) |
| Other | 65 | (1) | 5 |
| Net gains and (losses) on sales | <u>(87)</u> | <u>3</u> | <u>495</u> |
| Provisions for Losses: | | | |
| Bonds | (15) | (17) | (5) |
| Stocks | - | - | - |
| Other | (8) | (1) | - |
| Total provisions for losses | <u>(23)</u> | <u>(18)</u> | <u>(5)</u> |
| Realized capital gains and (losses) | (110) | (15) | 490 |
| Transfers to interest maintenance reserve | 48 | 84 | (192) |
| Realized capital gains and (losses), net | <u>\$ (62)</u> | <u>\$ 69</u> | <u>\$ 298</u> |

Proceeds from the sale of investments in bonds, net of mortgage dollar roll transactions, were \$5.7 billion, \$5.7 billion and \$11.8 billion for the years ended December 31, 2023, 2022 and 2021, respectively.

Thrivent recognized other-than-temporary impairments (OTTI) during the year ended December 31, 2023 on loan-backed and structured securities where the present value of cash flows expected to be collected was less than the amortized cost basis of the security. For the year ended December 31, 2023, the amortized cost basis for these securities, prior to any current-period OTTI was \$32 million. The OTTI recognized in earnings as a realized loss totaled \$4 million. The fair value of the securities as of the date impaired totaled \$25 million. The amortized cost basis after the current-period impairment totaled \$28 million.

3. POLICYHOLDER LIABILITIES

The following table contains general account aggregate reserves for life, annuity and health contracts as of December 31 (in millions):

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Life insurance reserves | \$ 25,648 | \$ 25,197 |
| Disability and long-term care active life reserves | 83 | 98 |
| Disability and long-term care unpaid claims and claim reserves | 358 | 367 |
| Annuity reserves | 19,777 | 18,768 |
| Health contracts | 6,559 | 6,394 |
| Aggregate reserves for life, annuity and health contracts | <u>\$ 52,425</u> | <u>\$ 50,824</u> |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

3. POLICYHOLDER LIABILITIES, CONTINUED

Many of the contracts issued by Thrivent, primarily annuities, do not subject Thrivent to mortality or morbidity risk. These contracts may have certain limitations placed upon the amount of funds that can be withdrawn without penalties. The following table summarizes liabilities by withdrawal characteristics of individual annuities (dollars in millions):

| | General Account | Separate Account Guaranteed | Separate Account Nonguaranteed | Total | % of Total |
|---|--------------------|-----------------------------------|--------------------------------------|------------------|-------------|
| December 31, 2023 | | | | | |
| Subject to Discretionary Withdrawal: | | | | | |
| With market value adjustment | \$ 1,374 | \$ 169 | \$ - | \$ 1,543 | 3% |
| At book value less a surrender charge of 5% or more | 4,304 | - | - | 4,304 | 8 |
| At fair value | - | - | 32,931 | 32,931 | 62 |
| Total with market value adjustment or at fair value | 5,678 | 169 | 32,931 | 38,778 | 73 |
| At book value without adjustment | 12,537 | - | - | 12,537 | 24 |
| Not subject to discretionary withdrawal | 1,562 | - | 47 | 1,609 | 3 |
| Total | <u>\$ 19,777</u> | <u>\$ 169</u> | <u>\$ 32,978</u> | <u>\$ 52,924</u> | <u>100%</u> |
| Amount to Move into Subject to Discretionary Withdrawal in the Year After the Statement Date: | <u>\$ 324</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 324</u> | |

| | General Account | Separate Account Guaranteed | Separate Account Nonguaranteed | Total | % of Total |
|---|--------------------|-----------------------------------|--------------------------------------|------------------|-------------|
| December 31, 2022 | | | | | |
| Subject to Discretionary Withdrawal: | | | | | |
| With market value adjustment | \$ - | \$ 146 | \$ - | \$ 146 | 1% |
| At book value less a surrender charge of 5% or more | 1,896 | - | - | 1,896 | 4 |
| At fair value | - | - | 30,627 | 30,627 | 61 |
| Total with market value adjustment or at fair value | 1,896 | 146 | 30,627 | 32,669 | 66 |
| At book value without adjustment | 15,348 | - | - | 15,348 | 31 |
| Not subject to discretionary withdrawal | 1,524 | - | 43 | 1,567 | 3 |
| Total | <u>\$ 18,768</u> | <u>\$ 146</u> | <u>\$ 30,670</u> | <u>\$ 49,584</u> | <u>100%</u> |
| Amount to Move into Subject to Discretionary Withdrawal in the Year After the Statement Date: | <u>\$ 354</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 354</u> | |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

3. POLICYHOLDER LIABILITIES, CONTINUED

The following table summarizes liabilities by withdrawal characteristics of deposit type contracts with no life contingencies (dollars in millions):

| | General Account | Separate Account Guaranteed | Separate Account Nonguaranteed | Total | % of Total |
|---|--------------------|-----------------------------------|--------------------------------------|-----------------|-------------|
| December 31, 2023 | | | | | |
| Subject to Discretionary Withdrawal: | | | | | |
| At book value less a surrender charge of 5% or more | \$ 3,580 | \$ - | \$ - | \$ 3,580 | 64% |
| Total with market value adjustment or at fair value | 3,580 | - | - | 3,580 | 64 |
| At book value without adjustment | 1,893 | - | - | 1,893 | 34 |
| Not subject to discretionary withdrawal | 76 | - | 13 | 89 | 2 |
| Total | <u>\$ 5,549</u> | <u>\$ -</u> | <u>\$ 13</u> | <u>\$ 5,562</u> | <u>100%</u> |

| | General Account | Separate Account Guaranteed | Separate Account Nonguaranteed | Total | % of Total |
|---|--------------------|-----------------------------------|--------------------------------------|-----------------|-------------|
| December 31, 2022 | | | | | |
| Subject to Discretionary Withdrawal: | | | | | |
| At book value less a surrender charge of 5% or more | \$ 4,125 | \$ - | \$ - | \$ 4,125 | 89% |
| Total with market value adjustment or at fair value | 4,125 | - | - | 4,125 | 89 |
| At book value without adjustment | 435 | - | - | 435 | 9 |
| Not subject to discretionary withdrawal | 66 | - | 14 | 80 | 2 |
| Total | <u>\$ 4,626</u> | <u>\$ -</u> | <u>\$ 14</u> | <u>\$ 4,640</u> | <u>100%</u> |

The above policyholder liabilities are recorded as partial components within the following captions of the Statutory-Basis Statements of Assets, Liabilities and Surplus as of December 31 (in millions):

| | 2023 | 2022 |
|---|------------------|------------------|
| Aggregate reserves for life, annuity and health contracts | \$ 19,777 | \$ 18,768 |
| Deposit liabilities | 5,549 | 4,626 |
| Liabilities related to separate accounts | 33,160 | 30,830 |
| Total | <u>\$ 58,486</u> | <u>\$ 54,224</u> |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

3. POLICYHOLDER LIABILITIES, CONTINUED

The following table summarizes the analysis of life actuarial reserves by withdrawal characteristics (dollars in millions):

| | General Account | | | Separate Account Nonguaranteed | | |
|--|------------------|------------------|------------------|-----------------------------------|-----------------|-----------------|
| | Account Value | Cash Value | Reserve | Account Value | Cash Value | Reserve |
| December 31, 2023 | | | | | | |
| Subject to Discretionary Withdrawal, Surrender Values, or Policy Loans: | | | | | | |
| Universal life | \$ 10,381 | \$ 10,368 | \$ 10,400 | \$ - | \$ - | \$ - |
| Universal life with secondary guarantees | 1,628 | 1,497 | 1,741 | 1,454 | 1,302 | 1,321 |
| Other permanent cash value life insurance | - | 12,280 | 13,220 | - | - | - |
| Variable universal life | 46 | 46 | 59 | 995 | 992 | 998 |
| Miscellaneous reserves | - | - | 2 | - | - | - |
| Not Subject to Discretionary Withdrawals or No Cash Values: | | | | | | |
| Term policies without cash value | XXX | XXX | 1,039 | XXX | XXX | - |
| Accidental death benefits | XXX | XXX | 13 | XXX | XXX | - |
| Disability death benefits | XXX | XXX | - | XXX | XXX | - |
| Disability – active lives | XXX | XXX | 83 | XXX | XXX | - |
| Disability – disable lives | XXX | XXX | 345 | XXX | XXX | - |
| Miscellaneous reserves | XXX | XXX | - | XXX | XXX | - |
| Subtotal | <u>\$ 12,055</u> | <u>\$ 24,191</u> | <u>\$ 26,902</u> | <u>\$ 2,449</u> | <u>\$ 2,294</u> | <u>\$ 2,319</u> |
| Reinsurance ceded | 643 | 814 | 813 | - | - | - |
| Total | <u>\$ 11,412</u> | <u>\$ 23,377</u> | <u>\$ 26,089</u> | <u>\$ 2,449</u> | <u>\$ 2,294</u> | <u>\$ 2,319</u> |

| | General Account | | | Separate Account Nonguaranteed | | |
|--|------------------|------------------|------------------|-----------------------------------|-----------------|-----------------|
| | Account Value | Cash Value | Reserve | Account Value | Cash Value | Reserve |
| December 31, 2022 | | | | | | |
| Subject to Discretionary Withdrawal, Surrender Values, or Policy Loans: | | | | | | |
| Universal life | \$ 10,358 | \$ 10,345 | \$ 10,377 | \$ - | \$ - | \$ - |
| Universal life with secondary guarantees | 1,469 | 1,335 | 1,564 | 1,129 | 996 | 1,021 |
| Other permanent cash value life insurance | - | 12,070 | 12,988 | - | - | - |
| Variable universal life | 43 | 43 | 57 | 829 | 826 | 831 |
| Miscellaneous reserves | - | - | 2 | - | - | - |
| Not Subject to Discretionary Withdrawals or No Cash Values: | | | | | | |
| Term policies without cash value | XXX | XXX | 1,043 | XXX | XXX | - |
| Accidental death benefits | XXX | XXX | 14 | XXX | XXX | - |
| Disability death benefits | XXX | XXX | - | XXX | XXX | - |
| Disability – active lives | XXX | XXX | 98 | XXX | XXX | - |
| Disability – disable lives | XXX | XXX | 353 | XXX | XXX | - |
| Miscellaneous reserves | XXX | XXX | - | XXX | XXX | - |
| Subtotal | <u>\$ 11,870</u> | <u>\$ 23,793</u> | <u>\$ 26,496</u> | <u>\$ 1,958</u> | <u>\$ 1,822</u> | <u>\$ 1,852</u> |
| Reinsurance ceded | (531) | (680) | (834) | - | - | - |
| Total | <u>\$ 11,339</u> | <u>\$ 23,113</u> | <u>\$ 25,662</u> | <u>\$ 1,958</u> | <u>\$ 1,822</u> | <u>\$ 1,852</u> |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

