

THRIVENT VARIABLE ANNUITY ACCOUNT B

Statement of Additional Information

Dated April 30, 2012

For

Flexible Premium Deferred

Variable Annuity Contract

Issued by

THRIVENT FINANCIAL FOR LUTHERANS

Service Center:

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Appleton, WI 54919-0001
Telephone: 800-847-4836
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Corporate Office:

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This Statement of Additional Information (“SAI”) is not a prospectus, but should be read in conjunction with the Prospectus dated April 30, 2012 (the “Prospectus”) for Thrivent Variable Annuity Account B (the “Variable Account”) describing a flexible premium deferred variable annuity contract (the “Contract”) previously offered by Thrivent Financial for Lutherans (“Thrivent Financial”) to persons eligible for membership in Thrivent Financial. Much of the information contained in this SAI expands upon subjects discussed in the Prospectus. A copy of the Prospectus may be obtained by writing to us at 4321 North Ballard Road, Appleton, WI 54919, by calling 800-THRIVENT (847-4836), or by accessing the Securities and Exchange Commission’s Web site at www.sec.gov.

Capitalized terms used in this SAI that are not otherwise defined herein shall have the meanings given to them in the Prospectus.

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INTRODUCTION

The Contract was issued by Thrivent Financial. Thrivent Financial, a fraternal benefit society owned and operated for its members, was organized under Internal Revenue Code section 501(c)(8) and established in 1902 under the laws of the State of Wisconsin. Thrivent Financial is currently licensed to transact life insurance business in all 50 states and the District of Columbia. The Contract may have been sold to or in connection with retirement plans that may or may not qualify for special federal tax treatment under the Internal Revenue Code. Annuity payments under the Contract are deferred until a selected later date.

Premiums will be allocated, as designated by the Contract Owner, to one or more Subaccounts of the Variable Account, a separate account of Thrivent Financial and/or to the Fixed Account. The assets of each Subaccount will be invested solely in a corresponding Portfolio of Thrivent Series Fund, Inc. (a “Fund”), which is an open-end management investment company (commonly known as a “mutual fund”). The prospectus for the Fund that accompanies the Prospectus describes the investment objectives and attendant risks of the Portfolios of the Fund.

Additional Subaccounts (together with the related additional Portfolios) may be added in the future. The Accumulated Value of the Contract and, except to the extent fixed amount annuity payments are elected by the Contract Owner, the amount of annuity payments will vary, primarily based on the investment experience of the Portfolios whose shares are held in the Subaccounts designated. Premiums allocated to the Fixed Account will accumulate at fixed rates of interest declared by Thrivent Financial.

SERVICES

Service Agreements and Other Service Providers

Assurance and audit services are provided by Ernst & Young LLP, whose address is 220 South Street, Suite 1400, Minneapolis, Minnesota 55402.

There are no other service agreement contracts or service providers other than those described in this Statement of Additional Information on. There is no custodian.

PRINCIPAL UNDERWRITER

Thrivent Investment Management Inc., 625 Fourth Avenue South, Minneapolis, Minnesota 55415, an indirect subsidiary of Thrivent Financial, is a registered broker-dealer and acts as principal underwriter and distributor of the Contracts pursuant to a Principal Underwriting Agreement with us. Thrivent Investment Management Inc. also acts as the distributor of a number of other variable annuity and variable life insurance contracts we offer. The Contract is no longer sold but we continue to take premium payments.

From time to time, Thrivent Financial may offer to exchange this Contract offered in this Prospectus for the Flexible Premium Deferred Variable Annuity contract issued by us in another prospectus (as part of Thrivent Variable Annuity Account I). No surrender charge will apply upon an exchange of Contracts pursuant to this exchange offer. In addition, as part of the exchange offer, the New Contracts will be deemed to have been issued on the same issue date as the Current Contract for purposes of computing the applicable surrender charge.

Thrivent Financial paid underwriting commissions for the last three fiscal years as shown below. Of these amounts, Thrivent Investment Management Inc. retained \$0.

<u>2011</u>	<u>2010</u>	<u>2009</u>
\$2,154,326	\$3,254,663	\$3,973,541

STANDARD AND POOR’S DISCLAIMER

The contracts are not sponsored, endorsed, sold or promoted by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”). S&P makes no representation or warranty, express or implied, to the owners of the Contracts or any member of the public regarding the advisability of investing in securities generally or in the contracts particularly or the ability of the S&P MidCap 400 Index, S&P 500 or the S&P SmallCap 600 Indexes to track general stock market performance. S&P’s only relationship to Thrivent Financial is the licensing of certain trademarks and trade names of S&P and of the S&P MidCap 400 Index, S&P 500 and S&P 600 SmallCap Indexes which are determined, composed and calculated by the S&P without regard to the Licensee or the contracts. S&P is not responsible for, and has not participated in, the determination of the prices

and amount of the contract or the timing of the issuance or sale of the contracts or in the determination or calculation of the equation by which the contract is to be converted into cash. S&P has no obligation or liability in connection with administration, marketing or trading of the contracts.

S&P does not guarantee the accuracy and/or the completeness of the S&P MidCap 400 Index, S&P 500 or the S&P 600 SmallCap Indexes or any data included therein and S&P shall have no liability for any errors, omissions, or interruptions therein. S&P makes no warranty, express or implied, as to results to be obtained by Thrivent Financial, owners of the contracts, or any other person/entity from the use of the S&P MidCap 400 Index, S&P 500 or the S&P 600 SmallCap Indexes or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P MidCap 400 Index, S&P 500 or the S&P 600 SmallCap Indexes or any data included therein. Without limiting any of the foregoing, in no event shall S&P have liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND FINANCIAL STATEMENTS

The consolidated balance sheets of Thrivent Financial as of December 31, 2011 and 2010, as well as the related consolidated statements of operations, members' equity and cash flows for each of the three years in the period ended December 31, 2011, and for 2011 the related financial statement schedules appearing in this SAI and Registration Statement, have been audited by Ernst & Young LLP, independent registered public accounting firm, whose address is 220 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Thrivent Variable Annuity Account B at December 31, 2011 and for the periods indicated therein, appearing in this SAI and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Thrivent Financial included in this SAI and Registration Statement should be considered as bearing only upon the ability of Thrivent Financial to meet its obligations under the Contracts. The value of the interests of owners and beneficiaries under the Contracts are affected primarily by the investment results of the Subaccounts of the Variable Account.

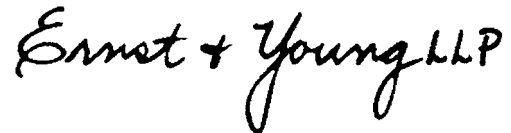
Report of Independent Registered Public Accounting Firm

The Board of Directors
Thrivent Financial for Lutherans

We have audited the accompanying consolidated balance sheets of Thrivent Financial for Lutherans (“Thrivent Financial”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, members’ equity and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of Thrivent Financial’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Thrivent Financial’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thrivent Financial at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

The signature is written in a cursive, handwritten style. It reads "Ernst + Young LLP". The "E" is large and loops around the "r". The "+" is a simple plus sign. "Young" is written in a fluid cursive, and "LLP" is in a slightly more upright cursive.

Minneapolis, Minnesota
February 20, 2012

Thrivent Financial for Lutherans
Consolidated Balance Sheets
As of December 31, 2011 and 2010
(in millions)

	<u>2011</u>	<u>2010</u>
Assets		
Fixed maturity securities, at fair value	\$38,878	\$35,888
Equity securities, at fair value	895	954
Mortgage loans	7,906	7,821
Contract loans	1,273	1,275
Short-term investments	701	697
Limited partnerships	1,525	1,181
Other investments	729	860
Total investments	<u>51,907</u>	<u>48,676</u>
Cash and cash equivalents	1,504	1,097
Amounts due from brokers	35	237
Accrued investment income	434	421
Receivables	196	207
Deferred acquisition costs	1,703	1,658
Property and equipment, net	141	152
Other assets	83	81
Assets held in separate accounts	14,249	13,796
Total Assets	<u>\$70,252</u>	<u>\$66,325</u>
Liabilities		
Future contract benefits	\$17,551	\$16,293
Contractholder funds	25,356	24,458
Unpaid claims and claim expenses	228	228
Amounts due to brokers	1,683	1,617
Securities lending obligation	455	378
Other liabilities	824	734
Liabilities related to separate accounts	14,249	13,796
Total Liabilities	<u>60,346</u>	<u>57,504</u>
Members' Equity		
Retained earnings	8,541	7,720
Accumulated other comprehensive income	1,365	1,101
Total Members' Equity	<u>9,906</u>	<u>8,821</u>
Total Liabilities and Members' Equity	<u>\$70,252</u>	<u>\$66,325</u>

The accompanying notes are an integral part of these consolidated financial statements.

Thrivent Financial for Lutherans
Consolidated Statements of Operations
For the Years Ended December 31, 2011, 2010 and 2009
(in millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues			
Premiums	\$1,559	\$1,578	\$1,404
Net investment income	2,545	2,465	2,243
Realized investment gains (losses), net	295	309	(186)
Contract charges	694	650	601
Investment advisory fees	202	176	141
Other revenues	<u>223</u>	<u>212</u>	<u>117</u>
Total Revenues	5,518	5,390	4,320
Benefits and Expenses			
Contract claims and other benefits	1,404	1,335	1,312
Increase in contract reserves	986	787	648
Interest credited	1,071	1,067	1,069
Dividends to members	<u>300</u>	<u>314</u>	<u>333</u>
Total benefits	3,761	3,503	3,362
Underwriting, acquisition and insurance expenses	673	687	578
Amortization of deferred acquisition costs	101	255	197
Fraternal benefits and expenses	<u>162</u>	<u>118</u>	<u>170</u>
Total expenses	<u>936</u>	<u>1,060</u>	<u>945</u>
Total Benefits and Expenses	4,697	4,563	4,307
Net Income	<u>\$ 821</u>	<u>\$ 827</u>	<u>\$ 13</u>

The accompanying notes are an integral part of these consolidated financial statements.

Thrivent Financial for Lutherans
Consolidated Statements of Members' Equity
For the Years Ended December 31, 2011, 2010 and 2009
(in millions)

	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
Balance as of January 1, 2009	\$6,880	\$(3,032)	\$3,848
Comprehensive income:			
Net income	13	—	13
Other comprehensive income	—	3,329	<u>3,329</u>
Total comprehensive income	<u> </u>	<u> </u>	<u>3,342</u>
Balance as of December 31, 2009	6,893	297	7,190
Comprehensive income:			
Net income	827	—	827
Other comprehensive income	—	804	<u>804</u>
Total comprehensive income	<u> </u>	<u> </u>	<u>1,631</u>
Balance as of December 31, 2010	7,720	1,101	8,821
Comprehensive income:			
Net income	821	—	821
Other comprehensive income	—	264	<u>264</u>
Total comprehensive income	<u> </u>	<u> </u>	<u>1,085</u>
Balance as of December 31, 2011	<u>\$8,541</u>	<u>\$ 1,365</u>	<u>\$9,906</u>

The accompanying notes are an integral part of these consolidated financial statements.

Thrivent Financial for Lutherans
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2011, 2010 and 2009
(in millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating Activities			
Net income	\$ 821	\$ 827	\$ 13
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Change in contract liabilities and accruals	979	796	822
Change in contractholder funds	676	685	715
Change in deferred acquisition costs	(228)	(42)	(66)
Realized investment (gains) losses, net	(295)	(309)	186
Changes in other assets and liabilities	44	25	(80)
Net Cash Provided by Operating Activities	<u>1,997</u>	<u>1,982</u>	<u>1,590</u>
Investing Activities			
Proceeds from sales, maturities or repayments of fixed maturity securities	8,414	9,050	5,796
Cost of fixed maturity securities acquired	(10,157)	(11,551)	(7,650)
Proceeds from sales of equity securities	1,491	2,263	2,160
Cost of equity securities acquired	(1,471)	(2,094)	(1,853)
Proceeds from mortgage loans sold, matured or repaid	825	713	698
Cost of mortgage loans issued	(736)	(670)	(969)
Purchases of fixed maturity securities under mortgage roll program, net	(120)	(94)	(881)
Contract loans issued, net	2	(12)	(22)
(Purchases) sales of short-term investments, net	(4)	(99)	821
Change in collateral held for securities lending	77	163	(616)
Other, net	(133)	(258)	646
Net Cash Used in Investing Activities	<u>(1,812)</u>	<u>(2,589)</u>	<u>(1,870)</u>
Financing Activities			
Universal life and investment contract receipts	1,865	2,112	2,268
Universal life and investment contract withdrawals	(1,643)	(1,860)	(1,666)
Net Cash Provided by Financing Activities	<u>222</u>	<u>252</u>	<u>602</u>
Net Change in Cash and Cash Equivalents	407	(355)	322
Cash and Cash Equivalents, Beginning of Year	1,097	1,452	1,130
Cash and Cash Equivalents, End of Year	<u>\$ 1,504</u>	<u>\$ 1,097</u>	<u>\$ 1,452</u>

The accompanying notes are an integral part of these consolidated financial statements.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2011, 2010 and 2009

Note 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Thrivent Financial for Lutherans (“Thrivent Financial”) is a fraternal benefit society providing to its members life insurance and retirement products, disability income and long-term care insurance as well as Medicare supplement insurance. Thrivent Financial is licensed to conduct business throughout the United States and distributes its products to its members through a network of career financial representatives. Thrivent Financial also offers its members additional related financial products and services, such as investment funds and banking and trust services, through its subsidiaries and affiliates.

Significant Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”).

Principles of Consolidation

The consolidated financial statements include the accounts of Thrivent Financial and its wholly owned subsidiaries and affiliated entities that are subject to consolidation, which include a stock life insurance company, a broker-dealer, a registered investment advisor, a bank, certain investment funds, a real estate development company, a transfer agent and a property and casualty insurance agency. All significant intercompany transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

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

Investments

Fixed maturity securities: Investments in fixed maturity securities are classified as either available-for-sale or trading and are carried at fair value. The change in unrealized gains and losses on securities within the available-for-sale portfolio is included as a component of other comprehensive income, while the change in fair value on securities within the trading portfolio is recognized in the Consolidated Statements of Operations as a component of realized investment gains (losses), net. Discounts or premiums on fixed maturity securities are amortized over the term of the securities using the effective interest method.

Equity securities: Investments in equity securities are classified as available-for-sale and carried at fair value. The change in unrealized gains and losses on equity securities is included as a component of other comprehensive income.

Mortgage loans: Mortgage loans are generally carried at their unpaid principal balances adjusted for premium and discount amortization, less valuation adjustments and net of an allowance for credit losses. 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 Consolidated Financial Statements, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

Contract loans: Contract loans are generally carried at their aggregate unpaid balances.

Short-term investments: Short-term investments are carried at amortized cost, which approximates fair value. Short-term investments have contractual maturities of 12 months or less at the time of acquisition.

Limited partnerships: Limited partnerships represent Thrivent Financial's private equity investments. These investments are a combination of direct equity investments, mezzanine debt investments or holdings in other investment funds. These assets are carried at fair value.

Other investments: Other investments primarily consist of equity limited partnerships, derivative instruments, real estate joint ventures and real estate. Equity limited partnerships are valued using both the equity method and internal valuation models. Derivatives are carried at fair market value. Real estate joint ventures are valued using both the equity method and internal valuation models. Real estate is valued at cost plus capital expenditures less accumulated depreciation.

Securities lending: Securities loaned under Thrivent Financial's securities lending agreement are included in the Consolidated Balance Sheets at amortized cost or fair value, depending on the nature of the security. Thrivent Financial 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 an affiliated money market mutual fund, which is included in cash and cash equivalents, and in highly-liquid, highly-rated securities, which are included in equity securities, short-term investments, and cash and cash equivalents on the Consolidated Balance Sheets. An obligation is also recognized for the amount of the collateral and is included in the Consolidated Balance Sheets. Market values of securities loaned and collateral are monitored daily, and additional collateral is obtained as necessary.

Mortgage dollar roll program: Thrivent Financial uses a mortgage dollar roll program to enhance the yield on its mortgage-backed securities ("MBS"). MBS dollar rolls are similar to repurchase agreements, whereby Thrivent Financial sells an MBS and subsequently enters into a commitment to purchase another security at a specified later date. Thrivent Financial's mortgage dollar roll program generally includes a series of MBS dollar rolls extending for more than a year. Thrivent Financial had \$1,418 million and \$1,299 million in the mortgage dollar roll program as of December 31, 2011 and 2010, respectively.

Unrealized investment gains and losses: Unrealized investment gains and losses on securities classified as available-for-sale, net of related deferred acquisition costs and tax effects, are accounted for as a direct increase or decrease to the accumulated other comprehensive income component of members' equity.

Realized investment gains and losses: Realized investment gains and losses on sales of securities are determined using an average cost method. Changes in fair value of fixed maturity securities within the trading portfolio are included as a component of realized investment gains and losses. Thrivent Financial periodically reviews its securities portfolios and evaluates those securities where the current fair value is less than amortized cost for indicators that the decline in value is other-than-temporary. Factors considered in the evaluation include the following: 1) Thrivent Financial's ability to collect all amounts due according to the contractual terms of the debt security, 2) the financial condition of the issuer, 3) the near-term prospects of the issuer, 4) the length of time of the impairment, 5) the extent of the impairment, 6) Thrivent Financial's ability to hold the security for a period of time sufficient to allow for any anticipated recovery in the market and 7) Thrivent Financial's intent to

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Investments, continued

retain its investment in the security for a period of time sufficient to allow for any anticipated recovery in the market. Investments that are determined to be other-than-temporarily impaired are written down to fair value with the impairment included as a component of realized investment gains and losses or other comprehensive income, as appropriate. Changes in the allowances for mortgage loans and real estate are also included with realized investment gains and losses.

Cash and Cash Equivalents

Cash and cash equivalents are carried at amortized cost and include all highly liquid investments purchased with an original maturity of three months or less.

Deferred Acquisition Costs

Costs that vary with and are primarily attributable to the production of new and renewal business have been deferred to the extent such costs are deemed recoverable from future profits. Such costs include commissions, selling, selection and contract issue expenses.

For interest-sensitive life, participating life and investment products, these costs are amortized in proportion to estimated margins from interest, mortality and other factors under the contracts. Assumptions used in the amortization of deferred acquisition costs are periodically reviewed and updated as necessary to reflect actual experience. The impact of changes in assumptions is recognized as a component of amortization.

Amortization of acquisition costs for other contracts is charged to expense in proportion to premium revenue recognized.

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation expense is determined primarily using the straight-line method over the estimated useful lives of the assets, which range from 3 years for computer hardware and software to 40 years for buildings.

Separate Accounts

Separate account assets and liabilities reported in the accompanying Consolidated Balance Sheets represent funds that are separately administered for variable annuity, variable immediate annuity and variable universal life contracts and for which the contractholder, rather than Thrivent Financial, bears the investment risk. Fees charged on separate account contractholder deposits are recognized when due. Separate account assets are carried at fair value based on daily net asset values. Operating results of the separate accounts are not included in the Consolidated Statements of Operations.

Contract Liabilities and Accruals

Reserves for future contract benefits for participating life insurance are net level reserves computed using the same interest and mortality assumptions as used to compute cash values.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Contract Liabilities and Accruals, continued

Reserves for future contract benefits for nonparticipating life insurance are also net level reserves, computed using realistic assumptions as to mortality, interest and withdrawal, with a provision for adverse deviation.

Reserves for health contracts are generally computed using current pricing assumptions. For Medicare supplement, disability income and long-term care contracts, reserves are computed on a net level basis using realistic assumptions, with a provision for adverse deviation.

Claim reserves are established for future payments not yet due on claims already incurred, reported or unreported, relating primarily to health contracts. These reserves are based on past experience and applicable morbidity tables.

Contractholder Funds

Reserves for future contract benefits for universal life insurance and deferred annuities consist of contract account balances before applicable surrender charges with additional reserves for any death benefits that may exceed contract account balances.

Insurance Revenues and Benefits

For life and certain annuity contracts other than universal life or investment contracts, premiums are recognized as revenues over the premium paying period, with reserves for future benefits established on a prorated basis from such premiums.

Revenues for universal life and investment contracts consist of policy charges for the cost of insurance, policy administration and surrender charges assessed during the period. Expenses include interest credited to contract account balances and benefits incurred in excess of contract account balances. Certain profits on limited payment contracts are deferred and recognized over the contract term.

For health contracts, gross premiums are prorated over the contract term of the contracts with the unearned premium included in the contract reserves.

Investment Advisory Fees

Investment advisory fees consist of fees earned from investment advisory services performed for the Thrivent family of mutual funds and variable product investment funds.

Other Revenue

Other revenue consists of concession revenue and revenue from customers' securities transactions, including brokerage fees and distribution fees.

Dividends to Members

Thrivent Financial's insurance products are participating in nature. Dividends to members for these policies are recognized over the contract year and are reflected in the Consolidated Statements of Operations. The

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

Dividends to Members, continued

majority of life insurance contracts, except for universal life and term contracts, begin to receive dividends at the end of the second contract year. Dividends are not currently being paid on most interest-sensitive and health insurance contracts. Dividend scales are approved annually by Thrivent Financial's Board of Directors.

Fraternal Benefits and Expenses

Fraternal benefits and expenses include all fraternal activities, as well as expenses incurred to provide or administer fraternal benefits and expenses related to Thrivent Financial's fraternal character. This includes items such as benevolences to help meet the needs of people, educational benefits to raise community and family awareness of issues, church grants and costs necessary to maintain Thrivent Financial's fraternal branch system. Thrivent Financial conducts its fraternal activities primarily through its chapter system, which is made up of approximately 1,300 chapters, whose members participate in locally sponsored charitable activities.

Income Taxes

Thrivent Financial, as a fraternal benefit society, qualifies as a tax-exempt organization under the Internal Revenue Code; therefore, no provision for income taxes was recorded for the fraternal benefit society. Thrivent Financial's subsidiaries file a consolidated federal income tax return. The federal income tax provision is based upon amounts estimated to be currently payable and deferred income taxes resulting from temporary differences between financial statement carrying amounts and income tax bases of assets and liabilities using enacted income tax rates and laws.

