



**TEACHERS INSURANCE AND
ANNUITY ASSOCIATION OF AMERICA**

Audited Statutory – Basis Financial Statements
as of December 31, 2023 and 2022 and for the
three years ended December 31, 2023

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
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DECEMBER 31, 2023

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Report of Independent Auditors

To the Board of Trustees of Teachers Insurance and Annuity Association of America

Opinions

We have audited the accompanying statutory-basis financial statements of Teachers Insurance and Annuity Association of America (the "Company"), which comprise the statutory-basis statements of admitted assets, liabilities and capital and contingency reserves as of December 31, 2023 and 2022, and the related statutory-basis statements of operations, of changes in capital and contingency reserves, and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and contingency reserves of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements



Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

PricewaterhouseCoopers LLP

New York, New York
March 14, 2024

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
STATUTORY - BASIS STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND
CONTINGENCY RESERVES

	December 31,	
	2023	2022
	(in millions, except share amounts)	
ADMITTED ASSETS		
Bonds	\$ 199,566	\$ 202,240
Preferred stocks	994	406
Common stocks	2,731	7,511
Mortgage loans	40,992	37,660
Real estate	3,832	3,871
Cash, cash equivalents and short-term investments	534	1,204
Contract loans	502	731
Derivatives	1,358	1,920
Securities lending collateral assets	652	1,328
Other invested assets	42,640	37,011
Total cash and invested assets	293,801	293,882
Investment income due and accrued	2,014	1,923
Net deferred federal income tax asset	1,728	1,299
Other assets	1,336	1,071
Separate account assets	47,625	50,382
TOTAL ADMITTED ASSETS	\$ 346,504	\$ 348,557
 LIABILITIES, CAPITAL AND CONTINGENCY RESERVES		
Liabilities		
Reserves for life and health insurance, annuities and deposit-type contracts	\$ 240,022	\$ 235,620
Dividends due to policyholders	2,361	2,269
Interest maintenance reserve	1,993	3,444
Borrowed money	160	100
Asset valuation reserve	6,783	6,569
Derivatives	365	327
Payable for collateral for securities loaned	652	1,328
Other liabilities	5,195	5,931
Separate account liabilities	46,862	50,247
TOTAL LIABILITIES	304,393	305,835
 Capital and Contingency Reserves		
Capital stock and additional paid-in capital (2,500 shares of \$1,000 par value common stock authorized, issued and outstanding and \$550,000 paid-in capital)	3	3
Surplus notes	6,291	6,291
Contingency reserves:		
For investment losses, annuity and insurance mortality, and other risks	35,817	36,428
TOTAL CAPITAL AND CONTINGENCY RESERVES	42,111	42,722
 TOTAL LIABILITIES, CAPITAL AND CONTINGENCY RESERVES	\$ 346,504	\$ 348,557

See notes to statutory - basis financial statements

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
STATUTORY - BASIS STATEMENTS OF OPERATIONS

	For the Years Ended December 31,		
	2023	2022	2021
	(in millions)		
REVENUES			
Insurance and annuity premiums and other considerations.....	\$ 19,240	\$ 16,636	\$ 14,730
Annuity dividend additions.....	3,065	2,099	945
Net investment income.....	13,322	13,004	13,542
Other revenue.....	358	369	372
TOTAL REVENUES	\$ 35,985	\$ 32,108	\$ 29,589
BENEFITS AND EXPENSES			
Policy and contract benefits.....	\$ 27,199	\$ 21,990	\$ 20,365
Dividends to policyholders.....	5,100	4,141	2,758
Increase in policy and contract reserves.....	4,070	2,969	300
Net operating expenses.....	1,555	1,289	1,406
Net transfers to (from) separate accounts.....	(2,949)	(407)	802
TOTAL BENEFITS AND EXPENSES	\$ 34,975	\$ 29,982	\$ 25,631
Income before federal income taxes and net realized capital gains (losses) ..	\$ 1,010	\$ 2,126	\$ 3,958
Federal income tax expense (benefit)	(6)	(80)	(266)
Net realized capital gains (losses) less capital gains taxes, after transfers to the interest maintenance reserve	(1,690)	(2,614)	(352)
NET INCOME (LOSS)	\$ (674)	\$ (408)	\$ 3,872

See notes to statutory - basis financial statements

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
STATUTORY - BASIS STATEMENTS OF CHANGES IN CAPITAL AND CONTINGENCY RESERVES

	Capital Stock and Additional Paid-in Capital	Surplus Notes	Contingency Reserves	Total
	(in millions)			
Balance, December 31, 2020	\$ 3	\$ 6,290	\$ 33,708	\$ 40,001
Net income (loss)	—	—	3,872	3,872
Change in net unrealized capital gains (losses) on investments, net of \$361 in taxes	—	—	1,645	1,645
Change in asset valuation reserve	—	—	(2,485)	(2,485)
Change in net deferred income tax	—	—	(1,088)	(1,088)
Change in post-retirement benefit liability	—	—	(1)	(1)
Change in non-admitted assets:				
Deferred federal income tax asset	—	—	974	974
Other assets	—	—	55	55
Balance, December 31, 2021	\$ 3	\$ 6,290	\$ 36,680	\$ 42,973
Net income (loss)	—	—	(408)	(408)
Change in net unrealized capital gains (losses) on investments, net of \$67 in taxes	—	—	(612)	(612)
Change in asset valuation reserve	—	—	1,776	1,776
Change in net deferred income tax	—	—	271	271
Change in post-retirement benefit liability	—	—	10	10
Change in non-admitted assets:				
Deferred federal income tax asset	—	—	(857)	(857)
Other assets	—	—	(432)	(432)
Change in surplus notes	—	1	—	1
Balance, December 31, 2022	\$ 3	\$ 6,291	\$ 36,428	\$ 42,722
Net income (loss)	—	—	(674)	(674)
Change in net unrealized capital gains (losses) on investments, net of \$(55) in taxes	—	—	167	167
Change in asset valuation reserve	—	—	(214)	(214)
Change in net deferred income tax	—	—	609	609
Change in post-retirement benefit liability	—	—	(4)	(4)
Change in non-admitted assets:				
Deferred federal income tax asset	—	—	(125)	(125)
Other assets	—	—	(346)	(346)
Surplus (contributed to) withdrawn from Separate Accounts	—	—	(618)	(618)
Change in surplus of separate accounts	—	—	594	594
Balance, December 31, 2023	\$ 3	\$ 6,291	\$ 35,817	\$ 42,111

See notes to statutory - basis financial statements

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
STATUTORY - BASIS STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2023	2022	2021
CASH FROM OPERATIONS	(in millions)		
Insurance and annuity premiums and other considerations	\$ 19,240	\$ 16,640	\$ 14,732
Net investment income	12,661	12,333	12,884
Miscellaneous income	317	338	355
Total receipts	<u>32,218</u>	<u>29,311</u>	<u>27,971</u>
Policy and contract benefits	26,814	21,864	20,366
Operating expenses	1,455	1,265	1,646
Dividends paid to policyholders	1,943	1,779	1,635
Federal income taxes paid (received)	(51)	(134)	(232)
Net transfers to (from) separate accounts	(2,345)	(394)	807
Total disbursements	<u>27,816</u>	<u>24,380</u>	<u>24,222</u>
Net cash from operations	<u>4,402</u>	<u>4,931</u>	<u>3,749</u>
CASH FROM INVESTMENTS			
Proceeds from investments sold, matured, or repaid:			
Bonds	23,909	29,726	33,590
Stocks	7,482	9,245	6,586
Mortgage loans and real estate	2,630	2,824	3,605
Other invested assets	2,950	4,378	3,562
Miscellaneous proceeds	1,331	2,766	1,725
Cost of investments acquired:			
Bonds	21,111	35,065	33,943
Stocks	3,329	9,738	8,603
Mortgage loans and real estate	6,049	4,365	5,778
Other invested assets	10,056	6,657	5,864
Miscellaneous applications	1,051	879	2,345
Net cash used in investments	<u>(3,294)</u>	<u>(7,765)</u>	<u>(7,465)</u>
CASH FROM FINANCING AND OTHER			
Borrowed money	60	25	75
Net deposits on deposit-type contracts funds	(53)	4,829	66
Other cash provided (applied)	(1,785)	(1,444)	1,742
Net cash from financing and other	<u>(1,778)</u>	<u>3,410</u>	<u>1,883</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	<u>(670)</u>	<u>576</u>	<u>(1,833)</u>
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<u>1,204</u>	<u>628</u>	<u>2,461</u>
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS, END OF YEAR	<u>\$ 534</u>	<u>\$ 1,204</u>	<u>\$ 628</u>

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
NOTES TO STATUTORY - BASIS FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Organization

Teachers Insurance and Annuity Association of America ("TIAA" or the "Company") was established in 1918 as a stock life insurance company under the insurance laws of the State of New York. All of the outstanding common stock of TIAA is held by the TIAA Board of Governors ("Board of Governors"), a not-for-profit corporation incorporated in the State of New York originally created for the purpose of holding the stock of TIAA.

The Company's primary purpose is to aid and strengthen non-profit educational and research organizations, governmental entities and other non-profit institutions by providing retirement and insurance benefits for their employees and their families and by counseling such organizations and their employees on benefit plans and other measures of economic security. In addition, TIAA may otherwise engage in any business permitted under the New York Insurance Law for a domestic life stock insurance company, provided that such business supports this purpose, including without limitation by (i) enhancing the creditworthiness, financial strength and reputation of TIAA, (ii) providing all of the holders and beneficiaries of TIAA's contracts and policies with benefits of scale, increased diversity in offered products and newly innovated products and (iii) providing for additional infrastructure and support to TIAA.

Note 2 – Significant Accounting Policies

Basis of Presentation:

The financial statements of TIAA are presented on the basis of statutory accounting principles prescribed or permitted by the New York State Department of Financial Services ("NYDFS" or the "Department"); a comprehensive basis of accounting that differs from accounting principles generally accepted in the United States ("GAAP"). The Department requires insurance companies domiciled in the State of New York to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP"), subject to any deviation prescribed or permitted by the Department ("New York SAP").

Under Regulation No. 172 (11 NYCRR 83), the Department did not adopt certain NAIC SAP guidance, specifically subparagraph 4.a. of SSAP No. 26R, Bonds, and the third sentence in footnote 1 of SSAP No. 97, Investments in Subsidiary, Controlled and Affiliated Entities, to treat certain exchange traded funds ("ETFs") designated by the Securities Valuation Office ("SVO"), ("SVO-Identified ETFs"), as qualifying for bond accounting treatment. Rather, the Department requires these SVO-identified ETFs to be reflected as equities under SSAP No. 30R, "Unaffiliated Common Stock". However, if the ETF meets certain criteria, the asset valuation reserve ("AVR") and interest maintenance reserve ("IMR") may be retained under SSAP No. 26R, and the ETF can be treated as a bond for the purpose of a domestic insurer's risk based capital ("RBC") report. The total balance of investment grade ETF holdings treated as equities as of December 31, 2023 and 2022, but treated as bonds for AVR, IMR and RBC, are \$103 million and \$3,222 million, respectively. This prescribed practice does not result in a difference to net income or capital and contingency reserves when compared to NAIC SAP.

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The table below provides a reconciliation of the Company's net income and capital and contingency reserves between NAIC SAP and the New York SAP Annual Statement filed with the Department.

	NAIC SAP#	Financial Statement Line	For the Years Ended December 31,		
			2023	2022	2021
			(in millions)		
Net income, New York SAP			\$ (674)	\$ (408)	\$ 3,872
New York SAP Prescribed Practices that are an increase/(decrease) to NAIC SAP:					
Additional reserves for term conversions	51R	Increase in policy and contract reserves	(2)	(1)	(2)
Net income (loss), NAIC SAP			<u>\$ (676)</u>	<u>\$ (409)</u>	<u>\$ 3,870</u>
Capital and surplus, New York SAP			\$ 42,111	\$ 42,722	\$ 42,973
New York SAP Prescribed Practices that are an increase/(decrease) to NAIC SAP:					
Additional reserves for term conversions	51R	Reserves for life and health insurance, annuities and deposit-type contracts	14	16	18
Capital and surplus, NAIC SAP			<u>\$ 42,125</u>	<u>\$ 42,738</u>	<u>\$ 42,991</u>

The additional reserve for the term conversions results from the Department requiring in Regulation No. 147 (11 NYCRR 98), Valuation of Life Insurance Reserves, Section 98.4 for any policy which guarantees renewal, or conversion to another policy, without evidence of insurability, additional reserves shall be held that account for excess mortality due to anti-selection with appropriate margins to cover expenses and risk of moderately adverse deviations in experience.

The Company's RBC as of December 31, 2023 and 2022 would not have triggered a regulatory event without the use of the New York SAP prescribed and permitted practices.

Accounting Principles Generally Accepted in the United States: The Financial Accounting Standards Board ("FASB") dictates the accounting principles for financial statements that are prepared in conformity with GAAP with applicable authoritative accounting pronouncements. As a result, the Company cannot refer to financial statements prepared in accordance with NAIC SAP and New York SAP as having been prepared in accordance with GAAP.

The primary differences between GAAP and NAIC SAP can be summarized as follows:

Under GAAP:

- Investments in bonds considered to be "available for sale" are carried at fair value rather than at amortized cost under NAIC SAP;
- For held-to-maturity investments, lifetime expected credit losses are immediately recognized through the allowance for credit losses, and is adjusted at each reporting period. Under NAIC SAP, an impairment for securities other than loan-backed and structured securities is recorded through earnings for the difference between amortized cost and fair value. For loan-backed and structured securities, non-interest related other-than-temporary impairment ("OTTI") losses shall be recorded through the AVR, while interest related other-than-temporary impairment losses may be recorded through the IMR in certain circumstances;
- Estimated expected credit losses related to mortgage loans are immediately recognized over the life of the financial instrument rather than as unrealized losses on impairments included in the AVR, which is a component of surplus under NAIC SAP;

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- If in the aggregate, the Company has a net negative cash balance, the negative cash is recorded as a liability rather than as a negative asset under NAIC SAP;
- Changes in the value of certain other invested assets accounted for under the equity method of accounting are recorded through earnings rather than as unrealized gains (losses), which is a component of surplus under NAIC SAP;
- Investments in wholly-owned subsidiaries, other entities under the control of the parent, and certain variable interest entities are consolidated in the parent's financial statements rather than being carried at the parent's share of the underlying GAAP equity or statutory surplus of a domestic insurance subsidiary under NAIC SAP;
- Contracts that contain an embedded derivative are bifurcated from the host contract and accounted for separately under GAAP, whereas under NAIC SAP, the embedded derivative is not bifurcated between components and is accounted for as part of the host contract;
- All derivative instruments are carried at fair value under GAAP, whereas under NAIC SAP, certain derivative instruments are carried at amortized cost;
- Changes in the fair value of derivative instruments are generally reported through earnings unless they qualify and are designated for cash flow or net investment hedge accounting, whereas under NAIC SAP, changes in the fair value of derivative instruments not carried at amortized cost are recorded as unrealized capital gains or losses and reported as changes in surplus;
- Certain assets designated as "non-admitted assets" and excluded from assets in the statutory balance sheet are included in the GAAP balance sheet;
- Surplus notes are reported as a liability rather than a component of capital and contingency reserves under NAIC SAP;
- The AVR is not recognized under GAAP. The AVR is established under NAIC SAP with changes recorded as a direct charge to surplus;
- The IMR is not recognized under GAAP. The realized gains and losses resulting from changes in interest rates are reported as a component of net income under GAAP rather than being deferred and subsequently amortized into income over the remaining expected life of the investment sold under NAIC SAP;
- Dividends on participating policies are accrued when earned under GAAP rather than being recognized for the year when they are approved under NAIC SAP;
- Policy acquisition costs, such as commissions, and other costs incurred in connection with acquiring new business, are deferred and amortized over the expected lives of the policies issued rather than being expensed when incurred under NAIC SAP;
- Policy and contract reserves are based on management's best estimates of expected mortality, morbidity, persistency and interest rather than being based on statutory mortality, morbidity and interest requirements under NAIC SAP;
- Deferred income taxes, subject to valuation allowance, include federal and state income taxes and changes in the deferred tax are reflected in earnings. Under NAIC SAP, deferred taxes exclude state income taxes and are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus;
- Contracts that do not subject the Company to significant risks arising from policyholder mortality or morbidity are reported as a deposit liability. Under NAIC SAP, an annuity contract containing a life contingency is required to be classified as a life insurance contract, regardless of the significance of any mortality and

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morbidity risk, and amounts received and paid under these contracts are reported as revenue and benefits, respectively;

- Assets and liabilities are reported gross of reinsurance under GAAP and net of reinsurance under NAIC SAP. Certain reinsurance transactions are accounted for as financing transactions under GAAP and as reinsurance under NAIC SAP. Transactions recorded as financing have no impact on premiums or losses incurred, while under NAIC SAP, premiums paid to the reinsurer are recorded as ceded premiums (a reduction in revenue) and expected reimbursement for losses from the reinsurer are recorded as a reduction in losses;
- When reserves ceded to an unauthorized reinsurer exceed the assets or letters of credit supporting the reserves no liability is established under GAAP. Under NAIC SAP, a liability is established and changes to these amounts are credited or charged directly to unassigned surplus (deficit).
- Revenue recognition for administrative service expense reimbursements are recognized as gross revenue and gross expense in the Statements of Operations when the Company is the principal in the transaction and where the Company controls the administrative services before transferring them to the customer. Under NAIC SAP, the administration expenses incurred are included in operating expenses and any offsetting reimbursements are netted against operating expenses.

The effects of these differences, while not determined, are presumed to be material.

Use of Estimates: The preparation of statutory-basis financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities at the date of the financial statements. Management is also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

The most significant estimates include those used in the recognition of OTTIs, reserves for life and health insurance, annuities and deposit-type contracts and the valuation of deferred tax assets.

The Russian invasion of Ukraine and the conflict in the Middle East have created significant uncertainties in the global financial markets and economies. The duration and extent of these uncertainties and the related impact over the long-term cannot be reasonably estimated at this time. While not currently expected to be material, TIAA will continue to monitor the impact on the Company's business, results of operations, investments, and cash flows.

Reclassifications: Certain prior year amounts within these financial statement footnotes have been reclassified to conform to the current year presentation. No reclassifications were made to the Statements of Admitted Assets, Liabilities, and Capital and Contingency Reserves and the related Statements of Operations, Changes in Capital and Contingency Reserves, and Cash Flows.

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
NOTES TO STATUTORY - BASIS FINANCIAL STATEMENTS
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Accounting Policies:

The following is a summary of the significant accounting policies followed by the Company:

Bonds: Bonds are stated at amortized cost using the constant yield method. Bonds in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. NAIC ratings are applied to bonds and other securities. Categories 1 and 2 are considered investment grade, while Categories 3 through 6 are considered below investment grade. The principal for Treasury Inflation Protected Securities ("TIPS") bonds is adjusted based on inflation and is recorded as an unrealized gain or loss and amortized over the remaining life of the security. Bonds are recorded on a trade date basis, except for private placement bonds, which are recorded on the funding date. Bonds the Company intends to sell prior to maturity ("held for sale") are stated at the lower of amortized cost or fair value.

Included within bonds are loan-backed and structured securities. Estimated future cash flows and expected prepayment speeds are used to determine the amortization of loan-backed and structured securities under the prospective method. Expected future cash flows and prepayment speeds are evaluated quarterly. Certain loan-backed and structured securities are reported at the lower of amortized cost or fair value as a result of the NAIC modeling process.

If it is determined that a decline in the fair value of a bond, excluding loan-backed and structured securities, is other-than-temporary, the cost basis of the bond is written down to fair value and the amount of the write down is accounted for as a realized loss. The new cost basis is not changed for subsequent recoveries in fair value. Future declines in fair value which are determined to be other-than-temporary are recorded as realized losses.

For loan-backed and structured securities which the Company has the intent and ability to hold for a period of time sufficient to recover the amortized cost basis, when an OTTI has occurred because the Company does not expect to recover the entire amortized cost basis of the security, the amount of the OTTI recognized as a realized loss is the difference between the security's amortized cost basis and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate.

For loan-backed and structured securities, when an OTTI has occurred because the Company intends to sell the security or does not have the intent and ability to retain the security for a period of time sufficient to recover the amortized cost basis, the amount of the OTTI realized is the difference between the security's amortized cost basis and fair value at the balance sheet date.

In periods subsequent to the recognition of an OTTI loss for a loan-backed or structured security, the Company accounts for the other-than-temporarily impaired security as if the security had been purchased on the measurement date of the impairment. The difference between the new amortized cost basis and the cash flows expected to be collected is accreted as interest income in future periods based on prospective changes in cash flow estimates.