3. POLICYHOLDER LIABILITIES, CONTINUED

Thrivent calculates premium deficiency reserves (PDR) for long-term care insurance policies. The PDR was zero as of December 31, 2023 and 2022, respectively. During 2021, Thrivent updated the claim incidence and claim termination assumptions for the closed block and updated net earned rate assumptions to now include a 10% equity allocation to the asset portfolio for both closed and new business blocks. These updated assumptions, along with a decrease in the number of long-term care insurance policies in force, were the primary drivers of the \$230 million decrease that brought the PDR to zero for the year ended December 31, 2021.

Thrivent has insurance in force as of December 31, 2023 and 2022, totaling \$5.7 billion and \$7.0 billion, respectively, where the gross premiums are less than the net premiums according to the standard valuation requirements set by the State of Wisconsin Office of the Commissioner of Insurance. Reserves associated with these policies as of December 31, 2023 and 2022, totaled \$20 million and \$24 million, respectively.

Deferred and uncollected life insurance premiums and annuity considerations were as follows (in millions):

| | <u>Gross</u> | <u>Net of Loading</u> |
|--------------------------|--------------|-----------------------|
| December 31, 2023 | | |
| Ordinary new business | \$ 8 | \$ - |
| Ordinary renewal | 78 | 109 |
| Total | <u>\$ 86</u> | <u>\$ 109</u> |
| December 31, 2022 | | |
| Ordinary new business | \$ 9 | \$ 1 |
| Ordinary renewal | 73 | 108 |
| Total | <u>\$ 82</u> | <u>\$ 109</u> |

4. SEPARATE ACCOUNTS

Thrivent administers and invests funds segregated into separate accounts for the exclusive benefit of variable annuity, variable immediate annuity and variable universal life contractholders. Variable life and variable annuity separate accounts of Thrivent are non-guaranteed, while Thrivent's multi-year guarantee separate account is a non-indexed guaranteed account. Within the non-guaranteed separate account, all variable deferred annuity contracts contain guaranteed death benefits and some contain guaranteed living benefits. The following table presents the explicit risk charges paid by separate account contract holders for these guarantees and the amounts paid for guaranteed death benefits for the years ended December 31 (in millions):

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Risk charge paid | \$ 118 | \$ 114 | \$ 119 | \$ 102 | \$ 104 |
| Payments for guaranteed benefits | 19 | 22 | 6 | 7 | 5 |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

4. SEPARATE ACCOUNTS, CONTINUED

The following tables summarize information for the separate accounts (in millions):

| | <u>Non-Indexed Guarantee</u> | <u>Non- Guaranteed</u> | <u>Total</u> |
|---|----------------------------------|----------------------------|------------------|
| December 31, 2023 | | | |
| Reserves: | | | |
| For accounts with assets at fair value | <u>\$ 168</u> | <u>\$ 35,310</u> | <u>\$ 35,478</u> |
| By Withdrawal Characteristics: | | | |
| Subject to Discretionary Withdrawal: | | | |
| With market value adjustment | \$ 168 | \$ - | \$ 168 |
| At fair value | - | 35,250 | 35,250 |
| Not subject to discretionary withdrawal | - | 60 | 60 |
| Total | <u>\$ 168</u> | <u>\$ 35,310</u> | <u>\$ 35,478</u> |
| December 31, 2022 | | | |
| Reserves: | | | |
| For accounts with assets at fair value | <u>\$ 146</u> | <u>\$ 32,536</u> | <u>\$ 32,682</u> |
| By Withdrawal Characteristics: | | | |
| Subject to Discretionary Withdrawal: | | | |
| With market value adjustment | \$ 146 | \$ - | \$ 146 |
| At fair value | - | 32,479 | 32,479 |
| Not subject to discretionary withdrawal | - | 57 | 57 |
| Total | <u>\$ 146</u> | <u>\$ 32,536</u> | <u>\$ 32,682</u> |
| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
| Premiums, Considerations and Deposits: | | | |
| Non-indexed guarantee | \$ 1 | \$ - | \$ - |
| Non-guaranteed | 1,473 | 1,986 | 2,531 |
| Total | <u>\$ 1,474</u> | <u>\$ 1,986</u> | <u>\$ 2,531</u> |
| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
| Transfers to separate accounts | \$ 1,474 | \$ 1,986 | \$ 2,531 |
| Transfers from separate accounts | (3,592) | (2,981) | (3,335) |
| Other items | (35) | (23) | (8) |
| Transfers to separate accounts, net | <u>\$ (2,153)</u> | <u>\$ (1,018)</u> | <u>\$ (812)</u> |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

5. CLAIMS LIABILITIES

Activity in the liabilities for accident and health, long-term care and disability benefits, included in aggregate reserves for life, annuity, and health contracts and contract claims, as presented below (in millions):

| | 2023 | 2022 |
|----------------------------|----------|----------|
| Net balance at January 1 | \$ 1,078 | \$ 1,036 |
| Incurred Related to: | | |
| Current year | 451 | 454 |
| Prior years | (58) | (74) |
| Total incurred | 393 | 380 |
| Paid Related to: | | |
| Current year | 53 | 52 |
| Prior years | 299 | 286 |
| Total paid | 352 | 338 |
| Net balance at December 31 | \$ 1,119 | \$ 1,078 |

Thrivent uses estimates for determining the liability for accident and health, long-term care and disability benefits, which are based on historical claim payment patterns, and attempts to provide for potential adverse changes in claim patterns and severity. Thrivent annually reviews the claim payment experience to evaluate the methodology and assumptions that are used in determining Thrivent's estimate of ultimate claims experience.

6. REINSURANCE

Thrivent participates in reinsurance in order to limit maximum losses and to diversify exposures. Life and accident and health reinsurance is accomplished through various plans of reinsurance, primarily coinsurance and yearly renewable term. For life insurance, Thrivent generally retains a maximum of \$3 million of single and \$3 million of joint life coverage for any single mortality risk. In 2022 Thrivent began ceding 80% of all Medicare Supplement business via a coinsurance agreement. In 2023 Thrivent entered into a yearly renewable term (YRT) agreement for indemnity reinsurance on newly issued disability insurance coverages.

Ceded balances would represent a liability of Thrivent in the event the reinsurers were unable to meet the obligations under the terms of the reinsurance agreements. Reinsurance contracts do not relieve an insurer from the contract's primary obligation to policyholders.

Reinsurance premiums, commissions, expense reimbursements, benefits and reserves related to reinsured long-duration contracts are accounted for over the life of the underlying reinsured contracts using assumptions consistent with those used to account for the underlying contracts. The cost of reinsurance related to short-duration contracts is accounted for over the reinsurance contract period. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liabilities and policy benefits associated with the reinsured policies.

Reinsurance amounts included in the Statutory-Basis Statements of Operations for the years ended December 31 were as follows (in millions):

| | 2023 | 2022 | 2021 |
|------------------------------|----------|----------|----------|
| Direct premiums | \$ 5,731 | \$ 5,256 | \$ 5,289 |
| Reinsurance ceded | (211) | (223) | (107) |
| Net premiums | \$ 5,520 | \$ 5,033 | \$ 5,182 |
| Reinsurance claims recovered | \$ 180 | \$ 201 | \$ 131 |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

6. REINSURANCE, CONTINUED

Aggregate reserves and contract claim liabilities in the Statutory-Basis Statements of Assets, Liabilities and Surplus for the years ended December 31 were reduced by reinsurance ceded amounts as presented below (in millions):

| | 2023 | 2022 |
|---------------------|--------|--------|
| Life insurance | \$ 813 | \$ 835 |
| Accident-and-health | 40 | 39 |
| Total | \$ 853 | \$ 874 |

During 2022, Thrivent entered into a reinsurance agreement whereby certain medicare supplement contracts were ceded to a third party. A gain of \$39 million was recognized in other surplus funds and is being amortized over a five-year period.

The financial condition of Thrivent's reinsurers and amounts recoverable are periodically reviewed in order to evaluate the financial strength of the companies supporting the recoverable balances. Two reinsurers account for approximately 74% of the reinsurance recoverable as of December 31, 2023.

Thrivent has no covered policies where certain term life and universal life insurance policies (XXX/AXXX risks) are ceded in accordance with the Term and Universal Life Insurance Reserve Financing Model Regulation (MDL-787) or Actuarial Guideline 48 where the Model Regulation has not been adopted by a state in which Thrivent is licensed.

Thrivent has no reinsurance contracts with features that are subject to the disclosure requirements within SSAP No. 61R related to reinsurance credits.

7. SURPLUS

Thrivent is subject to certain risk-based capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of surplus maintained by a fraternal benefit society is to be determined based on various risk factors. Thrivent exceeds the RBC requirements as of December 31, 2023 and 2022.

