Voya Financial Investor Day
13 November 2018

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PRESENTATION

Mike Katz Voya Financial, Inc. – SVP, Investor Relations & Enterprise FP&A

Good afternoon, and welcome to Voya Financial's 2018 Investor Day. We appreciate all the investors that are here with us today in New York City at 10 on the Park, as well as those that are joining us via the web.

For those that don't know me, I'm Mike Katz, Senior Vice President of Investor Relations and Enterprise FP&A. I've been with the firm for nearly 15 years. I've had a unique opportunity to witness and be a part of the transformation that Rod and this management team have achieved. And that transformation's been both financial and cultural. And I think you're going to get a little bit more of the sense of the cultural as we walk through the day. And I can't tell you how excited I am to be in the Investor Relations chair now as we prepare for the next phase of our journey, a journey of EPS growth.

Of course, the cautionary statements. During today's presentation, we'll be making a number of forward looking statements, and we'll also be discussing certain non-GAAP financial measures. For more information, please refer to this slide in today's presentation. In particular, I would like to note that, for all non-GAAP measures we discuss, we have provided GAAP reconciliations on our investor website at investors.voya.com.

The agenda for the day, and what we'd like for you to get out of this session. Number one, we'd like for you to learn more about Voya. Of course, you're going to get a chance to hear from Rod and Mike. But you're going to get a chance to hear about our business, our high-growth, low capital business as well as you're going to get a chance to hear from our head of technology and innovation and how we're being smart and focused with our spends. And also, you are going to get a chance to hear about Voya Cares, which we think is a differentiator for Voya versus other firms and, frankly, is just the right thing to do.

Second, we think you're going to come away with confidence in our financial targets and that confidence that we will achieve these targets organically. And then, last, of course, you're going to get a chance to spend some time with our management team, hear from our management team, ask questions of our management team, and, for those that are here at 10 on the Park, spend a little bit of extra time at a reception to follow.

Before I turn over to Rod, just a quick video to stage the day.

(Video Presentation)

And now, it's my privilege to welcome to the stage, our Chairman, our CEO, Rod Martin.

Rod Martin Voya Financial, Inc. – Chairman & CEO

Thank you. For those of you that were with us three years ago in this room, welcome back. For those of you who are new, welcome. We're very, very happy that you're here.

Just about the time that you arrived today, we released some new financial targets. And we're going to unpack that, talk about some of the details and why we believe we can accomplish that as we have the other objectives over the recent period of time.

You've seen our company evolve over the last five years since we've been a public company. Today, we're a more focused company, generating high quality earnings, high-returns at significantly reduced risk. We've distanced ourselves from our historical life insurance peers that are more capital intensive and generally saddled with legacy liabilities that are challenging. We have more in common, in my view, with retirement and asset management firms that have higher free cash flow conversion and naturally trade at a higher multiple. And, as you know, but, just to be reminded, we have no long term care and minimal variable annuity exposure.

As you saw in the video, we made deliberate choices over these last three years. We have chosen high-growth, high-return, capital-light businesses. And you're going to hear about that story today, all of which are focused on the workplace and on financial institutions and the institutional customer.

Today, different than five years ago, we have a Voya track record with a very experienced management team that really, in my view, is the highlight of the day for me to introduce to you and for you to see the depth of what they bring to the table. We've got a brand and the culture that I'm going to talk more about and we will talk more about as we unfold this afternoon. And the message, as you saw in the video, is built around organic growth, rigorous cost savings, and continued disciplined capital deployment.

For the targets that we announced right before you arrived are built around these three themes. We're committing to ten plus percent EPS growth in each of the years 2019, 2020, and 2021. We will be introducing mid-year 2019, a one plus percent dividend in addition to continuing the same focus and philosophy that we brought to share buybacks that have got us to this point. And our enterprise operating EPS, excluding our deferred tax asset, will be 13 to 15 percent.