Preferred Stocks: Non-perpetual preferred stocks are stated at amortized cost unless they have an NAIC rating designation of 4, 5, or 6, which are stated at the lower of amortized cost or fair value. Perpetual and mandatory convertible preferred stocks are carried at fair value. The fair value of preferred stocks is determined using prices provided by independent pricing services or internally developed pricing models. When it is determined that a decline in fair value of an investment is other-than-temporary, the cost basis of the investment is reduced to its fair value and the amount of the reduction is accounted for as a realized loss.

Common Stocks: Unaffiliated common stocks are stated at fair value, which is based on quoted market prices, where available. Changes in fair value are recorded through surplus as an unrealized gain or loss. When it is determined that a decline in fair value of an investment is other-than-temporary, the cost basis of the investment is reduced to its fair value and the amount of the reduction is accounted for as a realized loss. Investment grade bond ETFs are accounted for as common stocks and are stated at fair value.

Investments in subsidiary, controlled and affiliated ("SCA") entities are stated at the value of their underlying net assets as follows: (1) domestic insurance subsidiaries are stated at the value of their underlying statutory surplus,

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and (2) non-insurance subsidiaries are stated at the value of their underlying audited GAAP equity. Dividends and distributions from subsidiaries are recorded in investment income to the extent they are not in excess of the investee's undistributed accumulated earnings, and changes in the equity of subsidiaries are recorded directly to surplus as unrealized gains or losses.

Mortgage Loans: Mortgage loans are stated at amortized cost, net of valuation allowances. Amortized cost consists of the unpaid principal balance of the loans, net of unamortized premiums, discounts, and certain mortgage origination fees. Mortgage loans held for sale are stated at the lower of amortized cost or fair value. Mortgage loans are evaluated for impairment when it is probable that the receipt of contractual payments of principal and interest may not occur when scheduled. If the impairment is considered to be temporary, a valuation allowance is established for the excess of the carrying value of the mortgage over its estimated fair value. Changes in valuation allowance for mortgage loans are included in net unrealized capital gains and losses on investments. When an event occurs resulting in an impairment that is other-than-temporary, a direct write-down is recorded as a realized loss and a new cost basis is established. The fair value of mortgage loans is generally determined using a discounted cash flow methodology based on coupon rates, maturity provisions and credit assumptions.

Real Estate: Real estate occupied by the Company and real estate held for the production of income is carried at depreciated cost, less encumbrances. Real estate held for sale is carried at the lower of depreciated cost or fair value, less encumbrances, and estimated costs to sell. The Company utilizes the straight-line method of depreciation on real estate and it is generally computed over a forty-year period. A real estate property may be considered impaired when events or circumstances indicate that the carrying value may not be recoverable. When the Company determines that an investment in real estate is impaired, a direct write-down is made to reduce the carrying value of the property to its estimated fair value based on an external appraisal, net of encumbrances, and a realized loss is recorded. The Company makes investments in commercial real estate directly, through SCA entities and through real estate limited partnerships which are included in "Other invested assets." The Company monitors the effects of current and expected market conditions and other factors on its real estate investments to identify and quantify any impairment in value. The Company evaluates the recoverability of income producing directly held real estate investments based on undiscounted cash flows and then reviews the results of an independent third party appraisal to determine the fair value and if an impairment is required.

Other Invested Assets: Other invested assets primarily include investments in joint ventures, partnerships, and limited liability companies which are stated at cost, adjusted for the Company's underlying equity percentage based on the respective entity's most recent available audited US GAAP or International Financial Reporting Standards financial statements.

Dividends and distributions from subsidiaries are recorded in investment income to the extent they are not in excess of the investee's undistributed accumulated earnings, and changes in the equity of subsidiaries are recorded directly to surplus as unrealized gains or losses.

Other invested assets include the Company's investments in surplus notes, which are stated at amortized cost. All of the Company's investments in surplus notes have a NAIC 1 rating designation.

The Company monitors the effects of current and expected market conditions and other factors on these investments to identify and quantify any impairment in value. The Company assesses the investments for potential impairment by performing analysis between the fair value and the cost basis of the investments. The Company evaluates recoverability of the Company's direct investment to determine if an OTTI has occurred. When it is determined that a decline in fair value of an investment is other-than-temporary, the cost basis of the investment is reduced to its fair value, and the amount of the reduction is accounted for as a realized loss.

Cash and Cash Equivalents: Cash includes cash on deposit and cash equivalents. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less at the date of purchase and are stated at amortized cost. If in the aggregate, the Company has a net negative cash balance, the negative cash is recorded as a negative asset.

Short-Term Investments: Short-term investments (investments with remaining maturities greater than three months and less than or equal to one year at the time of acquisition, excluding those investments classified as

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cash equivalents) that are not impaired are stated at amortized cost using the straight line interest method. Short-term investments that are impaired are stated at the lower of amortized cost or fair value.

Contract Loans: Contract loans are stated at outstanding principal balances. Interest income accrued on contract loans past due 90 days or more are included in the unpaid balance of the loan. The excess of unpaid contract loan balances over the cash surrender value, if any, is non-admitted and reflected as an adjustment to surplus. Interest income on such contract loans is recorded as earned using the contractually agreed upon interest rate.

Derivative Instruments: The Company designates its derivative transactions as hedging or replication transactions. Derivatives that qualify and are designated for hedge accounting are reported as assets or liabilities on the balance sheet and accounted for in a manner consistent with the hedged item. Swap coupon cash flows and income accruals are reported as a component of net investment income. Upon termination, the gain or loss on these contracts is recognized in a manner consistent with the disposed hedged item.

Derivatives used in hedging relationships that do not qualify or are not designated for hedge accounting are carried at fair value. Changes in fair value are reported in surplus as net unrealized capital gains (losses). Swap coupon cash flows and income accruals are reported as a component of net investment income. Upon termination the gain or loss on these contracts is recognized as realized capital gains (losses) and is subject to IMR or AVR treatment.

Derivatives used in replication transactions are accounted for in a manner consistent with the cash instrument and the replicated asset. Accordingly, these derivatives are carried at amortized cost or fair value. Amortization of derivative premiums is reported as a component of net investment income. Swap coupon cash flows and income accruals are recorded as a component of net investment income. Upon termination, the gain or loss on these contracts is recognized as realized capital gains (losses) and is subject to IMR or AVR treatment.

The Company monitors the unrealized loss position for replication credit default swaps. If it is determined that a decline in fair value is other than temporary, the cost basis will be written down to fair value and the amount of the write down is accounted for as a realized loss.

The Company does not offset the carrying values recognized in the balance sheet for derivatives executed with the same counterparty under the same master netting agreement.

Investment Income Due and Accrued: Investment income due is investment income earned and legally due to be paid to the Company at the reporting date. Investment income accrued is investment income earned but not legally due to be paid to the Company until subsequent to the reporting date. The Company writes off amounts deemed uncollectible as a charge against investment income in the period such determination is made. Amounts deemed collectible, but over 90 days past due for any invested asset except mortgage loans in default are non-admitted. Amounts deemed collectible, but over 180 days past due for mortgage loans in default are non-admitted. The Company accrues interest income on impaired loans to the extent it is deemed collectible.

Separate Accounts: Separate accounts are established in conformity with insurance laws, are segregated from the Company's general account and are maintained for the benefit of separate account contract holders. Separate accounts are accounted for at fair value, except the TIAA Stable Value separate account, which supports book value separate account agreements, in which case the assets are accounted for at amortized cost. Separate account liabilities reflect the contractual obligations of the insurer arising out of the provisions of the insurance contract.

Foreign Currency Transactions and Translation: Investments denominated in foreign currencies and foreign currency contracts are valued in U.S. dollars, based on exchange rates at the balance sheet date. Investment transactions in foreign currencies are recorded at the exchange rates prevailing on the respective transaction dates. All other asset and liability accounts denominated in foreign currencies are adjusted to reflect exchange rates at the balance sheet date. Realized and unrealized gains and losses due to foreign exchange transactions and translation adjustments are not separately reported but are collectively included in realized and unrealized capital gains and losses, respectively.

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Non-Admitted Assets: For statutory accounting purposes, certain assets are designated as non-admitted assets. Changes in non-admitted assets are reported as a direct adjustment to surplus.

At December 31, the major categories of assets that are non-admitted are as follows (in millions):

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Net deferred federal income tax asset	\$ 2,905	\$ 2,781	\$ 124
Furniture and electronic data processing equipment	562	495	67
Invested assets	708	613	95
Prepaid expenses	198	168	30
Other	193	38	155
Total	<u>\$ 4,566</u>	<u>\$ 4,095</u>	<u>\$ 471</u>

Electronic Data Processing Equipment, Computer Software, Furniture and Equipment and Leasehold Improvements: Electronic data processing (“EDP”) equipment, computer software and furniture and equipment which qualify for capitalization are depreciated over the lesser of useful life or 3 years. Office alterations and leasehold tenant improvements which qualify for capitalization are depreciated over the lesser of useful life or 5 years or the remaining life of the lease, respectively.

At December 31, the accumulated depreciation on EDP equipment, computer software, furniture and equipment and leasehold improvements is as follows (in millions):

	<u>2023</u>	<u>2022</u>
EDP equipment and computer software	\$ 2,171	\$ 2,052
Furniture and equipment and leasehold improvements	\$ 177	\$ 148

Repurchase Agreement: Repurchase agreements are agreements between a seller and a buyer, whereby the seller of securities sells and simultaneously agrees to repurchase the same or substantially the same securities from the buyer at a stated price on a specified date. Repurchase agreements are generally accounted for as secured borrowings. The assets transferred are not removed from the balance sheet; the cash collateral received is reported on the balance sheet with an offsetting liability reported in “Other liabilities.”

Securities Lending Program: The Company has a securities lending program whereby it may lend securities to qualified institutional borrowers to earn additional income. The Company receives collateral (in the form of cash) against the loaned securities and maintains collateral in an amount not less than 102% of the market value of loaned securities during the period of the loan. The cash collateral received is reported in “Securities lending collateral assets” with an offsetting collateral liability included in “Payable for collateral for securities loaned.” Securities lending income is recorded in the accompanying Statements of Operations in “Net investment income.”

Insurance and Annuity Premiums and Other Considerations: Life insurance premiums are recognized as revenue over the premium-paying period of the related policies. Annuity premiums and other considerations, including consideration on annuity product rollovers, are recognized as revenue when received. Deposits on deposit-type contracts are recorded directly as a liability when received. Expenses incurred when acquiring new business are charged to operations as incurred.

Reserves for Life and Health Insurance, Annuities and Deposit-type Contracts: Policy and contract reserves are determined in accordance with standard valuation methods approved by the Department and are computed in accordance with standard actuarial methodology. The reserves established utilize assumptions for interest, mortality and other risks insured. Such reserves are established to provide for adequate contractual benefits guaranteed under policy and contract provisions.

Liabilities for deposit-type contracts, which do not contain any life contingencies, are equal to deposits received and interest credited to the benefit of contract holders, less surrenders or withdrawals (that represent a return to the contract holders) plus additional reserves (if any) necessitated by actuarial guidelines and statutory regulations. Funding agreements used in an investment spread capacity are also included within deposit-type contracts.

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Asset Valuation Reserve and Interest Maintenance Reserve: Mandatory reserves have been established for the general account and separate account investments, where required. Such reserves consist of the AVR for potential credit-related losses on applicable general account and separate account invested assets. Changes to the AVR are reported as direct additions to or deductions from surplus. An IMR is established for interest-related realized capital gains (losses) resulting from changes in the general level of interest rates for the general account, as well as any separate accounts, not carried at fair value. Transfers to the IMR are deducted from realized capital gains and losses and are net of related federal income tax. IMR amortization, as calculated under the grouped method, is included in net investment income. Net realized capital gains (losses) are presented net of federal income tax expense or benefit and IMR transfer. For bonds, excluding loan-back and structured securities, losses from other-than-temporary impairments are recorded entirely to either the AVR or the IMR in accordance with the nature of the impairment.

Net Realized Capital Gains (Losses): Realized capital gains (losses), net of taxes, exclude gains (losses) deferred into the IMR and gains (losses) of the separate accounts. Realized capital gains (losses), including OTTI, are recognized in net income and are determined using the specific identification method.

Dividends Due to Policyholders: Dividends on insurance policies and pension annuity non-participating contracts in the payout phase are declared by the TIAA Board of Trustees (the "Board") and recorded in December of each year. Dividends on pension annuity non-participating contracts in the accumulation phase are declared by the Board in February of each year, and such dividends on the various existing vintages of pension annuity contracts in the accumulation phase are credited to policyholders during the ensuing twelve month period beginning March 1.

Federal Income Taxes: Current federal income taxes are charged or credited based upon amounts estimated to be payable or recoverable as a result of operations for the current year and any adjustments to such estimates from prior years. Deferred federal income tax assets ("DTAs") and deferred federal income tax liabilities ("DTLs") are recognized for expected future tax consequences of temporary differences between statutory and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby statutory and tax balance sheets are compared. Changes in DTAs and DTLs are recognized as a separate component of surplus except for net deferred taxes related to the unrealized appreciation or depreciation on investments, which are included in the change in unrealized capital gains (losses) on investments. Net DTAs are admitted to the extent permissible. Gross DTAs are reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross DTA will not be realized. The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

The Company files a consolidated federal income tax return with its includable insurance and non-insurance subsidiaries. The consolidating companies participate in tax allocation agreements. The tax allocation agreements provide that each member of the group is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis, but may, where applicable, recognize the tax benefits of net operating losses or capital losses utilizable by the consolidated group. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement occurring within 30 days of the filing of the consolidated return. The tax allocation agreements are not applied to subsidiaries that are disregarded under federal tax law.

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Statements of Cash Flows: Noncash activities are excluded from the Statutory - Basis Statements of Cash Flows. These noncash activities for the years ended December 31 include the following (in millions):

	2023	2022	2021
Exchange/transfer/conversion/distribution of invested assets.....	\$ 4,071	\$ 3,678	\$ 2,137
Annuity dividend additions.....	\$ 3,065	\$ 2,099	\$ 945
Capitalized interest.....	\$ 335	\$ 302	\$ 398
Interest credited on deposit-type contracts	\$ 259	\$ 113	\$ 30

Application of New Accounting Pronouncements:

Recently Issued Accounting Guidance:

In August 2023, the NAIC adopted revisions to SSAP 26R, Bonds, SSAP 43R, Loan-Backed and Structured Securities and other SSAPs as part of the principles-based bond definition project. These revisions incorporate principle concepts on what should be reported as a long-term bond, and the accounting and reporting guidance for such bonds. Eligible bonds must qualify as either an issuer credit obligation or an asset backed security. The revisions are effective January 1, 2025. Investments that were reported as a bond within the investment reporting schedules within the Annual Statement as of December 31, 2024, that do not qualify under the principle-based bond concepts shall be reported as a disposal from the bond schedule, with a reacquisition on the appropriate reporting schedule and a corresponding change in accounting treatment as of January 1, 2025. The Company is still evaluating the impact of the adoption of the principles-based bond definition.

In December 2023, the NAIC adopted revisions to the Annual Statement Instructions related to specific allocations to IMR and AVR. The principal concept of the IMR and AVR is that interest-related losses go to IMR, and non-interest-related losses go to AVR. The current Annual Statement instructions have permitted unintended allocations that appear to direct an entity to allocate non-interest-related losses to IMR rather than correctly to the AVR. The updated guidance requires an entity to consider downgrades of debt securities within a reasonable period after sale or disposal to determine whether realized losses should go to IMR or AVR. Additionally, the revised guidance has added loans with an established valuation allowance to the criteria for losses reported to AVR. These revisions are effective on January 1, 2024. The Company is still evaluating the impact of this adoption.

In December 2023, the NAIC proposed revisions to SSAP No. 2R, Cash, Cash Equivalents, Drafts, and Short-Term Investments which explicitly preclude all investments reported as "Other invested assets" within the investment reporting schedules within the Annual Statement and "Mortgage loans" in the scope of SSAP No. 37, Mortgage Loans from being classified as cash equivalents or short-term investments. These amendments are effective on January 1, 2025. The Company is still evaluating the impact of this adoption.

Recently Adopted Accounting Pronouncements:

In March 2023, the NAIC adopted revisions to SSAP No. 34, Investment Income Due and Accrued. The revisions provided additional disclosures for interest income due and PIK interest included in current principal balances. The revisions are effective December 31, 2023. As a result of the adoption, the Company disclosed that approximately \$1.5 billion of the principal balance of investments as of December 31, 2023, was related to PIK interest.

In March 2023, the NAIC adopted revisions to SSAP No. 100R, Fair Value. The revisions adopt ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions to provide clarity in situations involving equity securities that have restrictions related to the sale of the asset. The adoption does not incorporate the GAAP disclosures on sales restrictions, but clarifies that items restricted as to sale would be captured as restricted assets and subject to admittance considerations. The revisions are effective immediately and did not have a material impact to the Company.

In March 2023, the NAIC adopted revisions to SSAP 25, Affiliates and Other Related Parties. These revisions clarify that any invested asset held by a reporting entity which is issued by an affiliated entity, or which includes the obligations of an affiliated entity, is an affiliated investment. The revisions are effective immediately and did not have a material impact to the Company.

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In August 2023, the NAIC adopted Interpretation 23-01, Net Negative (Disallowed) Interest Maintenance Reserves ("INT 23-01") which provides a temporary option to allow reporting entities with risk-based capital ("RBC") greater than 300% of authorized control level (after certain adjustments) to admit net negative IMR. This admittance of net negative (disallowed) IMR is limited to 10% of adjusted capital and surplus. INT 23-01 also includes guidance on the accounting for losses from fair value derivatives and negative IMR at separate accounts, and specific reporting and disclosure requirements. INT 23-01 is effective immediately and will remain in effect until December 31, 2025. The Company adopted INT 23-01 and it did not have a material impact to the financial statements.

In August 2023, the NAIC adopted revisions to clarify how paid-in-kind ("PIK") interest is calculated for relevant disclosures. The revisions also provide a practical expedient for determining the PIK interest in the cumulative balance by subtracting the original principal or par value from the current principal or par value. The guidance is effective for 2023 year-end reporting and did not have a material impact to the financial statements.

In September 2023, the NAIC adopted revisions to SSAP No. 43R, Loan-Backed and Structured Securities and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Companies to clarify the scope and reporting for investment structures that represent residual interests or a residual security tranche (collectively referred to as residuals). The revisions are effective for year-end December 31, 2023 and did not have a material impact to the financial statements.

In September 2023, the NAIC adopted certain accounting practices within Interpretation 2023-03, Inflation Reduction Act ("the Act") - Corporate Alternative Minimum Tax ("CAMT") ("INT 23-03"). The Act imposes a CAMT to the excess of 15% of a corporation's adjusted financial statement income over its corporate alternative minimum foreign tax credit. INT 23-03 provides guidance for CAMT reporting on or after year-end 2023 and includes accounting, the statutory valuation allowance, admissibility, and transition. Pursuant to the guidance in INT 23-03, the Company has determined as of the reporting date that it will not be an applicable entity and will not be liable for CAMT in 2023.

In October 2023, the NAIC adopted certain revisions to SSAP No. 20, Nonadmitted Assets and SSAP No. 21R, Other Admitted Assets. These revisions clarify that the underlying collateral for a collateral loan must qualify as an admissible invested asset for the collateral loan to qualify as an admissible asset. Further, the revisions provide details regarding the measurement of and audit requirements for collateral that would be in the scope of SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Companies and SSAP No. 97, Investments in Subsidiary, Controlled and Affiliated Entities if held directly by the reporting entity. The amendments are effective immediately and did not have a material impact to the financial statements.

In December 2023, the NAIC proposed revisions to SSAP No. 30R, Unaffiliated Common Stock and SSAP No. 32R, Preferred Stock. These revisions added language to explicitly clarify that investments that are in the form of either common or preferred stock but that are in-substance residual interests or a residual security tranche (that is, meeting the definition of such residuals in SSAP No. 43R, Loan-Backed and Structured Securities or SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Companies) must be reported as "Other invested assets" and included as residuals within the investment reporting schedules within the Annual Statement. These revisions are effective December 31, 2023 and did not have a material impact on the financial statements.

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impairments in certain economically-depressed geographic locations and (h) the potential for impairment based on an estimated discounted cash flow analysis for structured and loan-backed securities. Where decline in value is considered to be other-than-temporary, the Company recognizes a realized loss and adjusts the cost basis of the security accordingly. The Company does not change the revised cost basis for subsequent recoveries in value.

