

Voya Financial, Inc.
Form 10-Q
May 02, 2018

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 March 31, 2018

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer,"

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"accelerated filer," "smaller reporting company," and "emerging growth 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) Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 April 27, 2018, 168,814,615 shares of Common Stock, \$0.01 par value, were outstanding.

Voya Financial, Inc.
Form 10-Q for the period ended March 31, 2018

INDEX

	PAGE
PART I. FINANCIAL INFORMATION (UNAUDITED)	
Item 1. Financial Statements:	
<u>Condensed Consolidated Balance Sheets</u>	<u>4</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>6</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>7</u>
<u>Condensed Consolidated Statements of Changes in Shareholders' Equity</u>	<u>8</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>10</u>
Notes to Condensed Consolidated Financial Statements	<u>11</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>109</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>157</u>
Item 4. Controls and Procedures	<u>166</u>
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	<u>167</u>
Item 1A. Risk Factors	<u>167</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>167</u>
Item 6. Exhibits	<u>167</u>
<u>Exhibit Index</u>	<u>168</u>
<u>Signature</u>	<u>169</u>

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, (x) changes in the policies of governments and/or regulatory authorities, and (xi) our ability to successfully complete the Transaction (as defined below) on the expected economic terms or at all. 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, 2017 (File No. 001-35897) (the "Annual Report on Form 10-K").

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

March 31, 2018 (Unaudited) and December 31, 2017

(In millions, except share and per share data)

	March 31, 2018	December 31, 2017
Assets:		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$44,718 as of 2018 and \$44,366 as of 2017)	\$47,274	\$ 48,329
Fixed maturities, at fair value using the fair value option	2,903	3,018
Equity securities, at fair value (cost of \$349 as of 2018 and \$353 as of 2017)	382	380
Short-term investments	193	471
Mortgage loans on real estate, net of valuation allowance of \$2 as of 2018 and \$3 as of 2017	8,837	8,686
Policy loans	1,863	1,888
Limited partnerships/corporations	820	784
Derivatives	390	397
Other investments	77	47
Securities pledged (amortized cost of \$1,724 as of 2018 and \$1,823 as of 2017)	1,869	2,087
Total investments	64,608	66,087
Cash and cash equivalents	1,411	1,218
Short-term investments under securities loan agreements, including collateral delivered	1,479	1,626
Accrued investment income	691	667
Premium receivable and reinsurance recoverable	7,601	7,632
Deferred policy acquisition costs and Value of business acquired	3,769	3,374
Current income taxes	28	4
Deferred income taxes	1,022	781
Other assets	1,360	1,310
Assets related to consolidated investment entities:		
Limited partnerships/corporations, at fair value	1,796	1,795
Cash and cash equivalents	186	217
Corporate loans, at fair value using the fair value option	769	1,089
Other assets	75	75
Assets held in separate accounts	77,949	77,605
Assets held for sale	57,080	59,052
Total assets	\$219,824	\$ 222,532

The
 accompanying
 notes are an
 integral part of
 these
 Condensed

Consolidated
Financial
Statements.

4

Voya Financial, Inc.
Condensed Consolidated Balance Sheets
March 31, 2018 (Unaudited) and December 31, 2017
(In millions, except share and per share data)

	March 31, 2018	December 31, 2017
Liabilities and Shareholders' Equity:		
Future policy benefits	\$ 15,379	\$ 15,647
Contract owner account balances	50,353	50,158
Payables under securities loan agreement, including collateral held	1,719	1,866
Short-term debt	—	337
Long-term debt	3,458	3,123
Derivatives	168	149
Pension and other postretirement provisions	540	550
Other liabilities	2,044	2,076
Liabilities related to consolidated investment entities:		
Collateralized loan obligations notes, at fair value using the fair value option	679	1,047
Other liabilities	668	658
Liabilities related to separate accounts	77,949	77,605
Liabilities held for sale	56,458	58,277
Total liabilities	209,415	211,493

Commitments and Contingencies (Note 13)

Shareholders' equity:

Common stock (\$0.01 par value per share; 900,000,000 shares authorized; 271,775,835 and 270,078,294 shares issued as of 2018 and 2017, respectively; 171,555,213 and 171,982,673 shares outstanding as of 2018 and 2017, respectively)	3	3
Treasury stock (at cost; 100,220,622 and 98,095,621 shares as of 2018 and 2017, respectively)	(3,936)	(3,827)
Additional paid-in capital	23,961	23,821
Accumulated other comprehensive income (loss)	1,511	2,731