

2009 Responsibility Report to Members

## *What Matters to You, Matters to Us*



*Stewardship Community Integrity*



*Stewardship*  
*Community*  
*Integrity*

*I hope you noticed the name of this report: “2009 Responsibility Report to Members.” Let me tell you why we chose this name.*

*Each April, we share our annual report with you via our membership magazine. This year, we’ve broadened our focus to include what Thrivent Financial for Lutherans is doing in the area of what is commonly called corporate social responsibility. As you may be aware, many companies now produce social responsibility reports, which typically highlight efforts in areas such as ethics, philanthropy, sustainability and environmental stewardship.*

*This is our version of a social responsibility report. It’s a new document, but hardly a new philosophy. Being socially responsible isn’t something we just started to focus on—it’s been part of who we are from our beginning. As a faith-based organization, we’re rooted in strong Lutheran values. And in this report we’ll share how we’re making three of those values—Stewardship, Community and Integrity—real. These values matter to us because we know they matter to you, our members.*

*Of course, we haven’t lost sight of the bottom line. We never will. That’s why we’re still sharing an annual perspective with you—a look back at how we did in 2009 and what we did on behalf of you, our members. From a financial perspective, we remain strong and stable. Nobody could have predicted the challenges that 2009 would present, but shifting economic winds can’t change who we are as an organization. Even as markets rose and fell, we maintained our careful, conservative approach to investing. We continued to support the causes that matter to you. And we looked for new ways to bring more value to your membership.*

*Thank you for being a member of Thrivent Financial.*

*Brad Hewitt  
President and Chief Executive Officer*

# Stewardship

## *Stewardship Matters*

In 2009, Thrivent Financial distinguished itself among financial services providers—for all the right reasons. We know that behind each dollar is a member, and behind each member is a story. This is why we never forget our responsibility to:

- Help you protect and grow your assets.
- Continually earn the trust you've placed in us.
- Not just do business, but do business with a purpose.

Despite the challenging economy, we ended the year with a total adjusted surplus of \$4.6 billion. We provided more than \$704 million in life insurance death benefits, which helped families stay financially secure after the death of a loved one. We also paid more than \$234 million in disability benefits, which helped members maintain an income even when they couldn't work.

Eligible contract holders received approximately \$322 million in dividends, another sign of our overall strength. And, as in 2008, we didn't receive any government bailout money. What does this mean for you? It means we continue to be well-positioned to withstand this and any future economic storms.

Admittedly, we're not the flashiest of financial services organizations. We didn't make a name for ourselves by taking huge risks. Unlike publicly traded firms that answer to Wall Street, we answer to you. As a member, that's something you can feel good about—not just in 2009, but for years to come.



## *2009 Highlights*

### *Being good stewards of the trust you've placed in us*

- Ended the year (12/31/09) with \$67 billion in assets under management and \$164 billion in life insurance in force.
- Returned more than \$300 million in dividends to eligible members for the third consecutive year.
- Ranked 409 on the Fortune 500 list.
- Did not receive any government bailout money.



*“Thrivent Financial is in a unique position to be a vehicle of communication and collaboration ... to accomplish community-driven goals.”*

Jennifer, member

# Community

## *Community Matters*

At Thrivent Financial, we’ve always been about helping others. It’s part of our mission as a fraternal benefit society—and it’s what our members want to do. In 2009, working with and through our members, we:

- Contributed \$113 million to communities, congregations and nonprofit organizations. Our members added another \$157 million for communities, congregations and individuals in need.
- Helped build 313 homes in the U.S. through our Thrivent Builds with Habitat for Humanity program. Over the past four years, more than 2,000 homes have been built through the Thrivent Builds Homes and Thrivent Builds Worldwide programs combined.
- Hosted 3,446 social events through our chapters that brought members together to connect and have fun.
- Held 2,932 educational events focusing on finances, relationships and life transitions.
- Donated \$15.8 million to Lutheran institutions nationwide as well as to nonprofits in our key communities of the Twin Cities in Minnesota and the Fox Cities in Wisconsin through the Thrivent Financial for Lutherans Foundation.

# Community

Many organizations give away money—and that's commendable—but we're able to go further. Through our chapter system, members can use Thrivent Financial resources, combined with their energy and ingenuity, to identify and meet local needs.

Whether it's raising money for a family dealing with a catastrophic illness, organizing a financial education workshop in a local congregation, or getting together for a night at the local ballpark, Thrivent Financial members work through their local chapters to make a positive difference in communities every day. To learn more about what members and Thrivent Financial are doing together, visit [Thrivent.com/annualreport](http://Thrivent.com/annualreport).

And speaking of a positive difference, starting in 2010 members will also be able to help direct money to nonprofit organizations by getting involved in the new Thrivent Choice<sup>SM</sup> program. It's just one more way for our members to help others. For more information about Thrivent Choice, including terms and conditions, visit [Thrivent.com/choice](http://Thrivent.com/choice).



## 2009 Chapter Highlights

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### Chapters

1,354

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### Volunteer hours

19.1 million

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### Chapter activities

92,645

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### Members who are chapter leaders

11,122

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# Integrity

## **Integrity Matters**

We believe in doing things “the right way.” This means being open and honest about how we do business. By demonstrating ethical behavior in all that we do, we remain true to our faith-based values—and to yours.