Unrealized Losses on Bonds, Preferred Stocks and Unaffiliated Common Stocks: The gross unrealized losses and estimated fair values for securities by the length of time that individual securities are in a continuous unrealized loss position are shown in the table below (in millions):

	Less than twelve months			Twelve months or more		
	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value
December 31, 2023						
Loan-backed and structured bonds	\$ 1,941	\$ (90)	\$ 1,851	\$ 42,117	\$ (4,247)	\$ 37,870
All other bonds	3,834	(93)	3,741	112,641	(13,529)	99,112
Total bonds	5,775	(183)	5,592	154,758	(17,776)	136,982
Unaffiliated common stocks	5	(1)	4	780	(80)	700
Preferred stocks	—	—	—	152	(27)	125
Total bonds and stocks	\$ 5,780	\$ (184)	\$ 5,596	\$ 155,690	\$ (17,883)	\$ 137,807

	Less than twelve months			Twelve months or more		
	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value
December 31, 2022						
Loan-backed and structured bonds	\$ 42,632	\$ (4,245)	\$ 38,387	\$ 5,388	\$ (935)	\$ 4,453
All other bonds	112,477	(13,344)	99,133	19,566	(4,565)	15,001
Total bonds	155,109	(17,589)	137,520	24,954	(5,500)	19,454
Unaffiliated common stocks	3,858	(697)	3,161	891	(156)	735
Preferred stocks	165	(49)	116	18	(18)	—
Total bonds and stocks	\$ 159,132	\$ (18,335)	\$ 140,797	\$ 25,863	\$ (5,674)	\$ 20,189

Estimated fair values for bonds are subject to market fluctuations, including changes in interest rates. Generally, if interest rates increase, the value of bonds will decrease, and conversely a decline in general interest rates will tend to increase the value of bonds. During 2022, the rise in interest rates drove declines in the estimated fair values for bonds seen in the less than twelve months amount as of December 31, 2022. During 2023, interest rates stabilized which resulted in bonds continuing to be in unrealized loss positions. As a result, the majority of the bonds with unrealized losses in the less than twelve months amount as of December 31, 2022 migrated to the twelve months or more amount as of December 31, 2023, of which 95% of unrealized losses were from investment grade bonds. Based upon the Company's current evaluation of these securities in accordance with its impairment policy, the Company has concluded that these securities are not other-than-temporarily impaired. Additionally, the Company currently intends and has the ability to hold the securities with unrealized losses for a period of time sufficient for them to recover.

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Scheduled Maturities of Bonds: The carrying value and estimated fair value of bonds, categorized by contractual maturity, are shown below. Bonds not due at a single maturity date have been included in the following table based on the year of final maturity. Actual maturities may differ from contractual maturities because borrowers may prepay obligations with or without call or prepayment penalties. Mortgage-backed, asset-backed, and bond exchange traded fund securities are shown separately in the table below, as they are not due at a single maturity date (in millions):

	December 31, 2023		December 31, 2022	
	Book/ Adjusted Carrying Value	Estimated Fair Value	Book/ Adjusted Carrying Value	Estimated Fair Value
Due in one year or less	\$ 4,847	\$ 4,786	\$ 4,423	\$ 4,437
Due after one year through five years	35,702	34,796	32,794	31,604
Due after five years through ten years	35,678	33,628	38,371	34,703
Due after ten years	85,448	74,945	87,532	73,622
Subtotal	161,675	148,155	163,120	144,366
Residential mortgage-backed securities	11,458	10,614	13,979	13,106
Commercial mortgage-backed securities	8,174	7,383	9,653	8,741
Asset-backed securities	18,259	17,007	15,488	13,859
Subtotal	37,891	35,004	39,120	35,706
Total	\$ 199,566	\$ 183,159	\$ 202,240	\$ 180,072

Bond Diversification: The following table presents the diversification of the carrying values of long-term bond investments at December 31. Loan-backed and structured securities issued by the U.S. government are included in residential mortgage-backed securities and asset-backed securities.

	2023	2022
Other	14.0 %	12.5 %
Revenue and special obligations	10.8 %	12.0 %
Services	10.4 %	8.4 %
Public utilities	10.3 %	10.6 %
Finance and financial services	9.8 %	10.6 %
Asset-backed securities	9.1 %	7.7 %
Manufacturing	8.8 %	10.0 %
U.S. governments	5.9 %	6.0 %
Residential mortgage-backed securities	5.7 %	6.9 %
Real estate investment trusts	4.4 %	4.3 %
Commercial mortgage-backed securities	4.1 %	4.8 %
Oil and gas	2.7 %	2.2 %
All other governments	2.0 %	1.7 %
Communications	2.0 %	2.3 %
Total	100.0 %	100.0 %

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The following table presents the carrying value of the long-term bond portfolio by investment grade as of December 31, (in millions):

	<u>2023</u>		<u>2022</u>	
NAIC 1 and 2	\$ 177,708	89.0 %	\$ 182,180	90.1 %
NAIC 3 through 6	21,858	11.0	20,060	9.9
Total	<u>\$ 199,566</u>	<u>100.0 %</u>	<u>\$ 202,240</u>	<u>100.0 %</u>

Loan-backed and Structured Securities: The near-term prepayment assumptions for loan-backed and structured securities are based on historical averages drawing from performance experience for a particular transaction and may vary by security type. The long-term assumptions are adjusted based on expected performance.

For the years ended December 31, 2023 and 2022, the Company recognized OTTI on loan-backed and structured securities of \$20 million and \$26 million, respectively.

Other Disclosures: The following table represents the carrying amount of bonds and stocks denominated in a foreign currency as of December 31, (in millions):

	<u>2023</u>		<u>2022</u>	
Carrying amount of bonds and stocks denominated in foreign currency	\$	5,810	\$	5,317
Carrying amount of bonds and stocks denominated in foreign currency which are collateralized by real estate	\$	1,044	\$	892

5GI Securities: The SVO assigns a NAIC 5GI designation to certain obligations when an insurer certifies the following: documentation necessary to permit a full credit analysis of a security does not exist, the issuer or obligor is current on all contracted interest and principal payments and the insurer has an actual expectation of ultimate payment of all contracted interest and principal. These NAIC 5GI designations are deemed to possess the credit characteristics of securities assigned an NAIC 5 designation. The following table represents the NAIC 5GI investments held as of December 31, (in millions):

<u>Investment</u>	<u>Number of 5GI Securities</u>		<u>Aggregate Book Adjusted/ Carrying Value</u>		<u>Aggregate Fair Value</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bonds - amortized cost	61	45	\$1,058	\$865	\$1,058	\$862
Loan backed & structured securities - amortized cost	2	—	64	—	65	—
Preferred stock - amortized cost	2	1	5	5	9	7
Preferred stock - fair value	9	10	190	170	190	167
Total	<u>74</u>	<u>56</u>	<u>\$1,317</u>	<u>\$1,040</u>	<u>\$1,322</u>	<u>\$1,036</u>

Note 4 – Mortgage Loans

The Company originates mortgage loans that are principally collateralized by commercial real estate. The composition of the mortgage loan portfolio as of December 31, is as follows (in millions):

<u>Loan Type</u>	<u>2023</u>		<u>2022</u>	
Commercial loans	\$	34,948	\$	35,071
Mezzanine loans		2,031		2,145
Residential loans		4,013		444
Total	<u>\$</u>	<u>40,992</u>	<u>\$</u>	<u>37,660</u>

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As noted in Note 6, as a condition of the sale of TIAA FSB Holdings, Inc. ("FSB"), the Company purchased \$4.9 billion in residential mortgage loans from FSB during 2023, of which \$3.8 billion were recorded within "Mortgage loans" and \$1.1 billion within "Other invested assets" as these mortgages are held in a trust investment vehicle.

The maximum and minimum lending rates for mortgage loans originated or purchased during 2023 and 2022 are as follows:

Loan Type	2023		2022	
	Maximum	Minimum	Maximum	Minimum
Commercial loans	9.99 %	3.17 %	8.09 %	2.39 %
Mezzanine loans	17.50 %	17.50 %	10.32 %	4.00 %
Residential loans	8.50 %	0.0 %	— %	— %

The maximum percentage of any one loan to the value ("LTV") of the property at the time of the loan, exclusive of insured, guaranteed or purchase money mortgages, originated or purchased during 2023 and 2022 are as follows:

Loan Type	Maximum LTV	
	2023	2022
Commercial loans	111.8 %	90.8 %
Mezzanine loans	69.3 %	85.0 %
Residential loans	231.5 %	— %

There were no residential mortgage loans originated or purchased during 2022.

Impairment Review Process: The Company monitors the effects of current and expected market conditions and other factors on the collectability of mortgage loans to identify and quantify any impairment in value. Impairments are classified as either temporary, for which a recovery is anticipated, or other-than-temporary. Mortgage loans held to maturity with other-than-temporarily impaired values at December 31, 2023 and 2022 have been written down to net realizable values based upon independent appraisals of the collateral. For impaired mortgage loans where the impairments are deemed to be temporary, an allowance for credit losses is established.

The following table provides the recorded investment on impaired loans with or without an allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the Company is restricted from unilaterally foreclosing on the mortgage loan as of December 31, (in millions):

	Mortgage Loans		
	2023	2022	2021
With allowance for credit losses - Commercial	\$ 941	\$ 245	\$ 241
With allowance for credit losses - Residential	—	—	—
No allowance for credit losses - Commercial	619	—	—
No allowance for credit losses - Residential	—	—	—
Total	\$ 1,560	\$ 245	\$ 241
Subject to a participant or co-lender mortgage loan agreement for which the Company is restricted from unilaterally foreclosing on the mortgage loan	\$ 221	\$ —	\$ —

The following table provides information for investment in impaired loans as of December 31, (in millions):

	Commercial		
	2023	2022	2021
Average recorded investment	\$ 1,560	\$ 245	\$ 241
Interest income recognized	\$ 71	\$ 11	\$ 10
Recorded investments on nonaccrual status	\$ 360	\$ —	\$ —
Amount of interest income recognized using a cash-basis method of accounting	\$ —	\$ —	\$ —

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Credit Quality

For commercial and mezzanine mortgage loans, the primary credit quality indicators are the loan-to-value ratio, debt service coverage ratio and delinquency. Loan-to-value-ratios compare the unpaid principal balance of the loan to the estimated fair value of the underlying collateral. Generally, the higher the loan-to-value ratio, the higher the risk of experiencing a credit loss. Debt service coverage compares a property's net operating income to amounts needed to service the principal and interest due under the loan. Generally, the lower the debt service coverage ratio, the higher the risk of experiencing a credit loss. The debt service coverage ratio and the loan-to-value ratio, as well as the values utilized in calculating these ratios, are updated quarterly, with a portion of the loan portfolio updated annually. Delinquency is defined as a mortgage loan which is past due. Commercial mortgage loans more than 30 days past due are considered delinquent.

For residential mortgage loans, the Company's primary credit quality indicator is performance versus non-performance. The Company generally defines nonperforming residential mortgage loans as those that are 90 or more days past due and/or on non-accrual status. Generally, nonperforming residential loans have a higher risk of experiencing a credit loss.

The credit quality of the recorded investment, which represents carrying value plus accrued interest, in commercial and mezzanine mortgage loans at December 31, are as follows (in millions):

	Recorded Investment - Commercial and Mezzanine			
	Loan-to-value Ratios			
	> 70%	< 70%	Total	% of Total
2023				
Debt service coverage ratios:				
Greater than 1.20x	\$ 9,872	\$ 21,763	\$ 31,635	84.9 %
Less than 1.20x	3,437	1,595	5,032	13.5 %
Construction	—	614	614	1.6 %
Total	\$ 13,309	\$ 23,972	\$ 37,281	100.0 %
	Recorded Investment - Commercial and Mezzanine			
	Loan-to-value Ratios			
	> 70%	< 70%	Total	% of Total
2022				
Debt service coverage ratios:				
Greater than 1.20x	\$ 4,744	\$ 27,224	\$ 31,968	85.5 %
Less than 1.20x	2,616	2,543	5,159	13.8 %
Construction	—	264	264	0.7 %
Total	\$ 7,360	\$ 30,031	\$ 37,391	100.0 %

The credit quality of the recorded investment, which represents carrying value plus accrued interest, in residential mortgage loans at December 31, are as follows (in millions):

	2023		2022	
	Recorded Investment	% of total	Recorded Investment	% of total
Residential				
Credit quality indicators:				
Performing	\$ 4,018	99.8 %	\$ 442	99.1 %
Nonperforming	10	0.2 %	4	0.9 %
Total	\$ 4,028	100 %	\$ 446	100 %

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Mortgage Loan Age Analysis: The following table sets forth an age analysis of mortgage loans and identification of mortgage loans in which the Company is a participant or co-lender in a mortgage loan agreement as of December 31, (in millions):

2023	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		
Recorded investment						
Current	\$ —	\$ 3,973	\$ —	\$ 34,782	\$ 2,046	\$ 40,801
30-59 days past due	\$ —	\$ 29	\$ —	\$ 93	\$ —	\$ 122
60-89 days past due	\$ —	\$ 17	\$ —	\$ —	\$ —	\$ 17
90-179 days past due	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 2
180+ days past due	\$ —	\$ 6	\$ —	\$ 360	\$ —	\$ 366
Participant or co-lender in a mortgage loan agreement						
Recorded investment	\$ —	\$ —	\$ —	\$ 4,749	\$ 2,046	\$ 6,795

2022	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		
Recorded investment						
Current	\$ —	\$ 439	\$ —	\$ 35,233	\$ 2,043	\$ 37,715
30-59 days past due	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
60-89 days past due	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 2
90-179 days past due	\$ —	\$ —	\$ —	\$ —	\$ 115	\$ 115
180+ days past due	\$ —	\$ 4	\$ —	\$ —	\$ —	\$ 4
Interest Accrued						
Recorded Investment	\$ —	\$ 4	\$ —	\$ —	\$ 115	\$ 119
Interest Accrued	\$ —	\$ —	\$ —	\$ —	\$ 3	\$ 3
Participant or co-lender in a mortgage loan agreement						
Recorded investment	\$ —	\$ —	\$ —	\$ 5,079	\$ 2,158	\$ 7,237

Mortgage Loan Diversification: The following tables set forth the mortgage loan portfolio by property type and geographic distribution as of December 31:

Mortgage Loans by Property Type (Commercial & Residential):	2023	2022
	% of Total	% of Total
Apartments	24.3 %	25.0 %
Office buildings	23.3	27.0
Industrial buildings	15.7	17.4
Shopping centers	15.6	18.1
Residential	11.0	1.8
Other - commercial	10.1	10.7
Total	100.0 %	100.0 %

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Mortgage Loans by Geographic Distribution:	2023		2022	
	% of Total		% of Total	
	Commercial	Residential	Commercial	Residential
Pacific	21.4 %	43.5 %	22.2 %	39.4 %
South Atlantic	16.7	16.2	17.3	15.6
Middle Atlantic	16.9	8.7	17.3	20.0
South Central	10.5	10.7	10.7	8.8
North Central	8.8	5.4	8.8	3.6
New England	7.8	2.8	8.2	6.1
Mountain	2.1	12.7	2.0	6.5
Other	15.8	—	13.5	—
Total	100.0 %	100.0 %	100.0 %	100.0 %

Regional classification is based on American Council of Life Insurers regional chart. See below for details of regions.

South Atlantic states are DE, DC, FL, GA, MD, NC, SC, VA and WV
Pacific states are AK, CA, HI, OR and WA
South Central states are AL, AR, KY, LA, MS, OK, TN and TX
Middle Atlantic states are PA, NJ and NY
North Central states are IA, IL, IN, KS, MI, MN, MO, NE, ND, OH, SD and WI
New England states are CT, MA, ME, NH, RI and VT
Mountain states are AZ, CO, ID, MT, NV, NM, UT, and WY
Other includes investments in Australia, United Kingdom and other countries.

Scheduled Mortgage Loan Maturities: At December 31, contractual maturities for mortgage loans are as follows (in millions):

	2023		2022	
	Carrying Value		Carrying Value	
Due in one year or less	\$	3,393	\$	2,882
Due after one year through five years		19,699		16,452
Due after five years through ten years		12,195		14,675
Due after ten years		5,705		3,651
Total	\$	40,992	\$	37,660

Actual maturities may differ from contractual maturities because borrowers may have the right to prepay mortgages, although prepayment premiums may be applicable.

With respect to impaired loans, the Company accrues interest income to the extent it is deemed collectible. Cash received on impaired mortgage loans that are performing according to their contractual terms is applied in accordance with those terms. For mortgage loans in the process of foreclosure, cash received is initially held in suspense and applied as a return of principal at the time that the foreclosure process is completed, or the mortgage is otherwise disposed.

There were no amounts due from related parties that are collateralized by real estate owned by the Company's investment subsidiaries and affiliates for the years ended December 31, 2023 or 2022.

Note 5 – Real Estate

At December 31, 2023 and 2022, the Company's directly owned real estate investments, were carried net of third party mortgage encumbrances. There were \$722 million of third party mortgage encumbrances as of December 31, 2023, and \$691 million for December 31, 2022.

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The directly owned real estate portfolio is diversified by property type and geographic region based on carrying value at December 31, as follows:

	2023	2022
	% of Total	% of Total
Directly Owned Real Estate by Property Type:		
Industrial buildings	45.2 %	42.3 %
Apartments	25.2	26.0
Office buildings	20.9	24.2
Retail	5.4	2.8
Mixed-use projects	2.0	2.0
Land under development	1.3	1.5
Income-producing land	—	1.2
Total	100.0 %	100.0 %

	2023	2022
	% of Total	% of Total
Directly Owned Real Estate by Geographic Region:		
Pacific	29.6 %	27.2 %
South Atlantic	25.7	29.1
Mountain	14.5	13.7
South Central	13.1	14.2
Middle Atlantic	9.3	9.3
North Central	7.8	6.5
Total	100.0 %	100.0 %

Note 6 - Subsidiary, controlled and affiliated entities

The Company holds interests in SCA entities which are reported as "Common stock" or "Other invested assets". The carrying value of investments in SCA entities at December 31, are shown below (in millions):

	2023	2022
Net carrying value of the SCA entities		
Reported as common stock	\$ 1,015	\$ 2,924
Reported as other invested assets	28,409	24,550
Total net carrying value	\$ 29,424	\$ 27,474

Of the \$28,409 million and \$24,550 million of SCA entities reported as "Other invested assets" as of December 31, 2023 and 2022, \$5,985 million and \$5,004 million were attributed to Nuveen, LLC, TIAA's largest subsidiary, respectively.

On November 2, 2022, the Company entered into an agreement to sell a majority of its common stock ownership of FSB to various third-party investors. FSB was a federally chartered savings and loan holding company. Under the agreement, nearly all of FSB's current assets and business lines were acquired by the new ownership, with the exception of TIAA Trust N.A. ("the Trust"). As a condition of the sale, the Company purchased \$4.9 billion in residential mortgage loans from FSB during 2023, of which \$3.8 billion were recorded within mortgage loans and \$1.1 billion within other invested assets as these mortgages are held in a trust investment vehicle.

The Company recorded an impairment loss of \$1.3 billion for the year ended December 31, 2022, attributable to the remeasurement of the Company's investment in FSB from carrying value to fair value. The fair value of the Company's investment in FSB was based on the agreed-upon sales price, adjusted to include the fair value of retained businesses discussed above. The impairment loss and a release of accumulated unrealized capital gains was offset by a reduction of the asset valuation reserve associated with the Company's investment in FSB, which

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was recorded in the change in asset valuation reserve on the Statements of Changes in Capital and Contingency Reserves for the year ended December 31, 2022. The net reduction to capital and contingency reserves was \$0.3 billion for the year ended December 31, 2022.

On July 31, 2023, the Company finalized the sale of a majority of its common stock ownership of FSB to various third-party investors. After the sale, FSB was renamed Everbank Financial Corporation ("Everbank"). The final amount recognized for the sale in 2023 was materially consistent with the estimated impact reported as of December 31, 2022. The Company retained a non-controlling stake and an ongoing business relationship in Everbank. The Company's non-controlling stake in Everbank consists of \$0.6 billion of preferred stock and \$0.2 billion of common stock as of December 31, 2023.