Income tax expense recorded by Thrivent Financial's subsidiaries for the years ended December 31, 2011, 2010 and 2009, totaled \$15 million, \$12 million and \$1 million, respectively. This tax expense is included as a component of underwriting, acquisition and insurance expenses in the Consolidated Statements of Operations. Thrivent Financial's subsidiaries had a net deferred tax liability of \$13 million and \$15 million as of December 31, 2011 and 2010, respectively.

New Accounting Guidance

In July 2010, the Financial Accounting Standards Board ("FASB") updated the disclosures about the credit quality of financing receivables and the allowance for credit losses. The standard requires disclosures on a disaggregated basis for financing receivables and includes two levels: portfolio segment (rollforward of allowance for credit losses, credit quality indicators) and class of financing receivable (aging of past due receivables, nonaccrual status, impaired loans, troubled debt restructurings). Portfolio segment is the level at which an entity develops and documents a systematic method to determine its allowance for credit losses. Class of financing receivable is generally a disaggregation of portfolio segment. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2011.

In January 2010, the FASB updated the accounting standards for fair value measurements. The standard requires separately disclosing the purchases, sales and transfers for the Level 3 fair value measurements. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2011.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 1. Nature of Operations and Significant Accounting Policies, continued

Significant Accounting Policies, continued

New Accounting Guidance, continued

In January 2010, the FASB updated the accounting standards for fair value measurements. The standard requires separately disclosing the amounts of significant transfers into and out of Level 1 and Level 2 fair value measurements and describing the reasons for the transfers. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2010.

In June 2009, the FASB established the FASB Accounting Standards Codification™ (“Codification”) as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with GAAP. The Codification supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The Codification did not change GAAP but rather organized it into a hierarchy where all guidance within the Codification carries an equal level of authority. The Codification became effective on July 1, 2009.

In May 2009, the FASB updated the accounting standards on the recognition and disclosure of subsequent events. The standard also requires the disclosure of the date through which subsequent events were evaluated. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2009.

In April 2009, the FASB updated the accounting standards to provide guidance on estimating the fair value of a financial asset or liability when the trade volume and level of activity for the asset or liability have significantly decreased relative to historical levels. The standard requires entities to disclose the inputs and valuation techniques used to measure fair value and any changes in valuation inputs or techniques. In addition, debt and equity securities as defined by GAAP should be disclosed by major category. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2009.

In April 2009, the FASB updated the accounting standards for the recognition and presentation of other-than-temporary impairments for fixed maturity securities. Existing guidance was amended to require the credit portion of other-than-temporary impairment to be recorded in earnings and the noncredit portion of losses to be recorded in other comprehensive income. Separate presentation of both the credit and noncredit portions of other-than-temporary impairments is required. Thrivent Financial adopted the guidance for the annual reporting period ended December 31, 2009.

Subsequent Events

Thrivent Financial evaluated events or transactions that may have occurred after the Consolidated Balance Sheet date for potential recognition or disclosure through February 20, 2012, the date the consolidated financial statements were available to be issued.

During 2012, Thrivent Financial will adopt Accounting Standards Update 2010-26, *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. This standard establishes new guidance regarding the amount of costs that can be deferred as part of acquiring new insurance contracts. Thrivent Financial expects that the adoption of this new standard will significantly reduce the amount of costs that will be deferred.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments

Fixed Maturity Securities

The amortized cost and fair value of Thrivent Financial's investment in fixed maturity securities held in the available-for-sale portfolio are summarized as follows (in millions):

	<u>Amortized Cost</u>	<u>Gross Unrealized</u>		<u>Fair Value</u>
		<u>Gains</u>	<u>Losses</u>	
December 31, 2011				
U.S. government and agency securities	\$ 5,370	\$ 190	\$—	\$ 5,560
U.S. state and political subdivision securities	190	24	—	214
Securities issued by foreign governments	148	17	—	165
Corporate debt securities	22,915	2,506	121	25,300
Residential mortgage-backed securities	1,223	5	161	1,067
Commercial mortgage-backed securities	1,775	92	37	1,830
Collateralized debt obligations	6	1	—	7
Other debt obligations	<u>2,053</u>	<u>192</u>	<u>43</u>	<u>2,202</u>
Total fixed maturity securities	<u>\$33,680</u>	<u>\$3,027</u>	<u>\$362</u>	<u>\$36,345</u>
December 31, 2010				
U.S. government and agency securities	\$ 4,782	\$ 165	\$ 9	\$ 4,938
U.S. state and political subdivision securities	249	3	—	252
Securities issued by foreign governments	344	38	—	382
Corporate debt securities	21,633	1,697	110	23,220
Residential mortgage-backed securities	1,491	5	182	1,314
Commercial mortgage-backed securities	1,804	76	35	1,845
Collateralized debt obligations	4	—	—	4
Other debt obligations	<u>1,347</u>	<u>95</u>	<u>24</u>	<u>1,418</u>
Total fixed maturity securities	<u>\$31,654</u>	<u>\$2,079</u>	<u>\$360</u>	<u>\$33,373</u>

Thrivent Financial maintains a trading securities portfolio to support investment strategies that involve more frequent purchases and sales of securities. The amount of fixed maturity securities in the trading portfolio as of December 31, 2011 and 2010, totaled \$2,533 million and \$2,515 million, respectively. Changes in the fair value of such trading securities are included as a component of realized investment gains (losses) and totaled \$48 million, \$82 million and (\$85) million for the years ended December 31, 2011, 2010, and 2009, respectively.

The amortized cost and fair value of fixed maturity securities in the available-for-sale portfolio by contractual maturity as of December 31, 2011, 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.

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$ 1,218	\$ 1,259
Due after one year through five years	6,611	7,068
Due after five years through ten years	7,772	8,623
Due after ten years	<u>18,079</u>	<u>19,395</u>
Total fixed maturity securities	<u>\$33,680</u>	<u>\$36,345</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Equity Securities

The cost and fair value of Thrivent Financial's investment in equity securities are summarized as follows (in millions):

	<u>Cost</u>	<u>Gross Unrealized</u>		<u>Fair Value</u>
		<u>Gains</u>	<u>Losses</u>	
December 31, 2011				
Large-cap	\$270	\$ 16	\$ 13	\$273
Mid-cap	35	5	2	38
International	106	7	7	106
REITs	76	25	1	100
Preferred stock	56	1	1	56
Other	321	28	27	322
Total equity securities	<u>\$864</u>	<u>\$ 82</u>	<u>\$ 51</u>	<u>\$895</u>
December 31, 2010				
Large-cap	\$291	\$ 36	\$ 2	\$325
Mid-cap	66	21	1	86
International	133	21	7	147
REITs	74	24	—	98
Preferred stock	66	8	13	61
Other	210	30	3	237
Total equity securities	<u>\$840</u>	<u>\$140</u>	<u>\$ 26</u>	<u>\$954</u>

Included in the equities securities balances discussed above is approximately \$91 million and \$97 million of investments in mutual funds from the Thrivent Financial mutual fund family as of December 31, 2011 and 2010, respectively.

Aging of Unrealized Losses

The following table shows the fair value and gross unrealized losses aggregated by investment category and length of time that individual fixed maturity securities in the available-for-sale portfolio have been in a continuous unrealized loss position (dollars in millions):

	<u>Less than 12 Months</u>			<u>12 Months or More</u>		
	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
December 31, 2011						
U.S. government and agency securities	7	\$ 43	\$—	1	\$ —	\$—
Corporate debt securities	372	1,781	87	43	228	34
Residential mortgage-backed securities	14	98	2	91	737	159
Commercial mortgage-backed securities	18	241	24	6	85	13
Collateralized debt obligations	4	3	—	—	—	—
Other debt obligations	94	420	18	25	99	25
Total fixed maturity securities	<u>509</u>	<u>\$2,586</u>	<u>\$131</u>	<u>166</u>	<u>\$1,149</u>	<u>\$231</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Aging of Unrealized Losses, continued

	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, 2010						
U.S. government and agency securities	26	\$ 710	\$ 9	1	\$ —	\$—
U.S. state and political subdivision securities	3	13	—	—	—	—
Securities issued by foreign governments	2	16	—	—	—	—
Corporate debt securities	409	2,335	76	42	252	34
Residential mortgage-backed securities	8	70	3	97	983	179
Commercial mortgage-backed securities	11	136	2	16	276	33
Collateralized debt obligations	—	—	—	1	3	—
Other debt obligations	37	170	3	28	107	21
Total fixed maturity securities	496	\$3,450	\$ 93	185	\$1,621	\$267

The following table shows the fair value and gross unrealized losses by length of time that individual equity securities 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, 2011						
Large-cap	40	\$ 97	\$ 13	—	\$—	\$—
Mid-cap	36	14	2	—	—	—
International	2	39	7	—	—	—
REITs	35	9	1	—	—	—
Preferred stock	5	11	1	—	—	—
Other	163	120	27	—	—	—
Total equity securities	281	\$290	\$ 51	—	\$—	\$—
December 31, 2010						
Large-cap	17	\$ 51	\$ 2	—	\$—	\$—
Mid-cap	14	7	1	—	—	—
International	3	67	7	—	—	—
REITs	10	1	—	—	—	—
Preferred stock	3	9	1	1	1	12
Other	78	65	3	—	—	—
Total equity securities	125	\$200	\$ 14	1	\$ 1	\$ 12

Thrivent Financial performs periodic evaluations of its securities in accordance with its impairment policy in order to determine whether such securities are other-than-temporarily impaired. This review includes an evaluation of each security issuer's creditworthiness, such as its ability to generate operating cash flow and remain current on all debt obligations, as well as any changes in its credit ratings from third party agencies. Thrivent Financial also evaluates the severity and duration of any decline in fair value as another indicator of

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Aging of Unrealized Losses, continued

other-than-temporary impairment. Thrivent Financial takes into consideration the current market environment, near-term and long-term asset liability management strategies and target allocation strategies for various asset classes in evaluating the potential need to sell securities that are in an unrealized loss position but where there are no other indications of other-than-temporary impairment. Based on the investments within the available-for-sale portfolio, the asset/liability position and the market conditions that existed as of the Consolidated Balance Sheet date, Thrivent Financial has no pending decisions to sell any of the securities within its available-for-sale portfolio, and generally, 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. However, if a significant change in the capital markets occurs that affects the overall risk profile of its investment strategies, Thrivent Financial may need to update its assessment of its investment holdings. If, in response to changed conditions in the capital markets, Thrivent Financial 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.

Based on Thrivent Financial's current evaluation of its securities in accordance with its impairment policy, a determination was made that the declines in the securities summarized above are temporary in nature.

Mortgage Loans

Thrivent Financial invests in mortgage loans, principally involving commercial real estate (commercial loans) and residential mortgage loans (other loans). The unpaid principal balances of mortgage loans and the allowance for credit losses as of December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>
Commercial loans:		
Carrying value	\$7,540	\$7,461
Allowance for credit losses	(56)	(74)
Total commercial loans	<u>7,484</u>	<u>7,387</u>
Other loans:		
Carrying value	428	442
Allowance for credit losses	(6)	(8)
Total other loans	<u>422</u>	<u>434</u>
Total mortgage loans	<u>\$7,906</u>	<u>\$7,821</u>
Maximum loan-to-value ratio for loans issued during the year	83%	79%

Commercial Loans

The carrying values of commercial loans by credit quality as of December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>
In good standing	\$7,359	\$7,342
In good standing, with restructured terms	141	71
Delinquent	27	7
In process of foreclosure	13	41
Total commercial loans	<u>\$7,540</u>	<u>\$7,461</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Mortgage Loans, continued

Commercial Loans, continued

The distribution of Thrivent Financial's commercial loan investments among various geographic regions of the United States as of December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Pacific	25%	27%
South Atlantic	19	18
West North Central	13	13
East North Central	13	13
Mountain	11	10
West South Central	8	8
Mid Atlantic	8	8
Other	3	3
Total	<u>100%</u>	<u>100%</u>

The distribution of Thrivent Financial's commercial loan investments among various property types as of December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Industrial	31%	31%
Retail	22	21
Office	19	19
Church	14	14
Apartments	5	5
Hotel/Motel	3	3
Other	6	7
Total	<u>100%</u>	<u>100%</u>

The age analysis of commercial loans as of December 31 was as follows (in millions):

	<u>2011</u>	<u>2010</u>
Current	\$7,468	\$7,398
30 – 89 days past due	26	17
90 – 179 days past due	6	6
180+ days and non-accruing	40	40
Total commercial loans	<u>\$7,540</u>	<u>\$7,461</u>

Allowance for credit losses

An allowance for credit losses on commercial loans is maintained at a level believed to be adequate to absorb estimated probable credit losses. Thrivent Financial evaluates all loans on a periodic basis and assesses the adequacy of the valuation allowance based on known and inherent risks in the portfolio, adverse situations that may affect a borrower's ability to repay, the estimated value of the underlying collateral, composition of the

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Mortgage Loans, continued

Commercial Loans, continued

Allowance for credit losses, continued

loan portfolio, portfolio delinquency information, underwriting standards, peer group information, current economic conditions, loss experience and other relevant factors. The evaluation of impaired loans is subjective requiring the estimation of the timing and amount of future cash flows expected to be received on such loans.

When a commercial loan is determined to be uncollectible, any specific valuation allowance associated with the loan is reversed and a direct write-down to the carrying amount of the loan is made. The carrying amount of the loan is not adjusted for subsequent recoveries in value.

The changes in the allowance for credit losses for the years ended December 31 were as follows (in millions):

	2011	2010	2009
Allowance for credit losses, beginning of year	\$ 74	\$27	\$ 7
Net (reductions) additions	(18)	47	20
Allowance for credit losses, end of year	\$ 56	\$74	\$27

Impaired Loans

A loan is determined to be impaired when Thrivent Financial considers it probable that the principal and interest will not be collected according to the contractual terms of the loan agreement. At December 31, 2011, Thrivent Financial held impaired loans with a carrying value of \$52 million, an unpaid principal balance of \$63 million and a related allowance of \$10 million. At December 31, 2010, Thrivent Financial held impaired loans with a carrying value of \$32 million, an unpaid principal balance of \$36 million and a related allowance of \$12 million.

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 collectibility of the principal.

The accrual of interest on commercial loans is discontinued after the loans become 90 days delinquent on principal or interest payments, or if the loan has been determined to be impaired. When a loan is considered impaired any accrued but uncollectible interest on the impaired loan is charged against interest income in the period in which the loan is determined to be impaired. Generally, a loan is restored to accrual status only after all delinquent interest and principal are brought current and regular payment performance has been established. Thrivent Financial has impaired commercial loans totaling \$52 million and \$32 million as of December 31, 2011 and 2010, respectively. The average carrying value in impaired mortgage loans held on December 31, 2011, 2010 and 2009 was \$7 million, \$5 million and \$3 million, respectively. Interest income recognized on impaired loans totaled \$1.6 million, \$1.5 million and \$0.2 million during the years ended December 31, 2011, 2010 and 2009, respectively.

Restructured Loans

In certain circumstances, Thrivent Financial may modify the terms of a loan to maximize the collection of amounts due. During 2011, Thrivent Financial modified seven loans totaling \$50 million under these circumstances.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Mortgage Loans, continued

Commercial Loans, continued

Restructured Loans, continued

As of December 31, 2011, Thrivent Financial held eight commercial loans totaling \$52 million where loan modifications had occurred. During 2011, there were no modified commercial loans with a payment default.

Derivative Financial Instruments

Thrivent Financial 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 benefit features of certain variable annuity products. Thrivent Financial does not use hedge accounting treatment for any of its derivative financial instruments.

Foreign Currency Swaps

Thrivent Financial utilizes foreign currency swaps to manage the risk associated with changes in the exchange rate of foreign currency to U.S. dollar payments. The swaps are valued at fair value at each reporting period, and the change in the fair value is recognized in earnings. No cash is exchanged at the outset of the swaps, and interest payments received are recorded as a component of net investment income.

Credit Default Swaps

Thrivent Financial enters into credit default swaps (“CDS”) to buy loss protection from a counterparty in the event of default of a reference obligation or a reference pool of assets. The CDS swaps the credit risk of certain fixed maturity securities with the credit risk of a basket of U.S. securities and indices.

Futures

Thrivent Financial utilizes futures contracts to manage a portion of the risks associated with the guaranteed living benefit features of certain variable annuity products. Cash paid for the future contract is recorded in other investments. The futures contracts are valued at fair value at each reporting period, and the change in the fair value is recognized in earnings.

Covered Written Call Options

Thrivent Financial sells covered written call option contracts to enhance the return on residential mortgage-backed “to be announced” collateral that it owns. The premium received for these call options is recorded as a liability at fair value at each reporting period with the change in fair value recognized in earnings. All positions in these contracts are settled at month end. Upon disposition of the options, the gains are recorded as a component of net investment income. During the years ended December 31, 2011, 2010 and 2009, \$5 million, \$11 million and \$5 million, respectively, were received in call premium.

Options on Convertible Bonds and Preferred Stocks

Thrivent Financial owns bonds and preferred stocks with convertible options, which are recorded as embedded derivatives. The securities are bifurcated with the option value recorded in other investments. These embedded derivatives are valued at fair value at each reporting period, and the change in fair value is recognized in earnings.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Derivative Financial Instruments, continued

The following table summarizes the carrying values of derivative financial instruments, which equal fair value, included in other investments on the Consolidated Balance Sheets, and the notional amounts of Thrivent Financial's derivative financial instruments (in millions):

	Carrying Value	Notional Amount	Gain/Loss	Assets
				Consolidated Financial Statement Location
December 31, 2011				
Foreign currency swaps	\$ 6	\$ 89	\$—	Net investment income
Options on convertible bonds and preferred stocks	167	665	(65)	Realized investment gains (losses), net
Total	<u>\$173</u>	<u>\$754</u>	<u>\$ (65)</u>	
December 31, 2010				
Credit default swaps	\$—	\$—	\$ 2	Realized investment gains (losses), net
Foreign currency swaps	—	41	—	Net investment income
Options on convertible bonds and preferred stocks	271	668	29	Realized investment gains (losses), net
Total	<u>\$271</u>	<u>\$709</u>	<u>\$ 31</u>	
				Liabilities
	Carrying Value	Notional Amount	Gain/Loss	Consolidated Financial Statement Location
December 31, 2011				
Call options	\$—	\$—	\$ 1	Realized investment gains (losses), net
Futures	—	—	(51)	Realized investment gains (losses), net
Foreign currency swaps	(5)	31	—	Net investment income
Total	<u>\$ (5)</u>	<u>\$ 31</u>	<u>\$ (50)</u>	
December 31, 2010				
Call options	\$ (1)	\$100	\$ 3	Realized investment gains (losses), net
Futures	(5)	—	(43)	Realized investment gains (losses), net
Foreign currency swaps	(5)	47	(7)	Net investment income
Total	<u>\$ (11)</u>	<u>\$147</u>	<u>\$ (47)</u>	

Notional amounts do not represent amounts exchanged by the parties and are therefore not a measure of Thrivent Financial's exposure. The amounts exchanged are calculated on the basis of the notional amounts and the other terms of the instruments, such as interest rates, exchange rates, security prices or financial and other indices.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Securities Lending

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

	<u>2011</u>	<u>2010</u>
Loaned securities:		
Carrying value	\$445	\$370
Fair value	445	370
Cash collateral reinvested:		
Carrying value	\$455	\$378
Fair value	455	378
Aging of cash collateral liability:		
Open collateral positions	\$455	\$378

Net Investment Income

Investment income by type of investment for the years ended December 31 is summarized as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fixed maturity securities, available-for-sale	\$1,770	\$1,743	\$1,712
Equity securities	20	23	33
Mortgage loans	499	505	489
Contract loans	90	90	88
Other invested assets	205	146	(45)
	<u>2,584</u>	<u>2,507</u>	<u>2,277</u>
Investment expenses	39	42	34
Net investment income	<u>\$2,545</u>	<u>\$2,465</u>	<u>\$2,243</u>

Realized Investment Gains and Losses

Realized investment gains and losses for the years ended December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net gains (losses) on sales:			
Fixed maturity securities, available-for-sale:			
Gross gains	\$ 286	\$ 321	\$ 254
Gross losses	(123)	(120)	(93)
Equity securities:			
Gross gains	98	149	193
Gross losses	(61)	(60)	(234)
Other	102	9	(40)
	<u>302</u>	<u>299</u>	<u>80</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Realized Investment Gains and Losses, continued

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fixed maturity securities, trading	48	82	(85)
Provisions for losses:			
Fixed maturity securities, available-for-sale — credit related losses	(32)	(45)	(100)
Equity securities	—	—	(21)
Mortgage loans and other invested assets	(23)	(27)	(60)
	<u>(55)</u>	<u>(72)</u>	<u>(181)</u>
Realized investment gains (losses), net	<u>\$295</u>	<u>\$309</u>	<u>\$(186)</u>

During 2011 and 2010, Thrivent Financial recognized other-than-temporary impairments on structured securities totaling \$101 million and \$97 million, respectively. Based on cash flow analysis of the impaired securities, it was estimated that \$32 million of the 2011 impairment was credit related and \$69 million was related to other factors. It was estimated that \$41 million of the 2010 impairment was credit related and \$56 million was related to other factors. The credit-related portion of the impairment was recognized as a realized investment gain (loss) in the Consolidated Statements of Operations, while the impairment related to other factors was recognized in other comprehensive income.

The following table presents a rollforward of the cumulative amounts of other-than-temporary impairments reported in other comprehensive income (in millions):

	<u>2011</u>	<u>2010</u>
Losses included in accumulated other comprehensive income, January 1	\$ (64)	\$(48)
Additional impairments on securities held at beginning of year, recorded in realized investment gains (losses) in Consolidated Statements of Operations	16	8
Recognized (gain) loss in current year	—	1
Change in unrealized loss on securities held at beginning of year	(26)	9
Other-than-temporary impairments recorded in other comprehensive income for additional securities	(32)	(34)
Losses included in accumulated other comprehensive income, December 31	<u>\$(106)</u>	<u>\$(64)</u>

Proceeds from the sale of fixed maturity securities in the available-for-sale portfolio, net of mortgage dollar roll transactions, were \$7.8 billion, \$6.8 billion and \$5.3 billion for the years ended December 31, 2011, 2010 and 2009, respectively.