### **Code of Conduct**

We have a rigorous Code of Conduct that sets expectations for behavior and helps guide everyone affiliated with Thrivent Financial. We were one of only two financial services organizations to receive an A rating from *Ethisphere* magazine, a leading business ethics publication. All Thrivent Financial employees and representatives are expected to know the Code and abide by its guidelines.

### **Member Dispute Resolution Program**

Occasionally, Thrivent members may disagree with product- or service-related decisions. We have a process for working with members that gives them a voice and makes sure they receive fair and timely resolution.

*“Thrivent Financial is a trustworthy, friendly, responsible, compassionate organization operating with integrity and the community’s and members’ best interests at heart.”*

*Tricia, member*



## *Board of Directors*

The Thrivent Financial Board of Directors has oversight responsibility in all matters involving Thrivent Financial for Lutherans. As a member, you're able to nominate candidates for the board through our chapter system. All benefit members are eligible to vote in the elections that take place each fall. For more information about nominating someone to the board, contact your local chapter by going to [Thrivent.com](http://Thrivent.com) (look for the Chapter Locator on the home page) or by calling 800-THRIVENT (800-847-4836).

# *Integrity*

### **Transparency**

As a financial services organization, we want you to know how we operate. For example, our Product, Cost & Compensation Guide (available online and sent to every new member) provides detailed information about the products and services we offer, the costs associated with purchasing those products and services, and how your financial representative is compensated. We also share with members, in multiple ways, that when we sell Thrivent Financial insurance and annuity products, money we would otherwise pay in taxes goes toward the programs and services that support our members and help them give back to the community.

### **Green Innovation**

We're committed to environmental sustainability. To us, that's part of acting with integrity. In 2009, Thrivent Financial received a silver Alexander Hamilton Award for "Best Green Strategy" by *Treasury & Risk* magazine. We were one of just three organizations nationwide to be honored for excellence in finance and treasury management related to environmental awareness, conservation and social responsibility.

## Financials

Financial data is sometimes hard to understand. Because transparency and accountability are important to us, we've provided you with clear explanations of commonly used terms so you can fully understand our results and why these key measures are so important.

**Total Admitted Assets** = Used as a measure of overall size and scale of an organization. This number indicates how big or small a company is. Based on this number, with more than \$54 billion of assets, we're one of the 25 largest life insurers in the U.S.

**Total Surplus** = Represents funds set aside to absorb unexpected events, such as the volatility in the capital markets during 2008 and 2009. This tells you how much "cushion" an organization has so it can keep its promises, even when times are tough. Our strong surplus position continues to be affirmed by independent insurance ratings agencies such as A.M. Best. We hold an A++ (Superior) rating, the highest rating of A.M. Best's 15 categories. Only 10 life insurance organizations have a rating this high. (Note: These ratings do not reflect the investment performance of our investment products.)

**Gain from Operations** = A measure of our earnings power before investment gains and losses. Investment activity can add significant volatility to insurance providers' net incomes, which is why we look at Gain from Operations to determine how well we're managing the organization's operations.

**Capital Gains (losses)** = Includes the effect of gains or losses recognized on sold investments, as well as investments that performed poorly. All companies that invest in the capital markets will have gains and losses, and the amount will fluctuate with the ups and downs in the overall marketplace. The amount of capital losses recognized at Thrivent Financial has declined in 2009 compared to 2008, because the markets were more stable.

To watch a video of Paul Zastrow, Vice President and Head of Corporate Accounting, talking more about what the numbers mean, visit [Thrivent.com/annualreport](http://Thrivent.com/annualreport).



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## Condensed Statutory Financial Information

### Balance Sheet

As of Dec. 31 (in millions)

	2009	2008
<b>Admitted Assets</b>		
Bonds	\$29,844	\$27,291
Stocks	1,284	1,407
Mortgage loans	7,508	7,238
Cash and short-term investments	1,905	2,316
Other investments	2,721	2,547
Total investments	43,262	40,799
Other assets	525	497
Assets held in separate accounts	10,585	8,174
<b>Total Admitted Assets</b>	<b>\$54,372</b>	<b>\$49,470</b>
<b>Liabilities</b>		
Aggregate reserves for life, annuity and A&H contracts	\$34,465	\$32,852
Deposit liabilities and contract claims	2,634	2,388
Other liabilities	2,677	2,170
Liabilities related to separate accounts	10,469	8,125
<b>Total Liabilities</b>	<b>50,245</b>	<b>45,535</b>
<b>Total Surplus</b>	<b>4,127</b>	<b>3,935</b>
<b>Total Liabilities and Surplus</b>	<b>\$54,372</b>	<b>\$49,470</b>

### Income Statement

For the year ended Dec. 31 (in millions)

	2009	2008
Premium income and contract proceeds	\$4,209	\$3,818
Net investment income	2,272	2,322
Other income	248	273
<b>Total income</b>	<b>6,729</b>	<b>6,413</b>
Reserve increase (decrease)	1,614	1,184
Contractholders' benefits	3,373	3,797
Dividends	322	336
Commissions and operating costs	795	797
Other	350	197
<b>Total benefits and expenses</b>	<b>6,454</b>	<b>6,311</b>
<b>Gain from Operations before capital gains and losses</b>	<b>275</b>	<b>102</b>
<b>Capital Gains (losses), net</b>	<b>(293)</b>	<b>(417)</b>
<b>Net Income (Loss)</b>	<b>(\$18)</b>	<b>(\$315)</b>