As of December 31, 2023 and 2022, no investment in a SCA entity exceeded 10% of the Company's admitted assets, and the Company does not have any material investments in foreign insurance subsidiaries. The Company did not have any significant investments in non-insurance SCA entities reported as common stocks as of December 31, 2023. The following tables provide information on the Company's significant investments in non-insurance SCA entities reported as common stock, as well as information received from the NAIC in response to the filing of the common stock investments as of December 31, 2022 (in millions):

SCA Entities	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
TIAA FSB Holdings, Inc.	100%	\$2,006	\$2,006	\$—

SCA Entity	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N
TIAA FSB Holdings, Inc.	Sub-2	6/22/2022	\$3,503	Y	N

The Company holds an interest in TIAA-CREF Life Insurance Company ("TIAA Life"), an insurance SCA entity, for which the audited statutory equity reflects NYDFS departures from NAIC SAP as noted below.

The deferred premium asset limitation results from the NYDFS Circular Letter No. 11 (2010), which prescribed the calculation and clarified the accounting for deferred premium assets when reinsurance is involved.

The Department requires in Regulation No. 147 (11 NYCRR 98) Valuation of Life Insurance Reserves Section 98.4 for any policy which guarantees renewal, or conversion to another policy, without evidence of insurability, additional reserves shall be held that account for excess mortality due to anti-selection with appropriate margins to cover expenses and risk of moderately adverse deviations in experience.

The Department prescribed a floor under Regulation No. 213 (11 NYCRR 103), Principle-Based Reserving, effective December 31, 2020, that the reserve for variable annuities is the greater of those prescribed under the NAIC Valuation Manual ("VM") in section VM-21 Requirements for Principle-Based Reserves for Variable Annuities ("VM-21"), and Regulation No. 213.

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The following table provides the monetary effect on net income and surplus as a result of using NYDFS prescribed accounting practices that differed from NAIC SAP, the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with NAIC SAP (in millions):

SCA Entity	2023			
	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
TIAA Life	\$ (1)	\$ 6	\$ 828	\$ 834

* Per NAIC SAP (without permitted or prescribed practices)

SCA Entity	2022			
	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
TIAA Life	\$ —	\$ 7	\$ 890	\$ 897

* Per NAIC SAP (without permitted or prescribed practices)

During 2023 and 2022, had TIAA Life not departed from NAIC SAP, a regulatory event would not have been triggered due to risk based capital.

As of December 31, 2023 and 2022, the Company held \$155 million and \$0 million, respectively, in bonds of affiliates.

As of December 31, 2023 and 2022, the net amount due to SCA entities was \$196 million and \$419 million, respectively. The net amounts are generally settled on a daily or monthly basis. These balances are reported in "Other assets" and "Other liabilities." The Company has a subsidiary deposit program which allows certain subsidiaries the ability to deposit excess cash with the Company and earn daily interest. The deposits from this program are included in the net amount due to SCA entities and were \$464 million and \$580 million as of December 31, 2023 and 2022, respectively.

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The Company holds investments in downstream non-insurance holding companies, which are valued by the Company utilizing the look-through approach as defined in SSAP 97, Investments in Subsidiary, Controlled and Affiliated Entities. The financial statements for the downstream non-insurance holding companies are not audited and the Company has limited the value of its investment in these non-insurance holding companies by excluding immaterial assets that are not audited. All liabilities, commitments, contingencies, guarantees or obligations of these subsidiaries, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the Company's determination of the carrying value of the investment in these subsidiaries, if not already recorded in the subsidiaries' financial statements. The Company's carrying value in these downstream non-insurance holding companies is \$8,887 million and \$9,252 million as of December 31, 2023 and 2022, respectively. Significant holdings as of December 31, are as follows (in millions):

Subsidiary	2023	2022
	Carrying Value	Carrying Value
TIAA Global Ag Holdco LLC	\$ 1,072	\$ 1,001
T-C Europe, LP	1,052	556
TIAA Super Regional Mall Member Sub LLC	492	503
Occator Agricultural Properties, LLC	451	428
ND Properties LLC	449	622
TGA APAC Fund Holdings, LLC	388	385
TGA European RE Holdings I LLC	308	188
NGFF Holdco, LLC	306	306
TIAA Infrastructure Investments, LLC	271	1,033
T-C Lux Fund Holdings LLC	261	285
TIAA GTR Holdco LLC	225	180
TGA MKP Member LLC	202	202
NGTF Holdco LLC	200	200
T-C MV Member LLC	189	255
TGA Sparrow Investor LLC	180	181
T-C Waterford Blue Lagoon LLC	177	181
TIAA-Stonepeak Investments I, LLC	149	155
TIAA-Stonepeak Investments II, LLC	147	155
TGA JL MCF II Investor Member LLC	131	142
730 Transmission, LLC	122	120
TIAA NBS LLC	120	—
TIAA Global Timberlands, LLC	119	112
T-C MV Member II LLC	114	67
TGA SS Self Storage Portfolio Inv Mbr LLC	112	119
730 Data Centers, LLC	106	106
TEFF Holdco LLC	104	89
TIAA Global Capabilities Holdings	87	—
T-C SV Member LLC	80	79
TGA Sparrow II Investor LLC	77	38
TGA Peaceable Investor Member LLC	67	—
Other	1,129	1,564
	\$ 8,887	\$ 9,252

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Note 7 - Other Invested Assets

As of December 31, 2023 and 2022, the components of the Company's carrying value in "Other invested assets" are (in millions):

	<u>2023</u>	<u>2022</u>
Affiliated other invested assets	\$ 28,409	\$ 24,550
Unaffiliated other invested assets	13,845	11,677
Receivables for securities, derivative collateral and line of credit	386	784
Total other invested assets	<u>\$ 42,640</u>	<u>\$ 37,011</u>

As of December 31, 2023 and 2022, affiliated other invested assets consist primarily of investments through downstream legal entities in the following (in millions):

	<u>2023</u>	<u>2022</u>
Real estate and mortgage loans	\$ 11,497	\$ 9,168
Operating subsidiaries and affiliates	6,377	5,272
Investment subsidiaries	4,094	3,550
Agriculture and timber	5,271	4,581
Energy and infrastructure	1,170	1,979
Total affiliated other invested assets	<u>\$ 28,409</u>	<u>\$ 24,550</u>

Of the \$6,377 million and \$5,272 million of operating subsidiaries and affiliates as of December 31, 2023 and 2022, \$5,985 million and \$5,004 million were attributed to Nuveen, LLC, TIAA's largest subsidiary, respectively.

As of December 31, 2023 and 2022, unaffiliated other invested assets consist primarily of joint ventures.

The following table presents the OTTI recorded for the years ended December 31, (in millions) for "Other invested assets" for which the carrying value is not expected to be recovered:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Subsidiaries	\$ 1,013	\$ 842	\$ 407
All Other	166	197	217
Total	<u>\$ 1,179</u>	<u>\$ 1,039</u>	<u>\$ 624</u>

The following table presents the carrying value for "Other invested assets" denominated in foreign currency for the years ended December 31, (in millions):

	<u>2023</u>	<u>2022</u>
Other invested assets denominated in foreign currency	\$ 1,178	\$ 868

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Note 8 - Investments Commitments

The outstanding obligation for future investments at December 31, 2023, is shown below by asset category (in millions):

	<u>2024</u>	<u>In later years</u>	<u>Total Commitments</u>
Bonds	\$ 1,219	\$ 2,244	\$ 3,463
Mortgage loans	706	—	706
Real estate	71	1	72
Other invested assets	2,709	7,342	10,051
Total	\$ 4,705	\$ 9,587	\$ 14,292

The funding of bond commitments is contingent upon the continued favorable financial performance of the potential borrowers and the funding of real estate and commercial mortgage commitments is generally contingent upon the underlying properties meeting specified requirements, including construction, leasing and occupancy. The funding of residential mortgage loan commitments is contingent upon the loan meeting specified guidelines including property appraisal reviews and confirmation of borrower credit. For other invested assets, primarily fund investments, there are scheduled capital calls that extend into future years.

Note 9 – Investment Income and Capital Gains and Losses

Net Investment Income: The components of net investment income for the years ended December 31, are as follows (in millions):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Bonds	\$ 9,061	\$ 8,649	\$ 8,667
Stocks	259	281	231
Mortgage loans	1,759	1,482	1,429
Real estate	492	409	382
Derivatives	299	270	215
Other invested assets	2,292	2,612	3,274
Cash, cash equivalents and short-term investments	75	9	—
Total gross investment income	14,237	13,712	14,198
Less investment expenses	(1,347)	(1,240)	(1,070)
Net investment income before amortization of IMR	12,890	12,472	13,128
Plus amortization of IMR	432	532	414
Net investment income	\$ 13,322	\$ 13,004	\$ 13,542

The gross, nonadmitted and admitted amounts for interest income due and accrued for the years ended December 31, are as follows (in millions):

	<u>2023</u>	<u>2022</u>
Gross	\$ 2,014	\$ 1,923
Nonadmitted	—	—
Total admitted interest income due and accrued	\$ 2,014	\$ 1,923

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The cumulative amounts of paid-in-kind interest included in the current principal balance for the years ended December 31, are as follows (in millions):

	2023	2022
Cumulative amounts of PIK interest included in the current principal balance	\$ 1,495	\$ 1,363

Realized Capital Gains and Losses: The net realized capital gains (losses) on sales, redemptions and write-downs due to OTTI for the years ended December 31, are as follows (in millions):

	2023	2022	2021
Bonds	\$ (444)	\$ (347)	\$ 832
Stocks	(718)	(1,336)	45
Mortgage loans	(402)	(5)	(6)
Real estate	60	(1)	204
Derivatives	(43)	459	152
Other invested assets	(1,248)	(1,219)	(633)
Cash, cash equivalents and short-term investments	86	(87)	(23)
Total before capital gains taxes and transfers to IMR	(2,709)	(2,536)	571
Transfers to IMR	1,019	(78)	(923)
Net realized capital losses less capital gains taxes, after transfers to IMR	\$ (1,690)	\$ (2,614)	\$ (352)

Write-downs of investments resulting from OTTI, included in the preceding table, are as follows for the years ended December 31, (in millions):

	2023	2022	2021
Other-than-temporary impairments:			
Bonds	\$ 211	\$ 239	\$ 100
Stocks	57	1,403	52
Mortgage loans	364	—	—
Real estate	100	4	—
Other invested assets	1,179	1,039	624
Total	\$ 1,911	\$ 2,685	\$ 776

Information related to the sales of long-term bonds are as follows for the years ended December 31, (in millions):

	2023	2022	2021
Proceeds from sales	\$ 13,322	\$ 17,993	\$ 17,488
Gross gains on sales	\$ 196	\$ 482	\$ 1,064
Gross losses on sales	\$ 357	\$ 541	\$ 174

The Company performs periodic reviews of its portfolio to identify investments which may have deteriorated in credit quality to determine if any are candidates for sale in order to maintain a quality portfolio of investments. In accordance with the Company's valuation and impairment process, the investments which are deemed held for sale will be monitored quarterly for further declines in fair value at which point an OTTI will be recorded until actual disposal of the investment.

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Note 10 – Disclosures about Fair Value of Financial Instruments

Fair Value of Financial Instruments

Included in the Company's financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or for certain bonds and preferred stocks when carried at the lower of cost or fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of financial instruments are based on quoted market prices when available. When market prices are not available, fair values are primarily provided by a third party-pricing service for identical or comparable assets, or through the use of valuation methodologies using observable market inputs. These fair values are generally estimated using a discounted cash flow analysis, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price in a hypothetical market. These valuation techniques involve management estimation and judgment for many factors including market bid/ask spreads, and such estimations may become significant with increasingly complex instruments or pricing models.

The Company's financial assets and liabilities are classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100R, Fair Value Measurements. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and Level 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date.

Level 2 – Other than quoted prices within Level 1 inputs are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in markets that are not active,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs are unobservable inputs for the asset or liability supported by little or no market activity. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The Company's data used to develop unobservable inputs is adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

Net Asset Value ("NAV") practical expedient - TIAA has elected the NAV practical expedient for certain investments held by its separate account. These investments are excluded from the valuation hierarchy, as these investments are fair valued using their net asset value as a practical expedient since market quotations or values from independent pricing services are not readily available. The separate account assets that have elected the NAV practical expedient represent investments in limited partnerships and limited liability companies that invest in real estate properties. The fair value, determined by the NAV

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practical expedient, of these assets were \$792 million and \$893 million for the years ended December 31, 2023 and 2022, respectively, and total unfunded commitments were \$201 million and \$290 million for the years ended December 31, 2023 and 2022, respectively. For these investments, redemptions are prohibited prior to liquidation.

The following table provides information about the aggregate fair value of the Company's financial instruments and their level within the fair value hierarchy as well as investments valued at their NAV, at December 31, 2023 (in millions):

	Aggregate Fair Value	Statement Value	Level 1	Level 2	Level 3	NAV
Assets:						
Bonds	\$ 183,159	\$ 199,566	\$ —	\$ 181,158	\$ 2,001	\$ —
Common stock ⁽¹⁾	1,717	1,717	1,000	212	505	—
Preferred stock	993	994	12	830	151	—
Mortgage loans	37,235	40,992	—	—	37,235	—
Derivatives	1,245	1,358	—	306	939	—
Other invested assets ⁽¹⁾	259	251	—	259	—	—
Contract loans	502	502	—	—	502	—
Separate account assets	47,464	47,625	19,427	2,955	24,290	792
Cash, cash equivalents & short term investments	534	534	137	377	20	—
Total	\$ 273,108	\$ 293,539	\$ 20,576	\$ 186,097	\$ 65,643	\$ 792

	Aggregate Fair Value	Statement Value	Level 1	Level 2	Level 3	NAV
Liabilities:						
Deposit-type contracts	\$ 8,499	\$ 8,499	\$ —	\$ —	\$ 8,499	\$ —
FHLB debt	160	160	—	—	160	—
Separate account liabilities	46,862	46,862	—	—	46,862	—
Derivatives	261	365	—	314	(53) *	—
Total	\$ 55,782	\$ 55,886	\$ —	\$ 314	\$ 55,468	\$ —

⁽¹⁾ Excludes investments accounted for under the equity method.

*The negative amount in the liabilities table represents the positive market value of the Tranche Credit Default Index Replications that were traded at a discount.

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The following table provides information about the aggregate fair value of the Company's financial instruments and their level within the fair value hierarchy as well as investments valued at their NAV at December 31, 2022 (in millions):

	Aggregate Fair Value	Statement Value	Level 1	Level 2	Level 3	NAV
Assets:						
Bonds	\$ 180,072	\$ 202,240	\$ —	\$ 177,587	\$ 2,485	\$ —
Common stock ⁽¹⁾	4,587	4,587	3,876	200	511	—
Preferred stock	382	406	9	240	133	—
Mortgage loans	34,757	37,660	—	—	34,757	—
Derivatives	1,749	1,920	—	987	762	—
Other invested assets ⁽¹⁾	245	244	—	245	—	—
Contract loans	731	731	—	—	731	—
Separate account assets	50,137	50,382	16,452	4,332	28,460	893
Cash, cash equivalents & short term investments	1,204	1,204	427	776	1	—
Total	\$ 273,864	\$ 299,374	\$ 20,764	\$ 184,367	\$ 67,840	\$ 893
Liabilities:						
Deposit-type contracts	\$ 8,294	\$ 8,294	\$ —	\$ —	\$ 8,294	\$ —
FHLB debt	100	100	—	—	100	—
Separate account liabilities	50,247	50,247	—	—	50,247	—
Derivatives	295	327	—	278	17	—
Total	\$ 58,936	\$ 58,968	\$ —	\$ 278	\$ 58,658	\$ —

⁽¹⁾ Excludes investments accounted for under the equity method.

The estimated fair values of the financial instruments presented above are determined by the Company using market information available as of December 31, 2023 and 2022. Considerable judgment is required to interpret market data in developing the estimates of fair value for financial instruments for which there are no available market value quotations. The estimates presented are not necessarily indicative of the amounts the Company could realize in a market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Level 1 financial instruments

Unadjusted quoted prices for these securities are provided to the Company by independent pricing services. Common stock, preferred stock, and separate account assets in Level 1 primarily include mutual fund investments valued by the respective mutual fund companies, exchange listed equities, and public real estate investment trusts. Bond ETFs are classified as common stock and are valued using quoted market prices.

Cash included in Level 1 represents cash on hand.

Level 2 financial instruments

Bonds included in Level 2 are valued principally by third party pricing services using market observable inputs. Because most bonds do not trade daily, independent pricing services regularly derive fair values using recent trades of securities with similar features. When recent trades are not available, pricing models are used to estimate the fair values of securities by discounting future cash flows at estimated market interest rates. Typical inputs to models used by independent pricing services include but are not limited to benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data, and industry and economic events. Additionally, for loan-backed and structured securities, valuation is based primarily on market

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inputs including benchmark yields, expected prepayment speeds, loss severity, delinquency rates, weighted average coupon, weighted average maturity and issuance specific information. Issuance specific information includes collateral type, payment terms of underlying assets, payment priority within the tranche, structure of the security, deal performance and vintage of loans.

Preferred stocks included in Level 2 include those which are traded in an inactive market for which prices for identical securities are not available. Valuations are based principally on observable inputs including quoted prices in markets that are not considered active.

Derivative assets and liabilities classified in Level 2 represent over-the-counter instruments that include, but are not limited to, fair value hedges using foreign currency swaps, foreign currency forwards, commodity forwards, interest rate swaps and credit default swaps. Fair values for these instruments are determined internally using market observable inputs that include, but are not limited to, forward currency rates, interest rates, credit default rates and published observable market indices.

Other invested assets in Level 2 include surplus notes that are valued by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. Additionally, for residual tranches or interests, valuation may be based on market inputs including benchmark yields, expected prepayment speeds, loss severity, delinquency rates, weighted average coupon, weighted average maturity and issuance specific information. Issuance specific information includes collateral type, payment terms of underlying assets, payment priority within the tranche, structure of the security, deal performance and vintage of loans.

Separate account assets in Level 2 consist principally of short-term government agency notes and corporate bonds that are valued principally by third party pricing services using market observable inputs.

Cash equivalents, short term investments and common stock included in Level 2 are valued principally by third party services using market observable inputs.

Level 3 financial instruments

Valuation techniques for bonds and cash, cash equivalents, and short-term investments included in Level 3 are generally the same as those described in Level 2 except that the techniques utilize inputs that are not readily observable in the market, including illiquidity premiums and spread adjustments to reflect industry trends or specific credit-related issues. The Company assesses the significance of unobservable inputs for each security and classifies that security in Level 3 as a result of the significance of unobservable inputs.

Estimated fair value for privately traded common equity securities are principally determined using valuation and discounted cash flow models that require a substantial level of judgment. Included in Level 3 common stock is the Company's holdings in the Federal Home Loan Bank of New York ("FHLBNY") stock as described in Note 18 - FHLBNY Membership and Borrowings. As prescribed in the FHLBNY's capital plan, the par value of the capital stock is \$100 and all capital stock is issued, redeemed, repurchased, or transferred at par value. Since there is not an observable market for the FHLBNY's stock, these securities have been classified as Level 3.

Preferred shares are valued using valuation and discounted cash flow models that require a substantial level of judgment.

Mortgage loans are valued using discounted cash flow models that utilize inputs which include loan and market interest rates, credit spreads, the nature and quality of underlying collateral and the remaining term of the loans.

Derivatives assets classified as Level 3 represent structured financial instruments that rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be corroborated by observable market data. Significant inputs that are unobservable generally include references to inputs outside the observable portion of credit curves or other relevant market measures. These unobservable inputs require significant management judgment or assumptions. Level 3 methodologies are validated through periodic comparison of the Company's fair values to external broker-dealer values.

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Contract loans are fully collateralized by the cash surrender value of underlying insurance policies and are valued based on the carrying value of the loan, which is determined to be its fair value, and are classified as Level 3.

Separate account assets classified as Level 3 primarily include directly owned real estate properties, real estate joint ventures and real estate limited partnerships. Directly owned real estate properties are valued on a quarterly basis based on independent third party appraisals. Real estate joint venture interests are valued based on the fair value of the underlying real estate, any related mortgage loans payable and other factors such as ownership percentage, ownership rights, buy/sell agreements, distribution provisions and capital call obligations. Real estate limited partnership interests are valued based on the most recent NAV of the partnership.

Separate account liabilities are accounted for at fair value, except the TIAA Stable Value separate account, which supports book value separate account agreements, in which case the assets are accounted for at amortized cost. Separate account liabilities reflect the contractual obligations of the insurer arising out of the provisions of the insurance contract.

FHLB debt provides additional liquidity to the Company to support general business operations. FHLB debt held by the Company is generally comprised of short term advances and is reflected as borrowed money within the Company's financial statements. Borrowings outstanding at December 31, 2023 and 2022, had maturity dates less than three business days from the reporting date. Accordingly, the fair value of the debt is valued using the par value, which approximates fair value.