I want to compare and contrast briefly our five year journey. Five years ago we inherited, as you well are aware, five ongoing businesses that had a closed block variable annuity segment. Today, we've chosen three high-growth, high-return, capital-light businesses. When we went public, we were ING U.S., and we rebranded to Voya Financial. Today, we're one of the most recognized brands associated with retirement in the industry. And I'm going to come back and talk more about that in a moment.

We established ROC and ROE plans, and, as you saw in the video, we increased the ROE by 700 basis points during this period of time. We've gone from the bottom quartile to the top quartile. When we went public, we needed to raise $600 million of primary capital. We will have returned, by the end of this year, $5 billion to shareholders in the form of share buyback, an amount coequal to our market cap. It represents over 100 million shares.

When we went public, the composition of our businesses had a valuation that was depressed because of the capital intensity of those businesses at that time. And, naturally, our closed block variable annuity business. The deliberate decisions that we've made to de-risk the portfolio over this five years have led to our selling of the annuity businesses, lowering the GMIRs across our retirement platform, and the announcement that Mike and I made just two weeks ago on our earnings call, ceasing new sales of life insurance. And we'll come back to what you should expect in terms of free cash flow from that business over the next period of time.

But the so what of this is this, in my view, that we have met and often exceeded the expectations that we've set for ourselves and, more importantly, the commitments we've made to our shareholders.

So, where do we go from here? What's next? Our commitment to be recognized as America's Retirement Company remains unchanged. We have a top five retirement platform with strong market share in multiple markets. And you'll hear Charlie talk about that in just a moment. We've got $200+ billion in Investment Management AUM, and I'm very pleased that Christine's going to come up and talk about how we're succeeding in a market that's quite different than many others.

One of the most undervalued pieces of our businesses – and that's on us to do a better job of explaining to the investors – in my view, is our Employee Benefits business. We're a "must quote" Stop Loss player in the marketplace, and Rob will cover that. And we have made enormous progress with the Voluntary benefit business as a result of the convergence that's happening in the marketplace with "Health and Wealth." And, again, we'll come back and visit that. As I mentioned just a moment ago, we will generate over a $1 billion of free cash flow from our life insurance business in the next five or six years, seizing new life sales effective year end.

Now, beyond the operational performance, we've built a very unique culture and brand. We're going to spend a little bit of time talking about both. On culture, we recently were awarded a significant piece of business, and when I was debriefing with the CEO that awarded us that business, among other things that was shared was, “Rod, it was the compatibility of the cultures that made a difference.” Of course we had to be competitive. But, it is the culture that they saw in Voya and the alignment of that with the firm that made the difference.

We do business with multiple financial institutions. One of the largest banks that we do business with – I was talking with them about just – two or three times a year I get together with the CEO because we do a lot of business with each other. And the comment that he made I thought was worthy of sharing. He said, “Rod, we like your products. But we love your brand.”

We’ve been recognized externally for these accomplishments too. By way of example, this is the first year eligible to be recognized by Fortune as one of the world’s most admired companies. For five consecutive years by Ethisphere as one of the World’s Most Ethical Companies and by the Bloomberg Gender-Equality Index. But, there’s only been two companies in 2018 that have been recognized for all three in the same year. Voya is one.

You’ll hear in a moment from Bill and Heather about our Voya Cares program. And I’d really ask you to pay attention to that. It is a differentiator. It’s making a difference. It’s making a difference in the lives of our customers, with our advisors, with the consultant community. And it’s absolutely at the intersection of doing the right things. They’ll come back and visit that.

We were, just a couple of months ago, recognized by Disability:IN. We were named Employer of the Year: Champion Award, for the best place to work for disability and inclusion. And to round it out, FTSE4Good. Increasingly and for good and valid reasons, companies are being recognized that are meeting these expectations for their global ESG practices. This is increasingly important in our consultant driven business. It’s increasingly important to our advisors. And I’m very fortunate to be able to share, again, something we’ve been recognized for.