Unassigned funds as of December 31 includes adjustments related to the following items (in millions):

| | 2023 | 2022 |
|-------------------------------|---------|---------|
| Unrealized gains and (losses) | \$ 634 | \$ 654 |
| Non-admitted assets | (355) | (315) |
| Separate accounts | 102 | 80 |
| Asset valuation reserve | (2,787) | (2,653) |

The deferred gain from the 2022 medical supplement reinsurance agreement is included in other surplus funds as of December 31, 2022. The amount was recognized into other surplus and is being amortized over a five-year period.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial instruments of Thrivent have been classified, for disclosure purposes, into categories based on the evaluation of the amount of observable and unobservable inputs used to determine fair value.

Fair Value Descriptions

Level 1 Financial Instruments

Level 1 financial instruments reported at fair value include certain bonds, certain unaffiliated common stocks, certain cash equivalents, and exchange traded funds. Bonds, unaffiliated common stocks, and exchange traded funds are primarily valued using quoted prices in active markets. Cash equivalents consist of money market mutual funds whose fair value is based on the quoted daily net asset values of the invested funds.

Level 1 financial instruments not reported at fair value include certain bonds, which are priced based on quoted market prices, and include primarily U.S. Treasury bonds.

Level 2 Financial Instruments

Level 2 financial instruments reported at fair value include certain unaffiliated common stocks and other invested assets, primarily derivatives, and are valued based on market quotes where the financial instruments are not considered actively traded. Mutual funds are reported at fair value, which are based on net asset values from fund managers. The fair values for separate account assets are based on published daily net asset values of the funds in which the separate accounts are invested.

Level 2 financial instruments not reported at fair value includes certain bonds, certain unaffiliated common stocks, unaffiliated preferred stocks, cash, cash equivalents and short-term investments, other invested assets, liabilities related to separate accounts and other liabilities.

Bonds not reported at fair value are priced using a third-party pricing vendor and include certain corporate debt securities and asset-backed securities. Pricing from a third-party pricing vendor varies by asset class but generally includes inputs such as estimated cash flows, benchmark yields, reported trades, issuer spreads, bids, offers, credit quality, industry events and economic events. If Thrivent is unable to obtain a price from a third-party pricing vendor, management may obtain broker quotes or utilize an internal pricing model specific to the asset. The internal pricing models apply practices that are standard among the industry and utilize observable market data.

Fair values of unaffiliated common stocks not reported at fair value primarily consist of FHLB activity-based stock and are based on direct quotes from FHLB.

Fair values of unaffiliated preferred stocks not reported at fair value are based on market quotes where these securities are not considered actively traded.

Cash and cash equivalents not reported at fair value consist of demand deposit and highly liquid investments purchased with an original maturity date of three months or less. Short-term investments not reported at fair value consist of investments in commercial paper and agency notes with contractual maturities of one year or less at the time of acquisition. The carrying amounts for cash, cash equivalents and short-term investments approximate the fair values.

Other invested assets not reported at fair value include investments in surplus notes in which the fair values are based on quoted market prices.

The carrying amounts of liabilities related to separate accounts reflect the amounts in the separate account assets and approximate the fair values.

Other liabilities include certain derivatives. Derivative fair values are derived from broker quotes.

Fair values on borrowed money and funding agreements from the FHLB (included in deposit liabilities), are equal to unpaid principal balance, including accrued interest, net of unamortized discount or premium.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

8. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Level 3 Financial Instruments

Level 3 financial instruments reported at fair value include other invested assets, which consist of certain derivatives. The fair value is determined using independent broker quotes.

Level 3 financial instruments not reported at fair value include certain bonds, unaffiliated preferred stocks, mortgage loans, real estate, contract loans, limited partnerships, other invested assets, deferred annuities, other deposit contracts and other liabilities.

Level 3 bonds not reported at fair value include private placement debt securities and convertible bonds. Private placement debt securities are valued using internal pricing models specific to the assets using unobservable inputs such as issuer spreads, estimated cash flows, internal credit ratings and volatility adjustments. Market comparable discount rates ranging from 1% to 8% are used as the base rate in the discounted cash flows used to determine the fair value of certain assets. Increases or decreases in the credit spreads on the comparable assets could cause the fair value of assets to significantly decrease or increase, respectively. Additionally, Thrivent may adjust the base discount rate or the modeled price by applying an illiquidity premium of 25 basis points, given the highly structured nature of certain assets. Convertible bonds are valued using third party broker quotes to determine fair value.

Unaffiliated preferred stocks are valued using third-party broker quotes to determine fair value.

The fair values for mortgage loans are estimated using discounted cash flow analyses based on interest rates currently being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

The fair value of real estate properties held-for-sale is based on current market price assessments, current purchase agreements or market appraisals.

Contract loans are generally carried at the loans' aggregate unpaid balance which approximate the fair values.

Limited partnerships include private equity investments. The fair values of private equity investments are estimated based on assumptions in the absence of observable market data.

Other invested assets primarily include residual tranches, non-collateral loans, and surplus notes. Residual tranches are carried at either the lower of amortized cost or fair value or the underlying audited equity of the investee. Non-collateral loans and surplus notes are carried at amortized cost.

Other liabilities primarily include deferred annuities, other deposit contracts and certain derivatives. The fair values for deferred annuities and other deposit contracts, which include supplementary contracts without life contingencies, deferred income settlement options and refunds on deposit are estimated to be the cash surrender value payable upon immediate withdrawal. Derivatives fair values are derived from broker quotes.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

8. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Financial Instruments Carried at Fair Value

The fair values of Thrivent's financial instruments measured and reported at fair value are presented below (in millions).

| | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------|------------------|---------------|------------------|
| December 31, 2023 | | | | |
| Assets: | | | | |
| Bonds | \$ 434 | \$ - | \$ - | \$ 434 |
| Unaffiliated preferred stocks | - | 45 | - | 45 |
| Unaffiliated common stocks | 490 | - | - | 490 |
| Cash, cash equivalents and short-term investments | 707 | - | - | 707 |
| Separate account assets | - | 36,144 | - | 36,144 |
| Other invested assets | - | 51 | 161 | 212 |
| Total | \$ 1,631 | \$ 36,240 | \$ 161 | \$ 38,032 |
| Liabilities: | | | | |
| Other liabilities | \$ - | \$ 9 | \$ 109 | \$ 118 |
| December 31, 2022 | | | | |
| Assets: | | | | |
| Bonds | \$ 388 | \$ - | \$ - | \$ 388 |
| Unaffiliated preferred stocks | - | 207 | - | 207 |
| Unaffiliated common stocks | 796 | - | - | 796 |
| Cash, cash equivalents and short-term investments | 197 | - | - | 197 |
| Separate account assets | - | 33,288 | - | 33,288 |
| Other invested assets | - | 77 | 48 | 125 |
| Total | \$ 1,381 | \$ 33,572 | \$ 48 | \$ 35,001 |
| Liabilities: | | | | |
| Other liabilities | \$ - | \$ 1 | \$ 32 | \$ 33 |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

8. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Additional Information on Level 3 Financial Instruments carried at Fair Value

The following table shows the changes in fair values for the investments categorized as Level 3 (in millions).

| | 2023 | 2022 |
|--|--------|--------|
| Assets: | | |
| Balance, January 1 | \$ 48 | \$ 118 |
| Purchases | 98 | 93 |
| Sales | (69) | (6) |
| Realized gains and (losses) net income | (12) | (27) |
| Unrealized gains and (losses) surplus | 96 | (130) |
| Balance, December 31 | \$ 161 | \$ 48 |
| Liabilities: | | |
| Balance, January 1 | \$ 32 | \$ 91 |
| Purchases | 60 | 69 |
| Sales | (69) | (40) |
| Realized gains and (losses) net income | 18 | 18 |
| Unrealized gains and (losses) surplus | 68 | (106) |
| Balance, December 31 | \$ 109 | \$ 32 |

Transfers

During 2023, Thrivent transferred \$119 million into Level 2 from Level 3 and \$27 million into Level 3 from Level 2 for bonds and preferred stocks. During 2022, Thrivent transferred \$143 million into Level 2 from Level 3 and \$139 million into Level 3 from Level 2 for bonds and preferred stocks. There were no transfers between fair value levels for assets held at fair value. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

Valuation Assumptions

The results of the valuation methods presented in this footnote are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. As a result, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the financial instruments. These fair values are for certain financial instruments of Thrivent; accordingly, the aggregate fair value amounts presented do not represent the underlying values.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

8. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Fair Value of All Financial Instruments

The carrying values and fair values of all financial instruments are presented below (in millions).