Deposit-type contracts include funding agreements used in an investment spread capacity. Fair value of funding agreements is determined by discounted cash flow analysis using funding agreement interest rates as of the reporting date. Other deposit-type contracts are valued based on the accumulated account value, which approximates fair value. All deposit-type contracts are classified as Level 3.

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Assets and Liabilities Measured and Reported at Fair Value

The following table provides information about the aggregate fair value for financial instruments measured and reported at fair value and their level within the fair value hierarchy as well as investments valued at their NAV at December 31, (in millions):

	2023				
	Level 1	Level 2	Level 3	NAV	Total
Assets at fair value:					
Bonds					
U.S. Government	\$ —	\$ 1,227	\$ —	\$ —	\$ 1,227
Industrial and miscellaneous	—	47	—	—	47
Total bonds	\$ —	\$ 1,274	\$ —	\$ —	\$ 1,274
Common stock					
Industrial and miscellaneous	\$ 999	\$ 212	\$ 505	\$ —	\$ 1,716
Total common stocks	\$ 999	\$ 212	\$ 505	\$ —	\$ 1,716
Preferred stock					
Total preferred stocks	\$ 12	\$ 719	\$ 74	\$ —	\$ 805
Derivatives					
Foreign exchange contracts	—	367	—	—	367
Total derivatives	\$ —	\$ 367	\$ —	\$ —	\$ 367
Separate accounts assets	\$ 19,402	\$ 155	\$ 24,290	\$ 792	\$ 44,639
Total assets at fair value	\$ 20,413	\$ 2,727	\$ 24,869	\$ 792	\$ 48,801
Liabilities at fair value:					
Derivatives					
Interest rate contracts	\$ —	\$ 4	\$ —	\$ —	\$ 4
Foreign exchange contracts	—	256	—	—	256
Total liabilities at fair value	\$ —	\$ 260	\$ —	\$ —	\$ 260

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	2022				
	Level 1	Level 2	Level 3	NAV	Total
Assets at fair value:					
Bonds					
U.S. Government	\$ —	\$ 1,235	\$ —	\$ —	\$ 1,235
Industrial and miscellaneous	—	77	—	—	77
Total bonds	\$ —	\$ 1,312	\$ —	\$ —	\$ 1,312
Common stock					
Industrial and miscellaneous	\$ 3,876	\$ 200	\$ 511	\$ —	\$ 4,587
Total common stocks	\$ 3,876	\$ 200	\$ 511	\$ —	\$ 4,587
Preferred stock					
Total preferred stocks	\$ 9	\$ 23	\$ 66	\$ —	\$ 98
Derivatives					
Foreign exchange contracts	—	846	—	—	846
Total derivatives	\$ —	\$ 846	\$ —	\$ —	\$ 846
Separate accounts assets					
Total assets at fair value	\$ 20,317	\$ 3,971	\$ 29,037	\$ 893	\$ 54,218
Liabilities at fair value:					
Derivatives					
Interest rate contracts	\$ —	\$ 90	\$ —	\$ —	\$ 90
Foreign exchange contracts	—	168	—	—	168
Total liabilities at fair value	\$ —	\$ 258	\$ —	\$ —	\$ 258

Reconciliation of Level 3 assets and liabilities measured and reported at fair value:

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured and reported at fair value using Level 3 inputs at December 31, 2023 (in millions):

	Balance at 1/1/2023	Transfers into Level 3	Transfers out of Level 3	Total gains & (losses) included in Net Income	Total gains & (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2023
Bonds	\$ —	\$ 10 a	\$ (4) b	\$ (12)	\$ (1)	\$ —	\$ 7	\$ —	\$ —	\$ —
Common stock	511	—	—	—	(4)	2,618	—	(2,620)	—	505
Preferred stock	66	—	—	2	18	—	—	(12)	—	74
Separate account assets	28,460	—	—	(95)	(4,380)	285	—	—	20	24,290
Total	\$ 29,037	\$ 10	\$ (4)	\$ (105)	\$ (4,367)	\$ 2,903	\$ 7	\$ (2,632)	\$ 20	\$ 24,869

(a) The Company transferred bonds into Level 3 that were measured and reported at fair value.

(b) The Company transferred bonds out of Level 3 that were not measured and reported at fair value.

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The following is a reconciliation of the beginning and ending balances for assets and liabilities measured and reported at fair value using Level 3 inputs at December 31, 2022 (in millions):

	Beginning balance at 1/1/2022	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) included in Net Income	Total gains (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2022
Bonds ...	\$ 22	\$ —	\$ (24) a	\$ (3)	\$ 2	\$ —	\$ 3	\$ —	\$ —	\$ —
Common stock	331	—	—	8	22	9,328	—	(9,178)	—	511
Preferred stock	83	—	—	(9)	(7)	—	—	(1)	—	66
Separate account assets	25,807	—	—	(1,653)	3,236	1,461	—	(621)	230	28,460
Total	\$ 26,243	\$ —	\$ (24)	\$ (1,657)	\$ 3,253	\$ 10,789	\$ 3	\$ (9,800)	\$ 230	\$ 29,037

(a) The Company transferred bonds out of Level 3 that were not measured and reported at fair value.

The Company's policy is to recognize transfers into and out of Level 3 at the actual date of the event or change in circumstances that caused the transfer.

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Quantitative Information Regarding Level 3 Fair Value Measurements

The following table provides quantitative information on significant unobservable inputs (Level 3) used in the fair value measurement of assets that are measured and reported at fair value at December 31, 2023 (in millions):

Financial Instrument	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	Weighted Average
Equity securities:					
Common stock	\$ 505	Market comparable	Earnings before interest, taxes, depreciation and amortization ("EBITDA") multiple	7.23x-14.0x	10.04x
		Equity method	Company Financials	1.0x	1.0x
		Exchange Traded - Close price	Contractual Price	\$156.6	\$156.6
		Market comparable	Revenue Multiple	8.7x	8.7x
Preferred stock	\$ 74	Market comparable	EBITDA multiple	9.0x	9.0x
		Market comparable	Price-to-book multiple	2.5x	2.5x
		Market comparable	Market Yield	12.64x	12.64x
Separate account assets:					
Real estate properties and real estate joint ventures	\$ 23,768				
Office properties		Income approach - discounted cash flow	Discount rate	6.5% - 10.3%	7.9%
			Terminal capitalization rate	5.5% - 8.5%	6.6%
		Income approach - direct capitalization	Overall capitalization rate	4.8% - 11.3%	6.3%
Industrial properties		Income approach - discounted cash flow	Discount rate	6.5% - 8.3%	7.3%
			Terminal capitalization rate	5.0% - 7.0%	5.6%
		Income approach - direct capitalization	Overall capitalization rate	2.0% - 6.3%	5.0%
Residential properties		Income approach - discounted cash flow	Discount rate	6.3% - 7.5%	6.8%
			Terminal capitalization rate	4.8% - 6.0%	5.4%
		Income approach - direct capitalization	Overall capitalization rate	4.3% - 5.8%	4.9%
Retail properties		Income approach - discounted cash flow	Discount rate	6.8% - 11.5%	8.0%
			Terminal capitalization rate	5.3% - 9.0%	6.5%
		Income approach - direct capitalization	Overall capitalization rate	5.3% - 8.5%	5.9%
Hotel properties		Income approach - discounted cash flow	Discount rate	10.0%	10.0%
			Terminal capitalization rate	8.3%	8.3%
		Income approach - direct capitalization	Overall capitalization rate	7.8%	7.8%

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Separate account real estate assets include the values of the related mortgage loans payable in the table below at December 31, 2023 (in millions):

Financial Instrument	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	Weighted Average
Mortgage loans payable	\$ (1,851)				
Office properties		Discounted cash flow	Loan-to-value ratio	35.8% - 103%	58.3%
			Equivalency rate	6.3% - 10.9%	9.0%
			Loan-to-value ratio	35.8% - 103%	58.3%
		Net present value	Weighted average cost of capital risk premium multiple	1.1 - 2.1	1.3
Industrial properties		Discounted cash flow	Loan-to-value ratio	29.9% - 38.4%	33.4%
			Equivalency rate	6.7% - 6.9%	6.8%
			Loan-to-value ratio	29.9% - 38.4%	33.4%
		Net present value	Weighted average cost of capital risk premium multiple	1.1 - 1.1	1.1
Residential properties		Discounted cash flow	Loan-to-value ratio	30.0% - 74.5%	44.9%
			Equivalency rate	6.2% - 8.2%	7.1%
			Loan-to-value ratio	30.0% - 74.5%	44.9%
		Net present value	Weighted average cost of capital risk premium multiple	1.1 - 1.3	1.2
Retail properties		Discounted cash flow	Loan-to-value ratio	48.7% - 83.8%	58.8%
			Equivalency rate	6.0% - 7.1%	6.5%
			Loan-to-value ratio	48.7% - 83.8%	58.8%
		Net present value	Weighted average cost of capital risk premium multiple	1.1 - 1.9	1.4

Separate account real estate assets include the values of the related loan receivable in the table below at December 31, 2023 (in millions):

Financial Instrument	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	Weighted Average
Loan receivable	\$ 1,691				
Office properties		Discounted cash flow	Loan-to-value ratio	48.0% - 136.1%	83.8%
			Equivalency rate	6.5% - 52.7%	13.4%
Industrial properties		Discounted cash flow	Loan-to-value ratio	34.4% - 66%	50.0%
			Equivalency rate	2.5% - 8.5%	5.4%
Residential properties		Discounted cash flow	Loan-to-value ratio	39.1% - 70.8%	55.0%
			Equivalency rate	3.2% - 8.6%	7.5%
Retail properties		Discounted cash flow	Loan-to-value ratio	54.9% - 73.3%	64.2%
			Equivalency rate	7.3% - 13.6%	9.5%

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Separate account real estate assets include the values of the real estate operating business in the table below at December 31, 2023 (in millions):

Financial Instrument	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	Weighted Average
Real estate operating business	\$ 682				
		Discounted cash flow	Discount rate	10.0%	10.0%
			Terminal growth rate	8.1%	8.1%
		Market approach	EBITDA multiple	30.0x	30.0x

Additional Qualitative Information on Fair Valuation Process

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. The procedures and framework for fair value methodologies are approved by the TIAA Valuation Committee. The valuation teams are responsible for the determination of fair value in accordance with the procedures and framework approved by the TIAA Valuation Committee.

The valuation teams (1) compare price changes between periods to current market conditions, (2) compare trade prices of securities to fair value estimates, (3) compare prices from multiple pricing sources, and (4) perform ongoing vendor due diligence to confirm that independent pricing services use market-based parameters for valuation. Internal and vendor valuation methodologies are reviewed on an ongoing basis and revised as necessary based on changing market conditions to ensure values represent a reasonable exit price.

Markets in which the Company's fixed income securities trade are monitored by surveying the Company's traders. The valuation teams determine if liquidity is active enough to support a Level 2 classification. Use of independent non-binding broker quotations may indicate a lack of liquidity or the general lack of transparency in the process to develop these price estimates, causing them to be considered Level 3.

Level 3 equity investments generally include private equity co-investments along with general and limited partnership interests. Values are derived by the general partners. The partners generally fair value these instruments based on projected net earnings, earnings before interest, taxes depreciation and amortization, discounted cash flow, public or private market transactions, or valuations of comparable companies. When using market comparables, certain adjustments may be made for differences between the reference comparable and the investment, such as liquidity. Investments may also be valued at cost for a period of time after an acquisition, as the best indication of fair value.

With respect to real property investments in TIAA's Real Estate Account, each property is appraised, and each mortgage loan is valued, at least once every calendar quarter. Each property is appraised by an independent, third party appraiser, reviewed by the Company's internal appraisal staff and as applicable, the Real Estate Account's independent fiduciary. Any differences in the conclusions of the Company's internal appraisal staff and the independent appraiser are reviewed by the independent fiduciary, who will make a final determination. The independent fiduciary was appointed by a special subcommittee of the Investment Committee of TIAA Board of Trustees to, among other things, oversee the appraisal process. The independent fiduciary must approve all independent appraisers used by the Real Estate Account.

Mortgage loans payable are valued internally by the valuation teams, and reviewed by the Real Estate Account's independent fiduciary, at least quarterly based on market factors, such as market interest rates and spreads for comparable loans, the performance of the underlying collateral (such as the loan-to-value ratio and the cash flow of the underlying collateral), the liquidity for mortgage loans of similar characteristics, the maturity date of the loan, the return demands of the market.

The loans receivable are valued internally by the valuation teams, and reviewed by the Real Estate Account's independent fiduciary, at least quarterly based on market factors, such as market interest rates and spreads for comparable loans, the liquidity for loans of similar characteristics, the performance of the underlying collateral (such as the loan-to-value ratio and the cash flow of the underlying collateral) and the credit quality of the counterparty. The Real Estate Account continues to use the revised value after valuation adjustments for the loan receivable to calculate the Account's daily NAV until the next valuation review.

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Note 11 – Restricted Assets

The following tables provide information on the amounts and nature of assets pledged to others as collateral or otherwise restricted by the Company as of December 31, (in millions):

Restricted Asset Category	2023										
	1	2	3	4	5	6	7	8	9	10	11
	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Non admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	\$ 652	\$ —	\$ —	\$ —	\$ 652	\$ 1,332	\$ (680)	\$ —	\$ 652	0.19 %	0.19 %
FHLB capital stock	367	—	—	—	367	369	(2)	—	367	0.10 %	0.11 %
On deposit with states	16	—	—	—	16	16	—	—	16	0.01 %	0.01 %
Pledged as collateral to FHLB (including assets backing funding agreements) ..	8,729	—	—	—	8,729	8,780	(51)	—	8,729	2.49 %	2.52 %
Pledged as collateral not captured in other categories	231	—	—	—	231	31	200	—	231	0.07 %	0.07 %
Other restricted assets	—	—	37	—	37	45	(8)	—	37	0.01 %	0.01 %
Total restricted assets	\$ 9,995	\$ —	\$ 37	\$ —	\$10,032	\$10,573	\$ (541)	\$ —	\$ 10,032	2.87 %	2.91 %

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2022												
	1	2	3	4	5	6	7	8	9	10	11	
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Non admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
Collateral held under security lending agreements	\$ 1,328	\$ —	\$ 4	\$ —	\$ 1,332	\$ 2,251	\$ (919)	\$ —	\$ 1,332	0.38 %	0.38 %	
FHLB capital stock	369	—	—	—	369	186	183	—	369	0.10 %	0.11 %	
On deposit with states	16	—	—	—	16	16	—	—	16	— %	— %	
Pledged as collateral to FHLB (Including assets backing funding agreements)	8,780	—	—	—	8,780	2,139	6,641	—	8,780	2.49 %	2.52 %	
Pledged as collateral not captured in other categories	31	—	—	—	31	63	(32)	—	31	0.01 %	0.01 %	
Other restricted assets	—	—	45	—	45	25	20	—	45	0.01 %	0.01 %	
Total restricted assets	\$ 10,524	\$ —	\$ 49	\$ —	\$ 10,573	\$ 4,680	\$ 5,893	\$ —	\$ 10,573	2.99 %	3.03 %	

The pledged as collateral not captured in other categories represents derivative collateral the Company has pledged and collateral pledged associated with forward loan purchase agreements.

The other restricted assets represents real estate deposits held within separate accounts.

The following tables provide the collateral received and reflected as assets by the Company and the recognized obligation to return collateral assets as of December 31, (in millions):

2023				
Collateral Assets	Book/Adjusted Carrying Value ("BACV")	Fair Value	BACV to Total Assets (Admitted and Nonadmitted)	BACV to Total Admitted Assets
General Account:				
Cash, cash equivalents and short-term investments	\$ 1,039	\$ 1,039	0.34 %	0.35 %
Securities lending collateral assets	652	652	0.21 %	0.22 %
Total General Account Collateral Assets	\$ 1,691	\$ 1,691	0.55 %	0.57 %
Separate Account:				
Securities lending collateral assets	\$ 2	\$ 2	— %	— %
Total Separate Account Collateral Assets	\$ 2	\$ 2	— %	— %

2023		
	Amount	% of Total Liabilities
Recognized Obligation to Return Collateral Asset (General Account)	\$ 1,691	0.66 %
Recognized Obligation to Return Collateral Asset (Separate Account)	\$ 2	— %

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	2022			
	Book/Adjusted Carrying Value ("BACV")	Fair Value	BACV to Total Assets (Admitted and Nonadmitted)	BACV to Total Admitted Assets
Collateral Assets				
General Account:				
Cash, cash equivalents and short-term investments	\$ 1,403	\$ 1,403	0.46 %	0.47 %
Securities lending collateral assets	1,328	1,328	0.44 %	0.45 %
Total General Account Collateral Assets	\$ 2,731	\$ 2,731	0.90 %	0.92 %
Separate Account:				
Securities lending collateral assets	\$ 4	\$ 4	0.01 %	0.01 %
Total Separate Account Collateral Assets	\$ 4	\$ 4	0.01 %	0.01 %

	2022	
	Amount	% of Total Liabilities
Recognized Obligation to Return Collateral Assets (General Account) ...	\$ 2,731	1.07 %
Recognized Obligation to Return Collateral Asset (Separate Account)	\$ 4	0.01 %

The Company receives primarily cash collateral for derivatives. The Company reinvests the cash collateral or uses the cash for general corporate purposes.

Note 12 – Derivative Financial Instruments

The Company uses derivative instruments for economic hedging and asset replication purposes. The Company does not engage in derivative financial instrument transactions for speculative purposes. The Company does not enter into derivative financial instruments with financing premiums.

Counterparty and Credit Risk: Derivative financial instruments used by the Company may be exchange-traded or contracted in the over-the-counter market ("OTC"). The Company's OTC derivative transactions are cleared and settled through central clearing counterparties ("OTC-cleared") or through bilateral contracts with other counterparties ("OTC-bilateral"). Should an OTC-bilateral counterparty fail to perform its obligations under contractual terms, the Company may be exposed to credit-related losses. The current credit exposure of the Company's derivatives is limited to the net positive fair value of derivatives at the reporting date, after taking into consideration the existence of netting agreements and any collateral received. All of the credit exposure for the Company from OTC-bilateral contracts is with investment grade counterparties. The Company also monitors its counterparty credit quality on an ongoing basis.

The Company currently has International Swaps and Derivatives Association ("ISDA") master swap agreements in place with each derivative counterparty relating to OTC transactions. In addition to the ISDA agreement, Credit Support Annexes ("CSA"), which are bilateral collateral agreements, are put in place with a majority of the Company's derivative OTC-bilateral counterparties. The CSAs allow the Company's mark-to-market exposure to a counterparty to be collateralized by the posting of cash or highly liquid U.S. government securities. The Company also exchanges cash and securities margin for derivatives traded through a central clearinghouse. Due to the level of material swap exposure, the Company also entered Uncleared Margin Rules ("UMR") agreements with certain non-clearinghouse counterparties to adhere to Initial Margin ("IM") obligations for uncleared swap transactions. As of December 31, 2023 and 2022, counterparties pledged the following cash and initial margins to the Company (in millions):

	December 31,	
	2023	2022
Cash collateral and margin	\$ 1,039	\$ 1,403
Securities collateral and margin	\$ 184	\$ 173

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The Company must also post collateral or margin to the extent its net position with a given counterparty or clearinghouse is at a loss relative to the counterparty. As of December 31, 2023 and 2022, the Company pledged the following collateral and initial margins to its counterparties (in millions):

	December 31,	
	2023	2022
Cash collateral and margin	\$ 129	\$ 11
Securities collateral and margin	\$ 88	\$ 8

The amount of accounting loss the Company will incur if any party to the derivative contract fails completely to perform according to the terms of the contract and the collateral or other security, if any, for the amount due proved to be of no value to the Company is equal to the gross asset value and accrued interest receivable of all derivative contracts which, as of December 31, 2023 and 2022, were \$1,491 million and \$2,052 million, respectively.

Certain of the Company's master swap agreements governing its derivative instruments contain provisions that require the Company to maintain a minimum credit rating from two of the major credit rating agencies. If the Company's credit rating falls below the specified minimum, each of the counterparties to agreements with such requirements could terminate all outstanding derivative transactions between such counterparty and the Company. The termination requires immediate payment of amounts expected to approximate the net liability positions of such transactions with such counterparty. The aggregate fair value of all derivative instruments with credit-risk-related contingent features in a liability position on December 31, 2023 and 2022 were \$121 million and \$11 million, respectively, for which the Company posted collateral of \$100 million and \$20 million, respectively, through the normal course of business.