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income as of December 31 are shown below (in millions):

	<u>2011</u>	<u>2010</u>
Unrealized investment gains	\$2,847	\$1,954
Unrealized investment losses on previously impaired structured securities	(106)	(64)
Deferred acquisition costs adjustment	(635)	(452)
Loss reserve adjustment	(306)	(27)

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 2. Investments, continued

Accumulated Other Comprehensive Income, continued

	<u>2011</u>	<u>2010</u>
Deferred income taxes adjustment	(14)	(10)
Pension liability adjustment	(421)	(300)
Total	<u>\$1,365</u>	<u>\$1,101</u>

Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the years ended December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Unrealized investment gains and losses arising during the period on securities available-for-sale	\$1,019	\$1,482	\$3,971
Reclassification adjustment for realized gains and losses included in net income	(168)	(245)	(1)
Change in deferred acquisition costs due to unrealized investment gains and losses ..	(183)	(395)	(596)
Change in loss reserve adjustment	(279)	(27)	—
Change in deferred income taxes due to unrealized investment gains and losses	(4)	(6)	(23)
Pension liability adjustment	(121)	(5)	(22)
Total other comprehensive income	<u>\$ 264</u>	<u>\$ 804</u>	<u>\$3,329</u>

Note 3. Deferred Acquisition Costs

The changes in deferred acquisition costs for the years ended December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$2,110	\$2,068	\$2,002
Capitalization of acquisition costs	329	297	261
Acquisition costs amortized	(101)	(255)	(195)
	2,338	2,110	2,068
Adjustment for unrealized investment gains and losses	(635)	(452)	(57)
Balance at end of year	<u>\$1,703</u>	<u>\$1,658</u>	<u>\$2,011</u>

Note 4. Property and Equipment

The components of property and equipment as of December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>
Buildings	\$ 148	\$ 154
Furniture and equipment	187	359
Other	16	24
	351	537
Accumulated depreciation	(210)	(385)
Property and equipment, net	<u>\$ 141</u>	<u>\$ 152</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 4. Property and Equipment, continued

Depreciation expense for the years ended December 31, 2011, 2010 and 2009, was \$54 million, \$55 million and \$53 million, respectively.

Note 5. Product Liabilities

Future Contract Benefits and Contractholder Funds

Future contract benefits and contractholder funds by product type as of December 31 were as follows (in millions):

	<u>2011</u>		<u>2010</u>	
	<u>Future Contract Benefits</u>	<u>Contractholder Funds</u>	<u>Future Contract Benefits</u>	<u>Contractholder Funds</u>
Life	\$10,255	\$10,041	\$ 9,752	\$ 9,780
Annuity	3,464	14,865	3,188	14,250
Health	3,832	—	3,353	—
Other	—	450	—	428
Total	<u>\$17,551</u>	<u>\$25,356</u>	<u>\$16,293</u>	<u>\$24,458</u>

Direct life insurance in force was \$172 billion and \$169 billion at December 31, 2011 and 2010, respectively.

Variable Annuity Product Guarantees

Thrivent Financial's variable annuity contracts provide guarantees under certain circumstances. Most contracts include a guaranteed minimum benefit in the event of death ("GMDB"), while for some contracts the policyholder may elect to purchase a guaranteed minimum accumulation benefit ("GMAB") or a guaranteed lifetime withdrawal benefit ("GLWB"). A net amount at risk for these guarantees exists when the guaranteed amount under the contract is in excess of the current account balance. Thrivent Financial monitors these guarantees and establishes reserves to cover any potential future benefit payment.

The GMDBs provide a death benefit in excess of the account value if the account value is less than the guaranteed minimum amount. This amount may be based on a return of premium (the premium paid less amounts withdrawn), a premium accumulation death benefit (an accumulation of premium at a specified interest rate adjusted for withdrawals), a six-year reset (the contract value on a specified anniversary date adjusted for subsequent withdrawals, which is allowed to decrease when reset), a maximum anniversary (the contract value on a specified anniversary date adjusted for subsequent withdrawals, which is never allowed to decrease when reset) or an earnings accumulation death benefit (an additional 40% is added to the lesser of premium or excess of account value over premium).

The GMABs provide the annuity contractholder with a guaranteed minimum return on account value at the end of the product's guarantee period. If the account value is below that guarantee at the end of the period, the account value is increased to the guaranteed level and the contract continues from that point. Options for the guarantee period are seven and ten years.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 5. Product Liabilities, continued

Variable Annuity Product Guarantees, continued

The GLWBs provide the contractholder with a guarantee that a minimum amount will be available for withdrawal annually regardless of contract value for the term of the contract.

Additional information on these contract guarantees as of December 31 is as follows (in millions):

	<u>GMDB</u>	<u>GMAB</u>	<u>GLWB</u>
2011			
Account value	\$16,481	\$2,051	\$1,208
Net amount at risk	\$ 673	\$ 42	\$ 60
Reserves recorded	\$ 6	\$ 65	\$ —
Average attained age of contractholders	59.1	60.5	64.9
2010			
Account value	\$15,607	\$1,391	\$ 854
Net amount at risk	\$ 409	\$ 3	\$ 8
Reserves recorded	\$ 4	\$ (35)	\$ (21)
Average attained age of contractholders	59.6	60.7	65.5

Variable Life and Annuity Product Assets

Contractholders elect the investment options that the variable account provides for investing from a selection of 41 different investment options. Contractholders that elect the GMAB and GLWB riders on these contracts can choose only three specific funds included in this pool.

The distribution of investments in the separate account assets as of December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Equity funds	54%	58%
Bonds funds	34	31
Balanced funds	9	8
Other	3	3
Total separate account assets	<u>100%</u>	<u>100%</u>

Note 6. Claims Liabilities

Activity in the liabilities for accident and health, long-term care and disability benefits, included in reserves for future policy benefits and claims liabilities for the years ended December 31 is summarized below (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net balance at January 1	\$649	\$587	\$511
Incurred related to:			
Current year	285	258	237
Prior years	16	44	59
Total incurred	<u>301</u>	<u>302</u>	<u>296</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 6. Claims Liabilities, continued

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Paid related to:			
Current year	63	55	61
Prior years	<u>189</u>	<u>185</u>	<u>159</u>
Total paid	<u>252</u>	<u>240</u>	<u>220</u>
Net balance at December 31	<u>\$698</u>	<u>\$649</u>	<u>\$587</u>

Thrivent Financial uses estimates for determining its liability for accident and health, long-term care and disability benefits. These estimates are based on historical claim payment patterns and attempt to provide for potential adverse changes in claim patterns and severity. Thrivent Financial annually reviews the claim payment experience to evaluate the methodology and assumptions that are used in determining its estimate of ultimate claims experience. Differences between anticipated claims and actual claims can result in adjustments to liabilities in each year. During 2009, Thrivent Financial updated its assumptions regarding the ultimate claim termination rates associated with its long-term care business, which resulted in an increase in the claim liability of approximately \$36 million.

Note 7. Reinsurance

Thrivent Financial participates in reinsurance in order to limit its maximum losses and to diversify its exposures. Life and accident and health reinsurance is accomplished through various plans of reinsurance, primarily coinsurance and yearly renewable term. Ceded balances would represent a liability of Thrivent Financial in the event the reinsurers were unable to meet their obligations under the terms of the reinsurance agreements.

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 Consolidated Statements of Operations for the years ended December 31 were as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Direct premiums	\$1,625	\$1,640	\$1,460
Reinsurance ceded	<u>(66)</u>	<u>(62)</u>	<u>(56)</u>
Net premiums	<u>\$1,559</u>	<u>\$1,578</u>	<u>\$1,404</u>
Direct benefits	\$1,442	\$1,364	\$1,339
Reinsurance ceded	<u>(38)</u>	<u>(29)</u>	<u>(27)</u>
Net contract claims and other benefits	<u>\$1,404</u>	<u>\$1,335</u>	<u>\$1,312</u>
Reinsurance recoveries	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 7</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 7. Reinsurance, continued

Reinsurance contracts do not relieve an insurer from its primary obligation to policyholders. Reinsurance recoverables on life and accident and health claims included in receivables in the Consolidated Balance Sheets as of December 31, 2011 and 2010, were \$171 million and \$175 million, respectively.

Four reinsurance companies account for approximately 94% of the reinsurance recoverable at December 31, 2011. Thrivent Financial periodically reviews the financial condition of its reinsurers and amounts recoverable in order to evaluate the financial strength of the companies supporting the recoverable balances.

Note 8. Fair Value of Financial Instruments

Fair Value of Financial Instruments Carried at Fair Value

In estimating the fair values for financial instruments carried at fair value, 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 that evaluation:

- Level 1: Fair value based on quoted prices for identical assets in active markets that are accessible.
- Level 2: Fair value 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.
- Level 3: Fair value based on significant value driver inputs that are not observable.

Fixed Maturity Securities

Fair values for fixed maturity securities are primarily based on quoted market prices in active markets, where available. These primarily include U.S. Treasury bonds.

When quoted prices are not available, prices are obtained from a third party pricing vendor. 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. These primarily include corporate debt securities and asset-backed securities.

If a price cannot be obtained from a third party pricing vendor, a broker quote may be obtained or an internal pricing model specific to the asset may be utilized. The internal pricing models apply practices that are standard among the industry, utilize observable market data where available and include unobservable inputs such as issuer spreads, estimated cash flows, internal credit ratings and volatility adjustments. These primarily include private placement debt securities and other debt obligations.

Equity Securities

The fair values for investments in equity securities are primarily based on quoted market prices in active markets.

Short-Term Investments

Short-term investments carried at fair value consist of investments in money market mutual funds. The fair value for these investments is based on quoted daily net asset values of the invested funds.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Carried at Fair Value, continued

Limited Partnerships

Limited partnerships carried at fair value primarily include private equity investments. The fair values of private equity investments are valued primarily using internal valuation methodologies designed for specific asset classes utilizing both income and market-based approaches, where possible. Limited partnerships are valued based on audited GAAP equity provided by the partnership's management and adjusted for subsequent cash flows.

Other Investments

Other investments carried at fair value primarily include derivatives. The fair values of futures and equity options are the closing price of their actively traded exchanges. Bond options and swaps have fair values derived from broker quotes that rely on both observable and unobservable inputs.

Assets Held in Separate Accounts

The fair values for separate account assets are based on quoted daily net asset values of the funds in which the separate accounts are invested.

The fair values of Thrivent Financial's financial instruments carried at fair value were as follows (in millions):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair Value at December 31, 2011:				
Fixed maturity securities:				
U.S. government and agency securities	\$1,255	\$ 6,838	\$ —	\$ 8,093
U.S. state and political subdivision securities	—	214	—	214
Securities issued by foreign governments	—	165	—	165
Corporate debt securities	—	20,941	4,359	25,300
Residential mortgage-backed securities	—	1,067	—	1,067
Commercial mortgage-backed securities	—	1,830	—	1,830
Collateralized debt obligations	—	—	7	7
Other debt obligations	—	1,484	718	2,202
Equity securities:				
Large-cap	270	3	—	273
Mid-cap	38	—	—	38
International	—	106	—	106
REITs	100	—	—	100
Preferred stocks	—	54	2	56
Other	236	70	16	322
Short-term investments	—	159	—	159
Limited partnerships	—	—	1,525	1,525
Other investments	—	170	15	185
Assets held in separate accounts	—	14,249	—	14,249
	<u>\$1,899</u>	<u>\$47,350</u>	<u>\$6,642</u>	<u>\$55,891</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Carried at Fair Value, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair Value at December 31, 2010:				
Fixed maturity securities:				
U.S. government and agency securities	\$1,295	\$ 6,155	\$ 3	\$ 7,453
U.S. state and political subdivision securities	—	252	—	252
Securities issued by foreign governments	—	354	28	382
Corporate debt securities	—	18,932	4,288	23,220
Residential mortgage-backed securities	—	1,305	9	1,314
Commercial mortgage-backed securities	—	1,814	31	1,845
Collateralized debt obligations	—	—	4	4
Other debt obligations	—	1,156	262	1,418
Equity securities:				
Large-cap	325	—	—	325
Mid-cap	86	—	—	86
International	—	147	—	147
REITs	98	—	—	98
Preferred stocks	—	61	—	61
Other	188	49	—	237
Short-term investments	—	207	—	207
Limited partnerships	—	—	1,181	1,181
Other investments	6	274	12	292
Assets held in separate accounts	—	13,796	—	13,796
Total	<u>\$1,998</u>	<u>\$44,502</u>	<u>\$5,818</u>	<u>\$52,318</u>

For those financial instruments carried on the Consolidated Balance Sheets at fair value and whose fair value is categorized as Level 3, the following table shows the changes in fair value for the years ended December 31, 2011 and 2010 (in millions):

	<u>Balance, January 1</u>	<u>Realized gains and losses included in net income</u>	<u>Unrealized gains and losses included in other compre- hensive income</u>	<u>Purchases, sales, maturities and transfers, net</u>	<u>Balance, December 31</u>
December 31, 2011					
Fixed maturity securities:					
U.S. government and agency securities	\$ 3	\$—	\$—	\$ (3)	\$ —
Securities issued by foreign governments	28	(2)	(3)	(23)	—
Corporate debt securities	4,288	9	183	(121)	4,359
Residential mortgage-backed securities	9	—	(1)	(8)	—
Commercial mortgage-backed securities	31	—	—	(31)	—
Collateralized debt obligations	4	6	1	(4)	7
Other debt obligations	262	1	(5)	460	718
Preferred stocks	—	—	(1)	3	2
Other equity securities	—	—	(2)	18	16
Limited partnerships	1,181	263	—	81	1,525
Other investments	12	7	(6)	2	15
Total	<u>\$5,818</u>	<u>\$284</u>	<u>\$166</u>	<u>\$ 374</u>	<u>\$6,642</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Carried at Fair Value, continued

	<u>Balance, January 1</u>	<u>Realized gains and losses included in net income</u>	<u>Unrealized gains and losses included in other compre- hensive income</u>	<u>Purchases, sales, maturities and transfers, net</u>	<u>Balance, December 31</u>
December 31, 2010					
Fixed maturity securities:					
U.S. government and agency securities	\$ —	\$—	\$—	\$ 3	\$ 3
Securities issued by foreign governments	—	—	1	27	28
Corporate debt securities	4,300	14	63	(89)	4,288
Residential mortgage-backed securities	7	2	3	(3)	9
Commercial mortgage-backed securities	4	—	7	20	31
Collateralized debt obligations	19	(6)	5	(14)	4
Other debt obligations	138	1	16	107	262
Other equity securities	2	—	—	(2)	—
Limited partnerships	836	159	—	186	1,181
Other investments	30	(6)	5	(17)	12
Total	<u>\$5,336</u>	<u>\$164</u>	<u>\$100</u>	<u>\$218</u>	<u>\$5,818</u>

	<u>Purchases</u>	<u>Issuances</u>	<u>Sales</u>	<u>Settlements</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Purchases, sales, maturities, transfers, net</u>
December 31, 2011							
Fixed maturity securities:							
U.S. government and agency securities	\$ —	\$—	(1)	\$—	\$—	\$ (2)	\$ (3)
Securities issued by foreign governments	—	—	(23)	—	—	—	(23)
Corporate debt securities	957	—	(471)	—	12	(619)	(121)
Residential mortgage-backed securities	—	—	(1)	—	—	(7)	(8)
Commercial mortgage-backed securities	—	—	(2)	—	—	(29)	(31)
Collateralized debt obligations	7	—	(11)	—	—	—	(4)
Other debt obligations	10	—	(40)	—	572	(82)	460
Preferred Stocks	5	—	(2)	—	—	—	3
Other equity securities	17	—	—	—	1	—	18
Limited partnerships	331	—	(250)	—	—	—	81
Other investments	1	—	1	—	—	—	2
Total	<u>\$1,328</u>	<u>\$—</u>	<u>(800)</u>	<u>\$—</u>	<u>\$585</u>	<u>\$(739)</u>	<u>\$ 374</u>

December 31, 2010							
Fixed maturity securities:							
U.S. government and agency securities	\$ —	\$—	\$ (2)	\$—	\$ 5	\$ —	\$ 3
Securities issued by foreign governments	—	—	—	—	27	—	27
Corporate debt securities	653	—	(616)	—	54	(180)	(89)
Residential mortgage-backed securities	—	—	(3)	—	—	—	(3)
Commercial mortgage-backed securities	—	—	(1)	—	21	—	20
Collateralized debt obligations	—	—	(15)	—	1	—	(14)
Other debt obligations	7	—	(47)	—	173	(26)	107
Other equity securities	—	—	—	—	—	(2)	(2)
Limited partnerships	328	—	(142)	—	—	—	186
Other investments	—	—	(15)	—	—	(2)	(17)
Total	<u>\$ 988</u>	<u>\$—</u>	<u>\$(841)</u>	<u>\$—</u>	<u>\$281</u>	<u>\$(210)</u>	<u>\$ 218</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Carried at Fair Value, continued

Transfers into and out of Level 3 assets include transfers to and from Level 1 and Level 2 securities, as well as reclassification adjustments within the Level 3 asset categories.

The amounts of gains (losses) recognized in net income attributable to the change in unrealized gains (losses) related to assets still held at December 31, were as follows (in millions):

	2011	2010
Limited partnerships	\$323	\$219
Other investments	6	—
Total	\$329	\$219

The fair values of significant transfers of Thrivent Financial's Level 1 and Level 2 fair value measurements were as follows (in millions):

	Level 1	Level 2
Fair value at December 31, 2011:		
Transfers into	\$—	\$ 184
Transfers out of	—	(31)
Fair value at December 31, 2010:		
Transfers into	\$ 4	\$ 31
Transfers out of	—	(105)

The transfers during 2011 and 2010 were due to price source changes.

Fair Value of Financial Instruments Not Carried at Fair Value

The following methods and assumptions were used in estimating fair value disclosures for financial instruments not carried at fair value.

Mortgage Loans

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.

Contract Loans

The carrying amounts for these instruments approximate their fair values.

Short-Term Investments

Short-term investments not carried at fair value consist primarily of investments in commercial paper and agency notes. The carrying amounts for these investments approximate their fair values.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Not Carried at Fair Value, continued

Other Investments

Other investments not carried at fair value primarily include investments in equity limited partnerships, real estate and real estate joint ventures. Limited partnerships are valued based on audited GAAP equity provided by the partnership's management and adjusted for subsequent cash flows. The fair values of real estate and real estate joint ventures are estimated primarily using various market valuation techniques.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, commercial paper and agency notes. The carrying amounts for these instruments approximate their fair values.

Policyholder Account Balances

The fair values for investment-type contracts, such as deferred annuities, liabilities related to separate accounts, 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.

Liabilities Related to Separate Accounts

The carrying amounts for these instruments reflect the amounts in the separate account assets and approximate their fair values.

Other Liabilities

The fair values for other liabilities, such as interest-bearing withdrawal accounts and fixed-rate certificates of deposit, are based on current market interest rates offered for these products. Fair values for other liabilities with fixed maturities are estimated based on cash flow analysis using discount rates of similar instruments.

The carrying values and estimated fair values of Thrivent Financial's financial instruments not carried at fair value as of December 31 were as follows (in millions):

	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Mortgage loans	\$ 7,906	\$ 8,566	\$ 7,821	\$ 7,920
Contract loans	1,273	1,273	1,275	1,275
Short-term investments	542	542	490	490
Other investments	544	548	568	606
Cash and cash equivalents	1,504	1,504	1,097	1,097
Financial liabilities:				
Policyholder account balances	14,918	14,805	14,302	14,195
Liabilities related to separate accounts	14,249	14,249	13,796	13,796
Other liabilities	475	477	472	469

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

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 8. Fair Value of Financial Instruments, continued

Fair Value of Financial Instruments Not Carried at Fair Value, continued

Other Liabilities, continued

many cases, could not be realized in immediate settlement of the financial instrument. These fair values are for certain financial instruments of Thrivent Financial; accordingly, the aggregate fair value amounts presented do not represent the underlying value of Thrivent Financial.

Note 9. Benefit Plans

Pension and Other Postretirement Benefits

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

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

	<u>Retirement Plans</u>			<u>Other Plans</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Service cost	\$ 17	\$ 18	\$ 16	\$ 3	\$ 3	\$ 3
Interest cost	42	42	42	8	8	8
Expected return on plan assets	(55)	(53)	(52)	—	—	—
Amortization of prior service cost	(1)	(1)	—	(1)	(1)	(1)
Other	12	7	—	3	3	2
Periodic cost	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 12</u>

The plans' funded status and the amounts recognized in the consolidated financial statements as of December 31 were as follows (in millions):

	<u>Retirement Plan</u>		<u>Other Plans</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Change in projected benefit obligation:				
Benefit obligation, beginning of year	\$ 784	\$ 730	\$ 145	\$ 139
Service cost	17	18	3	3
Interest cost	42	42	8	8
Actuarial loss (gain)	70	28	3	2
Benefits paid	(34)	(34)	(6)	(7)
Benefit obligation, end of year	<u>879</u>	<u>784</u>	<u>153</u>	<u>145</u>
Change in plan assets:				
Fair value of plan assets, beginning of year	604	549	—	—
Actual return on plan assets	(6)	69	—	—
Employer contribution	30	20	6	7
Benefits paid	(34)	(34)	(6)	(7)
Fair value of plan assets, end of year	<u>594</u>	<u>604</u>	<u>—</u>	<u>—</u>
Funded status	<u>\$(285)</u>	<u>\$(180)</u>	<u>\$(153)</u>	<u>\$(145)</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

	<u>Retirement Plan</u>		<u>Other Plans</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Amounts recognized in accumulated other comprehensive income:				
Prior service credit	\$ (3)	\$ (3)	\$ (1)	\$ (2)
Net loss	375	255	50	50
Total recognized	<u>\$372</u>	<u>\$252</u>	<u>\$ 49</u>	<u>\$ 48</u>
Accumulated benefit obligation	<u>\$835</u>	<u>\$737</u>	<u>\$153</u>	<u>\$145</u>

As of December 31, 2011 and 2010, the accumulated benefit obligation of the retirement plan and of other benefit plans exceeded the fair value of the assets. As a result, a benefit obligation liability was included in other liabilities in the Consolidated Balance Sheets.

Thrivent Financial periodically evaluates the long-term earned rate assumption, taking into consideration historical performance of the plan's assets as well as current asset diversification and investment strategy in determining the rate of return assumption used in calculating the plan's benefit expenses and obligation.