| | Carrying Value | Fair Value | | | Total |
|---|-------------------|------------|-----------|-----------|-----------|
| | | Level 1 | Level 2 | Level 3 | |
| December 31, 2023 | | | | | |
| Financial Assets: | | | | | |
| Bonds | \$ 50,554 | \$ 1,727 | \$ 32,304 | \$ 13,680 | \$ 47,711 |
| Unaffiliated preferred stocks | 365 | - | 118 | 235 | 353 |
| Unaffiliated common stocks | 567 | 490 | 77 | - | 567 |
| Affiliated common stock | 259 | - | 259 | - | 259 |
| Affiliated mutual funds and ETFs | 132 | 69 | 63 | - | 132 |
| Mortgage loans | 10,869 | - | - | 9,503 | 9,503 |
| Contract loans | 1,064 | - | - | 1,064 | 1,064 |
| Cash, cash equivalents and short-term investments | 2,008 | 707 | 1,301 | - | 2,008 |
| Limited partnerships | 9,694 | - | - | 9,694 | 9,694 |
| Real estate – held-for-sale | - | - | - | 1 | 1 |
| Assets held in separate accounts | 36,144 | - | 36,144 | - | 36,144 |
| Other invested assets | 822 | 2 | 138 | 690 | 830 |
| Financial Liabilities: | | | | | |
| Deferred annuities | \$ 17,351 | \$ - | \$ - | \$ 16,793 | \$ 16,793 |
| Other deposit contracts | 2,582 | - | 1,517 | 1,065 | 2,582 |
| Borrowed money | - | - | - | - | - |
| Other liabilities | 118 | - | 9 | 109 | 118 |
| Separate account liabilities | 36,042 | - | 36,042 | - | 36,042 |
| December 31, 2022 | | | | | |
| Financial Assets: | | | | | |
| Bonds | \$ 50,056 | \$ 1,528 | \$ 30,779 | \$ 13,274 | \$ 45,581 |
| Unaffiliated preferred stocks | 461 | - | 207 | 231 | 438 |
| Unaffiliated common stocks | 821 | 796 | 25 | - | 821 |
| Affiliated common stock | 310 | - | 310 | - | 310 |
| Affiliated mutual funds and ETFs ⁽¹⁾ | 244 | 158 | 86 | - | 244 |
| Mortgage loans | 10,697 | - | - | 9,794 | 9,794 |
| Contract loans | 1,047 | - | - | 1,047 | 1,047 |
| Cash, cash equivalents and short-term investments | 1,188 | 197 | 991 | - | 1,188 |
| Limited partnerships | 8,800 | - | - | 8,800 | 8,800 |
| Real estate – held-for-sale | - | - | - | - | - |
| Assets held in separate accounts | 33,288 | - | 33,288 | - | 33,288 |
| Other invested assets | 290 | 3 | 162 | 134 | 299 |
| Financial Liabilities: | | | | | |
| Deferred annuities | \$ 16,623 | \$ - | \$ - | \$ 16,133 | \$ 16,133 |
| Other deposit contracts | 1,061 | - | - | 1,061 | 1,061 |
| Borrowed money | 903 | - | 903 | - | 903 |
| Other liabilities | 33 | - | 1 | 32 | 33 |
| Separate account liabilities | 33,208 | - | 33,208 | - | 33,208 |

(1) 2022 amounts have been conformed to current year presentation. A correction has been made to 2022 affiliated mutual funds and ETFs to present ETFs, totaling \$56 million, in level 2 to level 1.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

9. BENEFIT PLANS

Pension and Other Postretirement Benefits

Thrivent has a qualified noncontributory pension plan that provides benefits to substantially all home office and field employees upon retirement. Thrivent also provides certain health care and life insurance benefits for substantially all retired home office and field personnel. Thrivent uses a measurement date of December 31 in the benefit plan disclosures.

The components of net periodic pension expense for Thrivent's qualified retirement and other plans for the years ended December 31 were as follows (in millions):

| | Pension Plan | | | Other Plans | | |
|--------------------------------|--------------|----------------|----------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| Service cost | \$ 20 | \$ 21 | \$ 21 | \$ 2 | \$ 2 | \$ 2 |
| Interest cost | 53 | 36 | 33 | 4 | 3 | 3 |
| Expected return on plan assets | (74) | (86) | (78) | - | - | - |
| Other | 4 | - | 13 | (2) | (1) | - |
| Net periodic cost | <u>\$ 3</u> | <u>\$ (29)</u> | <u>\$ (11)</u> | <u>\$ 4</u> | <u>\$ 4</u> | <u>\$ 5</u> |

The plans' amounts recognized in the statutory-basis financial statements as of December 31 were as follows (in millions):

| | Pension Plan | | Other Plans | |
|--|-----------------|-----------------|--------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Change in Projected Benefit Obligation: | | | | |
| Benefit obligation, beginning of year | \$ 1,067 | \$ 1,284 | \$ 87 | \$ 109 |
| Service cost | 20 | 21 | 2 | 2 |
| Interest cost | 53 | 36 | 4 | 3 |
| Actuarial (gain) loss | 35 | (213) | (8) | (21) |
| Transfers from defined contribution plan | 1 | - | - | - |
| Benefits paid | (64) | (61) | (9) | (6) |
| Plan changes | - | - | - | - |
| Benefit obligation, end of year | <u>\$ 1,112</u> | <u>\$ 1,067</u> | <u>\$ 76</u> | <u>\$ 87</u> |
| Change in Plan Assets: | | | | |
| Fair value of plan assets, beginning of year | \$ 1,139 | \$ 1,356 | \$ - | \$ - |
| Actual return on plan assets | 173 | (156) | - | - |
| Employer contribution | - | - | 9 | 6 |
| Transfers from defined contribution plan | 1 | - | - | - |
| Benefits paid | (64) | (61) | (9) | (6) |
| Fair value of plan assets, end of year | <u>\$ 1,249</u> | <u>\$ 1,139</u> | <u>\$ -</u> | <u>\$ -</u> |

The significant changes in actuarial (gain)/loss of the 2023 projected benefit obligation primarily relates to a decreased discount rate and assumption changes. The significant changes in actuarial (gain)/loss of the 2022 projected benefit obligation primarily relates to an increased discount rate, partially offset by experience and assumption changes.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

9. BENEFIT PLANS, CONTINUED

The plans' amounts recognized in the statutory-basis financial statements funding statuses and accumulated benefit obligation as of December 31 were as follows (in millions):

| | Pension Plan | | Other Plans | |
|---|---------------|---------------|-----------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Funded Status: | | | | |
| Accrued benefit costs | \$ - | \$ - | \$ (108) | \$ (113) |
| Asset (Liability) for pension benefits | <u>137</u> | <u>72</u> | <u>32</u> | <u>26</u> |
| Total overfunded (unfunded) liabilities | \$ 137 | \$ 72 | \$ (76) | \$ (87) |
| Deferred Items: | | | | |
| Net (gain) loss | \$ 87 | \$ 154 | \$ (23) | \$ (16) |
| Net prior service cost | <u>-</u> | <u>-</u> | <u>(9)</u> | <u>(10)</u> |
| Accumulated amounts recognized in periodic pension expenses | <u>\$ 224</u> | <u>\$ 226</u> | <u>\$ (108)</u> | <u>\$ (113)</u> |
| Accumulated benefit obligation | \$ 1,093 | \$ 1,046 | \$ 76 | \$ 87 |

The unfunded liabilities for the pension plan and other postretirement plans at December 31, 2023 and 2022, are included in other liabilities in the Statutory-Basis Statement of Assets, Liabilities and Surplus. Overfunded liabilities for the pension plan and other postretirement plans for statutory reporting purposes are deemed non-admitted assets and therefore are charged directly against surplus.

A summary of the deferred items in the Statutory-Basis Statement of Surplus as of December 31 is as follows (in millions):

| | Pension Plan | | | Other Plans | | |
|---|------------------------|-----------------------------------|--------------|------------------------|-----------------------------------|----------------|
| | Net Prior Service Cost | Net Recognized Gains and (Losses) | Total | Net Prior Service Cost | Net Recognized Gains and (Losses) | Total |
| Balance, January 1, 2022 | \$ - | \$ 125 | \$ 125 | \$ (11) | \$ 4 | \$ (7) |
| Net prior service cost recognized | - | - | - | 1 | - | 1 |
| Net (gain) loss arising during the period | - | 29 | 29 | - | (20) | (20) |
| Net gain (loss) recognized | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance, December 31, 2022 | \$ - | \$ 154 | \$ 154 | \$ (10) | \$ (16) | \$ (26) |
| Net prior service cost recognized | - | - | - | 1 | - | 1 |
| Net (gain) loss arising during the period | - | (64) | (64) | - | (8) | (8) |
| Net gain (loss) recognized | <u>-</u> | <u>(3)</u> | <u>(3)</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| Balance, December 31, 2023 | <u>\$ -</u> | <u>\$ 87</u> | <u>\$ 87</u> | <u>\$ (9)</u> | <u>\$ (23)</u> | <u>\$ (32)</u> |

The amounts in unassigned funds expected as of December 31 to be recognized in the next fiscal year as components of periodic benefit cost were as follows (in millions):

| | Pension Plan | | Other Plans | |
|-------------------------------|--------------|------|-------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Net prior service cost | \$ - | \$ - | \$ - | \$ - |
| Net recognized gains/(losses) | - | - | - | - |

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

9. BENEFIT PLANS, CONTINUED

Pension and Other Postretirement Benefit Factors

Thrivent periodically evaluates the long-term earned rate assumptions, taking into consideration historical performance of the plans' assets as well as current asset diversification and investment strategy in determining the rate of return assumptions used in calculating the plans' benefit expenses and obligation. Those assumptions are summarized in the table below.

| | Pension Plan | | Other Plans | |
|--------------------------------|--------------|------|-------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Weighted Average Assumptions: | | | | |
| Discount rate | 5.0% | 5.2% | 5.0% | 5.2% |
| Expected return on plan assets | 6.8 | 6.5 | N/A | N/A |
| Rate of compensation increase | 4.3 | 4.3 | N/A | N/A |
| Interest crediting rate | 4.5 | 3.9 | N/A | N/A |

The assumed health care cost trend rate used in measuring the postretirement health care benefit obligation was 7.4% and 6.0% in 2023 for pre-65 participants and post-65 participants, respectively, trending down to 4.5% in 2033. The assumed health care cost trend rates can have a significant impact on the amounts reported. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 includes a federal subsidy to sponsors of retirement health care plans that provide a prescription benefit that is at least actuarially equivalent to Medicare Part D. Thrivent's Medicare prescription plan is fully insured and therefore the plan's insurer receives the federal subsidy. The interest crediting rates are used for cash balance plans.

Estimated pension benefit payments for the next ten years are as follows: 2024 – \$74 million; 2025 – \$77 million; 2026 – \$79 million; 2027 – \$82 million; 2028 – \$81 million; and 2029 to 2033 – \$425 million.