Derivative Types: The Company utilizes the following types of derivative financial instruments and strategies within its portfolio:

Interest Rate Swap Contracts: The Company enters into interest rate swap contracts to economically hedge against the effect of interest rate fluctuations on certain variable interest rate bonds and other commitments. The Company also uses interest rate swap contracts in certain replication synthetic asset transactions. ("RSAT"). RSATs are derivative transactions (the derivative component) established concurrently with other investments (the cash component) in order to "replicate" the investment characteristics of another permissible instrument (the reference entity). The Company does not apply hedge accounting for these derivatives instruments.

Foreign Currency Swap Contracts: The Company enters into foreign currency swap contracts and forward foreign currency swap contracts to exchange fixed and variable amounts of foreign currency at specified future dates and at specified rates (in U.S. dollars) as a cash flow hedge to manage currency risks on investments denominated in foreign currencies. The Company applies hedge accounting to certain of these derivatives instruments and fair value accounting to the majority of these derivatives instruments.

Foreign Currency Forward Contracts: The Company enters into foreign currency forward contracts to exchange foreign currency at specified future dates and at specified rates (in U.S. dollars) to manage currency risks on investments denominated in foreign currencies. The Company does not apply hedge accounting for these derivatives instruments.

Purchased Credit Default Swap Contracts: The Company purchases credit default swaps to hedge against unexpected credit events on selective investments held in the Company's investment portfolio. The Company pays a periodic fee in exchange for the right to put the underlying investment back to the counterparty at par upon a credit event by the underlying referenced issuer. Credit events are typically defined as bankruptcy, failure to pay, or certain types of restructuring. The Company does not apply hedge accounting for these derivatives instruments.

Written Credit Default Swaps used in Replication Transactions: Credit default swaps are used by the Company in conjunction with long-term bonds as RSAT. The Company sells credit default swaps on single name corporate or sovereign credits, credit indices, or credit index tranches and provides credit default protection to the buyer. Events or circumstances that would require the Company to perform under a written credit default swap may

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include, but are not limited to, bankruptcy, failure to pay, debt moratorium, debt repudiation, debt restructuring, or default. The Company does not apply hedge accounting for these derivatives instruments.

Asset Swap Contracts: The Company enters into asset swap contracts to hedge against inflation risk associated with its TIPS. The Company also uses asset swap contracts in certain RSATs. For hedges of its TIPS, the Company pays all cash flows received from the TIPS security to the counterparty in exchange for fixed interest rate coupon payments. The Company applies hedge accounting for asset swaps used in hedging transactions, and does not apply hedge accounting for asset swaps used in RSATs.

Total Return Swap Contracts: The Company enters into total return swap contracts in conjunction with long-term bonds as part of its RSAT strategy. The Company does not apply hedge accounting for these derivatives instruments.

Bond Forward Contracts: The Company enters into forward bond contracts to purchase an identified bond at a specified price on a future date as part of its RSAT strategy. The Company does not apply hedge accounting for these derivatives instruments.

The table below illustrates the change in net unrealized capital gains and losses and realized capital gains and losses from derivative instruments. Instruments utilizing hedge accounting treatment are shown as qualifying hedge relationships. Instruments that utilize fair value accounting are shown as non-qualifying hedge relationships. Derivatives used in replication strategies are shown as derivatives used for other than hedging purposes (in millions):

	December 31, 2023		December 31, 2022		December 31, 2021	
	Change in Net Unrealized Capital Gain (Loss)	Net Realized Capital Gain (Loss)	Change in Net Unrealized Capital Gain (Loss)	Net Realized Capital Gain (Loss)	Change in Net Unrealized Capital Gain (Loss)	Net Realized Capital Gain (Loss)
Qualifying hedge relationships						
Foreign currency swap	\$ (101)	\$ (3)	\$ 296	\$ 11	\$ 116	\$ (2)
Total qualifying hedge relationships	\$ (101)	\$ (3)	\$ 296	\$ 11	\$ 116	\$ (2)
Non-qualifying hedge relationships						
Foreign currency swaps	\$ (417)	\$ 85	\$ 476	\$ 33	\$ 216	\$ 5
Foreign currency forwards	(147)	28	(37)	412	134	123
Interest rate contracts	86	(172)	(103)	—	(8)	—
Total non-qualifying hedge relationships	\$ (478)	\$ (59)	\$ 336	\$ 445	\$ 342	\$ 128
Derivatives used for other than hedging purposes	\$ —	\$ 19	\$ —	\$ 3	\$ —	\$ 26
Total derivatives	\$ (579)	\$ (43)	\$ 632	\$ 459	\$ 458	\$ 152

Events or circumstances that would require the Company to perform under a written credit derivative position may include, but are not limited to, bankruptcy, failure to pay, debt moratorium, debt repudiation, restructuring of debt and acceleration, or default. The maximum potential amount of future payments (undiscounted) the Company could be required to make under the credit derivative is represented by the notional amount of the contract. Should a credit event occur, the amounts owed to a counterparty by the Company may be subject to recovery provisions that include, but are not limited to:

1. Notional amount payment by the Company to Counterparty and/or delivery of physical security by Counterparty to the Company.
2. Notional amount payment by the Company to Counterparty net of contractual recovery fee.
3. Notional amount payment by the Company to Counterparty net of auction determined recovery fee.

The Company will record an other-than-temporary impairment loss on a derivative position if an existing condition or set of circumstances indicates there is a limited ability to recover an unrealized loss.

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The Company enters into replication transactions whereby credit default swaps have been written by the Company on credit indices, credit index tranches, or single name corporate or sovereign credits. Credit index positions represent replications where credit default swaps have been written by the Company on the Dow Jones North American Investment Grade Series of indexes ("DJ.NA.IG"). Each index is comprised of 125 liquid investment grade credits domiciled in North America and represents a broad exposure to the investment grade corporate market. Index positions also represent replications where credit default swaps have been written by the Company on the Dow Jones North American High Yield Series of indexes ("DJ.NA.HY"). Each index is comprised of 100 high yield credits domiciled in North America and represents a broad exposure to the high yield corporate market.

The Company writes contracts on the "Senior" tranche of the Dow Jones North American Investment Grade Index Series 31, 33, 35, 37, 39, and 41, (DJ.NA.IG.31, DJ.NA.IG.33, DJ.NA.IG.35, DJ.NA.IG.37, DJ.NA.IG.39 and DJ.NA.IG.41, respectively), whereby the Company is obligated to perform should the default rates of each index fall between 7%-15%. The Company also writes contracts on the "Super Senior" tranche of the Dow Jones North American High Yield Index Series 31, 33, 35, 37, 39, and 41 (DJ.NA.HY.31, DJ.NA.HY.33, DJ.NA.HY.35, DJ.NA.HY.37, DJ.NA.HY.39 and DJ.NA.HY.41, respectively), whereby the Company is obligated to perform should the default rates of each index fall between 35%-100%. The maximum potential amount of future payments (undiscounted) the Company could be required to make under these positions is represented by the notional amount of the contracts.

Information related to the credit quality of replication positions involving credit default swaps appears below. The values below are listed in order of their NAIC credit designation, with a designation of 1 having the highest credit quality based on the underlying asset referenced by the credit default swap (in millions):

RSAT NAIC Designation	Referenced Credit Obligation	December 31, 2023			December 31, 2022		
		CDS Notional Amount	CDS Estimated Fair Value	Weighted Average Years to Maturity	CDS Notional Amount	CDS Estimated Fair Value	Weighted Average Years to Maturity
1 Highest quality	Single name credit default swaps	\$ —	\$ —	—	\$ —	\$ —	—
	Credit default swaps on indices	12,862	991	4	12,533	744	4
	Subtotal	12,862	991	4	12,533	744	4
2 High quality	Single name credit default swaps	—	—	—	—	—	—
	Credit default swaps on indices	55	2	4	5	1	4
	Subtotal	55	2	4	5	1	4
3 Medium quality	Single name credit default swaps	—	—	—	—	—	—
	Credit default swaps on indices	—	—	—	—	—	—
	Subtotal	—	—	—	—	—	—
	Total	\$ 12,917	\$ 993	4	\$ 12,538	\$ 745	4

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The table below illustrates derivative asset and liability positions held by the Company, including notional amounts, carrying values and estimated fair values. Instruments utilizing hedge accounting treatment are shown as qualifying hedge relationships. Hedging instruments that utilize fair value accounting are shown as non-qualifying hedge relationships. Derivatives used in replication strategies are shown as derivatives used for other than hedging purposes.

	Summary of Derivative Positions					
	(in millions)					
	December 31, 2023			December 31, 2022		
	Notional	Carrying Value	Estimated FV	Notional	Carrying Value	Estimated FV
Qualifying hedge relationships						
Asset swaps						
Assets	\$ 1,210	\$ —	\$ (282)	\$ 1,210	\$ —	\$ (266)
Liabilities	—	—	—	—	—	—
Foreign currency swaps						
Assets	3,027	220	266	3,561	292	421
Liabilities	1,364	(56)	(57)	548	(27)	(19)
Total qualifying hedge relationships	\$ 5,601	\$ 164	\$ (73)	\$ 5,319	\$ 265	\$ 136
Non-qualifying hedge relationships						
Interest rate swaps						
Assets	—	—	—	—	—	—
Liabilities	116	(4)	(4)	4,201	(90)	(90)
Foreign currency swaps						
Assets	4,044	367	367	6,364	713	713
Liabilities	2,473	(102)	(99)	506	(29)	(29)
Foreign currency forwards						
Assets	285	—	—	2,740	132	132
Liabilities	5,305	(155)	(155)	2,764	(139)	(139)
Purchased credit default swaps						
Assets	—	—	—	—	—	—
Liabilities	—	—	—	30	—	—
Total non-qualifying hedge relationships	\$ 12,223	\$ 106	\$ 109	\$ 16,605	\$ 587	\$ 587
Derivatives used for other than hedging purposes						
Written credit default swaps						
Assets	\$ 9,352	\$ 771	\$ 939	\$ 11,123	\$ 783	\$ 762
Liabilities	3,565	(48)	53	1,415	(42)	(17)
Asset swaps and total return swaps						
Assets	835	—	(7)	10	—	(2)
Liabilities	—	—	—	—	—	—
Bond Forwards						
Assets	9,175	—	(31)	—	—	—
Liabilities	—	—	—	—	—	—
Interest Rate Swaps						
Assets	50	—	(9)	50	—	(10)
Liabilities	—	—	—	—	—	—
Total derivatives used for other than hedging purposes	\$ 22,977	\$ 723	\$ 945	\$ 12,598	\$ 741	\$ 733
Total derivatives	\$ 40,801	\$ 993	\$ 981	\$ 34,522	\$ 1,593	\$ 1,456

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For the year ended December 31, 2023 and 2022, the average fair value of derivatives used for other than hedging purposes, was \$626 million and \$662 million.

Note 13 – Separate Accounts

The TIAA Separate Account VA-1 ("VA-1") is a segregated investment account established on February 16, 1994 under the insurance laws of the State of New York for the purpose of issuing and funding after-tax variable annuity contracts for employees of non-profit institutions organized in the United States, including governmental institutions. VA-1 is registered with the Securities and Exchange Commission, (the "Commission") effective November 1, 1994 as an open-end, diversified management investment company under the Investment Company Act of 1940. VA-1 consists of a single investment portfolio, the Stock Index Account ("SIA"). The SIA was established on October 3, 1994 and invests in a diversified portfolio of equity securities selected to track the overall market for common stocks publicly traded in the United States.

The TIAA Real Estate Account ("REA" or "VA-2") is a segregated investment account organized on February 22, 1995, under the insurance laws of the State of New York for the purpose of providing an investment option to TIAA's pension customers to direct investments to an investment vehicle that invests primarily in real estate. VA-2 is registered with the Commission under the Securities Act of 1933 effective October 2, 1995. VA-2's target is to invest between 75% and 85% of its assets directly in real estate or in real estate-related investments, with the remainder of its assets invested in publicly-traded securities and other instruments easily converted to cash to maintain adequate liquidity. During 2023, REA's liquid assets have comprised less than 10% of its net assets, primarily due to higher contract owner withdrawals driven by unfavorable market trends in the U.S. commercial real estate market, with elevated interest rates negatively impacting property values.

The TIAA Separate Account VA-3 ("VA-3") is a segregated investment account organized on May 17, 2006 under the laws of the State of New York for the purposes of funding individual and group variable annuities for retirement plans of employees of colleges, universities, other educational and research organizations, and other governmental and non-profit institutions. VA-3 is registered with the Commission as an investment company under the Investment Company Act of 1940, effective September 29, 2006, and operates as a unit investment trust.

The TIAA Stable Value Separate Account ("TSV") is an insulated, non-unitized separate account established on March 31, 2010 qualifying under New York Insurance Law 4240(a)(5)(ii). The separate account supports a flexible premium group deferred fixed annuity contract intended to be offered to employer sponsored retirement plans. The assets of this account are carried at book value.

In accordance with the domiciliary state procedures for approving items within the separate accounts, the separate accounts classification of the following items are supported by a specific state statute:

<u>Product Identification</u>	<u>Product Classification</u>	<u>State Statute Reference</u>
TIAA Separate Account VA-1	Variable annuity	Section 4240 of the New York Insurance Law
TIAA Real Estate Account	Variable annuity	Section 4240 of the New York Insurance Law
TIAA Separate Account VA-3	Variable annuity	Section 4240 of the New York Insurance Law
TIAA Stable Value	Group deferred fixed annuity	Section 4240(a)(5)(ii) of the New York Insurance Law

The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.

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The Company's separate account statement includes legally insulated assets as of December 31 attributed to the following products (in millions):

Product	2023	2022
TIAA Real Estate Account	\$ 25,269	\$ 31,000
TIAA Separate Account VA-3	18,163	15,313
TIAA Separate Account VA-1	1,208	1,062
TIAA Stable Value	2,985	3,007
Total	\$ 47,625	\$ 50,382

In accordance with the products recorded within the separate accounts, some separate account liabilities are guaranteed by the general account. In accordance with the guarantees provided, if the investment proceeds are insufficient to cover the rate of return guaranteed for the product, the policyholder proceeds will be remitted by the general account.

The general account provides the REA with a liquidity guarantee to ensure it has funds available to meet participant transfer or cash withdrawal requests. When the REA cannot fund participant requests, the general account will fund the requests by purchasing accumulation units in the REA. Under this agreement, the Company guarantees participants will be able to redeem their accumulation units at their accumulation unit value determined after the transfer or withdrawal request is received in good order. See Note 20 – Contingencies and Guarantees for additional disclosures on purchases of accumulation units in the REA during 2023.

Additional information regarding separate accounts of the Company is as follows for the years ended December 31, (in millions):

	2023			
	Non-indexed Guarantee less than/ equal to 4%	Non-indexed Guarantee more than 4%	Non-guaranteed Separate Accounts	Total
Premiums, considerations or deposits	\$ 547	\$ —	\$ 3,720	\$ 4,267
Reserves				
For accounts with assets at:				
Fair value	\$ —	\$ —	\$ 42,392	\$ 42,392
Amortized cost	2,822	—	—	2,822
Total reserves	\$ 2,822	\$ —	\$ 42,392	\$ 45,214
By withdrawal characteristics:				
Subject to discretionary withdrawal:				
At book value without market value adjustment and with current surrender charge of 5% or less*	\$ 2,822	\$ —	\$ —	\$ 2,822
At fair value	—	—	42,392	42,392
Total reserves	\$ 2,822	\$ —	\$ 42,392	\$ 45,214

*Withdrawable at book value without adjustment or charge.

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2022				
	Non-indexed Guarantee less than/ equal to 4%	Non-indexed Guarantee more than 4%	Non-guaranteed Separate Accounts	Total
Premiums, considerations or deposits	\$ 837	\$ —	\$ 4,347	\$ 5,184
Reserves				
For accounts with assets at:				
Fair value	\$ —	\$ —	\$ 46,032	\$ 46,032
Amortized cost	2,870	—	—	2,870
Total reserves	\$ 2,870	\$ —	\$ 46,032	\$ 48,902
By withdrawal characteristics:				
Subject to discretionary withdrawal:				
At book value without market value adjustment and with current surrender charge of 5% or less*	\$ 2,870	\$ —	\$ —	\$ 2,870
At fair value	—	—	46,032	46,032
Total reserves	\$ 2,870	\$ —	\$ 46,032	\$ 48,902

*Withdrawable at book value without adjustment or charge.

2021				
	Non-indexed Guarantee less than/ equal to 4%	Non-indexed Guarantee more than 4%	Non-guaranteed Separate Accounts	Total
Premiums, considerations or deposits	\$ 665	\$ —	\$ 4,443	\$ 5,108
Reserves				
For accounts with assets at:				
Fair value	\$ —	\$ —	\$ 47,883	\$ 47,883
Amortized cost	2,497	—	—	2,497
Total reserves	\$ 2,497	\$ —	\$ 47,883	\$ 50,380
By withdrawal characteristics:				
Subject to discretionary withdrawal:				
At book value without market value adjustment and with current surrender charge of 5% or less*	\$ 2,497	\$ —	\$ —	\$ 2,497
At fair value	—	—	47,883	47,883
Total reserves	\$ 2,497	\$ —	\$ 47,883	\$ 50,380

*Withdrawable at book value without adjustment or charge.

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The following is a reconciliation of transfers to (from) the Company to the separate accounts for the years ended December 31, (in millions):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Transfers reported in the Summary of Operations of the separate accounts statement:			
Transfers to separate accounts	\$ 4,562	\$ 5,565	\$ 5,755
Transfers from separate accounts	(7,511)	(5,971)	(4,953)
Reconciling adjustments:			
Fund transfer exchange gain (loss)	—	(1)	—
Transfers reported in the Summary of Operations of the Life, Accident & Health Annual Statement	\$ (2,949)	\$ (407)	\$ 802

Note 14 – Policy and Contract Reserves

Policy and contract reserves are determined in accordance with standard valuation methods approved by the Department and are computed in accordance with standard actuarial methodology. The reserves are based on assumptions for interest, mortality and other risks insured.

For annuities and supplementary contracts, policy and contract reserves are calculated using Commissioner's Annuity Reserve Valuation Method ("CARVM") in accordance with New York State Regulation 151 and Actuarial Guideline 33 as applicable.

The Company has established policy reserves on deferred and payout annuity contracts issued January 1, 2001 and later that exceed the minimum amounts determined under Appendix A-820, "Minimum Life and Annuity Reserve Standards" of NAIC SAP. The excess above the minimum is as follows (in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deferred and payout annuity contracts issued after 2000	\$ 4,132	\$ 3,962

The Company performed asset adequacy analysis in order to test the adequacy of its reserves in light of the assets supporting such reserves. This analysis reflected the requirements of the NYDFS and the NYDFS Special Considerations Letter, which specifies certain requirements related to reserves and asset adequacy analysis. The Company determined that its reserves are sufficient to meet its obligations for the years ending December 31, 2023 and 2022.

For ordinary and collective life insurance, reserves for all policies are calculated in accordance with New York State Insurance Regulation 147. Reserves for regular life insurance policies are computed by the Net Level Premium method for issues prior to January 1, 1990, and by the Commissioner's Reserve Valuation Method for the vast majority of issues on and after such date. Five-year renewable term policies issued on or after January 1, 1994 use the greater of unitary and segmented reserves, where each segment is equal to the term period. Annual renewable term policies and cost of living riders issued on and after January 1, 1994, uses the segmented reserves, where each segment is equal to one year in length.

Liabilities for incurred but not reported life insurance claims are based on historical experience and set equal to a percentage of expected claims. Reserves for amounts not yet due for incurred but not reported disability waiver of premium claims are a percentage of the total active lives disability waiver of premium reserve.

As of December 31, 2023 and 2022, the Company had \$141 million and \$167 million, respectively, of insurance in force for which the gross premiums were less than the net premiums according to the standard of valuation set by the Department.

The Tabular Interest, Tabular Less Actual Reserve Released and Tabular Cost are determined by formulae as prescribed by the NAIC except for deferred annuities, for which tabular interest is determined from the basic data.