	<u>Retirement Plan</u>		<u>Other Benefits</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Weighted average assumptions at end of year:				
Discount rate	5.00%	5.50%	5.00%	5.50%
Expected return on plan assets	8.25	8.50	N/A	N/A
Rate of compensation increase	2.50	3.00	N/A	N/A

The assumed health care cost trend rate used in measuring the postretirement health care benefit obligation was 7.5% in 2011, trending down to 5% in 2021. The assumed health care cost trend rates can have a significant impact on the amounts reported. For example, a one-percentage point increase in the rate would increase the 2011 total service and interest cost by \$1 million and the postretirement health care benefit obligation by \$15 million. 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. This subsidy has been taken into consideration in the calculation of the net periodic postretirement benefit costs and the accumulated postretirement benefit obligation.

Estimated benefit payments for the next ten years are as follows: 2012 — \$49 million; 2013 — \$51 million; 2014 — \$53 million; 2015 — \$56 million; 2016 — \$59 million; and 2017 to 2021 — \$338 million.

The assets of Thrivent Financial's qualified defined benefit plan are held in trust. Thrivent Financial has a benefit plan advisory 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 Financial employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk.

The investment portfolio contains a diversified portfolio of investment categories, including equities and fixed income securities. Target allocations for plan assets are 60% equity securities and 40% fixed income and other securities. Securities are also diversified in terms of domestic and international securities, short- and

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

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 its pension obligations in the future.

The fair values of the defined benefit plan by asset category as described previously in the fair value footnote are as follows (in millions):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair Value at December 31, 2011:				
Fixed maturity securities:				
U.S. government and agency securities	\$ 52	\$ 60	\$—	\$112
U.S. state and political subdivision securities	—	1	—	1
Securities issued by foreign governments	—	4	—	4
Corporate debt securities	—	42	—	42
Residential mortgage-backed securities	—	7	1	8
Commercial mortgage-backed securities	—	9	—	9
Other debt obligations	—	2	—	2
Equity securities:				
Large-cap	224	1	—	225
International	—	78	—	78
REITs	64	—	—	64
Other	47	—	—	47
Short-term investments	—	11	—	11
Cash and cash equivalents	—	36	—	36
Total	<u>\$387</u>	<u>\$251</u>	<u>\$ 1</u>	<u>\$639</u>
Fair Value at December 31, 2010:				
Fixed maturity securities:				
U.S. government and agency securities	\$ 62	\$ 57	\$—	\$119
U.S. state and political subdivision securities	—	1	—	1
Corporate debt securities	—	30	—	30
Residential mortgage-backed securities	—	5	—	5
Commercial mortgage-backed securities	—	11	—	11
Other debt obligations	—	12	—	12
Equity securities:				
Large-cap	232	—	—	232
International	—	91	—	91
REITs	59	—	—	59
Other	48	—	—	48
Short-term investments	—	1	—	1
Cash and cash equivalents	—	40	—	40
Total	<u>\$401</u>	<u>\$248</u>	<u>\$—</u>	<u>\$649</u>

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 9. Benefit Plans, continued

Pension and Other Postretirement Benefits, continued

The fair value of defined benefit plan assets as presented in the table above does not include net accrued liabilities in the amount of \$45 million as of both December 31, 2011 and 2010.

There were no significant transfers of defined benefit plan Level 1 and Level 2 fair value measurements during 2011 or 2010.

The following table shows the changes in fair values for the residential mortgage-backed securities categorized as Level 3 (in millions):

Balance, January 1, 2011	\$—
Transfers into Level 3	1
Balance, December 31, 2011	\$ 1

The minimum pension contribution required for 2011 under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) guidelines will be determined in 2012.

Defined Contribution Plans

Thrivent Financial 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 Financial will match participant contributions up to 6% of eligible earnings. In addition, Thrivent Financial will contribute a percentage of eligible earnings for participants in a noncontributory plan for field employees.

For the years ended December 31, 2011, 2010 and 2009, Thrivent Financial contributed \$18 million, \$27 million and \$26 million, respectively, to these plans.

As of December 31, 2011 and 2010, \$105 million and \$109 million, respectively, of the assets of the defined contribution plans were invested in a deposit administration contract issued by Thrivent Financial.

Note 10. Other Matters

Commitments and Contingent Liabilities

Litigation and Other Proceedings

Thrivent Financial is involved in various lawsuits, contractual matters and other contingencies that have arisen from the normal course of business. Thrivent Financial assesses its exposure to these matters periodically and adjusts its provision accordingly. As of December 31, 2011, Thrivent Financial believes adequate provision has been made for any losses that may result from these matters.

Financial Instruments

Thrivent Financial 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 Consolidated Balance Sheets. Thrivent Financial’s

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 10. Other Matters, continued

Commitments and Contingent Liabilities, continued

Financial Instruments, continued

exposure to credit loss in the event of nonperformance 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 Financial has commitments to extend credit for mortgage loans, church loans and other lines of credit at market interest rates. These commitments totaled \$60 million and \$71 million as of December 31, 2011 and 2010, respectively. Commitments to purchase other invested assets were \$1,398 million and \$1,472 million as of December 31, 2011 and 2010, respectively.

Financial Guarantees

Thrivent Financial has entered into an agreement to purchase certain debt obligations of a third party civic organization, totaling \$37 million, in the event certain conditions occur, as defined in the agreement. This agreement is secured by the assets of the third party.

Leases

Thrivent Financial has operating leases for certain office equipment and real estate. Rental expense for these items totaled \$9 million, \$8 million and \$8 million for the years ended December 31, 2011, 2010 and 2009, respectively. Future minimum aggregate rental commitments as of December 31, 2011, for operating leases were as follows: 2012—\$5 million; 2013—\$3 million; 2014 — \$2 million; 2015 — \$0.5 million; and 2016 — \$0.3 million. Thrivent Financial has expensed and recorded corresponding liabilities for lease agreements terminated early or no longer used for their intended purpose. The value of the liability for these lease agreements was \$0.3 million as of December 31, 2011.

Thrivent Financial has rental income generated from properties acquired through default on mortgage loans held and from rental space in its corporate headquarters building. The cost and carrying value of the properties acquired through default on mortgage loans as of December 31, 2011, was \$42 million. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2011, are as follows: 2012 —\$3 million; 2013 — \$2 million; 2014 — \$1 million; 2015 — \$1 million; and 2016 — \$1 million.

Subsidiary Debt

Thrivent Financial holds a majority-owned subsidiary with \$33 million and \$34 million of long-term debt at December 31, 2011 and 2010, respectively, which is included in other liabilities on the Consolidated Balance Sheets. The debt has no recourse to Thrivent Financial, matures at various dates through 2013 and carries interest rates based on LIBOR plus a spread with a minimum interest rate floor.

Note 11. Synopsis of Statutory Financial Results

The accompanying consolidated financial statements differ from those prepared in accordance with statutory accounting practices prescribed or permitted by the primary states regulating Thrivent Financial. Prescribed accounting practices are included in the National Association of Insurance Commissioner's *Accounting Practices*

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 11. Synopsis of Statutory Financial Results, continued

and Procedures Manual. Permitted practices are accounting practices that may deviate from prescribed practices upon the approval of the primary states regulating Thrivent Financial. The synopsis of statutory financial results is included to satisfy certain state reporting requirements for fraternal benefit societies.

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

Fixed Maturity Securities

For statutory purposes, investments in fixed maturity securities are reported at amortized cost.

Acquisition Costs

Costs incurred to acquire new business are charged to operations as incurred.

Contract Liabilities

Liabilities for future contract benefits and expenses are determined using statutorily prescribed rates for mortality and interest.

Non-Admitted Assets

Certain assets, primarily furniture, equipment and agents' debit balances, are charged directly to members' equity and excluded from the Consolidated Balance Sheets.

Interest Maintenance Reserve

Certain realized investment gains and losses for fixed maturity securities sold prior to their maturity are deferred and amortized into operating results over the remaining maturity of the sold security.

Asset Valuation Reserve

A reserve, charged directly to members' equity, is maintained based on certain risk factors applied to invested asset classes.

Premiums and Withdrawals

Funds deposited and withdrawn on universal life and investment-type contracts are recorded in the Consolidated Statements of Operations.

Consolidation

Subsidiaries are not consolidated into the statutory results; rather, the equity method of accounting for the ownership of subsidiaries is used, with the change in the value of the subsidiaries reflected as a direct adjustment of members' equity.

Thrivent Financial for Lutherans
Notes to Consolidated Financial Statements, continued

Note 11. Synopsis of Statutory Financial Results, continued

Summarized statutory-basis financial information as of December 31, 2011 and 2010, and for the years ended December 31, 2011, 2010 and 2009, for Thrivent Financial is as follows (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Admitted assets	\$62,257	\$59,225	\$54,372
Liabilities	\$58,253	\$55,129	\$50,245
Surplus	<u>4,004</u>	<u>4,096</u>	<u>4,127</u>
Total liabilities and surplus	<u>\$62,257</u>	<u>\$59,225</u>	<u>\$54,372</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gain from operations before net realized capital gains and losses	\$ 480	\$ 268	\$ 275
Net realized capital losses	<u>(56)</u>	<u>(19)</u>	<u>(293)</u>
Net income (loss)	424	249	(18)
Total other surplus changes	<u>(516)</u>	<u>(280)</u>	<u>210</u>
Net change in unassigned surplus	<u>\$ (92)</u>	<u>\$ (31)</u>	<u>\$ 192</u>

Thrivent Financial is in compliance with the statutory surplus requirements of all states.

Report of Independent Auditors on Other Financial Information

The Board of Directors
Thrivent Financial for Lutherans

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules I, III and IV is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst + Young LLP

Minneapolis, Minnesota
April 23, 2012

Thrivent Financial for Lutherans
Supplementary Insurance Information
Schedule I — Summary of Investments — Other than Investments in Related Parties
As of December 31, 2011
(in millions)

<u>Type of Investment</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Amount Shown on Balance Sheet⁽¹⁾</u>
Fixed maturities:			
Bonds:			
U.S.government and government agencies and authorities	\$ 7,786	\$ 8,093	\$ 8,093
State, municipalities and political subdivisions	190	214	214
Foreign governments	148	165	165
Public utilities	2,955	3,395	3,395
Convertibles and bonds with warrants attached	763	813	813
All other corporate bonds	24,490	26,420	26,420
Certificates of deposit	—	—	—
Redeemable preferred stock	—	—	—
Total fixed maturities	<u>36,332</u>	<u>39,100</u>	<u>39,100</u>
Equity securities:			
Common stocks:			
Public utilities	16	17	17
Banks, trust and insurance companies	117	122	122
Industrial, miscellaneous and all other	674	700	700
Nonredeemable preferred stocks	—	—	—
Total equity securities	<u>807</u>	<u>839</u>	<u>839</u>
Mortgage loans on real estate	7,906		7,906
Real estate	51		51
Policy loans	1,273		1,273
Other long-term investments	2,037		2,037
Short-term investments	701		701
Total investments	<u>\$49,107</u>		<u>\$51,907</u>

(1) Amount on balance sheet differs from the consolidated balance sheet due to classification differences in this Schedule.

Thrivent Financial for Lutherans
Schedule III — Supplementary Insurance Information
As of and For the Year Ended December 31, 2011
(in millions)

As of December 31, 2011:

	<u>Deferred acquisition costs</u>	<u>Future policy benefits</u>	<u>Unearned premiums</u>	<u>Other policy claims payable</u>
Life	\$ 813	\$10,255	\$—	\$10,152
Annuity	764	3,464	—	14,950
Health	126	3,775	57	32
Other, non-insurance	—	—	—	450
	<u>\$1,703</u>	<u>\$17,494</u>	<u>\$ 57</u>	<u>\$25,584</u>

For the year ended December 31, 2011:

	<u>Premium revenue</u>	<u>Net investment income</u>	<u>Benefits, claims, etc</u>	<u>Amortization of deferred acquisition costs</u>	<u>Other operating expenses</u>
Life	\$ 866	\$1,251	\$2,110	\$ 60	\$255
Annuity	374	986	1,179	25	243
Health	319	256	458	16	31
Other, non-insurance	—	52	14	—	306
	<u>\$1,559</u>	<u>\$2,545</u>	<u>\$3,761</u>	<u>\$101</u>	<u>\$835</u>

Thrivent Financial for Lutherans

Schedule IV — Reinsurance

As of December 31, 2011

(in millions)

	<u>Direct amount</u>	<u>Ceded to other companies</u>	<u>Assumed from other companies</u>	<u>Net amount</u>	<u>Percentage of amount assumed to net</u>
Life insurance inforce	\$171,744	\$38,812	\$—	\$132,932	—
Premiums:					
Life	932	66	—	866	—
Annuity	374	—	—	374	—
Health	319	—	—	319	—
	<u>\$ 1,625</u>	<u>\$ 66</u>	<u>\$—</u>	<u>\$ 1,559</u>	<u>—</u>

Report of Independent Registered Public Accounting Firm

The Board of Directors and Contractholders
Thrivent Financial for Lutherans

We have audited the accompanying statements of assets and liabilities of the individual subaccounts of Thrivent Variable Annuity Account B (the Variable Account) sponsored by Thrivent Financial for Lutherans, referred to in Note 1, as of December 31, 2011, and the related statements of operations and changes in net assets for the periods indicated therein. These financial statements are the responsibility of the Variable Account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Variable Account's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Variable Account's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2011, by correspondence with the affiliated transfer agent. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the respective subaccounts constituting the Thrivent Variable Annuity Account B at December 31, 2011, and the results of their operations and changes in their net assets for the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Minneapolis, Minnesota
April 23, 2012

THRIVENT VARIABLE ANNUITY ACCOUNT B
Statements of Assets and Liabilities
December 31, 2011

Subaccount	Investments at Fair Value	Receivable from Thrivent Financial for Annuity Reserve Adjustment	Total Assets	Payable to Thrivent Financial for Annuity Reserve Adjustment	Net Assets	Contracts in Accumulation Period	Reserves for Contracts in Annuity Payment Period	Net Assets	Accumulation Units Outstanding	Unit Value (Accumulation)	Deathclaim Units	Deathclaim Unit Value	Series Funds, at cost	Series Funds Shares Owned
Aggressive Allocation	\$ 68,772,970	\$ 1,684	\$ 68,774,654	\$ —	\$ 68,774,654	\$ 68,481,176	\$ 293,478	\$ 68,774,654	5,592,819	\$12.24	—	\$11.51	\$ 70,296,208	6,031,500
Moderately Aggressive														
Allocation	\$236,866,752	\$ 7,403	\$236,874,155	\$ —	\$236,874,155	\$234,649,593	\$2,224,562	\$236,874,155	19,051,270	\$12.31	10,525	\$11.73	\$247,338,773	21,166,771
Moderate Allocation	\$334,289,567	\$ 5,574	\$334,295,141	\$ —	\$334,295,141	\$330,220,945	\$4,074,196	\$334,295,141	26,292,774	\$12.55	14,916	\$12.12	\$340,223,488	29,711,459
Moderately Conservative														
Allocation	\$151,723,918	\$ —	\$151,723,918	\$13,358	\$151,710,560	\$149,621,271	\$2,089,289	\$151,710,560	11,932,130	\$12.53	6,115	\$12.23	\$150,799,137	13,448,913
Partner Technology	\$ —	\$ —	\$ 2,154,370	\$ 169	\$ 2,154,201	\$ 2,106,180	\$ 48,021	\$ 2,154,201	191,802	\$10.93	931	\$10.06	\$ 2,255,393	347,451
Partner Healthcare	\$ 2,131,460	\$ —	\$ 2,131,460	\$ 1	\$ 2,131,459	\$ 2,123,895	\$ 7,564	\$ 2,131,459	186,573	\$11.38	—	\$11.45	\$ 1,977,815	189,282
Partner Natural														
Resources	\$ 3,646,386	\$ —	\$ 3,646,386	\$ 4	\$ 3,646,382	\$ 3,616,208	\$ 30,174	\$ 3,646,382	450,770	\$ 8.02	60	\$ 8.07	\$ 3,785,902	437,815
Partner Emerging														
Markets	\$ 3,429,689	\$ —	\$ 3,429,689	\$ 35	\$ 3,429,654	\$ 3,405,507	\$ 24,147	\$ 3,429,654	316,832	\$10.75	—	\$10.81	\$ 3,066,297	313,960
Real Estate Securities	\$ 13,439,595	\$ —	\$ 13,439,595	\$ 5,387	\$ 13,434,208	\$ 12,999,748	\$ 434,460	\$ 13,434,208	570,798	\$22.72	2,538	\$12.56	\$ 2,455,584	852,172
Partner Utilities	\$ 1,218,941	\$ —	\$ 1,218,941	\$ 1	\$ 1,218,940	\$ 1,212,157	\$ 6,783	\$ 1,218,940	137,414	\$ 8.82	65	\$ 8.87	\$ 1,154,783	140,928
Partner Small Cap														
Growth	\$ 5,619,622	\$ —	\$ 5,619,622	\$ 3,116	\$ 5,616,506	\$ 5,536,684	\$ 79,822	\$ 5,616,506	416,741	\$13.28	110	\$11.46	\$ 4,892,951	452,404
Partner Small Cap Value	\$ 7,614,546	\$ —	\$ 7,614,546	\$ 5,170	\$ 7,609,376	\$ 7,464,126	\$ 145,250	\$ 7,609,376	326,884	\$22.81	681	\$13.49	\$ 6,437,222	408,405
Small Cap Stock	\$ 8,177,387	\$ 2,495	\$ 8,179,882	\$ —	\$ 8,179,882	\$ 8,033,277	\$ 146,605	\$ 8,179,882	584,303	\$13.74	205	\$10.60	\$ 8,553,863	681,960
Small Cap Index	\$ 8,284,596	\$ —	\$ 8,284,596	\$ 4,464	\$ 8,280,132	\$ 8,092,146	\$ 187,986	\$ 8,280,132	511,568	\$15.75	3,079	\$12.19	\$ 9,256,824	648,775
Mid Cap Growth II	\$ 3,531,141	\$ 6,054	\$ 3,537,195	\$ —	\$ 3,537,195	\$ 3,480,503	\$ 56,692	\$ 3,537,195	268,628	\$12.95	39	\$13.61	\$ 3,534,221	384,853
Mid Cap Growth	\$148,214,935	\$191,518	\$148,406,453	\$ —	\$148,406,453	\$145,143,278	\$3,263,175	\$148,406,453	6,318,340	\$22.95	11,799	\$14.11	\$121,698,836	8,469,522
Partner Mid Cap Value	\$ 2,389,186	\$ 96	\$ 2,389,282	\$ —	\$ 2,389,282	\$ 2,352,982	\$ 36,300	\$ 2,389,282	182,959	\$12.86	53	\$11.88	\$ 2,204,375	190,974
Mid Cap Stock	\$ 11,315,276	\$ 6,169	\$ 11,321,445	\$ —	\$ 11,321,445	\$ 11,035,717	\$ 285,728	\$ 11,321,445	717,411	\$15.35	1,873	\$11.65	\$ 11,197,992	985,721
Mid Cap Index	\$ 8,216,201	\$ —	\$ 8,216,201	\$ 866	\$ 8,215,335	\$ 8,018,043	\$ 197,292	\$ 8,215,335	497,542	\$16.10	712	\$12.70	\$ 8,213,293	696,820
Partner Worldwide														
Allocation	\$ 6,077,871	\$ 2	\$ 6,077,873	\$ —	\$ 6,077,873	\$ 6,071,271	\$ 6,602	\$ 6,077,873	790,685	\$ 7.68	67	\$ 7.72	\$ 6,275,838	822,201
Partner International														
Stock	\$ 73,114,271	\$117,965	\$ 73,232,236	\$ —	\$ 73,232,236	\$ 71,692,104	\$1,540,132	\$ 73,232,236	5,495,406	\$13.02	13,592	\$ 9.56	\$ 96,419,273	7,959,489
Partner Socially Responsible														
Stock	\$ 357,896	\$ —	\$ 357,896	\$ 19	\$ 357,877	\$ 344,892	\$ 12,985	\$ 357,877	35,052	\$ 9.84	—	\$ 9.89	\$ 329,526	35,212
Partner All Cap Growth	\$ 1,496,598	\$ —	\$ 1,496,598	\$ —	\$ 1,496,598	\$ 1,496,598	\$ —	\$ 1,496,598	166,694	\$ 8.98	—	\$ 9.03	\$ 1,306,685	160,096
Partner All Cap Value	\$ 1,090,086	\$ —	\$ 1,090,086	\$ —	\$ 1,090,086	\$ 1,090,086	\$ —	\$ 1,090,086	134,946	\$ 8.08	—	\$ 8.12	\$ 1,050,919	134,212
Partner All Cap	\$ 10,870,174	\$ 4,906	\$ 10,875,080	\$ —	\$ 10,875,080	\$ 10,665,125	\$ 209,955	\$ 10,875,080	999,603	\$10.67	67	\$11.42	\$ 12,032,642	1,287,661
Large Cap Growth II	\$ 2,989,192	\$ 10,320	\$ 2,999,512	\$ —	\$ 2,999,512	\$ 2,882,930	\$ 116,582	\$ 2,999,512	299,776	\$ 9.62	—	\$10.13	\$ 4,060,208	469,018
Large Cap Growth	\$265,804,821	\$776,606	\$266,581,427	\$ —	\$266,581,427	\$259,154,021	\$7,427,406	\$266,581,427	4,967,530	\$52.11	25,284	\$10.58	\$326,399,675	16,650,786
Partner Growth Stock	\$ 9,610,676	\$ —	\$ 9,610,676	\$ 623	\$ 9,610,053	\$ 9,476,990	\$ 133,063	\$ 9,610,053	752,104	\$12.60	194	\$11.71	\$ 8,608,830	842,378
Large Cap Value	\$ 35,932,613	\$ 8,931	\$ 35,941,544	\$ —	\$ 35,941,544	\$ 35,145,736	\$ 795,808	\$ 35,941,544	2,995,213	\$11.73	1,584	\$10.70	\$ 34,459,420	3,456,988
Large Cap Stock	\$ 15,603,529	\$ 6,088	\$ 15,609,617	\$ —	\$ 15,609,617	\$ 15,262,785	\$ 346,832	\$ 15,609,617	1,477,389	\$10.32	1,272	\$ 9.94	\$ 16,311,867	1,923,796
Large Cap Index	\$ 13,698,536	\$ —	\$ 13,698,536	\$ 5,560	\$ 13,692,976	\$ 13,417,923	\$ 275,053	\$ 13,692,976	1,080,613	\$12.39	2,600	\$11.05	\$ 14,373,341	773,387
Equity Income Plus	\$ 3,592,354	\$ 541	\$ 3,592,895	\$ —	\$ 3,592,895	\$ 3,561,375	\$ 31,520	\$ 3,592,895	398,080	\$ 8.95	—	\$ 9.00	\$ 3,602,023	407,661
Balanced	\$ 10,021,275	\$ —	\$ 10,021,275	\$ 3,278	\$ 10,017,997	\$ 9,700,973	\$ 317,024	\$ 10,017,997	701,850	\$13.78	2,447	\$12.15	\$ 9,690,811	691,976
High Yield	\$137,577,248	\$514,076	\$138,091,324	\$ —	\$138,091,324	\$133,038,459	\$5,052,865	\$138,091,324	3,280,186	\$40.52	8,912	\$14.77	\$188,898,047	29,514,148
Diversified Income Plus	\$ 13,937,108	\$ —	\$ 13,937,108	\$35,389	\$ 13,901,719	\$ 13,377,218	\$ 524,501	\$ 13,901,719	774,223	\$17.18	5,855	\$13.12	\$ 13,999,934	2,125,629
Partner Socially Responsible														
Bond	\$ 810,628	\$ —	\$ 810,628	\$ 5	\$ 810,623	\$ 786,587	\$ 24,036	\$ 810,623	62,327	\$12.62	—	\$12.69	\$ 787,995	75,708
Income	\$131,826,441	\$318,849	\$132,145,290	\$ —	\$132,145,290	\$127,429,252	\$4,716,038	\$132,145,290	3,256,335	\$39.05	20,239	\$13.30	\$127,377,204	13,071,665
Bond Index	\$ 12,943,271	\$ —	\$ 12,943,271	\$ 8,492	\$ 12,934,779	\$ 12,667,696	\$ 267,083	\$ 12,934,779	847,305	\$14.92	2,058	\$13.29	\$ 12,102,663	1,154,556
Limited Maturity Bond	\$ 31,420,230	\$ 27,268	\$ 31,447,498	\$ —	\$ 31,447,498	\$ 30,417,984	\$ 1,029,514	\$ 31,447,498	2,415,818	\$12.58	2,121	\$11.67	\$ 32,022,905	3,248,744
Mortgage Securities	\$ 3,163,022	\$ —	\$ 3,163,022	\$ 7,130	\$ 3,155,892	\$ 3,059,773	\$ 96,119	\$ 3,155,892	224,933	\$13.60	—	\$13.13	\$ 3,011,449	302,818
Money Market	\$ 28,020,973	\$ 36,506	\$ 28,057,479	\$ —	\$ 28,057,479	\$ 27,484,561	\$ 572,918	\$ 28,057,479	13,986,434	\$ 9.96	47,650	\$ 1.08	\$ 28,020,973	28,020,973

