

# TIAA-CREF FINANCIAL STRENGTH AND STABILITY

DECEMBER 26, 2008

## WHAT IS TIAA-CREF'S HISTORY OF FINANCIAL STRENGTH AND STABILITY?

- Since 1918, millions of individuals have relied on TIAA-CREF's strength and stability for lifetime financial security. As an organization, we have stood the test of time over a span that includes the Great Depression, two world wars, the inflation of the 1970s and the aftermath of 9/11. In 2007, we paid \$6 billion in income to 300,000 retirees.<sup>1</sup>

## WHAT ARE THE DETAILS OF TIAA'S "AAA" AND EQUIVALENT HIGHEST RATINGS?

- Reflecting our stability, soundness and overall financial strength, TIAA is one of just three U.S. life insurance companies to receive the highest possible ratings from all four of the major ratings agencies.<sup>2</sup> The respective ratings from these independent analysts are:
  - AAA, Standard & Poor's (as of 8/08)
  - Aaa, Moody's Investors Service (as of 7/08)
  - AAA, Fitch Ratings (as of 8/08)
  - A++, A.M. Best Company (as of 9/08)
- For more information about TIAA's insurance industry ratings, visit [this page](#) on our website.

<sup>1</sup> Lifetime income is subject to the claims-paying ability of TIAA.

<sup>2</sup> These ratings are for TIAA as an insurance company and do not apply to variable annuities, mutual funds or any other product or service not fully backed by the claims-paying ability of TIAA or TIAA-CREF Life Insurance Company.

## WHAT ARE THE OBJECTIVE MEASURES OF STRENGTH UNDERLYING TIAA'S RATINGS?

- Ratings are based on an independent analysis of TIAA's balance sheet, capital position, asset quality, liquidity and other key indicators of financial strength and stability.
- The following objective measures are among those supporting TIAA's ratings:
  - In 2007, TIAA added a net \$2.2 billion to capital, contingency reserves and asset valuation reserve, bringing the total to \$22.3 billion at year-end.
  - For the 20 years ended 12/31/07, TIAA's capital, contingency reserves and asset valuation reserve grew at an average annual compound rate of 12.9%.
- Copies of annual and quarterly financial statements of TIAA and affiliated entities are available on [this page](#) of our website. TIAA-CREF's 2007 Annual Review ("90 Years of Serving You") is available [here](#). This report contains financial statements and related information on TIAA-CREF's overall financial soundness.

## WHAT ARE THE DETAILS ABOUT TIAA-CREF'S EXPOSURE TO SUBPRIME CREDIT?

- Throughout the unfolding subprime credit crisis, TIAA-CREF's fixed-income mutual funds, variable annuity accounts and the TIAA General Account have had, and have maintained, low exposures to subprime securities and other types of fixed-income securities that have been the focus of investor concern. Of course, as with all investments, current and future portfolio holdings are subject to risk. (Note: the TIAA General Account is an insurance company account and is not available to investors.)

## HOW DOES TIAA-CREF'S RISK MANAGEMENT GROUP CONTRIBUTE TO THE COMPANY'S LONG-TERM STABILITY?

- The role of the Risk Management Division is to protect TIAA-CREF's mission and reputation through the proactive management of risk and to establish and promote a culture that supports intelligent risk taking and risk-based decision making.
- The centralized Risk Management unit acts as an independent function with six complementary organizations and reports directly to the CEO.
- Learn more about TIAA-CREF's sober approach to risk management [here](#).

## HOW DO TIAA-CREF'S TRUSTEES AND OVERSEERS HELP MAINTAIN THE COMPANY'S FINANCIAL STRENGTH AND SOUNDNESS?

- TIAA-CREF's trustees are dedicated to upholding our mission to help meet the financial needs of the individuals and institutions we serve on the best terms practicable.
- Our trustees and overseers help fulfill their responsibilities by ensuring that the organization is managed properly.
- CREF's Board of Trustees consists entirely of "outside" individuals—independent trustees who are not executive officers or former employees of TIAA or CREF. With one exception (TIAA-CREF's chief executive officer), the TIAA Board of Trustees also consists of independent, outside individuals.
- Please visit the [Governance section](#) of our website for more information.

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All TIAA-CREF investment products are subject to market risk and other risk factors.

Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts [and mutual funds] are not guaranteed and will rise or fall based on investment performance. Mutual funds do not offer the range of income options available through annuities. Certain securities may not be suitable for all investors.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products.

***You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161, or go to [tiaa-cref.org](http://tiaa-cref.org) for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.***

Insurance and annuity products issued by TIAA (Teachers Insurance and Annuity Association), New York, NY and TIAA-CREF Life Insurance Co., New York, NY.

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