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Withdrawal characteristics of individual annuity reserves, group annuity reserves, and deposit-type contract funds for the years ended December 31, are as follows (in millions):

		2023				
		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
INDIVIDUAL ANNUITIES:						
Subject to Discretionary Withdrawal:						
At fair value		\$ —	\$ —	\$ 22,426	\$ 22,426	12.0 %
At book value without adjustment (minimal or no charge or adjustment)		30,096	—	—	30,096	16.2 %
Not subject to discretionary withdrawal		133,626	—	—	133,626	71.8 %
Total (direct + assumed)		\$163,722	\$ —	\$ 22,426	\$186,148	100.0 %
Reinsurance ceded		—	—	—	—	
Total (net)		\$163,722	\$ —	\$ 22,426	\$186,148	

		2022				
		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
INDIVIDUAL ANNUITIES:						
Subject to Discretionary Withdrawal:						
At fair value		\$ —	\$ —	\$ 25,778	\$ 25,778	13.6 %
At book value without adjustment (minimal or no charge or adjustment)		30,991	—	—	30,991	16.3 %
Not subject to discretionary withdrawal		133,091	—	—	133,091	70.1 %
Total (direct + assumed)		\$ 164,082	\$ —	\$ 25,778	\$189,860	100.0 %
Reinsurance ceded		—	—	—	—	
Total (net)		\$ 164,082	\$ —	\$ 25,778	\$189,860	

		2023				
		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
GROUP ANNUITIES:						
Subject to Discretionary Withdrawal:						
At fair value		\$ —	\$ —	\$ 19,954	\$ 19,954	22.4 %
At book value without adjustment (minimal or no charge or adjustment)		38,655	2,814	—	41,469	46.7 %
Not subject to discretionary withdrawal		27,527	—	—	27,527	30.9 %
Total (direct + assumed)		\$ 66,182	\$ 2,814	\$ 19,954	\$ 88,950	100.0 %
Reinsurance ceded		—	—	—	—	
Total (net)		\$ 66,182	\$ 2,814	\$ 19,954	\$ 88,950	

		2022				
		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
GROUP ANNUITIES:						
Subject to Discretionary Withdrawal:						
At fair value		\$ —	\$ —	\$ 20,239	\$ 20,239	23.9 %
At book value without adjustment (minimal or no charge or adjustment)		35,960	2,861	—	38,821	45.7 %
Not subject to discretionary withdrawal		25,782	—	—	25,782	30.4 %
Total (direct + assumed)		\$ 61,742	\$ 2,861	\$ 20,239	\$ 84,842	100.0 %
Reinsurance ceded		—	—	—	—	
Total (net)		\$ 61,742	\$ 2,861	\$ 20,239	\$ 84,842	

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	2023				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
DEPOSIT-TYPE CONTRACTS: (no life contingencies)					
Subject to Discretionary Withdrawal:					
At fair value	\$ —	\$ —	\$ 12	\$ 12	0.1 %
At book value without adjustment (minimal or no charge or adjustment)	1,284	8	—	1,292	15.2 %
Not subject to discretionary withdrawal	7,215	—	—	7,215	84.7 %
Total (direct + assumed)	\$ 8,499	\$ 8	\$ 12	\$ 8,519	100.0 %
Reinsurance ceded	—	—	—	—	
Total (net)	\$ 8,499	\$ 8	\$ 12	\$ 8,519	
	2022				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
DEPOSIT-TYPE CONTRACTS: (no life contingencies)					
Subject to Discretionary Withdrawal:					
At fair value	\$ —	\$ —	\$ 16	\$ 16	0.2 %
At book value without adjustment (minimal or no charge or adjustment)	1,278	8	—	1,286	15.5 %
Not subject to discretionary withdrawal	7,016	—	—	7,016	84.3 %
Total (direct + assumed)	\$ 8,294	\$ 8	\$ 16	\$ 8,318	100.0 %
Reinsurance ceded	—	—	—	—	
Total (net)	\$ 8,294	\$ 8	\$ 16	\$ 8,318	

Note 15 – Management Agreements

Under Cash Disbursement and Reimbursement Agreements, the Company serves as the common pay-agent for certain subsidiaries and affiliates. Under management agreements, the Company provides investment advisory and administrative services for TIAA Life and administrative services to VA-1. The Company provided administrative services to TIAA, FSB ("the Bank") through July 30, 2023. Additionally, under a General Service and Facilities Agreement with Nuveen, LLC, the Company provides and receives general services at cost inclusive of charges for overhead.

As the common pay-agent, the Company allocated expenses of \$2,572 million, \$2,254 million and \$2,125 million to its various subsidiaries and affiliates for the years ended December 31, 2023, 2022 and 2021, respectively. The expense allocation process determines the portion of the operating expenses attributable to each legal entity based on defined allocation methodologies. These methodologies represent either shared or direct costs depending on the nature of the service provided. At the completion of the allocation process all expenses are assigned to a legal entity.

Activities necessary for the operation of the College Retirement Equities Fund ("CREF"), a companion organization of TIAA, are provided at-cost by the Company and two of its subsidiaries, TIAA-CREF Investment Management, LLC ("TCIM") and TIAA-CREF Individual and Institutional Services, LLC ("TC Services"). Such services are provided in accordance with an Administrative Service Agreement between CREF and the Company, an Investment Management Agreement between CREF and TCIM, and a Principal Underwriting and Distribution Services Agreement between CREF and TC Services (collectively the "CREF Agreements"). The Company is the common pay-agent for CREF and TC Services. The Company collects the distribution expense reimbursements from CREF and then remits those payments to TC Services. The administration and investment expenses incurred by the Company are included in operating expenses and offset against the related expense reimbursements received from CREF and Nuveen Services, respectively. The expense reimbursements under the CREF Agreements and the equivalent expenses, amounted to approximately \$577 million, \$518 million, and \$563 million for the years ended December 31, 2023, 2022 and 2021, respectively.

TC Services maintains a Distribution Agreement with the Company under which TC Services is the principal underwriter and distributor for variable annuity contracts issued by the Company. Such activities performed by TC Services are reimbursed at cost. TC Services also maintains a Distribution Agreement with the Company under which TC Services is the distributor for proprietary and non-proprietary mutual funds. Such activities performed by TC Services were on a cost reimbursement basis through December 31, 2021. The Distribution Agreement

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covering proprietary and non-proprietary mutual funds was amended as of January 1, 2022, whereby the Company will no longer provide cost reimbursements to TC Services for this service. The Company paid \$10 million, \$9 million and \$225 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company had a General Service Agreement through July 30, 2023 whereby the Company provides general administrative services such as technology, marketing, finance, corporate overhead and individual advisory services to the Bank. Expense allocations to the Bank were \$44 million, \$81 million, and \$84 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Teachers Advisors, LLC ("Advisors") provides investment advisory services for VA-1, certain proprietary funds and other separately managed portfolios in accordance with investment management agreements. Nuveen Securities, LLC ("Securities"), an indirect subsidiary of Nuveen, LLC, distributes registered securities for certain proprietary funds and non-proprietary mutual funds.

The Company has Investment Management Agreements with Advisors and Nuveen Alternatives Advisors, LLC, wholly-owned subsidiaries of Nuveen, LLC, to manage, at a negotiated fee, investments held within the Company's General Account including investments owned by investment subsidiaries of the Company. The Company paid \$155 million, \$164 million and \$187 million to Advisors and \$362 million, \$333 million, and \$278 million to Nuveen Alternatives Advisors, LLC, for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company has an Omnibus Service Agreement with Nuveen, LLC, pursuant to which Nuveen, LLC directly or through its subsidiaries agreed to provide services complementary to investment management to the Company at cost, inclusive of charges for overhead. The Company paid \$7 million to Nuveen, LLC for each of the years ended December 31, 2023, 2022 and 2021.

The Company has a sublease agreement for certain leases and leasehold improvements with Nuveen Services, LLC. The Company makes the applicable lease payments on behalf of Nuveen Services, LLC and then allocates those costs. Under the sublease agreement, the Company allocated \$15 million, \$15 million and \$16 million to Nuveen Services, LLC for the years ended December 31, 2023, 2022, and 2021, respectively.

All services necessary for the operation of the REA are provided at-cost by the Company and TC Services. The Company provides investment management and administrative services for the REA in accordance with an Investment Management and Administrative Agreement. Distribution services for the REA are provided in accordance with a Distribution Agreement among TC Services, the Company and the REA (collectively the "Agreements"). The Company and TC Services receive payments from the REA on a daily basis according to formulae established annually and adjusted periodically for performance of these Agreements. The daily fee is based on an estimate of the at-cost expenses necessary to operate the REA and is based on projected REA expense and asset levels, with the objective of keeping the fees as close as possible to actual expenses attributable to operating the REA. At the end of each quarter, any differences between the daily fees paid and actual expenses for the quarter are added to or deducted from REA's fee in equal daily installments over the remaining days in the immediately following quarter. Reimbursements collected under the Agreements amounted to approximately \$170 million, \$153 million, and \$140 million for the periods ended December 31, 2023, 2022 and 2021, respectively.

The Company provides certain separate account guarantees, including a liquidity guarantee to REA, and is compensated for these guarantees. See Note 20 Contingencies and Guarantees for additional information on separate account guarantees.

The Company had a Service Agreement with the Bank through July 30, 2023, whereby the Bank provided general services in support of the Company's and its subsidiaries' activities at cost inclusive of charges for overhead. The Company paid \$1 million, \$5 million and \$11 million to the Bank for the years ended December 31, 2023, 2022 and 2021, respectively.

The Bank exited the mortgage loan servicing business during 2022 and no longer services certain residential mortgage loans held by the Company. As of December 31, 2021, the Company held \$459 million of residential mortgage loans that were serviced by the Bank.

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The Company has a Cash Disbursement and Reimbursement Agreement with Nuveen Investments, an indirect subsidiary of Nuveen, LLC, whereby the Company provides cash disbursements and related services at cost. The Company allocated \$105 million, \$108 million, and \$145 million to Nuveen Investments for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company has a Cash Disbursement and Reimbursement Agreement with TIAA Endowment and Philanthropic Services ("TEPS"), an indirect subsidiary of TIAA, whereby the Company provides cash disbursements and related services at cost. The Company allocated \$40 million, \$37 million, and \$39 million to TEPS for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company has a Cash Disbursement and Reimbursement Agreement with TIAA-CREF Tuition Financing, Inc. ("TFI"), a subsidiary of the Company, whereby the Company provides cash disbursements and related services at cost. The Company allocated \$87 million, \$84 million, and \$73 million to TFI for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company has a Service Agreement with TIAA India, an indirect wholly-owned subsidiary of the Company, whereby TIAA India provides information technology and non-technology services for the Company and its affiliates. The Company paid \$143 million, \$112 million, and \$85 million to TIAA India for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company has a Technology Support and Services Agreement with MyVest Corporation ("MyVest"), a wholly-owned subsidiary of the Company, whereby MyVest provides project and program management services for the Company. The Company paid \$37 million, \$36 million, and \$35 million to MyVest for the years ended December 31, 2023, 2022, and 2021, respectively. The Company agrees to provide MyVest administrative services for use in its day to day operations. MyVest reimbursed the Company for administrative services in the amount of \$1 million, \$2 million, and \$1 million for each of the years ended December 31, 2023, 2022 and 2021, respectively.

The Bank provided Custody and Trustee Services for TIAA Institutional Retirement, Retiree Health and Retirement Choice Plus Plans as well as performed IRA Custodial services for an IRA and Investment Solutions IRA Agreements which was paid by bank fees through July 30, 2023. The Company paid \$4 million, \$6 million, and \$6 million to the Bank for the years ended December 31, 2023, 2022, and 2021 for these services. As of July 31, 2023, these services are provided by the Trust. The Company paid \$2 million to the Trust during the year ended December 31, 2023.

Effective April 1, 2021, the Company entered into a service and subcontracting agreement with TIAA Shared Services, LLC ("TSS"), a wholly-owned subsidiary of the Company. Under the agreement, TSS serves as an internal administrative service provider for the Company as well as for CREF and the Company's affiliates with existing administrative services agreements with the Company. The Company pays TSS compensation it receives (and TSS reimburses the Company for disbursements it makes) relating to the provision of administrative services for the Company. The Company also reimburses TSS at cost for administrative services provided in support of the Company's insurance business and the fulfillment of its contractual obligation to provide such services to CREF and the Company's affiliates. The Company also provides to TSS any services necessary to conduct its operations, and TSS reimburses the Company at cost for these services. TSS reimbursed the Company \$612 million, \$600 million, and \$340 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Note 16 - Federal Income Taxes

By charter, the Company is a stock life insurance company operating on a non-profit basis. However, the Company has been fully subject to federal income taxation as a stock life insurance company since January 1, 1998.

The application of SSAP No. 101 Income Taxes requires a company to evaluate the recoverability of DTAs and to establish a valuation allowance if necessary to reduce the DTA to an amount which is more likely than not to be realized. Based on the weight of all available evidence, the Company has not recorded a valuation allowance on DTAs at December 31, 2023 or December 31, 2022.

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Components of the net deferred tax asset/(liability) are as follows (in millions):

	12/31/2023			12/31/2022			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
a) Gross Deferred Tax Assets	\$ 5,318	\$ 2,348	\$ 7,666	\$ 4,663	\$ 2,132	\$ 6,795	\$ 655	\$ 216	\$ 871
b) Statutory Valuation Allowance Adjustments	—	—	—	—	—	—	—	—	—
c) Adjusted Gross Deferred Tax Assets (a-b)	5,318	2,348	7,666	4,663	2,132	6,795	655	216	871
d) Deferred Tax Assets Non-admitted	1,479	1,426	2,905	1,905	875	2,780	(426)	551	125
e) Subtotal Net Admitted Deferred Tax Asset (c-d)	3,839	922	4,761	2,758	1,257	4,015	1,081	(335)	746
f) Deferred Tax Liabilities	2,183	850	3,033	1,673	1,043	2,716	510	(193)	317
g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (e-f)	\$ 1,656	\$ 72	\$ 1,728	\$ 1,085	\$ 214	\$ 1,299	\$ 571	\$ (142)	\$ 429

Admission Calculation Components SSAP No. 101	12/31/2023			12/31/2022			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
b) Adjusted Gross DTA Expected To Be Realized (Excluding The Amount of DTA From (a) above After Application of the Threshold Limitation.(The Lesser of (b)1 and (b)2 Below)	1,656	72	1,728	1,085	214	1,299	571	(142)	429
1. Adjusted Gross DTA Expected to be Realized Following the Balance Sheet Date	1,656	72	1,728	1,085	214	1,299	571	(142)	429
2. Adjusted Gross DTA Allowed per Limitation Threshold	XXX	XXX	6,050	XXX	XXX	6,206	XXX	XXX	(156)
c) Adjusted Gross DTA (Excluding The Amount Of DTA From (a) and (b) above) Offset by Gross DTL	2,183	850	3,033	1,673	1,043	2,716	510	(193)	317
d) DTA Admitted as the result of application of SSAP No. 101. Total ((a)+(b)+(c))	\$ 3,839	\$ 922	\$ 4,761	\$ 2,758	\$ 1,257	\$ 4,015	\$ 1,081	\$ (335)	\$ 746

	2023	2022
Ratio percentage used to determine recovery period and threshold limitation amount	979%	1,055%
Amount of adjusted capital and surplus used to determine the threshold limitation in (b)2 above (in millions)	\$40,332	\$41,374

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	12/31/2023		12/31/2022		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
Impact of Tax Planning Strategies: (in millions)						
Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage						
Adjusted Gross DTAs Amount From Above	\$ 5,318	\$ 2,348	\$ 4,663	\$ 2,132	\$ 655	\$ 216
Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	— %	— %	— %	— %	— %	— %
Net Admitted Adjusted Gross DTAs Amount From Above	\$ 3,839	\$ 922	\$ 2,758	\$ 1,257	\$ 1,081	\$ (335)
Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	19.13 %	— %	18.61 %	— %	0.52 %	— %

The Company supports the admittance of \$734 million of DTA with \$3,834 million of tax planning strategies. The Company does not have tax planning strategies that include the use of reinsurance.

The Company has no temporary differences for which DTLs are not recognized.

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Income taxes incurred consist of the following major components (in millions):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current Income Tax:			
Federal income tax expense (benefit)	\$ (582)	\$ (717)	\$ (139)
Foreign taxes	—	1	1
Subtotal	<u>\$ (582)</u>	<u>\$ (716)</u>	<u>\$ (138)</u>
Federal income taxes expense on net capital gains	(48)	254	447
Generation/(utilization) of loss carry-forwards	630	463	(308)
Intercompany tax sharing expense/(benefit)	(6)	(81)	(271)
Other	—	—	4
Federal and foreign income tax expense / (benefit)	<u>\$ (6)</u>	<u>\$ (80)</u>	<u>\$ (266)</u>
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>Change</u>
Deferred Tax Assets:			
Ordinary:			
Policyholder reserves	\$ 10	\$ 11	\$ (1)
Investments	376	416	\$ (40)
Policyholder dividends accrual	496	475	\$ 21
Fixed assets	222	163	\$ 59
Compensation and benefits accrual	460	430	\$ 30
Net operating loss carry-forward	932	318	\$ 614
Other (including items < 5% of total ordinary tax assets)	715	600	\$ 115
Intangible assets – business in force and software	2,107	2,250	\$ (143)
Subtotal	<u>\$ 5,318</u>	<u>\$ 4,663</u>	<u>\$ 655</u>
Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
Non-admitted	1,479	1,905	(426)
Admitted ordinary deferred tax assets	<u>\$ 3,839</u>	<u>\$ 2,758</u>	<u>\$ 1,081</u>
Capital:			
Investments	\$ 2,328	\$ 2,114	\$ 214
Real estate	20	18	\$ 2
Subtotal	<u>\$ 2,348</u>	<u>\$ 2,132</u>	<u>\$ 216</u>
Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
Non-admitted	1,426	875	551
Admitted capital deferred tax assets	922	1,257	(335)
Admitted deferred tax assets	<u>\$ 4,761</u>	<u>\$ 4,015</u>	<u>\$ 746</u>
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>Change</u>
Deferred Tax Liabilities:			
Ordinary:			
Investments	\$ 2,080	\$ 1,518	\$ 562
Reserves transition adjustment	102	154	(52)
Other (including items < 5% of total ordinary tax liabilities)	1	1	—
Subtotal	<u>\$ 2,183</u>	<u>\$ 1,673</u>	<u>\$ 510</u>
Capital:			
Investments	\$ 850	\$ 1,043	\$ (193)
Subtotal	<u>\$ 850</u>	<u>\$ 1,043</u>	<u>\$ (193)</u>
Deferred tax liabilities	<u>\$ 3,033</u>	<u>\$ 2,716</u>	<u>\$ 317</u>
Net Deferred Tax:			
Assets/Liabilities	<u>\$ 1,728</u>	<u>\$ 1,299</u>	<u>\$ 429</u>

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The provision for federal and foreign income taxes incurred differs from the amount obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference at December 31, 2023 are as follows (in millions):

Description	Tax Effect	Effective Tax Rate
Provision computed at statutory rate	\$ (357)	21.00 %
Dividends received deduction	(67)	3.94
Transfer Pricing Adjustment	17	(1.01)
Amortization of interest maintenance reserve	(91)	5.35
Statutory impairment of affiliated common stock	6	(0.35)
Other permanent differences	(5)	0.32
Prior year true-ups (TIAA & Subs)	5	(0.32)
Prior year true-ups (TIAA & Subs) - Tax Credits	(89)	5.24
Current Year Non-Admitted Assets	(43)	2.56
Other	9	(0.55)
Total statutory income taxes	\$ (615)	36.18 %
Federal and foreign income tax expense (benefit) - Ordinary	(6)	0.34
Federal and foreign income tax expense (benefit) - Capital	—	—
Change in net deferred income tax charge (benefit)	(609)	35.84
Total statutory income taxes	\$ (615)	36.18 %

As of December 31, 2023, the Company had the following net operating loss carry forwards (in millions):

Year Incurred	Net Operating Losses	Year of Expiration
2022	\$ 1,732	Indefinite
2023	2,708	Indefinite
Total	\$ 4,440	

As of December 31, 2023, the Company had the following foreign tax credit carry forwards (in millions):

Year Incurred	Foreign Tax Credit	Year of Expiration
2015	\$ 22	2025
2019	3	2029
2021	4	2031
2022	42	2032
Total	\$ 71	

As of December 31, 2023, the Company has no taxes available for recoupment in the event of future losses.

At December 31, 2023, the Company had no net capital loss carry forwards.

At December 31, 2023, the Company has general business credits of \$159 million generated during the years 2004 to 2022 and expiring between 2024 to 2042.

The Company does not have any protective tax deposits on deposit with the Internal Revenue Service under IRC Section 6603.

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Beginning in 1998, the Company filed a consolidated federal income tax return with its includable affiliates (the "consolidating companies"). The consolidating companies participate in tax-sharing agreements. Under the general agreement, which applies to all of the below listed entities except those denoted with an asterisk (*), current federal income tax expense (benefit) is computed on a separate return basis and provides that members shall make payments or receive reimbursements to the extent their income (loss) contributes to or reduces consolidated federal tax expense. The consolidating companies are reimbursed for net operating losses or other tax attributes they have generated when utilized in the consolidated return.