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

THRIVENT VARIABLE ANNUITY ACCOUNT B

Statements of Operations

December 31, 2011

Subaccount	Investment Income	Expenses	Realized and unrealized gain (loss) on investments					
	Dividends	Mortality & expense risk charges	Net investment income (loss)	Net realized gain (loss) on sale of investments	Capital Gain Distributions	Change in unrealized appreciation (depreciation) of Investments	Net gain (loss) on Investments	Net increase (decrease) in net assets resulting from operations
Aggressive Allocation	\$ 968,549	\$ (818,001)	\$ 150,548	\$ 373,605	\$1,251,709	\$ (5,398,874)	\$ (3,773,560)	\$ (3,623,012)
Moderately Aggressive Allocation	\$ 4,980,962	\$ (2,772,743)	\$ 2,208,219	\$ (57,134)	\$3,040,583	\$ (15,036,347)	\$ (12,052,898)	\$ (9,844,679)
Moderate Allocation	\$ 7,769,420	\$ (3,843,664)	\$ 3,925,756	\$ 166,778	\$5,027,324	\$ (16,748,365)	\$ (11,554,263)	\$ (7,628,507)
Moderately Conservative Allocation	\$ 3,314,278	\$ (1,680,575)	\$ 1,633,703	\$ 356,312	\$1,996,191	\$ (5,497,580)	\$ (3,145,077)	\$ (1,511,374)
Partner Technology	\$ —	\$ (27,169)	\$ (27,169)	\$ 28,530	\$ —	\$ (359,985)	\$ (331,455)	\$ (358,624)
Partner Healthcare	\$ —	\$ (24,931)	\$ (24,931)	\$ 48,736	\$ 74,841	\$ (203,599)	\$ (80,022)	\$ (104,953)
Partner Natural Resources	\$ 2,998	\$ (45,751)	\$ (42,753)	\$ 58,344	\$ —	\$ (661,798)	\$ (603,454)	\$ (646,207)
Partner Emerging Markets	\$ 42,645	\$ (42,845)	\$ (200)	\$ 143,617	\$ —	\$ (623,706)	\$ (480,089)	\$ (480,289)
Real Estate Securities	\$ —	\$ (156,745)	\$ (156,745)	\$ 150,651	\$ —	\$ 1,080,472	\$ 1,231,123	\$ 1,074,378
Partner Utilities	\$ 23,928	\$ (12,548)	\$ 11,380	\$ 5,044	\$ —	\$ 70,717	\$ 75,761	\$ 87,141
Partner Small Cap Growth	\$ —	\$ (71,344)	\$ (71,344)	\$ 261,293	\$ —	\$ (482,686)	\$ (221,393)	\$ (292,737)
Partner Small Cap Value	\$ 18,208	\$ (92,194)	\$ (73,986)	\$ 391,846	\$ —	\$ (555,496)	\$ (163,650)	\$ (237,636)
Small Cap Stock	\$ —	\$ (105,775)	\$ (105,775)	\$ (3,944)	\$ —	\$ (485,953)	\$ (489,897)	\$ (595,672)
Small Cap Index	\$ 75,169	\$ (97,470)	\$ (22,301)	\$ (151,071)	\$ 256,341	\$ (91,229)	\$ 14,041	\$ (8,260)
Mid Cap Growth II	\$ 4,182	\$ (44,591)	\$ (40,409)	\$ 61,683	\$ 146,955	\$ (366,293)	\$ (157,655)	\$ (198,064)
Mid Cap Growth	\$ 539,437	\$ (1,834,994)	\$ (1,295,557)	\$ 5,939,624	\$ —	\$ (14,976,414)	\$ (9,036,790)	\$ (10,332,347)
Partner Mid Cap Value	\$ 6,299	\$ (31,084)	\$ (24,785)	\$ 109,752	\$ —	\$ (297,999)	\$ (188,247)	\$ (213,032)
Mid Cap Stock	\$ 5,988	\$ (143,518)	\$ (137,530)	\$ 246,673	\$ —	\$ (990,850)	\$ (744,177)	\$ (881,707)
Mid Cap Index	\$ 75,790	\$ (103,592)	\$ (27,802)	\$ 220,467	\$ 557,158	\$ (973,996)	\$ (196,371)	\$ (224,173)
Partner Worldwide Allocation	\$ 136,904	\$ (76,368)	\$ 60,536	\$ 155,457	\$ 114,103	\$ (1,246,233)	\$ (976,673)	\$ (916,137)
Partner International Stock	\$ 33,586	\$ (979,202)	\$ (945,616)	\$ (2,474,429)	\$ —	\$ (9,693,558)	\$ (12,167,987)	\$ (13,113,603)
Partner Socially Responsible Stock	\$ 3	\$ (3,895)	\$ (3,892)	\$ 8,327	\$ —	\$ (22,120)	\$ (13,793)	\$ (17,685)
Partner All Cap Growth	\$ —	\$ (20,355)	\$ (20,355)	\$ 111,743	\$ —	\$ (239,706)	\$ (127,963)	\$ (148,318)
Partner All Cap Value	\$ 8,232	\$ (14,340)	\$ (6,108)	\$ 39,728	\$ —	\$ (191,976)	\$ (152,248)	\$ (158,356)
Partner All Cap	\$ 77,049	\$ (134,373)	\$ (57,324)	\$ (120,392)	\$ —	\$ (514,885)	\$ (635,277)	\$ (692,601)
Large Cap Growth II	\$ 4,901	\$ (37,472)	\$ (32,571)	\$ (148,526)	\$ 64,642	\$ (119,533)	\$ (203,417)	\$ (235,988)
Large Cap Growth	\$ 1,635,073	\$ (3,303,390)	\$ (1,668,317)	\$ (8,059,588)	\$ —	\$ (8,530,531)	\$ (16,590,119)	\$ (18,258,436)
Partner Growth Stock	\$ —	\$ (119,965)	\$ (119,965)	\$ 322,570	\$ —	\$ (434,428)	\$ (111,858)	\$ (231,823)
Large Cap Value	\$ 9,107	\$ (443,735)	\$ (434,628)	\$ 616,452	\$ —	\$ (1,765,848)	\$ (1,149,396)	\$ (1,584,024)
Large Cap Stock	\$ 2,077	\$ (191,409)	\$ (189,332)	\$ 17,941	\$ —	\$ (756,213)	\$ (738,272)	\$ (927,604)
Large Cap Index	\$ 241,304	\$ (160,239)	\$ 81,065	\$ (78,345)	\$ —	\$ 151,428	\$ 73,083	\$ 154,148
Equity Income Plus	\$ 9,206	\$ (35,572)	\$ (26,366)	\$ 22,866	\$ —	\$ (160,556)	\$ (137,690)	\$ (164,056)
Balanced	\$ 227,768	\$ (113,026)	\$ 114,742	\$ 123,536	\$ 337,883	\$ (236,518)	\$ 224,901	\$ 339,643
High Yield	\$11,396,139	\$ (1,611,676)	\$ 9,784,463	\$ (9,255,113)	\$ —	\$ 4,666,593	\$ (4,588,520)	\$ 5,195,943
Diversified Income Plus	\$ 729,907	\$ (156,873)	\$ 573,034	\$ 41,945	\$ —	\$ (468,497)	\$ (426,552)	\$ 146,482
Partner Socially Responsible Bond	\$ 19,568	\$ (7,830)	\$ 11,738	\$ 2,406	\$ —	\$ 24,950	\$ 27,356	\$ 39,094
Income	\$ 6,274,224	\$ (1,530,915)	\$ 4,743,309	\$ 875,388	\$ —	\$ 960,949	\$ 1,836,337	\$ 6,579,646
Bond Index	\$ 338,561	\$ (132,071)	\$ 206,490	\$ 127,368	\$ 73,835	\$ 394,360	\$ 595,563	\$ 802,053
Limited Maturity Bond	\$ 762,503	\$ (372,158)	\$ 390,345	\$ (54,211)	\$ —	\$ (366,303)	\$ (420,514)	\$ (30,169)
Mortgage Securities	\$ 94,074	\$ (35,814)	\$ 58,260	\$ 27,387	\$ 12,444	\$ 10,497	\$ 50,328	\$ 108,588
Money Market	\$ —	\$ (337,366)	\$ (337,366)	\$ —	\$ —	\$ —	\$ —	\$ (337,366)

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

THRIVENT VARIABLE ANNUITY ACCOUNT B
Statements of Changes in Net Assets
December 31, 2011

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Subaccount	Increase (decrease) in net assets from operations			Net Change in Net Assets from Operations	Increase (decrease) in net assets from contract related transactions							Net Change in Net Assets from Unit Transactions	Net Change in Net Assets	Net Assets Beginning of Period	Net Assets End of Period
	Net Investment Income (loss)	Net realized gain (loss) on investments	Change in net unrealized appreciation (depreciation) on investments		Proceeds from units issued	Surrenders and terminations	Administrative Charges	Annuity benefit payments	Adjustments to annuity reserves	Transfers between subaccounts					
Aggressive Allocation	\$ 150,548	\$ 1,625,314	\$ (5,398,874)	\$ (3,623,012)	\$ 3,151,658	\$ (136,972)	\$ (5,461,586)	\$ (8,331)	\$ (26,923)	\$ 790	\$ (1,310,522)	\$ (3,791,886)	\$ (7,414,898)	\$ 76,189,552	\$ 68,774,654
Moderately Aggressive															
Allocation	\$ 2,208,219	\$ 2,983,449	\$ (15,036,347)	\$ (9,844,679)	\$ 9,527,939	\$ (942,922)	\$ (17,801,578)	\$ (16,015)	\$ (186,625)	\$ 5,931	\$ (153,432)	\$ (9,566,702)	\$ (19,411,381)	\$256,285,536	\$236,874,155
Moderate Allocation	\$ 3,925,756	\$ 5,194,102	\$ (16,748,365)	\$ (7,628,507)	\$11,468,540	\$ (3,269,330)	\$ (26,770,065)	\$ (12,891)	\$ (394,169)	\$ (71,375)	\$ 11,042,359	\$ (8,006,931)	\$ (15,635,438)	\$349,930,579	\$334,295,141
Moderately Conservative															
Allocation	\$ 1,633,703	\$ 2,352,503	\$ (5,497,580)	\$ (1,511,374)	\$ 5,736,209	\$ (913,835)	\$ (13,146,127)	\$ (4,671)	\$ (239,549)	\$ (16,859)	\$ 12,945,519	\$ 3,360,687	\$ 1,849,313	\$149,861,247	\$151,710,560
Partner Technology	\$ (27,169)	\$ 28,530	\$ (359,985)	\$ (358,624)	\$ 85,739	\$ (1,087)	\$ (187,647)	\$ (151)	\$ (4,675)	\$ 248	\$ (43,222)	\$ (150,795)	\$ (509,419)	\$ 2,663,620	\$ 2,154,201
Partner Healthcare	\$ (24,931)	\$ 123,577	\$ (203,599)	\$ (104,953)	\$ 67,472	\$ (163)	\$ (120,843)	\$ (48)	\$ —	\$ 1	\$ (77,640)	\$ (131,221)	\$ (236,174)	\$ 2,367,633	\$ 2,131,459
Partner Natural															
Resources	\$ (42,753)	\$ 58,344	\$ (661,798)	\$ (646,207)	\$ 270,047	\$ (2,834)	\$ (365,192)	\$ (121)	\$ —	\$ 4	\$ 718,528	\$ 620,432	\$ (25,775)	\$ 3,672,157	\$ 3,646,382
Partner Emerging															
Markets	\$ (200)	\$ 143,617	\$ (623,706)	\$ (480,289)	\$ 204,787	\$ (7,280)	\$ (329,867)	\$ (95)	\$ (951)	\$ (30)	\$ 37,059	\$ (96,377)	\$ (576,666)	\$ 4,006,320	\$ 3,429,654
Real Estate Securities	\$ (156,745)	\$ 150,651	\$ 1,080,472	\$ 1,074,378	\$ 347,973	\$ (142,833)	\$ (1,221,986)	\$ (976)	\$ (40,276)	\$ 167	\$ (1,400,523)	\$ (2,458,454)	\$ (1,384,076)	\$ 14,818,284	\$ 13,434,208
Partner Utilities	\$ 11,380	\$ 5,044	\$ 70,717	\$ 87,141	\$ 26,313	\$ (276)	\$ (102,870)	\$ (40)	\$ —	\$ 1	\$ 105,449	\$ 28,577	\$ 115,718	\$ 1,103,222	\$ 1,218,940
Partner Small Cap															
Growth	\$ (71,344)	\$ 261,293	\$ (482,686)	\$ (292,737)	\$ 141,116	\$ (8,444)	\$ (532,929)	\$ (591)	\$ (9,713)	\$ (4,099)	\$ (426,255)	\$ (840,915)	\$ (1,133,652)	\$ 6,750,158	\$ 5,616,506
Partner Small Cap															
Value	\$ (73,986)	\$ 391,846	\$ (555,496)	\$ (237,636)	\$ 130,094	\$ (306,145)	\$ (825,527)	\$ (489)	\$ (15,420)	\$ (430)	\$ (506,330)	\$ (1,524,247)	\$ (1,761,883)	\$ 9,371,259	\$ 7,609,376
Small Cap Stock	\$ (105,775)	\$ (3,944)	\$ (485,953)	\$ (595,672)	\$ 182,169	\$ (41,602)	\$ (688,363)	\$ (585)	\$ (17,271)	\$ 1,400	\$ (1,591,678)	\$ (2,155,930)	\$ (2,751,602)	\$ 10,931,484	\$ 8,179,882
Small Cap Index	\$ (22,301)	\$ 105,270	\$ (91,229)	\$ (8,260)	\$ 181,960	\$ (46,833)	\$ (650,505)	\$ (581)	\$ (16,908)	\$ 760	\$ (1,013,400)	\$ (1,545,507)	\$ (1,553,767)	\$ 9,833,899	\$ 8,280,132
Mid Cap Growth II	\$ (40,409)	\$ 208,638	\$ (366,293)	\$ (198,064)	\$ 94,505	\$ (1,789)	\$ (261,412)	\$ (516)	\$ (8,066)	\$ 780	\$ (569,920)	\$ (746,418)	\$ (944,482)	\$ 4,481,677	\$ 3,537,195
Mid Cap Growth	\$ (1,295,557)	\$ 5,939,624	\$ (14,976,414)	\$ (10,332,347)	\$ 3,329,471	\$ (1,422,368)	\$ (11,103,707)	\$ (34,124)	\$ (412,375)	\$ 2,578	\$ (11,695,357)	\$ (21,335,882)	\$ (31,668,229)	\$180,074,862	\$148,406,453
Partner Mid Cap Value	\$ (24,785)	\$ 109,752	\$ (297,999)	\$ (213,032)	\$ 55,969	\$ (8,720)	\$ (291,748)	\$ (78)	\$ (3,257)	\$ 54	\$ (246,170)	\$ (493,950)	\$ (706,982)	\$ 3,096,264	\$ 2,389,282
Mid Cap Stock	\$ (137,530)	\$ 246,673	\$ (990,850)	\$ (881,707)	\$ 228,003	\$ (47,135)	\$ (879,567)	\$ (620)	\$ (33,307)	\$ 7,896	\$ (1,343,108)	\$ (2,067,838)	\$ (2,949,545)	\$ 14,270,990	\$ 11,321,445
Mid Cap Index	\$ (27,802)	\$ 777,625	\$ (973,996)	\$ (224,173)	\$ 144,936	\$ (27,389)	\$ (857,892)	\$ (514)	\$ (21,705)	\$ (348)	\$ (1,162,242)	\$ (1,925,154)	\$ (2,149,327)	\$ 10,364,662	\$ 8,215,335
Partner Worldwide															
Allocation	\$ 60,536	\$ 269,560	\$ (1,246,233)	\$ (916,137)	\$ 233,065	\$ (20,098)	\$ (488,579)	\$ (179)	\$ (1,116)	\$ 29	\$ (48,871)	\$ (325,749)	\$ (1,241,886)	\$ 7,319,759	\$ 6,077,873
Partner International															
Stock	\$ (945,616)	\$ (2,474,429)	\$ (9,693,558)	\$ (13,113,603)	\$ 2,091,566	\$ (725,396)	\$ (6,369,544)	\$ (14,411)	\$ (212,826)	\$ (10,454)	\$ (7,552,291)	\$ (12,793,356)	\$ (25,906,959)	\$ 99,139,195	\$ 73,232,236
Partner Socially															
Responsible Stock	\$ (3,892)	\$ 8,327	\$ (22,120)	\$ (17,685)	\$ 84,442	\$ —	\$ (14,423)	\$ (12)	\$ (98)	\$ (19)	\$ 4,393	\$ 74,283	\$ 56,598	\$ 301,279	\$ 357,877
Partner All Cap Growth	\$ (20,355)	\$ 111,743	\$ (239,706)	\$ (148,318)	\$ 55,807	\$ —	\$ (292,491)	\$ (21)	\$ —	\$ —	\$ 92,919	\$ (143,786)	\$ (292,104)	\$ 1,788,702	\$ 1,496,598
Partner All Cap Value	\$ (6,108)	\$ 39,728	\$ (191,976)	\$ (158,356)	\$ 39,998	\$ —	\$ (201,046)	\$ (29)	\$ —	\$ —	\$ 78,202	\$ (82,875)	\$ (241,231)	\$ 1,331,317	\$ 1,090,086
Partner All Cap	\$ (57,324)	\$ (120,392)	\$ (514,885)	\$ (692,601)	\$ 291,586	\$ (46,302)	\$ (1,051,498)	\$ (1,180)	\$ (24,530)	\$ (462)	\$ (920,898)	\$ (1,753,284)	\$ (2,445,885)	\$ 13,320,965	\$ 10,875,080
Large Cap Growth II	\$ (32,571)	\$ (83,884)	\$ (119,533)	\$ (235,988)	\$ 73,718	\$ (6,800)	\$ (274,027)	\$ (332)	\$ (21,536)	\$ 3,412	\$ (253,718)	\$ (479,283)	\$ (715,271)	\$ 3,714,783	\$ 2,999,512
Large Cap Growth	\$ (1,668,317)	\$ (8,059,588)	\$ (8,530,531)	\$ (18,258,436)	\$ 6,693,391	\$ (3,521,119)	\$ (20,868,642)	\$ (54,593)	\$ (1,172,283)	\$ 68,102	\$ (23,056,995)	\$ (41,912,139)	\$ (60,170,575)	\$326,752,002	\$266,581,427
Partner Growth Stock	\$ (119,965)	\$ 322,570	\$ (434,428)	\$ (231,823)	\$ 145,615	\$ (70,094)	\$ (880,093)	\$ (715)	\$ (17,396)	\$ (6,739)	\$ (1,099,895)	\$ (1,929,317)	\$ (2,161,140)	\$ 11,771,193	\$ 9,610,053
Large Cap Value	\$ (434,628)	\$ 616,452	\$ (1,765,848)	\$ (1,584,024)	\$ 813,133	\$ (210,420)	\$ (3,368,468)	\$ (2,663)	\$ (100,547)	\$ (4,686)	\$ (4,229,772)	\$ (7,103,423)	\$ (8,687,447)	\$ 44,628,991	\$ 35,941,544
Large Cap Stock	\$ (189,332)	\$ 17,941	\$ (756,213)	\$ (927,604)	\$ 308,556	\$ (170,401)	\$ (1,222,605)	\$ (927)	\$ (40,705)	\$ 1,545	\$ (1,615,244)	\$ (2,739,781)	\$ (3,667,385)	\$ 19,277,002	\$ 15,609,617
Large Cap Index	\$ 81,065	\$ (78,345)	\$ 151,428	\$ 154,148	\$ 336,911	\$ (88,085)	\$ (1,282,559)	\$ (886)	\$ (25,922)	\$ (1,902)	\$ (1,080,703)	\$ (2,143,146)	\$ (1,988,998)	\$ 15,681,974	\$ 13,692,976
Equity Income Plus	\$ (26,366)	\$ 22,866	\$ (160,556)	\$ (164,056)	\$ 146,362	\$ (14,183)	\$ (217,057)	\$ (33)	\$ (3,871)	\$ 541	\$ 1,780,922	\$ 1,692,681	\$ 1,528,625	\$ 2,064,270	\$ 3,592,895
Balanced	\$ 114,742	\$ 461,419	\$ (236,518)	\$ 339,643	\$ 238,584	\$ (123,905)	\$ (663,041)	\$ (520)	\$ (28,468)	\$ 1,444	\$ (568,722)	\$ (1,144,628)	\$ (804,985)	\$ 10,822,982	\$ 10,017,997
High Yield	\$ 9,784,463	\$ (9,255,113)	\$ 4,666,593	\$ 5,195,943	\$ 2,980,157	\$ (2,216,236)	\$ (10,827,440)	\$ (18,226)	\$ (648,398)	\$ 51,164	\$ (9,626,733)	\$ (20,305,748)	\$ (15,109,805)	\$153,201,129	\$138,091,324
Diversified Income Plus	\$ 573,034	\$ 41,945	\$ (468,497)	\$ 146,482	\$ 498,689	\$ (285,032)	\$ (1,217,506)	\$ (359)	\$ (55,238)	\$ 4,125	\$ 1,388,052	\$ 332,731	\$ 479,213	\$ 13,422,506	\$ 13,901,719
Partner Socially															
Responsible Bond	\$ 11,738	\$ 2,406	\$ 24,950	\$ 39,094	\$ 44,640	\$ —	\$ (78,816)	\$ (11)	\$ (2,067)	\$ (8)	\$ 81,841	\$ 45,579	\$ 84,673	\$ 725,950	\$ 810,623
Income	\$ 4,743,309	\$ 875,388	\$ 960,949	\$ 6,579,646	\$ 2,964,197	\$ (3,171,026)	\$ (11,410,394)	\$ (13,583)	\$ (639,580)	\$ 88,474	\$ (8,401,534)	\$ (20,583,446)	\$ (14,003,800)	\$146,149,090	\$132,145,290
Bond Index	\$ 206,490	\$ 201,203	\$ 394,360	\$ 802,053	\$ 519,489	\$ (118,188)	\$ (1,225,111)	\$ (545)	\$ (30,084)	\$ (9,099)	\$ 657,798	\$ (205,740)	\$ 596,313	\$ 12,338,466	\$ 12,934,779
Limited Maturity Bond	\$ 390,345	\$ (54,211)	\$ (366,303)	\$ (30,169)	\$ 950,436	\$ (574,797)	\$ (4,135,542)	\$ (2,265)	\$ (136,472)	\$ 1,745	\$ (1,610,699)	\$ (5,507,594)	\$ (5,537,763)	\$ 36,985,261	\$ 31,447,498
Mortgage Securities	\$ 58,260	\$ 39,831	\$ 10,497	\$ 108,588	\$ 37,712	\$ (22,134)	\$ (174,533)	\$ (94)	\$ (10,419)	\$ (1,567)	\$ (43,876)	\$ (214,911)	\$ (106,323)	\$ 3,262,215	\$ 3,155,892
Money Market	\$ (337,366)	\$ —	\$ —	\$ (337,366)	\$ 3,118,980	\$ (404,393)	\$ (7,667,820)	\$ (4,458)	\$ (89,839)	\$ 977	\$ (1,337,865)	\$ (6,384,418)	\$ (6,721,784)	\$ 34,779,263	\$ 28,057,479