Estimated other post-retirement benefit payments for the next ten years are as follows: 2024 – \$8 million; 2025 – \$8 million; 2026 – \$7 million; 2027 – \$7 million; 2028 – \$7 million; and 2029 to 2033 – \$28 million.

The minimum pension contribution required for 2023 under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") guidelines will be determined in the first quarter of 2024.

Pension Assets

The assets of Thrivent's qualified pension plan are held in the Thrivent Defined Benefit Plan Trust. Thrivent has a benefit plan investment committee that sets investment guidelines, which are established based on market conditions, risk tolerance, funding requirements and expected benefit payments. A third party oversees the investment allocation process and monitors asset performance. As pension liabilities are long term in nature, Thrivent employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

9. BENEFIT PLANS, CONTINUED

The investment portfolio contains a diversified portfolio of investment categories, including equities and fixed income securities. Allocations for plan assets for the years ended December 31 were as follows:

| | Target Allocation | | Actual Allocation | |
|-----------------------------------|-------------------|---------------------|-------------------|---------------------|
| | 2023 | 2022 ⁽¹⁾ | 2023 | 2022 ⁽¹⁾ |
| Equity securities | 53% | 52% | 52% | 49% |
| Private Equity | 15 | 15 | 14 | 15 |
| Fixed income and other securities | 32 | 33 | 34 | 36 |
| Fixed income and other securities | 100% | 100% | 100% | 100% |

(1) 2022 amounts have been conformed to current year presentation. A correction has been made to 2022 actual allocation to adjust short-term investments, totaling 11% of total, from equity securities to fixed income and other securities.

Securities are also diversified in terms of domestic and international securities, short- and long-term securities, growth and value styles, large-cap and small-cap stocks, active and passive management and derivative-based styles. With prudent risk tolerance and asset diversification, the plan is expected to meet the pension obligations in the future.

The fair values of the pension plan assets by asset category are presented below (in millions):

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------|---------------|---------------|-----------------|
| December 31, 2023 | | | | |
| Fixed Maturity Securities: | | | | |
| U.S. government and agency securities | \$ 75 | \$ 5 | \$ - | \$ 80 |
| Corporate debt securities | - | 116 | - | 116 |
| Residential mortgage-backed securities | - | 83 | - | 83 |
| Commercial mortgage-backed securities | - | 7 | - | 7 |
| Other debt obligations | 3 | 7 | - | 10 |
| Common stocks | 512 | - | - | 512 |
| Affiliated mutual funds – equity funds | - | 126 | - | 126 |
| Short-term investments | 75 | 53 | - | 128 |
| Limited partnerships | - | - | 176 | 176 |
| Derivatives | 1 | - | - | 1 |
| Total | <u>\$ 666</u> | <u>\$ 397</u> | <u>\$ 176</u> | <u>\$ 1,239</u> |
| December 31, 2022 | | | | |
| Fixed Maturity Securities: | | | | |
| U.S. government and agency securities | \$ 75 | \$ 3 | \$ - | \$ 78 |
| Corporate debt securities | - | 121 | - | 121 |
| Residential mortgage-backed securities | - | 61 | - | 61 |
| Commercial mortgage-backed securities | - | 10 | - | 10 |
| Other debt obligations | 3 | 12 | - | 15 |
| Common stocks | 439 | - | - | 439 |
| Affiliated mutual funds – equity funds | - | 130 | - | 130 |
| Short-term investments | - | 131 | - | 131 |
| Limited partnerships | - | - | 177 | 177 |
| Derivatives | - | - | - | - |
| Total | <u>\$ 517</u> | <u>\$ 468</u> | <u>\$ 177</u> | <u>\$ 1,162</u> |

The fair value of the pension plan assets as presented in the table above does not include net accrued assets of \$10 million and liabilities of \$23 million as of December 31, 2023 and 2022, respectively.

There were no transfers of the pension plan Level 1 and Level 2 fair value measurements during 2023 or 2022. Transfers between fair value hierarchy levels are recognized at the end of the reporting period.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

9. BENEFIT PLANS, CONTINUED

Defined Contribution Plans

Thrivent also provides contributory and noncontributory defined contribution retirement benefits that cover substantially all home office and field employees. Eligible participants in the 401(k) plan may elect to contribute a percentage of their eligible earnings, and Thrivent will match participant contributions up to 6% of eligible earnings. In addition, Thrivent will contribute a percentage of eligible earnings for participants in a noncontributory plan for field employees. For the years ended December 31, 2023, 2022 and 2021, Thrivent contributed \$42 million, \$43 million and \$41 million, respectively, to these plans.

As of December 31, 2023 and 2022, \$55 million and \$64 million of the assets of the defined contribution plans were respectively invested in a deposit administration contract issued by Thrivent.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation and Other Proceedings

Thrivent is involved in various lawsuits, contractual matters and other contingencies that have arisen in the normal course of business. Thrivent assesses exposure to these matters periodically and adjusts provision accordingly. As of December 31, 2023, Thrivent believes adequate provision has been made for any losses that may result from these matters.

Financial Instruments

Thrivent is a party to financial instruments with on and off-balance sheet risk in the normal course of business. These instruments involve, to varying degrees, elements of credit, interest rate, equity price or liquidity risk in excess of the amount recognized in the Statutory-Basis Statements of Assets, Liabilities and Surplus. Thrivent's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit and financial guarantees is limited to the contractual amount of these instruments.

Commitments to Extend Credit

Thrivent has commitments to extend credit for mortgage loans and other lines of credit of \$280 million and \$279 million as of December 31, 2023 and 2022, respectively. Commitments to purchase limited partnerships, private placement bonds and other invested assets were \$6.7 billion and \$4.3 billion as of December 31, 2023 and 2022, respectively.

Financial Guarantees

Thrivent has entered into an agreement to provide a Letter of Credit totaling \$37 million through 2036 to guarantee certain debt obligations of a third-party civic organization in the event certain conditions occur, as defined in the agreement. This agreement is secured by the financial assets of the third party. Thrivent will receive 0.75% per annum for any unused line of credit.

Thrivent has guaranteed to maintain the Tier I capital of an affiliate, Thrivent Trust Company, at a minimum of \$6 million, as required by Thrivent Trust Company's primary regulator.

Leases

Thrivent has operating leases for certain office equipment and real estate. Rental expense for these items totaled \$14 million, \$16 million and \$17 million for each of the years ended December 31, 2023, 2022 and 2021 respectively. Future minimum rental commitments, in aggregate, as of December 31, 2023 were \$178 million for operating leases. The future minimum rental payments for the five succeeding years were as follows: 2024 – \$19 million; 2025 – \$18 million; 2026 – \$16 million; 2027 – \$15 million and thereafter – \$110 million.

Leasing is not a significant part of Thrivent's business activities as lessor.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

11. RELATED PARTY TRANSACTIONS

Investments in Subsidiaries and Affiliated Entities

Thrivent's directly-owned subsidiary, Thrivent Holdings, Inc. ("Holdings"), is valued in accordance with SSAP No. 97 (*Investments in Subsidiary, Controlled and Affiliated Entities*). Annually, Thrivent files a "Form Sub-2" with the NAIC in support of the valuation of Holdings. The filing in support of the December 31, 2022, values was completed on July 3, 2023 and Thrivent received a response from the NAIC that did not disallow the valuation method.

The admitted values were \$260 million and \$310 million related to Holdings for the years ended December 31, 2023 and 2022, respectively. Non-admitted values related to Holdings were \$61 million and \$46 million for the years ended December 31, 2023 and 2022, respectively.

During 2023, Thrivent received cash distributions of \$602 million and \$211 million from majority-owned limited partnerships Thrivent White Rose Funds ("WRF") and Twin Bridge Funds ("TBF"), respectively. During this period, Thrivent made cash contributions as contributed capital to WRF, TBF, Holdings and Thrivent Education Funding LLC ("TEF") in the amounts of \$1.4 billion, \$427 million, \$20 million and \$37 million respectively.

During 2023, Thrivent received cash distributions of \$74 million from Holdings, treated as dividends.

During 2023, Thrivent received \$30 million from TEF and \$1 million from Gold Ring Holdings, LLC which were treated as return of capital.

Other Related Party Transactions

Thrivent has invested \$132 million and \$244 million in various Thrivent mutual funds/ETFs as of December 31, 2023 and 2022, respectively.

Thrivent subsidiaries are provided administrative services from Thrivent in accordance with intercompany service agreements. The total value of services provided under these agreements totaled \$144 million, \$129 million and \$108 million for the years ended December 31, 2023, 2022 and 2021, respectively. The net receivables due from affiliates for the years ended December 31, 2023 and 2022 were \$14 million and \$11 million, respectively, which is included in other assets in the Statutory-Basis Financial Statements of Assets, Liabilities and Surplus.

Thrivent has an agreement with an affiliate who distributes Thrivent's variable products. Under the terms of the agreement, Thrivent paid commissions, bonuses and other benefits to the affiliate totaling \$106 million, \$134 million and \$173 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Thrivent is the investment advisor for the Thrivent Series Portfolios in which the separate accounts assets are primarily invested. Advisor fees in the amount of \$184 million, \$194 million and \$218 million for the years ended December 31, 2023, 2022 and 2021, respectively, were included in separate account fees in the Statutory-Basis Statement of Operations.

In December 2018, Thrivent acquired a variable funding note (VFN) issued by TEF, an affiliate of Thrivent. The VFN is supported by an indenture and was last amended in December 2023 and allows for a maximum aggregate principal amount of \$2.0 billion and is collateralized by student loans. The VFN is reported as a bond in the accompanying Statutory-Basis Statement of Assets and had an outstanding balance of \$367 million and \$1.0 billion as of December 31, 2023 and 2022, respectively. During 2023, Thrivent invested \$273 million in the VFN and received \$876 million of principal payments.