- | | |
|--|---|
| 1) 730 Texas Forest Holdings, Inc. | 16) TIAA-CREF Life Insurance Company |
| 2) Seven30 Insurance (Bermuda) Co. Limited | 17) Terra Land Company |
| 3) AMC Holding, Inc.** | 18) TIAA Board of Governors |
| 4) Business Property Lending Inc.** | 19) TIAA-CREF Tuition Financing, Inc. |
| 5) CustomerOne Financial Network, Inc.** | 20) TIAA Commerical Finance, Inc.** |
| 6) GreenWood Resources, Inc. | 21) TIAA FSB Holdings, Inc.** |
| 7) MyVest Corporation | 22) TIAA, FSB** |
| 8) NIS/R&T, Inc.* | 23) TIAA Trust, N.A. |
| 9) Nuveen Holdings, Inc.* | 24) Westchester Group Farm Management, Inc. |
| 10) Nuveen Holdings 1, Inc.* | 25) Westchester Group Investment Management Holding Company, Inc. |
| 11) Nuveen Investments, Inc.* | 26) Westchester Group Investment Management, Inc. |
| 12) Nuveen Investments Holdings, Inc.* | 27) Westchester Group Real Estate, Inc. |
| 13) Nuveen Securities, LLC* | |
| 14) T-C Europe Holding, Inc. | |
| 15) T-C SP, Inc. | |

The companies denoted with an asterisk above (collectively, "Nuveen subgroup"), are subject to a separate tax sharing agreement, under which current federal income tax expense (benefit) is computed on a separate subgroup return basis. Under the Agreement, Nuveen Holdings 1, Inc. makes payments to TIAA for amounts equal to the federal income payments that the Nuveen subgroup would be obliged to pay the federal government if the Nuveen subgroup had actually filed a separate consolidated tax return. Nuveen Holdings 1, Inc. is reimbursed for the subgroup losses to the extent that the subgroup tax return reflects a tax benefit that the Nuveen subgroup could have carried back to a prior consolidated return year.

The companies denoted with a double asterisk above (collectively "Bank subgroup") are subject to a separate tax matters agreement as a result of the Company's finalized sale of a majority of its common stock ownership of FSB on July 31, 2023. Under the agreement, current federal income tax expense (benefit) is computed on an adjusted separate subgroup return basis in accordance with the agreement.

Amounts receivable (payable) from the Company's subsidiaries for federal income taxes are \$(91) million and (\$46) million at December 31, 2023 and 2022, respectively.

The Company's tax years 2018 through 2022 are open to examination by the Internal Revenue Service ("IRS").

Corporate Alternative Minimum Taxes

The Act was enacted on August 16, 2022. The Act included a new CAMT which is a 15 percent tax on an applicable corporation's adjusted financial statement income for the tax year, reduced by corporate alternative minimum foreign tax credits. The tax is effective for tax years beginning after 2022.

Under general statutory accounting principles, reporting entities filing statutory financial statements would normally have to consider the applicability of the CAMT, and if applicable, determine the impact on the statutory valuation allowance as well as assess DTAs for admissibility. Pursuant to guidance released by the Statutory Accounting Principles Working Group ("SAPWG") within INT 23-03, the Company has determined as of the reporting date that it will not be an applicable entity and will not be liable for CAMT in 2023.

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Note 17 - Repurchase and Securities Lending Programs

Repurchase Program

The Company has a repurchase program to sell and repurchase securities for the purposes of providing additional liquidity. For repurchase agreements, the Company's policy requires a minimum of 95% of the fair value of securities transferred under repurchase agreements to be maintained as collateral.

The Company has procedures in place to monitor the value of the collateral held and the fair value of the securities transferred under the agreements. If at any time the value of the collateral received from the counterparty falls below 95% of the fair value of the securities transferred, the Company is entitled to receive additional collateral from its counterparty. The Company monitors the estimated fair value of the securities sold under the agreements on a daily basis with additional collateral sent/obtained as necessary. If the counterparty were to default on its obligation to return the securities sold under the agreement on the repurchase date, the Company has the right to retain the collateral.

During the years ended December 31, 2023 and 2022, the Company engaged in certain repurchase transactions as cash taker. These transactions were "bilateral" in nature and the Company did not engage in any "Tri-party" repurchase transactions during the year. Additionally, there were no securities sold during the years ended December 31, 2023 and 2022 that resulted in default.

As of December 31, 2023 and 2022, the Company had no outstanding repurchase agreements.

Securities Lending Program

The Company has a securities lending program whereby it may lend securities to qualified institutional borrowers to earn additional income. The Company receives collateral (in the form of cash) against the loaned securities and maintains collateral in an amount not less than 102% of the market value of loaned securities during the period of the loan; any additional collateral required due to changes in security values is delivered to the Company the next business day. Cash collateral received by the Company will generally be invested in high-quality short-term instruments or bank deposits.

As of December 31, 2023, the estimated fair value of the Company's securities on loan under the program was \$638 million. The estimated fair value of collateral held by the Company for the securities on loan as of December 31, 2023, was reported in "Securities lending collateral assets" with an offsetting collateral liability of \$652 million included in "Payable for collateral for securities loaned". This collateral received is cash and has not been sold or re-pledged as of December 31, 2023.

Of the cash collateral received from the program, \$652 million is held as cash or reinvested in overnight, government backed, repurchase agreements as of December 31, 2023. Thus, the collateral remains liquid and could be returned in the event of a collateral call. The amortized cost and fair value of the reinvested cash collateral by the maturity date of the invested asset is as follows as of December 31, 2023 (in millions):

	Amortized Cost	Fair Value
Open	\$ 652	\$ 652
Total collateral reinvested	\$ 652	\$ 652

As of December 31, 2022 the estimated fair value of the Company's securities on loan under the program was \$1,297 million. The estimated fair value of collateral held by the Company for the securities on loan as of December 31, 2022, was reported in "Securities lending collateral assets" with an offsetting collateral liability of \$1,328 million included in "Payable for collateral for securities loaned." This collateral received was cash and had not been sold or re-pledged as of December 31, 2022.

Of the cash collateral received from the program, \$1,328 million was held as cash or reinvested in overnight, government backed, repurchase agreements as of December 31, 2022. Thus, the collateral remains liquid and

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could be returned in the event of a collateral call. The amortized cost and fair value of the reinvested cash collateral by the maturity date of the invested asset is as follows as of December 31, 2022 (in millions):

	<u>Amortized Cost</u>	<u>Fair Value</u>
Open	\$ 1,328	\$ 1,328
Total collateral reinvested	\$ 1,328	\$ 1,328

Note 18 - Federal Home Loan Bank of New York Membership and Borrowings

The Company is a member of the FHLBNY. Through its membership, the Company has the ability to conduct business activity ("advances") with the FHLBNY. It is part of the Company's strategy to utilize these funds to provide additional liquidity to supplement existing sources. The Company is required to pledge collateral to the FHLBNY in the form of eligible securities for all advances received. The Company considers the amount of collateral pledged to the FHLBNY as the amount encumbered by advances from the FHLBNY at a point in time. The Company has determined the estimated maximum borrowing capacity as about \$17,325 million. The Company calculated this amount using 5% of total net admitted assets at the current reporting date.

The following table shows the FHLBNY capital stock held in the general account as of December 31, (in millions):

	<u>2023</u>	<u>2022</u>
Membership stock - class A	\$ —	\$ —
Membership stock - class B	50	50
Activity stock	317	319
Excess stock	—	—
Total	\$ 367	\$ 369

There were no FHLBNY capital stock held in separate accounts as of December 31, 2023 and 2022.

Membership stock at December 31, 2023 and 2022, is not eligible for redemption.

The Company had \$6,876 million and \$6,985 million in funding agreements and \$160 million and \$100 million in debt outstanding at December 31, 2023 and December 31, 2022 respectively.

The following table shows the maximum collateral pledged to FHLBNY in the general account during the year ending December 31, (in millions):

	<u>2023</u>			<u>2022</u>		
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Amount Borrowed at Time of Maximum Collateral</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Amount Borrowed at Time of Maximum Collateral</u>
Total	\$ 9,717	\$ 10,729	\$ 8,657	\$ 9,561	\$ 9,796	\$ 8,478

There was no collateral pledged to FHLBNY in the separate accounts during the years ended December 31, 2023 and 2022.

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The following table shows the maximum borrowing from FHLBNY in the general account during the year ending December 31, (in millions):

	2023	2022
Debt	\$ 2,600	\$ 2,148
Funding agreements	6,057	6,330
Total	\$ 8,657	\$ 8,478

There were no borrowings from FHLBNY in the separate accounts during the year ended December 31, 2023 and 2022.

The following table shows the collateral pledged to FHLB in the general account as of December 31, 2023 and 2022 (in millions):

	2023			2022		
	Fair Value	Carrying Value	Aggregate Total Borrowing	Fair Value	Carrying Value	Aggregate Total Borrowing
Total	\$ 7,974	\$ 8,729	\$ 7,036	\$ 7,998	\$ 8,780	\$ 7,085

There was no collateral pledged to FHLB in the separate account as of December 31, 2023 and 2022.

Note 19 – Capital and Contingency Reserves and Shareholders’ Dividends Restrictions

The portion of contingency reserves increased or (reduced) by each item below for the years ended December 31 are as follows (in millions):

	2023	2022	2021
Net income (loss).....	\$ (674)	\$ (408)	\$ 3,872
Change in net unrealized capital gains (losses), net of taxes ..	167	(612)	1,645
Change in asset valuation reserve	(214)	1,776	(2,485)
Change in net deferred income tax	609	271	(1,088)
Change in non-admitted assets	(471)	(1,289)	1,029
Surplus (contributed to) withdrawn from Separate Accounts ...	(618)	—	—
Change in surplus of separate accounts.....	594	—	—
Change in post-retirement benefit liability	(4)	10	(1)

As of December 31, 2023 and 2022, the portion of contingency reserves represented by cumulative net unrealized gains was \$3,503 million and \$3,264 million, gross of deferred taxes, respectively.

Capital: The Company has 2,500 shares of Class A common stock authorized, issued and outstanding. All of the outstanding common stock of the Company is held by the TIAA Board of Governors, a not-for-profit corporation created for the purpose of holding the common stock of the Company. By charter, the Company operates without profit to its sole shareholder.

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Surplus Notes: The following table provides information related to the Company's outstanding surplus notes as of December 31, 2023 (in millions):

Date Issued	Interest Rate	Original Issue Amount of Note	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Life-To-Date Principal Paid	Date of Maturity
12/16/2009	6.850 %	\$ 2,000	\$ 1,049	\$ 1,049	\$ 72	\$ 1,007	\$ 950	12/16/2039
09/18/2014	4.900 %	1,650	1,649	1,649	81	727	—	09/15/2044
09/18/2014	4.375 % *	350	349	350	15	138	—	09/15/2054
05/08/2017	4.270 %	2,000	1,995	1,994	85	557	—	05/15/2047
05/07/2020	3.300 %	1,250	1,248	1,249	41	145	—	05/15/2050
Total		\$ 7,250	\$ 6,290	\$ 6,291	\$ 294	\$ 2,574	\$ 950	

*The Company will bear interest at a fixed annual rate of 4.375% from and including September 18, 2014 to but excluding September 15, 2024 payable semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2015, then at an annual floating rate equal to Three-Month LIBOR plus 2.661% (see note below) from and including September 15, 2024 to but excluding the date on which the Fixed-to-Floating Rate Notes are paid in full, payable quarterly, in arrears on March 15, June 15, September 15 and December 15 of each year, commencing December 15, 2024.

Note: As of July 1, 2023, three-month USD LIBOR is no longer being published. TIAA's \$350 million in surplus notes maturing in 2054 include fallback language if LIBOR is unavailable, which establishes a new annual rate, subject to further interpretation based on the NY law and any federal law that may be passed.

For the years ended December 31, 2023 and 2022, the Company did not have any related parties as holders of surplus notes or unapproved interest or principal. There were no amounts of current year interest offset or principal paid and the notes were not contractually linked. Surplus note payments are not subject to administrative offsetting and proceeds were not used to purchase assets directly from the holder of the note.

The instruments listed in the above table, are unsecured debt obligations of the type generally referred to as "surplus notes" and are issued in accordance with Section 1307 of the New York Insurance Law. The surplus notes are subordinated in right of payment to all present and future indebtedness, policy claims and other creditor claims of the Company and rank *pari passu* with any future surplus notes of the Company and with any other similarly subordinated obligations.

The notes were issued in transactions pursuant to Rule 144A under the Securities Act of 1933, as amended, and the notes are evidenced by one or more global notes deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company.

No subsidiary or affiliate of the Company is an obligor or guarantor of the notes, which are solely obligations of the Company. No affiliates of the Company hold any portion of the notes.

The notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the notes are not part of the legal liabilities of the Company. The notes are not scheduled to repay any principal prior to maturity. Each payment of interest and principal may be made only with the prior approval of the Superintendent and only out of the Company's surplus funds, which the Superintendent of the Department determines to be available for such payments under New York Insurance Law. In addition, provided that approval is granted by the Superintendent of the Department, the notes may be redeemed at the option of the Company at any time at the "make-whole" redemption price equal to the greater of the principal amount of the notes to be redeemed, or the sum of the present values of the remaining scheduled interest and principal payments, excluding accrued interest as of the redemption date, discounted to the redemption date on a semi-annual basis at the adjusted Treasury rate plus a pre-defined spread, plus in each case, accrued and unpaid interest payments on the notes to be redeemed to the redemption date.

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Dividend Restrictions: The Company is subject to stockholder dividend restrictions under the New York Insurance Law. However, all of the outstanding common stock of the Company is collectively held by TIAA Board of Governors, a non-profit corporation created to hold the stock of the Company, and therefore the Company does not make stockholder dividend payments.

Note 20 – Contingencies and Guarantees

Subsidiary and Affiliate Guarantees:

At December 31, 2023, the Company has a financial support agreement with TIAA Life. Under this agreement, the Company will provide support so TIAA Life will have the greater of (a) capital and surplus of \$250 million or (b) the amount of capital and surplus necessary to maintain TIAA Life's capital and surplus at a level not less than 150% of the NAIC Risk Based Capital model or such other amount as necessary to maintain TIAA Life's financial strength rating at least the same as the Company's rating at all times. Since this obligation is not subject to limitations, the Company does not believe that it is possible to determine the maximum potential amount that could become due under these guarantees in the future. At December 31, 2023, the capital and surplus of TIAA Life was in excess of the minimum capital and surplus amount referenced, and its total adjusted capital was in excess of the referenced RBC-based amount calculated at December 31, 2023.

The Company has agreed that it will cause TIAA Life to be sufficiently funded at all times in order to meet all its contractual obligations on a timely basis including, but not limited to, obligations to pay policy benefits and to provide policyholder services. This agreement is not an evidence of indebtedness or an obligation or liability of the Company and does not provide any creditor of TIAA Life with recourse to or against any of the assets of the Company.

The Company has unconditionally guaranteed \$1,000 million in 4.0% senior unsecured notes issued by Nuveen, LLC due in 2028. The Company agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at maturity, upon acceleration, redemption, repayment or otherwise, and as if such payment were made by Nuveen, LLC. The guarantee is made to/on behalf of a wholly-owned subsidiary, and as such the liability is excluded from recognition. The maximum potential amount of future payments the Company could be required to make under the guarantee as of December 31, 2023, is \$1,200 million, which includes the future undiscounted interest payments. Should action under the guarantee be required, the Company would contribute cash to Nuveen, LLC, to fund the obligation, thereby increasing the Company's investment in Nuveen, LLC, as reported in other invested assets. Based on Nuveen, LLC's financial position and operations, the Company views the risk of performance under this guarantee as remote.

Additionally, the Company has the following agreements and lines of credit with subsidiaries, affiliates, and other related parties:

The Company provides a \$100 million unsecured 364-day revolving line of credit arrangement with TIAA Life. \$75 million of this facility is maintained on a committed basis with an expiration date of June 28, 2024. As of December 31, 2023, there were no balances outstanding.

The Company also provides a \$1,000 million uncommitted line of credit to certain accounts of CREF and certain TIAA-CREF Funds ("Funds"). Loans under this revolving credit facility are for a maximum of 60 days and are made solely at the discretion of the Company to fund shareholder redemption requests or other temporary or emergency needs of CREF and the Funds. As of December 31, 2023, there were no balances outstanding. It is the intent of the Company, CREF and the Funds to use this facility as a supplemental liquidity facility, which would only be used after CREF and the Funds have exhausted the availability of the current \$1,000 million committed credit facility maintained with a group of banks.

The Company guarantees CREF transfers to the Company for the immediate purchase of lifetime payout annuities will produce guaranteed payments that will never be less than the amounts calculated at the stipulated interest rate and mortality defined in the applicable CREF contract.

The Company provided a \$300 million unsecured and uncommitted 364-day revolving line of credit arrangement with the Bank that expired on July 31, 2023, with no balances outstanding.

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The Company provides a \$100 million unsecured 364-day revolving line of credit arrangement with TIAA Trust, N.A. \$100 million of this facility is maintained on a committed basis with an expiration date of July 1, 2024. As of December 31, 2023, there were no balances outstanding.

The Company provides a \$250 million committed 364-day revolving line of credit arrangement with Nuveen, LLC. This line has an expiration date of December 19, 2024. As of December 31, 2023, \$38 million was outstanding.

The Company provides a \$200 million unsecured revolving line of credit arrangement with T-C M-T REIT LLC. This line has an open ended expiration date and is effective until terminated. As of December 31, 2023, there were no balances outstanding.

The Company also provides a \$200 million unsecured revolving line of credit arrangement with T-C S-T REIT LLC. This line of credit has an open ended expiration date and is effective until terminated. As of December 31, 2023, \$101 million was outstanding.

Separate Account Guarantees: The Company provides mortality and expense guarantees to VA-1, for which it is compensated. The Company guarantees, at death, the total death benefit payable from the fixed and variable accounts will be at least a return of total premiums paid less any previous withdrawals. The Company also guarantees expense charges to VA-1 participants will never rise above the maximum amount stipulated in the contract.

The Company provides mortality, expense and liquidity guarantees to REA and is compensated for these guarantees. The Company guarantees once REA participants begin receiving lifetime annuity income benefits, monthly payments will never be reduced as a result of adverse mortality experience. The Company also guarantees expense charges to REA participants will never rise above the maximum amount stipulated in the contract. The Company provides REA with a liquidity guarantee to ensure it has funds available to meet participant transfer or cash withdrawal requests. If REA cannot fund participant requests, TIAA's general account will fund them by purchasing accumulation units. Under this agreement, TIAA guarantees that participants will be able to redeem their accumulation units at the accumulation unit value next determined after the transfer or withdrawal request is received in good order.

As a result of net participant transfers from REA during 2023, the TIAA general account purchased 1,235 thousand accumulation units issued by REA throughout 2023 for a total cost of \$618 million. The fair value of these accumulations units was \$594 million as of December 31, 2023. Accumulation units owned by TIAA are valued in the same manner as units owned by individual REA participants on a fair value basis and will fluctuate in value.

The Company provides mortality and expense guarantees to VA-3 and is compensated for these guarantees. The Company guarantees once VA-3 participants begin receiving lifetime annuity income benefits, monthly payments will never be reduced as a result of adverse mortality experience. The Company also guarantees expense charges to VA-3 participants will never rise above the maximum amount stipulated in the contract.

Other Contingencies:

In the ordinary conduct of certain of its investment activities, the Company provides standard indemnities covering a variety of potential exposures. For instance, the Company provides indemnifications in connection with site access agreements relating to due diligence review for real estate acquisitions, and the Company provides indemnification to underwriters in connection with the issuance of securities by or on behalf of the Company or its subsidiaries. It is the Company management's opinion that the fair value of such indemnifications are negligible and do not materially affect the Company's financial position, results of operations or liquidity.

Other contingent liabilities arising from litigation and other matters over and above amounts already provided for in the financial statements or disclosed elsewhere in these notes are not considered material in relation to the Company's financial position or the results of its operations.

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The Company receives and responds to subpoenas, examinations, or other inquiries from state and federal regulators, including state insurance commissioners; state attorneys general and other state governmental authorities; the SEC; federal governmental authorities; and the Financial Industry Regulatory Authority ("FINRA"), seeking a broad range of information. The Company cooperates in connection with these inquiries and believes the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on the Company's financial position.

Note 21– Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 14, 2024, the date the financial statements were available to be issued.