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

THRIVENT VARIABLE ANNUITY ACCOUNT B
Statements of Changes in Net Assets
December 31, 2010

Subaccount	Increase (decrease) in net assets from operations			Increase (decrease) in net assets from contract related transactions										Net Change in Net Assets	Net Assets Beginning of Period	Net Assets End of Period
	Net Investment Income (loss)	Net realized gain (loss) on investments	Change in net unrealized appreciation (depreciation) on investments	Net Change in Net Assets from Operations	Proceeds from units issued	Death benefits	Surrenders and terminations	Administrative charges	Annuity benefit payments	Adjustments to annuity reserves	Transfers between subaccounts	Net Change in Net Assets from Unit Transactions				
Aggressive Allocation	\$ 265,962	\$ (65,163)	\$10,518,971	\$10,719,770	\$ 3,699,699	\$ (142,926)	\$ (5,980,402)	\$ (9,489)	\$ (209,995)	\$ 25,617	\$ (1,520,193)	\$ (4,137,689)	\$ 6,582,081	\$ 69,607,471	\$ 76,189,552	
Moderately Aggressive																
Allocation	\$ 2,834,225	\$ 1,716,813	\$27,626,065	\$32,177,103	\$ 9,454,626	\$ (556,452)	\$ (20,682,243)	\$ (16,391)	\$ (174,332)	\$237,537	\$ 1,412,839	\$ (10,324,416)	\$ 21,852,687	\$234,432,849	\$256,285,536	
Moderate Allocation	\$ 4,665,767	\$ 3,950,548	\$30,117,096	\$38,733,411	\$12,343,495	\$ (3,138,843)	\$ (29,884,397)	\$ (13,140)	\$ (353,870)	\$352,080	\$ 16,424,381	\$ (4,270,294)	\$ 34,463,117	\$315,467,462	\$349,930,579	
Moderately Conservative																
Allocation	\$ 1,865,389	\$ 2,119,118	\$ 9,839,471	\$13,823,978	\$ 6,928,141	\$ (2,342,676)	\$ (15,396,609)	\$ (4,478)	\$ (217,742)	\$159,626	\$ 14,217,877	\$ 3,344,139	\$ 17,168,117	\$132,693,130	\$149,861,247	
Partner Technology	\$ (26,433)	\$ (40,399)	\$ 585,603	\$ 518,771	\$ 79,938	\$ (27,268)	\$ (162,164)	\$ (175)	\$ (4,412)	\$ 5,246	\$ (61,609)	\$ (170,444)	\$ 348,327	\$ 2,315,293	\$ 2,663,620	
Partner Healthcare	\$ (21,019)	\$ 91,170	\$ 125,288	\$ 195,439	\$ 88,743	\$ —	\$ (109,918)	\$ (23)	\$ —	\$ 848	\$ 263,169	\$ 242,819	\$ 438,258	\$ 1,929,375	\$ 2,367,633	
Partner Natural																
Resources	\$ (31,268)	\$ (25,980)	\$ 512,999	\$ 455,751	\$ 181,094	\$ (907)	\$ (285,132)	\$ (114)	\$ —	\$ 1,379	\$ 186,360	\$ 82,680	\$ 538,431	\$ 3,133,726	\$ 3,672,157	
Partner Emerging																
Markets	\$ (32,202)	\$ 77,883	\$ 658,346	\$ 704,027	\$ 245,755	\$ —	\$ (142,927)	\$ (59)	\$ —	\$ (4)	\$ 1,029,917	\$ 1,132,682	\$ 1,836,709	\$ 2,169,611	\$ 4,006,320	
Real Estate Securities	\$ 234,548	\$ (331,801)	\$ 3,393,294	\$ 3,296,041	\$ 408,089	\$ (123,892)	\$ (1,118,789)	\$ (1,093)	\$ (38,136)	\$ 35,886	\$ (1,375,269)	\$ (2,213,204)	\$ 1,082,837	\$ 13,735,447	\$ 14,818,284	
Partner Utilities	\$ 11,563	\$ (22,263)	\$ 73,036	\$ 62,336	\$ 53,800	\$ —	\$ (70,206)	\$ (41)	\$ —	\$ 699	\$ 53,082	\$ 37,334	\$ 99,670	\$ 1,003,552	\$ 1,103,222	
Partner Small Cap																
Growth	\$ (65,534)	\$ (4,930)	\$ 1,510,093	\$ 1,439,629	\$ 128,535	\$ (55,560)	\$ (484,108)	\$ (654)	\$ (9,267)	\$ 7,662	\$ (196,257)	\$ (609,649)	\$ 829,980	\$ 5,920,178	\$ 6,750,158	
Partner Small Cap																
Value	\$ (10,109)	\$ 114,690	\$ 1,620,894	\$ 1,725,475	\$ 225,424	\$ (31,487)	\$ (815,142)	\$ (558)	\$ (15,737)	\$ 12,974	\$ (46,928)	\$ (671,454)	\$ 1,054,021	\$ 8,317,238	\$ 9,371,259	
Small Cap Stock	\$ (108,486)	\$ (421,347)	\$ 2,687,703	\$ 2,157,870	\$ 262,516	\$ (30,856)	\$ (767,587)	\$ (629)	\$ (16,595)	\$ 14,573	\$ (1,435,159)	\$ (1,973,737)	\$ 184,133	\$ 10,747,351	\$ 10,931,484	
Small Cap Index	\$ (24,760)	\$ (432,563)	\$ 2,454,502	\$ 1,997,179	\$ 174,391	\$ (83,400)	\$ (562,683)	\$ (613)	\$ (16,590)	\$ 16,457	\$ (672,309)	\$ (1,144,747)	\$ 852,432	\$ 8,981,467	\$ 9,833,899	
Mid Cap Growth I	\$ (45,277)	\$ 329,816	\$ 693,017	\$ 977,556	\$ 96,712	\$ (70,687)	\$ (402,231)	\$ (612)	\$ (7,798)	\$ 7,534	\$ (295,821)	\$ (672,903)	\$ 304,653	\$ 4,177,024	\$ 4,481,677	
Mid Cap Growth II	\$ (1,374,555)	\$ 2,049,890	\$39,843,804	\$40,519,139	\$ 3,940,689	\$ (1,554,427)	\$ (11,847,101)	\$ (37,131)	\$ (453,104)	\$317,628	\$ (10,741,653)	\$ (20,375,099)	\$ 20,144,040	\$159,930,642	\$180,074,682	
Partner Mid Cap Value	\$ (7,733)	\$ 9,382	\$ 586,408	\$ 588,057	\$ 48,258	\$ (38,290)	\$ (128,868)	\$ (100)	\$ (3,028)	\$ 3,839	\$ (87,275)	\$ (205,464)	\$ 382,593	\$ 2,713,671	\$ 3,096,264	
Mid Cap Stock	\$ (87,337)	\$ (272,828)	\$ 3,239,371	\$ 2,879,206	\$ 272,145	\$ (65,517)	\$ (866,801)	\$ (662)	\$ (32,772)	\$ 23,046	\$ (1,723,482)	\$ (2,394,043)	\$ 485,163	\$ 13,785,827	\$ 14,270,990	
Mid Cap Index	\$ (6,216)	\$ (98,936)	\$ 2,224,868	\$ 2,119,716	\$ 159,782	\$ (59,052)	\$ (675,879)	\$ (512)	\$ (21,141)	\$ 19,068	\$ (671,997)	\$ (1,249,731)	\$ 869,985	\$ 9,494,677	\$ 10,364,662	
Partner Worldwide																
Allocation	\$ 24,155	\$ 45,040	\$ 695,354	\$ 764,549	\$ 272,048	\$ (31,978)	\$ (330,095)	\$ (154)	\$ (1,898)	\$ 1,227	\$ 1,022,874	\$ 932,024	\$ 1,696,573	\$ 5,623,186	\$ 7,319,759	
Partner International																
Stock	\$ 709,948	\$ (4,354,038)	\$10,144,894	\$ 6,500,804	\$ 2,443,323	\$ (696,222)	\$ (7,466,613)	\$ (17,010)	\$ (273,677)	\$202,292	\$ (10,009,616)	\$ (15,817,523)	\$ (9,316,719)	\$108,455,914	\$ 99,139,195	
Partner Socially																
Responsible Stock	\$ (2,284)	\$ 3,988	\$ 44,501	\$ 46,205	\$ 73,206	\$ —	\$ (11,963)	\$ (12)	\$ —	\$ —	\$ 18,196	\$ 79,427	\$ 125,632	\$ 175,647	\$ 301,279	
Partner All Cap Growth	\$ (15,829)	\$ 37,153	\$ 279,855	\$ 301,179	\$ 102,893	\$ —	\$ (97,462)	\$ (10)	\$ —	\$ —	\$ 172,698	\$ 178,119	\$ 479,298	\$ 1,309,404	\$ 1,788,702	
Partner All Cap Value	\$ (13,023)	\$ 11,496	\$ 189,568	\$ 188,041	\$ 71,857	\$ —	\$ (73,114)	\$ (22)	\$ —	\$ —	\$ (19,465)	\$ (20,744)	\$ 167,297	\$ 1,164,020	\$ 1,331,317	
Partner All Cap	\$ (50,608)	\$ (480,237)	\$ 2,344,098	\$ 1,813,253	\$ 359,507	\$ (128,073)	\$ (1,138,490)	\$ (1,498)	\$ (24,963)	\$ 22,581	\$ (1,428,474)	\$ (2,339,410)	\$ (526,157)	\$ 13,847,122	\$ 13,320,965	
Large Cap Growth I	\$ (30,940)	\$ 256,060	\$ 19,058	\$ 244,178	\$ 81,191	\$ (58,363)	\$ (400,044)	\$ (443)	\$ (22,724)	\$ 13,218	\$ (350,023)	\$ (737,188)	\$ (493,010)	\$ 4,207,793	\$ 3,714,783	
Large Cap Growth II	\$ (1,709,869)	\$ (14,057,081)	\$43,863,977	\$28,097,027	\$ 8,798,352	\$ (4,238,816)	\$ (25,076,999)	\$ (62,936)	\$ (1,112,737)	\$735,812	\$ (24,893,909)	\$ (45,851,233)	\$ (17,754,206)	\$344,506,208	\$326,752,002	
Partner Growth Stock	\$ (122,826)	\$ 4,736	\$ 1,707,681	\$ 1,589,591	\$ 197,402	\$ (161,200)	\$ (953,619)	\$ (884)	\$ (17,419)	\$ 16,072	\$ (1,104,676)	\$ (2,024,324)	\$ (434,733)	\$ 12,205,926	\$ 11,771,193	
Large Cap Value	\$ 91,871	\$ (138,860)	\$ 4,619,336	\$ 4,572,347	\$ 871,437	\$ (246,976)	\$ (3,387,584)	\$ (3,200)	\$ (110,623)	\$ 76,648	\$ (3,459,618)	\$ (6,259,916)	\$ (1,687,569)	\$ 46,316,560	\$ 44,628,991	
Large Cap Stock	\$ (77,605)	\$ (402,341)	\$ 2,136,395	\$ 1,656,449	\$ 428,535	\$ (107,347)	\$ (1,585,461)	\$ (1,042)	\$ (45,302)	\$ 42,387	\$ (2,438,149)	\$ (3,706,379)	\$ (2,049,930)	\$ 21,326,932	\$ 19,277,002	
Large Cap Index	\$ 122,258	\$ (534,584)	\$ 2,344,116	\$ 1,931,790	\$ 259,421	\$ (139,248)	\$ (1,405,743)	\$ (922)	\$ (28,847)	\$ 24,764	\$ (1,684,528)	\$ (2,975,103)	\$ (1,043,313)	\$ 16,725,287	\$ 15,681,974	
Equity Income Plus	\$ 17,817	\$ 8,900	\$ 134,104	\$ 160,821	\$ 58,753	\$ —	\$ (75,572)	\$ (23)	\$ —	\$ —	\$ 1,270,531	\$ 1,253,689	\$ 1,414,510	\$ 649,760	\$ 2,064,270	
Balanced	\$ 159,483	\$ 52,307	\$ 1,014,349	\$ 1,226,139	\$ 134,682	\$ (72,631)	\$ (799,513)	\$ (637)	\$ (23,746)	\$ 27,138	\$ (660,298)	\$ (1,395,005)	\$ (168,866)	\$ 10,991,848	\$ 10,822,982	
High Yield	\$10,923,886	\$ (10,711,420)	\$19,008,496	\$19,220,962	\$ 4,115,774	\$ (2,635,393)	\$ (13,121,618)	\$ (21,206)	\$ (684,758)	\$399,249	\$ (9,938,847)	\$ (21,886,799)	\$ (2,665,837)	\$155,866,966	\$153,201,129	
Diversified Income																
Plus	\$ 470,185	\$ (57,103)	\$ 1,273,844	\$ 1,686,926	\$ 337,040	\$ (120,941)	\$ (934,255)	\$ (491)	\$ (50,753)	\$ 23,075	\$ 1,066,010	\$ 319,685	\$ 2,006,611	\$ 11,415,895	\$ 13,422,506	
Partner Socially																
Responsible Bond	\$ 13,520	\$ 32,589	\$ (6,620)	\$ 39,489	\$ 22,178	\$ —	\$ (68,423)	\$ (14)	\$ (2,010)	\$ 1,268	\$ 187,801	\$ 140,800	\$ 180,289	\$ 545,661	\$ 725,950	
Income	\$ 5,969,887	\$ 231,824	\$ 8,780,102	\$14,981,813	\$ 3,590,324	\$ (2,817,509)	\$ (15,234,913)	\$ (15,795)	\$ (781,242)	\$354,856	\$ (6,032,968)	\$ (20,937,247)	\$ (5,955,434)	\$152,104,524	\$146,149,090	
Bond Index	\$ 253,814	\$ 58,323	\$ 655,650	\$ 967,787	\$ 414,779	\$ (58,034)	\$ (967,111)	\$ (705)	\$ (35,354)	\$ 23,948	\$ (330,728)	\$ (953,205)	\$ 14,582	\$ 12,323,884	\$ 12,338,466	
Limited Maturity Bond	\$ 832,453	\$ (75,835)	\$ 808,443	\$ 1,565,061	\$ 1,277,779	\$ (312,524)	\$ (4,422,271)	\$ (2,523)	\$ (142,905)	\$100,209	\$ 1,098,591	\$ (2,403,644)	\$ (838,583)	\$ 37,823,844	\$ 36,985,261	
Mortgage Securities	\$ 77,619	\$ 67,593	\$ 196,803	\$ 342,015	\$ 64,141	\$ (25,812)	\$ (442,919)	\$ (117)	\$ (10,254)	\$ 8,348	\$ 121,769	\$ (284,844)	\$ 57,171	\$ 3,205,044	\$ 3,262,215	
Money Market	\$ (463,117)	\$ —	\$ —	\$ (463,117)	\$ 4,723,236	\$ (292,490)	\$ (9,872,667)	\$ (5,623)	\$ (114,478)	\$ 66,307	\$ (10,163,103)	\$ (15,658,818)	\$ (16,121,935)	\$ 50,901,198	\$ 34,779,263	

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

Thrivent Variable Annuity Account B
Notes to Financial Statements
December 31, 2011

(1) ORGANIZATION

The Thrivent Variable Annuity Account B (the Variable Account) is registered as a unit investment trust under the Investment Companies Act of 1940 and is a separate account of Thrivent Financial for Lutherans (Thrivent Financial). The Variable Account contains 41 subaccounts each of which invests in a corresponding portfolio of the Thrivent Series Fund, Inc. (each a Fund and collectively the Funds), as follows:

<u>Subaccount</u>	<u>Series</u>
Aggressive Allocation	Thrivent Series Fund, Inc. — Aggressive Allocation Portfolio
Moderately Aggressive Allocation	Thrivent Series Fund, Inc. — Moderately Aggressive Allocation Portfolio
Moderate Allocation	Thrivent Series Fund, Inc. — Moderate Allocation Portfolio
Moderately Conservative Allocation	Thrivent Series Fund, Inc. — Moderately Conservative Allocation Portfolio
Partner Technology (a)	Thrivent Series Fund, Inc. — Partner Technology Portfolio
Partner Healthcare (b)	Thrivent Series Fund, Inc. — Partner Healthcare Portfolio
Partner Natural Resources (b)	Thrivent Series Fund, Inc. — Partner Natural Resources Portfolio
Partner Emerging Markets (b)	Thrivent Series Fund, Inc. — Partner Emerging Markets Portfolio
Real Estate Securities	Thrivent Series Fund, Inc. — Real Estate Securities Portfolio
Partner Utilities (b)	Thrivent Series Fund, Inc. — Partner Utilities Portfolio
Partner Small Cap Growth	Thrivent Series Fund, Inc. — Partner Small Cap Growth Portfolio
Partner Small Cap Value	Thrivent Series Fund, Inc. — Partner Small Cap Value Portfolio
Small Cap Stock	Thrivent Series Fund, Inc. — Small Cap Stock Portfolio
Small Cap Index	Thrivent Series Fund, Inc. — Small Cap Index Portfolio
Mid Cap Growth II	Thrivent Series Fund, Inc. — Mid Cap Growth Portfolio II
Mid Cap Growth	Thrivent Series Fund, Inc. — Mid Cap Growth Portfolio
Partner Mid Cap Value	Thrivent Series Fund, Inc. — Partner Mid Cap Value Portfolio
Mid Cap Stock	Thrivent Series Fund, Inc. — Mid Cap Stock Portfolio
Mid Cap Index	Thrivent Series Fund, Inc. — Mid Cap Index Portfolio
Partner Worldwide Allocation (b)	Thrivent Series Fund, Inc. — Partner Worldwide Allocation Portfolio
Partner International Stock	Thrivent Series Fund, Inc. — Partner International Stock Portfolio
Partner Socially Responsible Stock (b)	Thrivent Series Fund, Inc. — Partner Socially Responsible Stock Portfolio
Partner All Cap Growth (b)	Thrivent Series Fund, Inc. — Partner All Cap Growth Portfolio
Partner All Cap Value (b)	Thrivent Series Fund, Inc. — Partner All Cap Value Portfolio
Partner All Cap	Thrivent Series Fund, Inc. — Partner All Cap Portfolio
Large Cap Growth II	Thrivent Series Fund, Inc. — Large Cap Growth Portfolio II
Large Cap Growth	Thrivent Series Fund, Inc. — Large Cap Growth Portfolio
Partner Growth Stock	Thrivent Series Fund, Inc. — Partner Growth Stock Portfolio
Large Cap Value	Thrivent Series Fund, Inc. — Large Cap Value Portfolio
Large Cap Stock	Thrivent Series Fund, Inc. — Large Cap Stock Portfolio
Large Cap Index	Thrivent Series Fund, Inc. — Large Cap Index Portfolio
Equity Income Plus (b)	Thrivent Series Fund, Inc. — Equity Income Plus Portfolio
Balanced	Thrivent Series Fund, Inc. — Balanced Portfolio
High Yield	Thrivent Series Fund, Inc. — High Yield Portfolio
Diversified Income Plus	Thrivent Series Fund, Inc. — Diversified Income Plus Portfolio

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(1) ORGANIZATION - continued

<u>Subaccount</u>	<u>Series</u>
Partner Socially Responsible	Thrivent Series Fund, Inc. — Partner Socially Responsible
Bond (b)	Bond Portfolio
Income	Thrivent Series Fund, Inc. — Income Portfolio
Bond Index	Thrivent Series Fund, Inc. — Bond Index Portfolio
Limited Maturity Bond	Thrivent Series Fund, Inc. — Limited Maturity Bond Portfolio
Mortgage Securities	Thrivent Series Fund, Inc. — Mortgage Securities Portfolio
Money Market	Thrivent Series Fund, Inc. — Money Market Portfolio

- (a) Formerly known as Technology, name change effective June 30, 2009
- (b) Since inception, April 30, 2008

The Funds are registered under the Investment Company Act of 1940 as diversified open-end investment companies.

