

Voya Financial, Inc.
Form 10-Q
August 04, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(Mark
One)

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2016

OR
° TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission File Number: 001-35897_____

Voya Financial, Inc.

(Exact name of registrant as specified in its charter)

Delaware 52-1222820
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

230 Park Avenue
New York, New York 10169
(Address of principal executive offices) (Zip Code)
(212) 309-8200

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x
No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller

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reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of July 29, 2016, 200,231,021 shares of Common Stock, \$0.01 par value, were outstanding.

Voya Financial, Inc.
 Form 10-Q for the period ended June 30, 2016

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For the purposes of the discussion in this Quarterly Report on Form 10-Q, the term Voya Financial, Inc. refers to Voya Financial, Inc. and the terms "Company," "we," "our," and "us" refer to Voya Financial, Inc. and its subsidiaries.

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) general economic conditions, particularly economic conditions in our core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels, (v) persistency and lapse levels, (vi) interest rates, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities. Factors that may cause actual results to differ from those in any forward-looking statement also include those described under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations-Trends and Uncertainties" and "Business-Closed Blocks-CBVA" in the Annual Report on Form 10-K for the year ended December 31, 2015 (File No. 001-35897) (the "Annual Report on Form 10-K") and "Risk Factors," in the Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (File No. 001-35897).

The risks included here are not exhaustive. Current reports on Form 8-K and other documents filed with the Securities and Exchange Commission ("SEC") include additional factors that could affect our businesses and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Voya Financial, Inc.

Condensed Consolidated Balance Sheets

June 30, 2016 (Unaudited) and December 31, 2015

(In millions, except share and per share data)

	June 30, 2016	December 31, 2015
Assets:		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$64,679.1 as of 2016 and \$65,546.3 as of 2015)	\$71,015.5	\$ 67,733.4
Fixed maturities, at fair value using the fair value option	3,985.3	3,226.6
Equity securities, available-for-sale, at fair value (cost of \$240.1 as of 2016 and \$300.4 as of 2015)	276.1	331.7
Short-term investments	1,280.2	1,496.7
Mortgage loans on real estate, net of valuation allowance of \$2.8 as of 2016 and \$3.2 as of 2015	11,209.4	10,447.5
Policy loans	1,998.5	2,002.7
Limited partnerships/corporations	633.6	510.6
Derivatives	2,948.6	1,538.5
Other investments	89.7	91.6
Securities pledged (amortized cost of \$1,874.1 as of 2016 and \$1,082.1 as of 2015)	2,202.3	1,112.6
Total investments	95,639.2	88,491.9
Cash and cash equivalents	3,799.7	2,512.7
Short-term investments under securities loan agreements, including collateral delivered	1,325.7	660.0
Accrued investment income	893.7	899.0
Reinsurance recoverable	7,473.1	7,653.7
Deferred policy acquisition costs and Value of business acquired	4,263.8	5,370.1
Sales inducements to contract holders	201.8	263.3
Current income taxes	59.5	—
Deferred income taxes	999.8	2,214.8
Goodwill and other intangible assets	239.5	250.8
Other assets	951.8	914.3
Assets related to consolidated investment entities:		
Limited partnerships/corporations, at fair value	2,227.3	4,973.7
Cash and cash equivalents	177.6	467.6
Corporate loans, at fair value using the fair value option	2,487.6	6,882.5
Other assets	18.0	154.3
Assets held in separate accounts	96,307.3	96,514.8
Total assets	\$217,065.4	\$ 218,223.5

The
accompanying
notes are an

integral part of
these
Condensed
Consolidated
Financial
Statements.

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Voya Financial, Inc.
 Condensed Consolidated Balance Sheets
 June 30, 2016 (Unaudited) and December 31, 2015
 (In millions, except share and per share data)

	June 30, 2016	December 31, 2015
Liabilities and Shareholders' Equity:		
Future policy benefits	\$21,202.9	\$ 19,508.0
Contract owner account balances	69,419.8	68,664.1
Payables under securities loan agreement, including collateral held	3,012.3	1,485.0
Long-term debt	3,547.5	3,459.8
Funds held under reinsurance agreements	802.0	702.4
Derivatives	1,218.0	487.5
Pension and other postretirement provisions	655.5	687.4
Current income taxes	—	70.0
Other liabilities	1,243.2	1,460.9
Liabilities related to consolidated investment entities:		
Collateralized loan obligations notes, at fair value using the fair value option	2,587.3	6,956.2
Other liabilities	704.0	1,951.6
Liabilities related to separate accounts	96,307.3	96,514.8
Total liabilities	200,699.8	201,947.7

Commitments and Contingencies (Note 12)

Shareholders' equity:

Common stock (\$0.01 par value per share; 900,000,000 shares authorized; 267,973,600 and 265,327,196 shares issued as of 2016 and 2015, respectively; 200,228,837 and 209,095,793 shares outstanding as of 2016 and 2015, respectively)	2.7	2.7
Treasury stock (at cost; 67,744,763 and 56,231,403 shares as of 2016 and 2015, respectively)	(2,645.8)	(2,302.3)
Additional paid-in capital	23,604.5	23,716.8
Accumulated other comprehensive income (loss)	3,439.7	