Thrivent Financial for Lutherans
Notes to Statutory-Basis Financial Statements, continued

11. RELATED PARTY TRANSACTIONS, CONTINUED

In August 2021, TEF entered into an agreement, last amended August 2023, to provide a guarantee to purchase student loans originated and held by a third party in the event a separate party to the transaction fails their purchase obligation. TEF provided a guarantee up to the maximum backstop amount of \$500 million, which could create additional future exposure from the multiple disbursement student loans. TEF's funding will be through the VFN or a capital request from Thrivent. As of December 31, 2023, TEF was not required to purchase any student loans under the terms of the agreement.

In May 2022, a separate VFN was acquired from TEF that is supported by an indenture agreement, last amended in December 2022, and allows for a maximum aggregate principal amount of \$750 million and is collateralized by point-of-sale unsecured consumer loans. The VFN is reported as a bond in the accompanying Statutory-Basis Statement of Assets and had an outstanding balance of \$626 million and \$619 million as of December 31, 2023 and 2022, respectively. During 2023, Thrivent invested \$626 million in the VFN and received \$587 million of principal payments.

In April 2022, Holdings sold Thrivent Trust Company of Tennessee, Inc. to an unrelated third party.

In July 2022, Holdings purchased 69.4% of Blue Rock Holdco, LLC. ("Blue Rock"), for \$222 million. As of December 31, 2023, Holdings currently owns 69.6% of Blue Rock. Blue Rock is a holding company operating as a marketing and servicing provider of student loans through various subsidiary entities. The admitted value of Holdings on Thrivent's balance sheet is valued in accordance with SSAP No. 97. As part of the purchase acquisition, Blue Rock purchased College Avenue Student Loans ("CASL") a private student loan originator and servicer.

In December 2022, Thrivent acquired an asset-backed security ("ABS") issued by CASL. The ABS, which is collateralized by student loans, is supported by an indenture that allows for a maximum aggregate principal amount of \$750 million. The ABS is reported as a bond in the accompanying Statutory-Basis Statement of Assets and had an outstanding balance of \$1.2 billion and \$422 million as of December 31, 2023 and 2022, respectively.

In December 2023, White Rose CFO 2023 Holdings, LLC ("Issuer"), a wholly owned subsidiary of Thrivent, issued a Collateralized Fund Obligation (CFO) whereby debt was issued to third parties. Issuer made available to third party investors approximately \$400 million in fixed rate debt. Upon issuance of the debt, approximately \$364 million in net proceeds were returned from Issuer to Thrivent. Thrivent retained approximately \$436 million of an equity investment in the CFO structure in the form of a residual tranche. The residual tranche is reported in Other Invested Assets in the accompanying Statutory-Basis Statement of Assets, Liabilities and Surplus and has a fair value of \$430 million as of December 31, 2023.

In support of the CFO, Thrivent transferred their interest in portions of certain investments in WRF with a fair value of approximately \$800 million to White Rose CFO 2023, LLC ("Asset HoldCo"), a wholly-owned, bankruptcy-remote subsidiary of Thrivent as underlying collateral for the CFO. These transferred WRF assets had a cost of approximately \$739 million and carried an unrealized gain of approximately \$61 million when they were transferred to Asset HoldCo. Thrivent then contributed its entire investment in Asset HoldCo to Issuer, with no impact to surplus. Thrivent is the named investment manager for the CFO structure and is entitled to a management fee as outlined in the executed investment management agreement between Asset HoldCo and Thrivent.



Report of Independent Auditors

To the Board of Directors of Thrivent Financial for Lutherans

We have audited the statutory-basis financial statements of Thrivent Financial for Lutherans (the "Company") as of December 31, 2023 and for the year then ended and our report thereon appears on pages 1-2 of this document. That audit was conducted for the purpose of forming an opinion on the statutory-basis financial statements taken as a whole. The supplemental schedule of selected statutory-basis financial data, summary investment schedule and supplemental investment risks interrogatories (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2023 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the statutory-basis financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory-basis financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory-basis financial statements or to the statutory-basis financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the statutory-basis financial statements taken as a whole.

PricewaterhouseCoopers LLP

February 15, 2024
Minneapolis, Minnesota

Thrivent Financial for Lutherans
Supplemental Schedule of Selected Statutory-Basis Financial Data
As of and for the Year Ended December 31, 2023
(in millions)

| | |
|--|------------------|
| Investment Income Earned: | |
| U.S. government bonds | \$ 36 |
| Other bonds (unaffiliated) | 1,783 |
| Bonds of affiliates | 288 |
| Preferred stocks (unaffiliated) | 20 |
| Preferred stocks of affiliates | - |
| Common stocks (unaffiliated) | 17 |
| Common stocks of affiliates | 77 |
| Mortgage loans | 417 |
| Real estate | 12 |
| Certificate loans and liens | 75 |
| Collateral loans | - |
| Cash on hand and on deposit | - |
| Short-term investments | 63 |
| Derivative instruments | 10 |
| Other invested assets | 566 |
| Aggregate write-ins for investment income | 1 |
| Gross investment income | <u>\$ 3,365</u> |
| | |
| Real Estate Owned – Book Value less Encumbrances | \$ 41 |
| | |
| Mortgage Loans – Book Value: | |
| Farm mortgages | \$ - |
| Residential mortgages | - |
| Commercial mortgages | 10,869 |
| Total mortgage loans | <u>\$ 10,869</u> |
| | |
| Mortgage Loans by Standing – Book Value: | |
| Good standing | \$ 10,848 |
| Good standing with restructured terms | \$ 21 |
| Interest overdue more than 90 days, not in foreclosure | \$ - |
| Foreclosure in process | \$ - |
| | |
| Other Long-Term Assets – Statement Value | \$ 10,303 |
| | |
| Collateral Loans | \$ - |
| | |
| Bonds and Stocks of Parent, Subsidiaries and Affiliates – Book Value: | |
| Bonds | \$ 2,220 |
| Preferred stocks | \$ - |
| Mutual Funds/ETFs | \$ 132 |
| Common stocks | \$ 259 |
| | |
| Bonds by Maturity – Statement Value: | |
| Due within one year or less | \$ 3,347 |
| Over 1 year through 5 years | 13,144 |
| Over 5 years through 10 years | 13,321 |
| Over 10 years through 20 years | 8,574 |
| Over 20 years | 13,674 |
| Total by maturity | <u>\$ 52,060</u> |

Thrivent Financial for Lutherans
Supplemental Schedule of Selected Statutory-Basis Financial Data, continued
(in millions)

Bonds by Class – Statement Value:

| | |
|----------------|------------------|
| Class 1 | \$ 28,944 |
| Class 2 | 18,105 |
| Class 3 | 3,149 |
| Class 4 | 1,805 |
| Class 5 | 46 |
| Class 6 | 11 |
| Total by class | <u>\$ 52,060</u> |

Total bonds publicly traded \$ 28,686

Total bonds privately placed \$ 23,374

Preferred stocks – statement value \$ 365

Common stocks – market value \$ 958

Short-term investments – book value \$ 270

Options, caps & floors owned – statement value \$ 161

Options, caps & floors written and in force – statement value \$ (110)

Collar, swap & forward agreement open – statement value \$ 42

Futures contracts open – current value \$ 2

Cash on deposit \$ 1,815

Life Insurance In Force:

Ordinary \$ 222,721

Amount of accidental death insurance in force under ordinary policies \$ 9,158

Supplemental Contracts In Force:

Ordinary – not involving life contingencies

Amount on deposit \$ -

Income payable \$ 111

Ordinary – involving life contingencies

Income payable \$ 187

Annuities:

Ordinary:

Immediate – amount of income payable \$ -

Deferred – fully paid account balance \$ 7,150

Deferred – not fully paid – account balance \$ 43,376

Deposit Funds and Dividend Accumulations:

Deposit funds – account balance \$ 401

Dividend accumulations – account balance \$ 58

Claim Payments 2023:

Accident and health – year ended December 31, 2023

2023 \$ 53

Prior \$ 299

Thrivent Financial for Lutherans
Note to Other Financial Information
As of and for the Year Ended December 31, 2023