The Variable Account is used to fund only flexible premium deferred variable annuity contracts issued by Thrivent Financial. Under applicable insurance law, the assets and liabilities of the Variable Account are clearly identified and distinguished from the other assets and liabilities of Thrivent Financial. The assets of the Variable Account will not be charged with any liabilities arising out of any other business conducted by the life insurance operations of Thrivent Financial.

A fixed account investment option is available for contract owners of the flexible premium deferred variable annuity. Assets of the fixed account are combined with the general assets of Thrivent Financial and invested by Thrivent Financial as allowed by applicable law. Accordingly, the fixed account assets are not included in the Variable Account financial statements.

(2) SIGNIFICANT ACCOUNTING POLICIES

Valuation of Investments

The investments in shares of the Funds are stated at fair value which is the closing net asset value per share as determined by the Fund. The cost of shares sold and redeemed is determined on the average cost method. Dividend distributions received from the Fund are reinvested in additional shares of the Fund and recorded as income by the Variable Account on the ex-dividend date.

Federal Income Taxes

Thrivent Financial qualifies as a tax-exempt organization under the Internal Revenue Code. Accordingly, no provision for income taxes has been charged against the Variable Account. Thrivent Financial reserves the right to charge for taxes in the future should Thrivent Financial's tax status change.

Annuity Reserves

Annuity reserves, represented as reserves for contracts in annuity payout period in the statement of assets and liabilities, are computed for currently payable contracts according to the 1983 Table A mortality table and the 2000 IAM mortality table. The assumed interest is 3.5%. Changes to annuity reserves are based on actual mortality and risk experience. If the reserves required are less than the original estimated reserve amount held in the Variable Account, the excess is reimbursed to Thrivent Financial. If additional reserves are required, Thrivent Financial reimburses the Variable Account.

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(2) SIGNIFICANT ACCOUNTING POLICIES - continued

Death Claims

Amounts payable under the contract for death benefits remain invested in the separate accounts until the beneficiaries provide instructions to disburse the benefits. Prior to October 2005, amounts payable for death benefits were transferred to the general account upon election of the first beneficiary, pending instructions from the other beneficiaries for disbursement.

Estimates

The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

In estimating the fair values for financial instruments carried at fair value, the amount of observable and unobservable inputs used to determine fair value are taken into consideration. Each of the financial instruments have been classified into one of three categories based on that evaluation:

- Level 1: Fair value based on quoted prices for identical assets in active markets that are accessible.
- Level 2: Fair value 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.
- Level 3: Fair value based on significant value driver inputs that are not observable.

The fair values for separate account assets are based on the quoted daily net asset values of the funds in which the separate accounts are invested. These investments have been categorized as Level 2 assets.

Subsequent Events

Management has evaluated the Variable Account related events and transactions that occurred during the period from the date of the Statement of Assets and Liabilities through the date of issuance of the Variable Account's financial statements. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Variable Account's financial statements.

(3) EXPENSE CHARGES

Proceeds received by the Variable Account for units issued represent gross contract premiums received by Thrivent Financial. No charge for sales distribution expense is deducted from premiums received.

A surrender charge is deducted by Thrivent Financial if a contract is surrendered in whole or in part during the first six years the contract is in force. The surrender charge is 6% during the first contract year, and decreases by 1% each subsequent contract year. For purposes of the surrender charge calculation, up to 10% of a contract's accumulated value may be excluded from the calculation each year. This charge is deducted by redeeming units of the subaccounts of the Variable Account.

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(3) EXPENSE CHARGES - continued

An annual administrative charge of \$30 is deducted on each contract anniversary from the accumulated value of the contract to compensate Thrivent Financial for administrative expenses relating to the contract and the Variable Account. This charge is deducted by redeeming units of the subaccounts of the Variable Account. No such charge is deducted from contracts for which total premiums paid, less surrenders, equals or exceeds \$5,000. No administrative charge is payable during the annuity payment period.

A daily charge is deducted from the value of the net assets of the Variable Account to compensate Thrivent for mortality and expense risks assumed in connection with the contract. The charge is based on the average daily net assets of the Variable Account and is equal to annual rate of 1.1% during accumulation period of the contract and 0.95% while the contract is pending payout due to a death claim.

Additionally, during the year ended December 31, 2011, management fees were paid indirectly to Thrivent Financial in its capacity as adviser to the Fund. The Fund's advisory agreement provides for fees as a percent of the average net assets for each subaccount, as shown below. These fees are paid at the Fund level.

<u>Subaccount</u>	<u>% of Average Net Assets</u>
Aggressive Allocation	0.15%
Moderately Aggressive Allocation	0.15%
Moderate Allocation	0.15%
Moderately Conservative Allocation	0.15%
Partner Technology	0.75%
Partner Healthcare	0.95%
Partner Natural Resources	0.75%
Partner Emerging Markets	1.20%
Real Estate Securities	0.80%
Partner Utilities	0.75%
Partner Small Cap Growth	1.00%
Partner Small Cap Value	0.80%
Small Cap Stock	0.70%
Small Cap Index	0.35%
Mid Cap Growth II	0.90%
Mid Cap Growth	0.40%
Partner Mid Cap Value	0.75%
Mid Cap Stock	0.70%
Mid Cap Index	0.35%
Partner Worldwide Allocation	0.90%
Partner International Stock	0.85%
Partner Socially Responsible Stock	0.80%
Partner All Cap Growth	0.95%
Partner All Cap Value	0.75%
Partner All Cap	0.95%
Large Cap Growth II	0.80%
Large Cap Growth	0.40%
Partner Growth Stock	0.80%
Large Cap Value	0.60%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(3) EXPENSE CHARGES - continued

<u>Subaccount</u>	<u>% of Average Net Assets</u>
Large Cap Stock	0.65%
Large Cap Index	0.35%
Equity Income Plus	0.65%
Balanced	0.35%
High Yield	0.40%
Diversified Income Plus	0.40%
Partner Socially Responsible Bond	0.70%
Income	0.40%
Bond Index	0.35%
Limited Maturity Bond	0.40%
Mortgage Securities	0.50%
Money Market	0.40%

(4) UNIT ACTIVITY

Transactions in units (including transfers among subaccounts) were as follows:

	<u>Units Outstanding at December 31, 2009</u>	<u>Units Issued</u>	<u>Units Redeemed</u>	<u>Units Outstanding at December 31, 2010</u>	<u>Units Issued</u>	<u>Units Redeemed</u>	<u>Units Outstanding at December 31, 2011</u>
Aggressive Allocation	6,242,486	1,167,332	(1,517,813)	5,892,005	720,625	(1,019,811)	5,592,819
Moderately Aggressive							
Allocation	20,693,400	3,253,328	(4,138,401)	19,808,327	2,047,437	(2,793,969)	19,061,795
Moderate Allocation	27,352,863	5,572,794	(5,969,229)	26,956,428	3,339,170	(3,987,908)	26,307,690
Moderately Conservative							
Allocation	11,403,925	3,697,533	(3,438,881)	11,662,577	2,323,892	(2,048,224)	11,938,245
Partner Technology	221,036	133,075	(148,830)	205,281	54,240	(66,788)	192,733
Partner Healthcare	176,585	99,084	(78,469)	197,200	35,477	(46,104)	186,573
Partner Natural Resources ...	385,979	184,483	(179,928)	390,534	186,865	(126,569)	450,830
Partner Emerging Markets ...	224,227	232,834	(130,138)	326,923	88,977	(99,068)	316,832
Real Estate Securities	799,943	222,445	(341,063)	681,325	96,611	(204,600)	573,336
Partner Utilities	128,789	60,054	(54,670)	134,173	34,601	(31,295)	137,479
Partner Small Cap Growth ...	532,521	188,326	(244,502)	476,345	77,655	(137,149)	416,851
Partner Small Cap Value	423,398	136,558	(168,713)	391,243	76,052	(139,730)	327,565
Small Cap Stock	893,597	155,900	(316,745)	732,752	92,871	(241,115)	584,508
Small Cap Index	695,167	213,531	(300,471)	608,227	63,622	(157,202)	514,647
Mid Cap Growth II	380,446	58,932	(116,864)	322,514	14,934	(68,781)	268,667
Mid Cap Growth	8,155,583	1,024,782	(1,993,500)	7,186,865	461,439	(1,318,165)	6,330,139
Partner Mid Cap Value	238,136	72,635	(90,726)	220,045	39,237	(76,270)	183,012
Mid Cap Stock	1,013,331	232,593	(404,751)	841,173	96,422	(218,311)	719,284
Mid Cap Index	695,462	311,787	(398,094)	609,155	55,708	(166,609)	498,254
Partner Worldwide							
Allocation	711,887	449,139	(334,601)	826,425	190,049	(225,722)	790,752
Partner International Stock ..	7,482,322	1,081,909	(2,216,978)	6,347,253	506,511	(1,344,766)	5,508,998
Partner Socially Responsible							
Stock	20,285	17,150	(7,701)	29,734	13,882	(8,564)	35,052
Partner All Cap Growth	166,062	141,820	(124,880)	183,002	59,750	(76,058)	166,694
Partner All Cap Value	150,523	79,010	(83,088)	146,445	51,318	(62,817)	134,946

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(4) UNIT ACTIVITY - continued

	Units Outstanding at December 31, 2009	Units Issued	Units Redeemed	Units Outstanding at December 31, 2010	Units Issued	Units Redeemed	Units Outstanding at December 31, 2011
Partner All Cap	1,382,488	297,195	(527,425)	1,152,258	122,260	(274,848)	999,670
Large Cap Growth II	419,866	92,726	(168,226)	344,366	18,285	(62,875)	299,776
Large Cap Growth	6,622,797	1,037,131	(1,923,187)	5,736,741	632,093	(1,376,020)	4,992,814
Partner Growth Stock	1,073,823	255,675	(432,249)	897,249	92,104	(237,055)	752,298
Large Cap Value	4,129,216	944,978	(1,509,031)	3,565,163	314,428	(882,794)	2,996,797
Large Cap Stock	2,095,707	440,874	(813,036)	1,723,545	189,280	(434,164)	1,478,661
Large Cap Index	1,514,438	481,839	(747,567)	1,248,710	161,301	(326,798)	1,083,213
Equity Income Plus	80,555	191,235	(49,173)	222,617	235,448	(59,985)	398,080
Balanced	899,566	132,074	(244,541)	787,099	119,713	(202,515)	704,297
High Yield	4,379,759	672,773	(1,263,719)	3,788,813	390,706	(890,421)	3,289,098
Diversified Income Plus	740,601	351,858	(332,032)	760,427	280,616	(260,965)	780,078
Partner Socially Responsible Bond	47,132	43,771	(31,773)	59,130	20,925	(17,728)	62,327
Income	4,365,288	841,440	(1,411,518)	3,795,210	545,761	(1,064,397)	3,276,574
Bond Index	934,297	301,441	(370,254)	865,484	236,887	(253,008)	849,363
Limited Maturity Bond	3,031,631	1,291,162	(1,480,290)	2,842,503	584,582	(1,009,146)	2,417,939
Mortgage Securities	262,050	126,134	(148,206)	239,978	58,926	(73,971)	224,933
Money Market	24,946,957	18,019,339	(25,750,692)	17,215,604	9,832,558	(13,014,078)	14,034,084

(5) PURCHASES AND SALES OF INVESTMENTS

The aggregate costs of purchases and proceeds from sales of investments in the Funds for the year ended December 31, 2011 were as follows:

<u>Subaccount</u>	<u>Purchases</u>	<u>Sales</u>
Aggressive Allocation	\$ 7,451,752	\$ 9,842,170
Moderately Aggressive Allocation	18,047,976	22,371,807
Moderate Allocation	29,598,365	28,580,842
Moderately Conservative Allocation	21,170,812	14,163,372
Partner Technology	345,818	524,030
Partner Healthcare	347,830	429,143
Partner Natural Resources	1,393,263	815,589
Partner Emerging Markets	746,976	843,522
Real Estate Securities	649,872	3,265,239
Partner Utilities	289,799	249,842
Partner Small Cap Growth	497,601	1,405,761
Partner Small Cap Value	845,688	2,443,492
Small Cap Stock	619,144	2,882,250
Small Cap Index	662,635	1,974,862
Mid Cap Growth II	230,614	871,266
Mid Cap Growth	3,890,279	26,524,295
Partner Mid Cap Value	312,950	831,738
Mid Cap Stock	670,212	2,883,475
Mid Cap Index	907,870	2,303,320

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(5) PURCHASES AND SALES OF INVESTMENTS - continued

<u>Subaccount</u>	<u>Purchases</u>	<u>Sales</u>
Partner Worldwide Allocation	1,155,697	1,306,837
Partner International Stock	1,988,002	15,716,521
Partner Socially Responsible Stock	149,746	79,336
Partner All Cap Growth	398,080	562,221
Partner All Cap Value	341,966	430,950
Partner All Cap	455,161	2,265,307
Large Cap Growth II	120,362	570,985
Large Cap Growth	9,390,151	53,038,709
Partner Growth Stock	389,812	2,432,355
Large Cap Value	1,036,251	8,569,616
Large Cap Stock	627,519	3,558,176
Large Cap Index	1,032,137	3,092,315
Equity Income Plus	2,076,167	410,393
Balanced	1,396,039	2,089,486
High Yield	16,190,569	26,763,018
Diversified Income Plus	3,674,502	2,772,862
Partner Socially Responsible Bond	270,441	213,116
Income	11,792,611	27,721,221
Bond Index	2,820,389	2,736,704
Limited Maturity Bond	4,756,940	9,875,935
Mortgage Securities	439,391	582,031
Money Market	12,389,777	19,112,539

(6) UNIT VALUES

A summary of units outstanding, unit values, net assets, expense ratios, investment income ratios and total return ratios for each of the five years in the period ended December 31, 2011, except as indicated in Note 1, follows:

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Aggressive Allocation					
Units	5,592,819	5,892,005	6,240,548	5,932,767	5,640,278
Unit value	\$ 12.24	\$ 12.89	\$ 11.09	\$ 8.58	\$ 13.82
Deathclaim units	—	—	1,938	—	6,003
Deathclaim unit value	\$ 11.51	\$ 12.09	\$ 10.39	\$ 8.03	\$ 12.91
Net assets	\$ 68,774,654	\$ 76,189,552	\$ 69,607,471	\$ 51,471,184	\$ 79,334,958
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	1.30%	1.48%	4.48%	1.51%	0.59%
Total return (c)	(4.98)-(4.83)%	16.24-16.42%	29.19-29.39%	(37.92)-(37.83)%	8.12-8.29%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Moderately Aggressive Allocation					
Units	19,051,270	19,799,786	20,690,133	20,733,970	20,167,809
Unit value	\$ 12.31	\$ 12.81	\$ 11.22	\$ 8.74	\$ 13.27
Deathclaim units	10,525	8,541	3,267	4,412	2,680
Deathclaim unit value	\$ 11.73	\$ 12.19	\$ 10.66	\$ 8.29	\$ 12.57
Net assets	\$ 236,874,155	\$ 256,285,536	\$ 234,432,849	\$ 183,237,436	\$ 270,796,619
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	1.97%	2.29%	4.85%	2.03%	0.83%
Total return (c)	(3.92)-(3.78)%	14.17-14.34%	28.38-28.57%	(34.13)-(34.03)%	6.56-6.72%
Moderate Allocation					
Units	26,292,774	26,924,988	27,344,277	27,443,650	27,145,769
Unit value	\$ 12.55	\$ 12.82	\$ 11.40	\$ 9.09	\$ 12.71
Deathclaim units	14,916	31,440	8,586	15,265	4,093
Deathclaim unit value	\$ 12.12	\$ 12.36	\$ 10.97	\$ 8.73	\$ 12.20
Net assets	\$ 334,295,141	\$ 349,930,579	\$ 315,467,462	\$ 253,173,872	\$ 350,477,316
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	2.22%	2.53%	4.82%	2.46%	1.19%
Total return (c)	(2.11)-(1.96)%	12.44-12.61%	25.50-25.69%	(28.53)-(28.42)%	5.60-5.76%
Moderately Conservative Allocation					
Units	11,932,130	11,645,500	11,398,646	11,526,368	10,588,933
Unit value	\$ 12.53	\$ 12.65	\$ 11.48	\$ 9.47	\$ 12.06
Deathclaim units	6,115	17,077	5,279	6,913	6,254
Deathclaim unit value	\$ 12.23	\$ 12.33	\$ 11.17	\$ 9.20	\$ 11.70
Net assets	\$ 151,710,560	\$ 149,861,247	\$ 132,693,130	\$ 111,138,334	\$ 129,567,204
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	2.17%	2.44%	4.15%	2.72%	1.57%
Total return (c)	(0.90)-(0.75)%	10.19-10.36%	21.19-21.37%	(21.48)-(21.36)%	4.46-4.61%
Partner Technology					
Units	191,802	205,256	221,036	225,247	298,388
Unit value	\$ 10.93	\$ 12.68	\$ 10.26	\$ 6.62	\$ 12.96
Deathclaim units	931	25	—	—	—
Deathclaim unit value	\$ 10.06	\$ 11.65	\$ 9.41	\$ 6.07	\$ 11.86
Net assets	\$ 2,154,201	\$ 2,663,620	\$ 2,315,293	\$ 1,536,080	\$ 3,960,525
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	0.00%	0.00%	0.00%	0.00%	0.00%
Total return (c)	(13.78)-(13.65)%	23.63-23.82%	54.87-55.10%	(48.89)-(48.81)%	9.85-10.02%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Partner Healthcare					
Units	186,573	197,200	176,585	121,558	—
Unit value	\$ 11.38	\$ 11.96	\$ 10.88	\$ 8.89	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 11.45	\$ 12.01	\$ 10.91	\$ 8.90	—
Net assets	\$ 2,131,459	\$ 2,367,633	\$ 1,929,375	\$ 1,087,530	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.00%	0.15%	0.01%	0.11%	—
Total return (c)	(4.84)-(4.70)%	9.92-10.08%	22.48-22.66%	(11.14)-(11.05)%	—
Partner Natural Resources					
Units	450,770	390,534	385,979	199,863	—
Unit value	\$ 8.02	\$ 9.30	\$ 8.09	\$ 5.69	—
Deathclaim units	60	—	—	—	—
Deathclaim unit value	\$ 8.07	\$ 9.34	\$ 8.11	\$ 5.69	—
Net assets	\$ 3,646,382	\$ 3,672,157	\$ 3,133,726	\$ 1,147,372	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.07%	0.08%	0.00%	0.12%	—
Total return (c)	(13.79)-(13.66)%	15.06-15.23%	42.15-42.36%	(43.11)-(43.05)%	—
Partner Emerging Markets					
Units	316,832	326,923	224,227	74,508	—
Unit value	\$ 10.75	\$ 12.19	\$ 9.68	\$ 5.60	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 10.81	\$ 12.24	\$ 9.70	\$ 5.61	—
Net assets	\$ 3,429,654	\$ 4,006,320	\$ 2,169,611	\$ 417,237	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	1.09%	0.00%	0.89%	1.18%	—
Total return (c)	(11.80)-(11.67)%	25.94-26.13%	72.79-73.05%	(44.00)-(43.94)%	—
Real Estate Securities					
Units	570,798	678,109	797,140	978,572	1,333,729
Unit value	\$ 22.72	\$ 21.11	\$ 16.73	\$ 13.10	\$ 21.11
Deathclaim units	2,538	3,216	2,803	4,352	3,185
Deathclaim unit value	\$ 12.56	\$ 11.65	\$ 9.22	\$ 7.21	\$ 11.60
Net assets	\$ 13,434,208	\$ 14,818,284	\$ 13,735,447	\$ 13,212,588	\$ 28,840,023
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.00%	2.75%	4.07%	5.93%	1.42%
Total return (c)	7.64-7.80%	26.17-26.36%	27.67-27.86%	(37.93)-(37.84)%	(17.72)-(17.60)%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Partner Utilities					
Units	137,414	134,173	128,789	95,404	—
Unit value	\$ 8.82	\$ 8.17	\$ 7.74	\$ 6.99	—
Deathclaim units	65	—	—	—	—
Deathclaim unit value	\$ 8.87	\$ 8.20	\$ 7.76	\$ 7.00	—
Net assets	\$ 1,218,940	\$ 1,103,222	\$ 1,003,552	\$ 673,661	—
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	2.09%	2.18%	0.00%	1.82%	—
Total return (c)	7.89-8.06%	5.53-5.68%	10.77-10.94%	(30.09)-(30.02)%	—
Partner Small Cap Growth					
Units	416,741	476,307	532,459	600,806	718,267
Unit value	\$ 13.28	\$ 13.97	\$ 10.96	\$ 8.22	\$ 14.64
Deathclaim units	110	38	62	—	—
Deathclaim unit value	\$ 11.46	\$ 12.03	\$ 9.43	\$ 7.06	\$ 12.56
Net assets	\$ 5,616,506	\$ 6,750,158	\$ 5,920,178	\$ 5,022,376	\$ 10,765,924
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.00%	0.00%	0.09%	0.01%	0.00%
Total return (c)	(4.90)-(4.75)%	27.46-27.65%	33.28-33.48%	(43.86)-(43.77)%	7.33-7.49%
Partner Small Cap Value					
Units	326,884	390,642	422,687	482,424	605,547
Unit value	\$ 22.81	\$ 23.53	\$ 19.27	\$ 14.96	\$ 20.73
Deathclaim units	681	601	711	492	724
Deathclaim unit value	\$ 13.49	\$ 13.90	\$ 11.36	\$ 8.81	\$ 12.19
Net assets	\$ 7,609,376	\$ 9,371,259	\$ 8,317,238	\$ 7,434,690	\$ 12,854,504
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.22%	0.98%	0.83%	1.19%	0.35%
Total return (c)	(3.06)-(2.91)%	22.11-22.29%	28.81-29.01%	(27.85)-(27.74)%	(2.12)-(1.97)%
Small Cap Stock					
Units	584,303	732,233	892,228	991,651	1,290,637
Unit value	\$ 13.74	\$ 14.68	\$ 11.86	\$ 9.96	\$ 16.12
Deathclaim units	205	519	1,369	1,605	7,861
Deathclaim unit value	\$ 10.60	\$ 11.30	\$ 9.12	\$ 7.65	\$ 12.36
Net assets	\$ 8,179,882	\$ 10,931,484	\$ 10,747,351	\$ 10,047,035	\$ 21,142,515
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.00%	0.04%	0.93%	0.99%	0.29%
Total return (c)	(6.35)-(6.21)%	23.72-23.91%	19.07-19.25%	(27.85)-(27.74)%	4.97-5.13%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Small Cap Index					
Units	511,568	607,516	694,417	840,138	1,133,988
Unit value	\$ 15.75	\$ 15.83	\$ 12.72	\$ 10.26	\$ 15.05
Deathclaim units	3,079	711	750	494	1,218
Deathclaim unit value	\$ 12.19	\$ 12.24	\$ 9.81	\$ 7.91	\$ 11.58
Net assets	\$ 8,280,132	\$ 9,833,899	\$ 8,981,467	\$ 8,802,166	\$ 17,372,036
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.85%	0.83%	1.98%	1.17%	0.63%
Total return (c)	(0.56)-(0.41)%	24.50-24.69%	23.92-24.11%	(27.85)-(27.74)%	(1.60)-(1.45)%
Mid Cap Growth II					
Units	268,628	322,475	380,446	429,992	587,402
Unit value	\$ 12.95	\$ 13.69	\$ 10.81	\$ 7.32	\$ 12.92
Deathclaim units	39	39	—	—	—
Deathclaim unit value	\$ 13.61	\$ 14.36	\$ 11.32	\$ 7.66	\$ 13.49
Net assets	\$ 3,537,195	\$ 4,481,677	\$ 4,177,024	\$ 3,214,043	\$ 7,713,275
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.10%	0.00%	0.00%	0.28%	0.47%
Total return (c)	(5.36)-(5.22)%	26.63-26.82%	47.67-47.89%	(43.34)-(43.26)%	18.48-18.66%
Mid Cap Growth					
Units	6,318,340	7,174,742	8,150,367	9,415,344	11,503,724
Unit value	\$ 22.95	\$ 24.53	\$ 19.21	\$ 12.87	\$ 22.10
Deathclaim units	11,799	12,123	5,216	7,901	12,814
Deathclaim unit value	\$ 14.11	\$ 15.06	\$ 11.78	\$ 7.88	\$ 13.51
Net assets	\$ 148,406,453	\$ 180,074,682	\$ 159,930,642	\$ 123,948,003	\$ 259,718,889
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.32%	0.25%	0.02%	1.12%	0.42%
Total return (c)	(6.47)-(6.33)%	27.70-27.89%	49.29-49.52%	(41.77)-(41.69)%	18.60-18.78%
Partner Mid Cap Value					
Units	182,959	220,045	238,136	236,945	266,808
Unit value	\$ 12.86	\$ 13.88	\$ 11.25	\$ 8.60	\$ 13.38
Deathclaim units	53	—	—	—	—
Deathclaim unit value	\$ 11.88	\$ 12.80	\$ 10.36	\$ 7.91	\$ 12.29
Net assets	\$ 2,389,282	\$ 3,096,264	\$ 2,713,671	\$ 2,059,267	\$ 3,608,280
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.22%	0.82%	1.02%	1.57%	0.00%
Total return (c)	(7.35)-(7.22)%	23.36-23.55%	30.88-31.08%	(35.76)-(35.67)%	2.02-2.17%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Mid Cap Stock					
Units	717,411	841,104	1,012,336	1,114,380	1,464,623
Unit value	\$ 15.35	\$ 16.56	\$ 13.33	\$ 9.69	\$ 16.54
Deathclaim units	1,873	69	995	1,232	8,260
Deathclaim unit value	\$ 11.65	\$ 12.55	\$ 10.09	\$ 7.32	\$ 12.47
Net assets	\$ 11,321,445	\$ 14,270,990	\$ 13,785,827	\$ 11,041,971	\$ 24,714,720
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	0.05%	0.45%	0.58%	1.11%	0.84%
Total return (c)	(7.30)-(7.16)%	24.21-24.40%	37.58-37.78%	(41.41)-(41.32)%	4.54-4.69%
Mid Cap Index					
Units	497,542	608,494	694,655	830,975	1,095,962
Unit value	\$ 16.10	\$ 16.65	\$ 13.37	\$ 9.89	\$ 15.69
Deathclaim units	712	661	807	493	1,189
Deathclaim unit value	\$ 12.70	\$ 13.11	\$ 10.51	\$ 7.76	\$ 12.30
Net assets	\$ 8,215,335	\$ 10,364,662	\$ 9,494,677	\$ 8,413,410	\$ 17,538,979
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	0.80%	1.04%	1.92%	1.39%	0.97%
Total return (c)	(3.30)-(3.16)%	24.53-24.72%	35.20-35.40%	(36.99)-(36.90)%	6.44-6.60%
Partner Worldwide Allocation					
Units	790,685	825,933	711,887	382,954	—
Unit value	\$ 7.68	\$ 8.83	\$ 7.87	\$ 6.05	—
Deathclaim units	67	492	—	—	—
Deathclaim unit value	\$ 7.72	\$ 8.87	\$ 7.89	\$ 6.05	—
Net assets	\$ 6,077,873	\$ 7,319,759	\$ 5,623,186	\$ 2,326,658	—
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b) ...	1.97%	1.48%	1.98%	1.41%	—
Total return (c)	(13.08)-(12.95)%	12.19-12.36%	30.23-30.42%	(39.54)-(39.48)%	—
Partner International Stock					
Units	5,495,406	6,340,314	7,476,999	9,042,052	11,638,102
Unit value	\$ 13.02	\$ 15.29	\$ 14.21	\$ 11.51	\$ 19.77
Deathclaim units	13,592	6,939	5,323	7,579	13,166
Deathclaim unit value	\$ 9.56	\$ 11.21	\$ 10.41	\$ 8.42	\$ 14.43
Net assets	\$ 73,232,236	\$ 99,139,195	\$ 108,455,914	\$ 106,359,742	\$ 234,425,290
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b) ...	0.04%	1.82%	2.28%	4.82%	1.35%
Total return (c)	(14.84)-(14.71)%	7.59-7.75%	23.43-23.62%	(41.75)-(41.66)%	9.35-9.52%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Partner Socially Responsible Stock					
Units	35,052	29,734	20,285	15,112	—
Unit value	\$ 9.84	\$ 10.13	\$ 8.66	\$ 6.45	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 9.89	\$ 10.17	\$ 8.68	\$ 6.46	—
Net assets	\$ 357,877	\$ 301,279	\$ 175,647	\$ 97,528	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.00%	0.13%	0.57%	0.44%	—
Total return (c)	(2.89)-(2.75)%	17.02-17.19%	34.17-34.37%	(35.46)-(35.40)%	—
Partner All Cap Growth					
Units	166,694	183,002	166,062	55,029	—
Unit value	\$ 8.98	\$ 9.77	\$ 7.89	\$ 5.30	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 9.03	\$ 9.81	\$ 7.90	\$ 5.31	—
Net assets	\$ 1,496,598	\$ 1,788,702	\$ 1,309,404	\$ 291,848	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.00%	0.00%	0.00%	0.00%	—
Total return (c)	(8.15)-(8.01)%	23.96-24.15%	48.67-48.90%	(46.96)-(46.91)%	—
Partner All Cap Value					
Units	134,946	146,445	150,523	77,830	—
Unit value	\$ 8.08	\$ 9.09	\$ 7.73	\$ 5.54	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 8.12	\$ 9.13	\$ 7.75	\$ 5.54	—
Net assets	\$ 1,090,086	\$ 1,331,317	\$ 1,164,020	\$ 430,966	—
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.63%	0.00%	1.81%	2.48%	—
Total return (c)	(11.14)-(11.01)%	17.56-17.73%	39.66-39.87%	(44.63)-(44.57)%	—
Partner All Cap					
Units	999,603	1,151,829	1,382,235	1,585,263	2,073,027
Unit value	\$ 10.67	\$ 11.33	\$ 9.85	\$ 7.75	\$ 13.73
Deathclaim units	67	429	253	253	256
Deathclaim unit value	\$ 11.42	\$ 12.11	\$ 10.51	\$ 8.26	\$ 14.61
Net assets	\$ 10,875,080	\$ 13,320,965	\$ 13,847,122	\$ 12,507,347	\$ 28,899,991
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.63%	0.72%	1.35%	0.74%	0.45%
Total return (c)	(5.86)-(5.72)%	15.07-15.24%	27.08-27.27%	(43.53)-(43.45)%	19.04-19.22%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Large Cap Growth II					
Units	299,776	344,366	419,866	503,414	679,669
Unit value	\$ 9.62	\$ 10.37	\$ 9.68	\$ 7.91	\$ 12.19
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 10.13	\$ 10.91	\$ 10.16	\$ 7.34	\$ 12.76
Net assets	\$ 2,999,512	\$ 3,714,783	\$ 4,207,793	\$ 3,650,710	\$ 8,537,817
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.14%	0.28%	0.57%	0.63%	0.63%
Total return (c)	(7.27)-(7.13)%	7.16-7.32%	38.46-41.60%	(42.47)-(35.05)%	15.19-15.36%
Large Cap Growth					
Units	4,967,530	5,705,247	6,606,397	7,684,670	9,471,449
Unit value	\$ 52.11	\$ 55.62	\$ 50.79	\$ 36.32	\$ 63.31
Deathclaim units	25,284	31,494	16,400	40,165	33,395
Deathclaim unit value	\$ 10.58	\$ 11.28	\$ 10.28	\$ 7.34	\$ 12.78
Net assets	\$ 266,581,427	\$ 326,752,002	\$ 344,506,208	\$ 287,210,434	\$ 615,613,866
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.54%	0.57%	0.75%	1.11%	1.03%
Total return (c)	(6.31)-(6.17)%	9.52-9.68%	39.85-40.06%	(42.64)-(42.55)%	15.46-15.64%
Partner Growth Stock					
Units	752,104	896,839	1,071,389	1,325,787	1,861,093
Unit value	\$ 12.60	\$ 12.93	\$ 11.21	\$ 7.91	\$ 13.83
Deathclaim units	194	410	2,434	2,221	370
Deathclaim unit value	\$ 11.71	\$ 12.00	\$ 10.39	\$ 7.32	\$ 12.78
Net assets	\$ 9,610,053	\$ 11,771,193	\$ 12,205,926	\$ 10,667,263	\$ 26,107,555
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.00%	0.02%	0.31%	0.79%	0.52%
Total return (c)	(2.56)-(2.41)%	15.35-15.52%	41.60-41.82%	(42.77)-(42.68)%	8.07-8.23%
Large Cap Value					
Units	2,995,213	3,563,311	4,126,368	4,956,347	6,475,784
Unit value	\$ 11.73	\$ 12.24	\$ 10.99	\$ 9.17	\$ 14.12
Deathclaim units	1,584	1,852	2,848	4,046	10,749
Deathclaim unit value	\$ 10.70	\$ 11.15	\$ 10.00	\$ 8.33	\$ 12.81
Net assets	\$ 35,941,544	\$ 44,628,991	\$ 46,316,560	\$ 46,510,085	\$ 93,214,917
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.02%	1.31%	1.79%	3.53%	1.22%
Total return (c)	(4.14)-(4.00)%	11.38-11.55%	19.78-19.96%	(35.05)-(34.95)%	3.54-3.69%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Large Cap Stock					
Units	1,477,389	1,721,827	2,093,036	2,609,889	3,477,116
Unit value	\$ 10.32	\$ 10.94	\$ 9.98	\$ 7.91	\$ 12.83
Deathclaim units	1,272	1,718	2,671	3,252	1,441
Deathclaim unit value	\$ 9.94	\$ 10.52	\$ 9.58	\$ 7.58	\$ 12.28
Net assets	\$ 15,609,617	\$ 19,277,002	\$ 21,326,932	\$ 21,039,819	\$45,310,286
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.01%	0.70%	0.94%	2.90%	1.14%
Total return (c)	(5.62)-(5.48)%	9.61-9.77%	26.19-26.38%	(38.37)-(38.27)%	6.39-6.55%
Large Cap Index					
Units	1,080,613	1,248,056	1,513,764	1,908,622	2,573,893
Unit value	\$ 12.39	\$ 12.32	\$ 10.86	\$ 8.70	\$ 13.99
Deathclaim units	2,600	654	674	488	1,958
Deathclaim unit value	\$ 11.05	\$ 10.97	\$ 9.66	\$ 7.73	\$ 12.41
Net assets	\$ 13,692,976	\$ 15,681,974	\$ 16,725,287	\$ 16,890,310	\$36,532,145
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	1.65%	1.88%	3.08%	2.30%	1.67%
Total return (c)60-.75%	13.38-13.55%	24.82-25.01%	(37.81)-(37.72)%	4.01-4.17%
Equity Income Plus					
Units	398,080	222,617	80,555	56,158	—
Unit value	\$ 8.95	\$ 9.27	\$ 8.07	\$ 6.99	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 9.00	\$ 9.31	\$ 8.09	\$ 7.00	—
Net assets	\$ 3,592,895	\$ 2,064,270	\$ 649,760	\$ 392,525	—
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	0.28%	2.88%	1.97%	3.27%	—
Total return (c)	(3.52)-(3.37)%	15.40-15.57%	15.40-15.57%	(30.10)-(30.03)%	—
Balanced					
Units	701,850	786,946	899,368	1,116,315	1,534,043
Unit value	\$ 13.78	\$ 13.37	\$ 11.93	\$ 9.91	\$ 13.55
Deathclaim units	2,447	153	198	114	987
Deathclaim unit value	\$ 12.15	\$ 11.77	\$ 10.49	\$ 8.70	\$ 11.87
Net assets	\$ 10,017,997	\$ 10,822,982	\$ 10,991,848	\$ 11,338,806	\$21,203,886
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	2.21%	2.58%	4.41%	3.74%	3.03%
Total return (c)	3.04-3.20%	12.06-12.22%	20.43-20.61%	(26.87)-(26.76)%	4.31-4.47%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
High Yield					
Units	3,280,186	3,769,174	4,357,429	5,057,916	6,421,204
Unit value	\$ 40.52	\$ 39.13	\$ 34.53	\$ 24.33	\$ 31.16
Deathclaim units	8,912	19,639	22,330	16,753	18,950
Deathclaim unit value	\$ 14.77	\$ 14.24	\$ 12.55	\$ 8.83	\$ 11.29
Net assets	\$138,091,324	\$153,201,129	\$155,866,966	\$ 127,694,300	\$206,883,507
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	7.74%	8.20%	9.13%	8.95%	8.07%
Total return (c)	3.56-3.71%	13.32-13.49%	41.92-42.13%	(21.92)-(21.81)%	1.62-1.77%
Diversified Income Plus					
Units	774,223	757,674	740,102	964,390	1,329,754
Unit value	\$ 17.18	\$ 16.98	\$ 14.81	\$ 11.26	\$ 14.83
Deathclaim units	5,855	2,753	499	1,062	—
Deathclaim unit value	\$ 13.12	\$ 12.94	\$ 11.28	\$ 8.56	\$ 11.26
Net assets	\$ 13,901,719	\$ 13,422,506	\$ 11,415,895	\$ 11,190,025	\$ 20,142,759
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	5.09%	4.94%	7.81%	6.49%	2.03%
Total return (c)	1.20-1.35%	14.58-14.75%	31.61-31.81%	(24.08)-(23.96)%	(2.07)-(1.92)%
Partner Socially Responsible					
Bond					
Units	62,327	59,130	47,132	18,286	—
Unit value	\$ 12.62	\$ 11.96	\$ 11.19	\$ 10.19	—
Deathclaim units	—	—	—	—	—
Deathclaim unit value	\$ 12.69	\$ 12.01	\$ 11.22	\$ 10.20	—
Net assets	\$ 810,623	\$ 725,950	\$ 545,661	\$ 186,379	—
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	—
Investment income ratio (b)	2.74%	3.09%	3.38%	2.93%	—
Total return (c)	5.53-5.69%	6.87-7.03%	9.78-9.95%	1.93-2.03%	—
Income					
Units	3,256,335	3,783,643	4,358,592	5,215,125	6,663,658
Unit value	\$ 39.05	\$ 37.27	\$ 33.78	\$ 28.15	\$ 31.93
Deathclaim units	20,239	11,567	6,696	9,617	20,352
Deathclaim unit value	\$ 13.30	\$ 12.67	\$ 11.47	\$ 9.55	\$ 10.81
Net assets	\$132,145,290	\$146,149,090	\$152,104,524	\$ 151,863,685	\$219,481,655
Ratio of expenses to net					
assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	4.49%	5.04%	5.77%	5.71%	5.30%
Total return (c)	4.79-4.95%	10.33-10.50%	19.97-20.15%	(11.82)-(11.68)%	2.65-2.81%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Bond Index					
Units	847,305	865,484	932,246	1,200,230	1,420,631
Unit value	\$ 14.92	\$ 13.94	\$ 12.90	\$ 12.02	\$ 12.26
Deathclaim units	2,058	—	2,051	1,922	2,132
Deathclaim unit value	\$ 13.29	\$ 12.39	\$ 11.45	\$ 10.66	\$ 10.85
Net assets	\$ 12,934,779	\$ 12,338,466	\$ 12,323,884	\$ 14,750,241	\$17,668,009
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	2.81%	3.12%	3.99%	4.88%	4.88%
Total return (c)	7.03-7.19%	8.04-8.20%	7.29-7.45%	(1.91)- (1.76)%	4.52-4.68%
Limited Maturity Bond					
Units	2,415,818	2,839,763	3,029,746	3,235,745	4,260,849
Unit value	\$ 12.58	\$ 12.61	\$ 12.11	\$ 10.74	\$ 11.60
Deathclaim units	2,121	2,740	1,885	1,048	2,196
Deathclaim unit value	\$ 11.67	\$ 11.68	\$ 11.20	\$ 9.92	\$ 10.70
Net assets	\$ 31,447,498	\$ 36,985,261	\$ 37,823,844	\$ 35,639,583	\$50,444,668
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	2.24%	3.25%	4.14%	4.56%	4.75%
Total return (c)	(0.20)-(0.05)%	4.10-4.26%	12.79-12.96%	(7.48)-(7.34)%	2.86-3.02%
Mortgage Securities					
Units	224,933	239,978	261,844	344,902	484,456
Unit value	\$ 13.60	\$ 13.16	\$ 11.87	\$ 10.62	\$ 11.30
Deathclaim units	—	—	206	30	25
Deathclaim unit value	\$ 13.13	\$ 12.68	\$ 11.42	\$ 10.20	\$ 10.84
Net assets	\$ 3,155,892	\$ 3,262,215	\$ 3,205,044	\$ 3,732,863	\$ 5,553,900
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	2.88%	3.42%	3.56%	4.54%	4.99%
Total return (c)	3.38-3.54%	10.87-11.03%	11.79-11.95%	(6.00)-(5.86)%	3.96-4.12%

Thrivent Variable Annuity Account B
Notes to Financial Statements (continued)

(6) UNIT VALUES - continued

<u>Subaccount</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Money Market					
Units	13,986,434	17,147,711	24,886,504	42,869,495	41,625,448
Unit value	\$ 1.96	\$ 1.98	\$ 2.00	\$ 2.02	\$ 1.98
Deathclaim units	47,650	67,893	60,453	35,573	16,028
Deathclaim unit value	\$ 1.08	\$ 1.09	\$ 1.10	\$ 1.11	\$ 1.09
Net assets	\$ 28,057,479	\$ 34,779,263	\$ 50,901,198	\$88,165,730	\$84,342,726
Ratio of expenses to net assets (a)	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%	0.95-1.10%
Investment income ratio (b)	0.00%	0.00%	0.50%	2.92%	5.05%
Total return (c)	(1.09)-(0.94)%	(1.09)-(0.95)%	(0.67)-(0.52)%	1.83-1.98%	4.02-4.18%

- (a) These amounts represent the annualized contract expenses of the separate account, consisting primarily of mortality and expense charges, for each period indicated. The ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund have been excluded.
- (b) These amounts represent the dividends, excluding distributions of capital gains, received by the subaccount from the underlying mutual fund net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude those expenses, such as mortality and expense charges, that are assessed against the contract owner accounts either through reductions in the unit values or the redemption
- (c) These amounts represent the total return for periods indicated, including changes in the value of the underlying fund, and expenses assessed through the reduction of unit values. These ratios do not include any expenses assessed through the redemption of units. Investment options with a date notation in Note 1 indicate the effective date of the investment option in the Variable Account. The total return is calculated for each period indicated or from the inception date through the end of the reporting period. The total return is calculated using accumulation unit values.