You see, now, more than ever, Americans are increasingly looking and turning to the workplace for the solutions that we provide. A couple of data points. Forty-four percent of Americans turn to the workplace for financial advice today. That’s a 19 percent increase from when we went public. Ninety-one percent of Americans who have access to a workplace retirement plan use it to save. And you can see the multiple it has for those that take advantage of it.

Over the last five years, we’ve stepped back and, with our board, our management team, and our businesses, looked at and rationalized our portfolio businesses. We’ve de-risked our balance sheet, and we’re bringing our full energy and resources to the workplace and institutional marketplace. And we’re really, really excited about that for the next three years.

We’ve got an unmatched distribution platform. It’s a long-term asset, and we continue to grow and invest in.

You'll hear from our businesses in talking about this. It's large. It's well diversified. It's multi-market. It's multichannel. It's certainly not easily replicated. It has served us well, and it's reflected in our performance. And you'll hear more about the enterprise collaboration of the One Voya approach that we've had in driving further growth.

You see, it's our belief that our competitive advantages align with significant market opportunities. Fifty percent of the American households with a defined contribution plan – so they have a defined contribution plan. Yet, they're underprepared for retirement. There's an $8 trillion defined contribution market. It's a huge market. There's a $4 trillion active Investment Management portion of that defined contribution market. And there's been enormous growth with voluntary premiums and the HSA "Health and Wealth" convergence.

We've got the portfolio, the distribution relationships, the size and scale, the brand and culture, the operating platform, and the embedded technology. You'll hear about those things this afternoon.

And yet, Americans continue to be under covered, underserved, and under saved. We can and we are helping create better outcomes, and this is where we see the opportunity prospectively.

So, the three drivers that you'll hear throughout the day: organic growth, rigorous cost savings, disciplined capital deployment. Our businesses will talk about the growth. Mike will further unpack and clarify on the cost savings. But, let me add a couple of elements. We talked about, on the most recent earnings call, two weeks ago, that we are on schedule for the $110 million – $130 million of expense saves 12 months post close of the annuity transaction. So, that's June of 2019. As a result of the life insurance decision that we made two weeks ago, we added another $20 million. The new piece of information today is, by the end of 2020, we will save an additional $100 million. So, as you're building your models, it's $230 million to $250 million, and Mike, again, will talk more about that prospectively.

In terms of capital deployment, I really think our record speaks volumes. $5 billion of share repurchases in five years, an amount equal to our market cap. It's that same approach that we're going to move forward with in addition to introducing a one plus percent dividend mid-year of this year, or so, to simply broaden our investor base.

So, when you look at our business mix, our growth prospects, and a significantly reduced tail risk, we think, over time and with our continued execution, we will earn and merit a higher valuation. Let me give you something to consider. If you adjust our stock price for the value of our deferred tax asset, we would trade at the low end of the retirement and asset management peers and the life insurance peers who have legacy liabilities and generally lower growth prospects.

We see meaningful upside from the current levels. Assuming we continue to perform – and we expect a higher rerating of that. And that's the story we're going to tell you this afternoon: the how and why. We've got a plan. We've got control of those levers, and I'm very excited about it.

So, the next three years: we have new financial targets, specific plans focused around three high-growth, high-return, capital-light businesses. We've got a Voya track record, as a team, of brand and a culture that are differentiators. I want to communicate that I'm personally as committed to these next three years as I have been over the last five years. I'm engaged. I'm involved. I'm going to be here as part of this journey. It's built on organic growth, cost savings, and capital deployment.

With that, I'm very excited to introduce Charlie Nelson, the Head of our Retirement and Employee Benefit business. Charlie?

Charlie Nelson Voya Financial, Inc. – CEO, Retirement and Employee Benefits

Well, thank you, Rod, and good afternoon everyone.