BASIS OF PRESENTATION

The accompanying schedules and interrogatories present selected statutory-basis financial data as of December 31, 2023, and for the year then ended for purposes of complying with paragraph 9 of the Annual Audited Financial Reports in the Annual Audited Report section of the National Association of Insurance Commissioners' *Annual Statement Instructions* and the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and agree to or are included in the amounts reported in Thrivent's 2023 Statutory Annual Statement as filed with the State of Wisconsin Office of the Commissioner of Insurance.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | | | |
|--|---------------------------|-------------------------------------|---|--|--------------------------------|-------------------------------------|
| | 1 Amount | 2 Percentage of Column 1 Line 13 | 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total (Col. 3 + 4) Amount | 6 Percentage of Column 5 Line 13 |
| 1. Long-Term Bonds (Schedule D, Part 1): | | | | | | |
| 1.01 U.S. governments | 1,475,760,676 | 1.928 | 1,475,760,676 | | 1,475,760,676 | 1.930 |
| 1.02 All other governments | 973,333,228 | 1.272 | 973,333,228 | | 973,333,228 | 1.273 |
| 1.03 U.S. states, territories and possessions, etc. guaranteed | 122,505,101 | 0.160 | 122,505,101 | | 122,505,101 | 0.160 |
| 1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed | | 0.000 | | | | 0.000 |
| 1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed | 6,175,215,492 | 8.069 | 6,175,215,492 | | 6,175,215,492 | 8.076 |
| 1.06 Industrial and miscellaneous | 40,156,426,105 | 52.472 | 40,156,426,105 | | 40,156,426,105 | 52.519 |
| 1.07 Hybrid securities | 14,707,314 | 0.019 | 14,707,314 | | 14,707,314 | 0.019 |
| 1.08 Parent, subsidiaries and affiliates | 993,769,179 | 1.299 | 993,769,179 | | 993,769,179 | 1.300 |
| 1.09 SVO identified funds | 349,589,791 | 0.457 | 349,589,791 | | 349,589,791 | 0.457 |
| 1.10 Unaffiliated bank loans | 292,842,294 | 0.383 | 292,842,294 | | 292,842,294 | 0.383 |
| 1.11 Unaffiliated certificates of deposit | | 0.000 | | | | 0.000 |
| 1.12 Total long-term bonds | 50,554,149,180 | 66.058 | 50,554,149,180 | | 50,554,149,180 | 66.118 |
| 2. Preferred stocks (Schedule D, Part 2, Section 1): | | | | | | |
| 2.01 Industrial and miscellaneous (Unaffiliated) | 365,405,372 | 0.477 | 365,405,372 | | 365,405,372 | 0.478 |
| 2.02 Parent, subsidiaries and affiliates | | 0.000 | | | | 0.000 |
| 2.03 Total preferred stocks | 365,405,372 | 0.477 | 365,405,372 | | 365,405,372 | 0.478 |
| 3. Common stocks (Schedule D, Part 2, Section 2): | | | | | | |
| 3.01 Industrial and miscellaneous Publicly traded (Unaffiliated) | 410,735,801 | 0.537 | 410,735,801 | | 410,735,801 | 0.537 |
| 3.02 Industrial and miscellaneous Other (Unaffiliated) | 77,194,692 | 0.101 | 77,194,692 | | 77,194,692 | 0.101 |
| 3.03 Parent, subsidiaries and affiliates Publicly traded | | 0.000 | | | | 0.000 |
| 3.04 Parent, subsidiaries and affiliates Other | 320,311,972 | 0.419 | 259,539,804 | | 259,539,804 | 0.339 |
| 3.05 Mutual funds | 63,048,620 | 0.082 | 63,048,620 | | 63,048,620 | 0.082 |
| 3.06 Unit investment trusts | | 0.000 | | | | 0.000 |
| 3.07 Closed-end funds | | 0.000 | | | | 0.000 |
| 3.08 Exchange traded funds | 147,510,459 | 0.193 | 147,510,459 | | 147,510,459 | 0.193 |
| 3.09 Total common stocks | 1,018,801,544 | 1.331 | 958,029,376 | | 958,029,376 | 1.253 |
| 4. Mortgage loans (Schedule B): | | | | | | |
| 4.01 Farm mortgages | | 0.000 | | | | 0.000 |
| 4.02 Residential mortgages | | 0.000 | | | | 0.000 |
| 4.03 Commercial mortgages | 10,869,267,547 | 14.203 | 10,869,267,547 | | 10,869,267,547 | 14.216 |
| 4.04 Mezzanine real estate loans | | 0.000 | | | | 0.000 |
| 4.05 Total valuation allowance | | 0.000 | | | | 0.000 |
| 4.06 Total mortgage loans | 10,869,267,547 | 14.203 | 10,869,267,547 | | 10,869,267,547 | 14.216 |
| 5. Real estate (Schedule A): | | | | | | |
| 5.01 Properties occupied by company | 40,538,653 | 0.053 | 40,538,653 | | 40,538,653 | 0.053 |
| 5.02 Properties held for production of income | | 0.000 | | | | 0.000 |
| 5.03 Properties held for sale | | 0.000 | | | | 0.000 |
| 5.04 Total real estate | 40,538,653 | 0.053 | 40,538,653 | | 40,538,653 | 0.053 |
| 6. Cash, cash equivalents and short-term investments: | | | | | | |
| 6.01 Cash (Schedule E, Part 1) | (76,293,583) | (0.100) | (76,293,583) | | (76,293,583) | (0.100) |
| 6.02 Cash equivalents (Schedule E, Part 2) | 1,814,965,231 | 2.372 | 1,814,965,228 | | 1,814,965,228 | 2.374 |
| 6.03 Short-term investments (Schedule DA) | 269,729,108 | 0.352 | 269,729,111 | | 269,729,111 | 0.353 |
| 6.04 Total cash, cash equivalents and short-term investments | 2,008,400,756 | 2.624 | 2,008,400,756 | | 2,008,400,756 | 2.627 |
| 7. Contract loans | 1,065,247,625 | 1.392 | 1,064,334,000 | | 1,064,334,000 | 1.392 |
| 8. Derivatives (Schedule DB) | 212,527,812 | 0.278 | 212,527,812 | | 212,527,812 | 0.278 |
| 9. Other invested assets (Schedule BA) | 10,309,921,477 | 13.472 | 10,302,519,952 | | 10,302,519,952 | 13.474 |
| 10. Receivables for securities | 85,251,902 | 0.111 | 85,251,902 | | 85,251,902 | 0.111 |
| 11. Securities Lending (Schedule DL, Part 1)..... | | 0.000 | | XXX | XXX | XXX |
| 12. Other invested assets (Page 2, Line 11) | | 0.000 | | | | 0.000 |
| 13. Total invested assets | 76,529,511,868 | 100.000 | 76,460,424,550 | | 76,460,424,550 | 100.000 |



SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2023
(To Be Filed by April 1)

Of The Thrivent Financial for Lutherans.....
ADDRESS (City, State and Zip Code) Minneapolis , MN 55415-4402
NAIC Group Code 0000 NAIC Company Code 56014 Federal Employer's Identification Number (FEIN) 39-0123480

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement \$77,377,151,689

2. Ten largest exposures to a single issuer/borrower/investment.

| | 1 | 2 | 3 | 4 |
|------|---|-------------------------|------------------|-------------------------------------|
| | Issuer | Description of Exposure | Amount | Percentage of Total Admitted Assets |
| 2.01 | White Rose Fund | Partnerships | \$ 6,371,812,949 | 8.2 % |
| 2.02 | College Ave Student Loans | Bonds | \$ 1,226,593,238 | 1.6 % |
| 2.03 | Pacific Street Fund IV, L.P. | Partnerships | \$ 747,869,664 | 1.0 % |
| 2.04 | US Treasury N/B | Bonds | \$ 733,130,615 | 0.9 % |
| 2.05 | Thrivent Education Funding LLC (Affirm) | Bonds | \$ 626,288,825 | 0.8 % |
| 2.06 | Pacific Street Fund III, L.P. | Partnerships | \$ 603,128,470 | 0.8 % |
| 2.07 | US Treasury N/B | Bonds | \$ 503,742,871 | 0.7 % |
| 2.08 | White Rose CFO 2023 Holdings, LLC | Partnerships | \$ 430,015,078 | 0.6 % |
| 2.09 | Pacific Street Fund V, L.P. | Partnerships | \$ 401,261,031 | 0.5 % |
| 2.10 | College Ave Student Loans | Bonds | \$ 367,480,354 | 0.5 % |

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

| Bonds | | 1 | 2 | Preferred Stocks | | 3 | 4 |
|-------|--------|-------------------|--------|------------------|--------|----------------|-------|
| 3.01 | NAIC 1 | \$ 28,944,772,941 | 37.4 % | 3.07 | NAIC 1 | \$ 252,500,000 | 0.3 % |
| 3.02 | NAIC 2 | \$ 18,104,652,448 | 23.4 % | 3.08 | NAIC 2 | \$ 92,346,331 | 0.1 % |
| 3.03 | NAIC 3 | \$ 3,148,790,723 | 4.1 % | 3.09 | NAIC 3 | \$ 20,555,265 | % |
| 3.04 | NAIC 4 | \$ 1,805,220,725 | 2.3 % | 3.10 | NAIC 4 | \$ | % |
| 3.05 | NAIC 5 | \$ 45,848,926 | 0.1 % | 3.11 | NAIC 5 | \$ | % |
| 3.06 | NAIC 6 | \$ 10,897,113 | % | 3.12 | NAIC 6 | \$ 3,776 | % |

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02 Total admitted assets held in foreign investments..... \$6,005,534,329 7.8 %

4.03 Foreign-currency-denominated investments \$773,276,156 1.0 %

4.04 Insurance liabilities denominated in that same foreign currency \$ %

SUPPLEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

| | <u>1</u> | <u>2</u> |
|---|------------------|----------|
| 5.01 Countries designated NAIC-1 | \$ 5,404,662,015 | 7.0 % |
| 5.02 Countries designated NAIC-2 | \$ 289,641,936 | 0.4 % |
| 5.03 Countries designated NAIC-3 or below | \$ 311,230,377 | 0.4 % |

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

| | <u>1</u> | <u>2</u> |
|---|------------------|----------|
| Countries designated NAIC - 1: | | |
| 6.01 Country 1: United Kingdom | \$ 1,391,974,013 | 1.8 % |
| 6.02 Country 2: Australia | \$ 1,290,991,473 | 1.7 % |
| Countries designated NAIC - 2: | | |
| 6.03 Country 1: Mexico | \$ 221,622,212 | 0.3 % |
| 6.04 Country 2: Panama | \$ 30,962,807 | % |
| Countries designated NAIC - 3 or below: | | |
| 6.05 Country 1: Multinational | \$ 177,234,161 | 0.2 % |
| 6.06 Country 2: Marshall Islands | \$ 55,213,680 | 0.1 % |

| | <u>1</u> | <u>2</u> |
|---|----------|----------|
| 7. Aggregate unhedged foreign currency exposure | \$ | % |

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

| | <u>1</u> | <u>2</u> |
|---|----------|----------|
| 8.01 Countries designated NAIC-1 | \$ | % |
| 8.02 Countries designated NAIC-2 | \$ | % |
| 8.03 Countries designated NAIC-3 or below | \$ | % |

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

| | <u>1</u> | <u>2</u> |
|---|----------|----------|
| Countries designated NAIC - 1: | | |
| 9.01 Country 1: | \$ | % |
| 9.02 Country 2: | \$ | % |
| Countries designated NAIC - 2: | | |
| 9.03 Country 1: | \$ | % |
| 9.04 Country 2: | \$ | % |
| Countries designated NAIC - 3 or below: | | |
| 9.05 Country 1: | \$ | % |
| 9.06 Country 2: | \$ | % |