Last Investor Day I had just joined Voya, and I shared with you my excitement about joining the company and the many untapped growth opportunities that I saw ahead. Today, I'm equally excited to share with you further insight on the strength of our business and the opportunity that we see in the retirement market as well as our strategy to drive profitable growth. I'm going to discuss today why our large and diverse customer base and our expanding distribution network is the competitive advantage. As well as I want to spend a few minutes and talk about how a number of the advancements that we made since last Investor Day and the last time that we met will be foundational to fueling our future growth. Finally, I will discuss how our strategic priorities position us to grow and capture even a greater share of the significant opportunity that we see in the retirement market.

Now, let's start with some key financial metrics. And then, I want to share with you how we will plan to drive these metrics going forward. We expect full service recurring deposits on a trailing 12 month basis to grow at an average of 10 to 12 percent. Industry experts show that the retirement industry assets are expected to grow at three or four percent, on average, over the next three years. We expect to grow our overall earnings four to seven percent over the same time period. Now, that is a multiple higher than the expected retirement asset industry growth.

Now, I'll give you a little preview. In short, we plan to grow above industry growth rates by: one, leveraging our scale to capture greater share in the consolidating market, two, by expanding our distribution network, and, three, by achieving greater efficiencies through automation.

Now, let me share with you how we plan to achieve this. We are a diverse provider of outcome focused retirement solutions, and we cover all plan sizes, tax codes, and geographies. It's what we call a market of markets within the retirement marketplace. Now, why is this important? It's important because it provides us scale and a market presence to serve our customers efficiently and effectively. It also provides a revenue and earnings diversification. I think we all know that various markets grow at different paces, and this provides us greater balance in times of different economic cycles.

We also hold a leading industry position within these industry markets and within many of our markets, which I think is a testament to our retirement, brand, and team. We have a national multi-channel distribution footprint and a unique retail business through Voya retail wealth management.

So, I think the takeaway here for you is that we have the size and the scale, and a diversified business within market of markets, and we are differentiated by our leading market positions in these markets with a combination of our defined contribution and our affiliated retail advisor business.

For these reasons, we are well positioned to capture an increasing share in the consolidating industry. Here's some interesting data on this slide. Ten years ago, in the U.S. market, the top ten DC providers controlled 50 percent of DC assets. Today, that number is closer to 75 percent. The industry is consolidating. Industry consolidation is on top of mind for advisors and employers. You might ask why. Well, employers and advisors want to select leading profitable providers who are committed to the market and will be there in the future.

Currently, there are 63 providers in the industry – 63. That's a lot of providers, and we really do not believe that that's sustainable in the long term. So, a business like Voya where we have a leadership position in a number of these market of markets favors Voya to continue to have outsize growth in an organically consolidating market.

We've made great progress on a number of metrics. I think that's a testament to the strength of our team and our ability to execute. We've increased earnings growth at an eight percent compound annual growth rate. I think that's notable given the interest rate environment and the headwinds from market volatility.

We achieved our return on capital target ahead of schedule, having increased it from eight percent to over 13 percent. That's a 470 basis point improvement in three years. And we did this while achieving 15 percent growth in our total client accounts while keeping expenses relatively flat.

I think this highlights our expense discipline as well as our ability to power more scale out of our size, and I believe very strongly we have even more opportunity ahead. I think, importantly, we have been able to do all of these things and deliver these results while investing in and executing on our customer experience and our customer solutions.

Over this time, we have simplified our IT infrastructure and retirement. We've consolidated four platforms into one. This has allowed us to lower cost, get greater consistency of experience, and speed to market of new capabilities. We've also invested in our digital experience, which are now award winning. And these have been key factors in our wins and our retention. These solutions improve outcomes for individuals by increasing saving rates.

Another focus since last Investor Day has been collaboration across our businesses. For example, Voya Investment Management and our Retirement services businesses have been collaborating very strongly.