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> |
|-------|--------------------------------------|------------------|----------------|----------|
| | Issuer | NAIC Designation | | |
| 10.01 | Compass Group PLC | 1.G | \$ 105,000,000 | 0.1 % |
| 10.02 | DEXUS Funds Management Limited | 1.G | \$ 105,000,000 | 0.1 % |
| 10.03 | Statnett SF | 1.F | \$ 99,000,000 | 0.1 % |
| 10.04 | NSII Ports Finance Co Ltd | 2.B | \$ 71,000,000 | 0.1 % |
| 10.05 | Lonsdale Finance Pty Limited | 2.B | \$ 70,000,000 | 0.1 % |
| 10.06 | AerCap Ireland Cap/Global | 2.B | \$ 64,835,394 | 0.1 % |
| 10.07 | HSBC Holdings plc | 2.A | \$ 64,121,054 | 0.1 % |
| 10.08 | SEGR0 plc | 1.G | \$ 62,922,300 | 0.1 % |
| 10.09 | CPOF Finance Pty Limited | 2.B | \$ 60,000,000 | 0.1 % |
| 10.10 | GPT RE Limited | 1.F | \$ 60,000,000 | 0.1 % |

SUPPLEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes No

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.

| | <u>1</u> | <u>2</u> | |
|--|----------|----------|---|
| 11.02 Total admitted assets held in Canadian investments | \$ | | % |
| 11.03 Canadian-currency-denominated investments | \$ | | % |
| 11.04 Canadian-denominated insurance liabilities | \$ | | % |
| 11.05 Unhedged Canadian currency exposure | \$ | | % |

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes No

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

| | <u>1</u> | <u>2</u> | <u>3</u> | |
|--|----------|----------|----------|---|
| 12.02 Aggregate statement value of investments with contractual sales restrictions | \$ | | | % |
| Largest three investments with contractual sales restrictions: | | | | |
| 12.03 | \$ | | | % |
| 12.04 | \$ | | | % |
| 12.05 | \$ | | | % |

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes No

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

| | <u>1</u> | <u>2</u> | <u>3</u> | |
|--|---------------|---------------|----------|---|
| | <u>Issuer</u> | | | |
| 13.02 WR Fund, includes Opportunity Fund | \$ | 6,371,812,949 | 8.2 | % |
| 13.03 Pacific Street Fund IV, L.P. | \$ | 747,869,664 | 1.0 | % |
| 13.04 Pacific Street Fund III, L.P. | \$ | 603,128,470 | 0.8 | % |
| 13.05 White Rose CFO 2023 Holdings, LLC | \$ | 430,015,078 | 0.6 | % |
| 13.06 Pacific Street Fund V, L.P. | \$ | 401,261,031 | 0.5 | % |
| 13.07 BlackRock Advisors LLC | \$ | 357,120,000 | 0.5 | % |
| 13.08 Federal Home Loan Bank | \$ | 325,401,999 | 0.4 | % |
| 13.09 Thrivent Finl Holdings Inc | \$ | 259,539,803 | 0.3 | % |
| 13.10 Twin Bridge Narrow Gate Fund, L.P. | \$ | 237,120,281 | 0.3 | % |
| 13.11 Pacific Street Fund II, L.P. | \$ | 176,521,180 | 0.2 | % |

SUPPLEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No []

If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.

| | | | | | | |
|-------|---|----|----------|----|----------|---|
| | <u>1</u> | | <u>2</u> | | <u>3</u> | |
| 14.02 | Aggregate statement value of investments held in nonaffiliated, privately placed equities ..... | \$ | ..... | \$ | ..... | % |
| | Largest three investments held in nonaffiliated, privately placed equities: | | | | | |
| 14.03 | ..... | \$ | ..... | \$ | ..... | % |
| 14.04 | ..... | \$ | ..... | \$ | ..... | % |
| 14.05 | ..... | \$ | ..... | \$ | ..... | % |

Ten largest fund managers:

| | | | | | | | |
|-------|--------------|----|----------------|----|-------------|----|----------------|
| | <u>1</u> | | <u>2</u> | | <u>3</u> | | <u>4</u> |
| | Fund Manager | | Total Invested | | Diversified | | Nondiversified |
| 14.06 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.07 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.08 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.09 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.10 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.11 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.12 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.13 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.14 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |
| 14.15 | ..... | \$ | ..... | \$ | ..... | \$ | ..... |

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No []

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

| | | | | | | |
|-------|--|----|----------|----|----------|---|
| | <u>1</u> | | <u>2</u> | | <u>3</u> | |
| 15.02 | Aggregate statement value of investments held in general partnership interests ..... | \$ | ..... | \$ | ..... | % |
| | Largest three investments in general partnership interests: | | | | | |
| 15.03 | ..... | \$ | ..... | \$ | ..... | % |
| 15.04 | ..... | \$ | ..... | \$ | ..... | % |
| 15.05 | ..... | \$ | ..... | \$ | ..... | % |

SUPPLEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

| | 1 | 2 | 3 |
|------------------------------|--|----------------|-------|
| | Type (Residential, Commercial, Agricultural) | | |
| 16.02 Commercial Loans | | \$ 464,073,534 | 0.6 % |
| 16.03 Commercial Loans | | \$ 431,390,255 | 0.6 % |
| 16.04 Commercial Loans | | \$ 423,575,985 | 0.5 % |
| 16.05 Commercial Loans | | \$ 350,500,000 | 0.5 % |
| 16.06 Commercial Loans | | \$ 274,075,865 | 0.4 % |
| 16.07 Commercial Loans | | \$ 257,770,799 | 0.3 % |
| 16.08 Commercial Loans | | \$ 240,310,648 | 0.3 % |
| 16.09 Commercial Loans | | \$ 223,611,089 | 0.3 % |
| 16.10 Commercial Loans | | \$ 212,560,417 | 0.3 % |
| 16.11 Commercial Loans | | \$ 157,458,763 | 0.2 % |

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

| | Loans | |
|--|---------------|---|
| | 1 | 2 |
| 16.12 Construction loans | \$ 29,784,790 | % |
| 16.13 Mortgage loans over 90 days past due | \$ | % |
| 16.14 Mortgage loans in the process of foreclosure | \$ | % |
| 16.15 Mortgage loans foreclosed | \$ | % |
| 16.16 Restructured mortgage loans | \$ 20,547,292 | % |

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

| Loan to Value | Residential | | Commercial | | Agricultural | |
|----------------------|-------------|---|-------------------|--------|--------------|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 17.01 above 95%..... | \$ | % | \$ 17,000,000 | % | \$ | % |
| 17.02 91 to 95%..... | \$ | % | \$ | % | \$ | % |
| 17.03 81 to 90%..... | \$ | % | \$ 90,043,484 | 0.1 % | \$ | % |
| 17.04 71 to 80%..... | \$ | % | \$ 1,200,000 | % | \$ | % |
| 17.05 below 70%..... | \$ | % | \$ 10,761,024,063 | 13.9 % | \$ | % |

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [X] No []

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

| | 1 | 2 | 3 |
|-------------|-------------|----|---|
| | Description | | |
| 18.02 | \$ | \$ | % |
| 18.03 | \$ | \$ | % |
| 18.04 | \$ | \$ | % |
| 18.05 | \$ | \$ | % |
| 18.06 | \$ | \$ | % |

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes [X] No []

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

| | 1 | 2 | 3 |
|---|----|----|---|
| 19.02 Aggregate statement value of investments held in mezzanine real estate loans: | \$ | \$ | % |
| Largest three investments held in mezzanine real estate loans: | | | |
| 19.03 | \$ | \$ | % |
| 19.04 | \$ | \$ | % |
| 19.05 | \$ | \$ | % |

SUPPLEMENT FOR THE YEAR 2023 OF THE Thrivent Financial for Lutherans

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

| | At Year End | | At End of Each Quarter | | |
|---|-------------|-------|------------------------|------------------|------------------|
| | 1 | 2 | 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
| 20.01 Securities lending agreements (do not include assets held as collateral for such transactions) \$ | 643,293,243 | 0.8 % | 483,980,147 | 336,573,578 | 642,349,564 |
| 20.02 Repurchase agreements \$ | | % | | | |
| 20.03 Reverse repurchase agreements \$ | 30,000,000 | % | 25,000,000 | 70,000,000 | 30,000,000 |
| 20.04 Dollar repurchase agreements \$ | | % | | | |
| 20.05 Dollar reverse repurchase agreements \$ | | % | | | |

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

| | Owned | | Written | |
|----------------------------|-------|---|---------|---|
| | 1 | 2 | 3 | 4 |
| 21.01 Hedging \$ | | % | | % |
| 21.02 Income generation \$ | | % | | % |
| 21.03 Other \$ | | % | | % |

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

| | At Year End | | At End of Each Quarter | | |
|----------------------------|-------------|---|------------------------|------------------|------------------|
| | 1 | 2 | 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
| 22.01 Hedging \$ | 9,638,200 | % | 9,990,200 | 9,722,893 | 9,459,987 |
| 22.02 Income generation \$ | | % | | | |
| 22.03 Replications \$ | | % | | | |
| 22.04 Other \$ | | % | | | |

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

| | At Year End | | At End of Each Quarter | | |
|----------------------------|-------------|---|------------------------|------------------|------------------|
| | 1 | 2 | 1st Quarter 3 | 2nd Quarter 4 | 3rd Quarter 5 |
| 23.01 Hedging \$ | | % | | | |
| 23.02 Income generation \$ | | % | | | |
| 23.03 Replications \$ | | % | | | |
| 23.04 Other \$ | | % | | | |