We're collaborating in the advisors that we target and how we go about that and collaborating to tailor our combined solutions.

I tell you these things for one reason. We really do believe that each of these simplified IT, digital capabilities, and Retirement-Investment Management collaboration are each very foundational to achieving our growth plans.

So, today, in the market, we win in the marketplace because of our brand, our reputation, our breadth of solutions, and our holistic approach to customers' retirement. Rod mentioned our leading association to retirement with our brand. I'd also like to share with you that there was a recent survey of top retirement advisors, and they ranked us number two as a DC provider in the institutional investor survey.

And you might say, "Well, why is brand so important to advisors and employers?" It's very important. It means they spend less time describing who the company is because our brand speaks, not just to what we do, but how we do it. It also allows them to have more time to describe the valuable tools that we have to improve outcomes for participants to and through retirement.

Associated with our brand, we have a reputation in the market for being easy to do business with. And this is through our multi-channel approach, both phone, digital, and in-person. And our digital capabilities have demonstrated ability to help customers more. In fact, our My Orange Money digital tool is for helping individuals save. Users that use that save 30 percent more than people that do not use digital tools.

Our breadth of solutions are important to employers and plan sponsors as well. What it means for them is that, as their business grows or as their plan grows, they can grow with Voya. We have solutions from small to mega plans, from corporate to tax exempt. This is also very important to advisors in the marketplace because as advisors' practices grow, they can grow with us too. We can serve a broader range of clients with the many other providers. And this is valued by many advisors as the product shelves have shrunk in recent years.

We also have a very holistic approach to retirement, and that's really finding the right solutions to better solve the full financial equation of our customers. We do this in a number of ways, and I'd like just to highlight a couple.

Rod spoke to Voya Cares and the importance of Voya Cares program, both in our business and how we do things. We are differentiated in how we have embedded Voya Cares in our retirement solutions. Bill Harmon and Heather Lavallee are going to discuss and share with you a bit more about how we embedded this in our solutions. And you're also going to have the chance to hear from a participant, from a plan sponsor, and an advisor of how important and how differentiated this Voya Cares program really is to our organization.

Financial wellness, as Rod indicated, is certainly central, and it's central to our holistic approach. I'm going to talk more about that as well as Rob Grubka in a few moments.

So, Rod highlighted, the total current defined contribution assets in the market is $8 trillion. And the long term opportunity is vast, especially given that America is under covered, underserved, and under saved. America is under covered because 47 percent of workers of small employers do not have a plan. Now, the great news is there's lots of discussion in the government right now to improve, to address the coverage gap. That would add 32 million individuals to the retirement plan industry – 32 million.

America is underserved because 65 percent of 401(k) plans are not providing investment advice services to their participants. And there have been many studies that show participants that have access to advice and advisors save more and have a higher probability of income replacement and retirement.

Americans are also under saved. Fifty percent of Americans who only have a defined contribution at the workplace are at risk of outliving their money. As you can see, America is under covered, underserved, and under saved. We have the workplace retirement solutions, the multichannel advisory services, and proven tools to drive savings rates. In short, we have what America needs.

Now, let me tell you what we're going to do to capture this opportunity. And I want to dive deeper into a few of the key strategic priorities and our plans to expand and deepen our distribution network as well as to drive new sales and increase plan retention.

I'll talk about how we're going to strengthen the collaboration within our businesses even further to drive greater enterprise value and how we plan to improve outcomes and drive efficiency with our purposeful innovation.

As Rod highlighted, we have built a very valuable distribution network from which we serve a very diverse customer base. Our current distribution network covers all types of firms and geography. In Retirement, we target a multichannel approach. We have over 18,000 affiliated and unaffiliated advisors selling our retirement solutions. Our distribution network, in many cases, the tenured, long standing relationships that we have formed are very difficult to replicate.

We have grown our distribution at a measured, responsible pace. I think that's demonstrated by our 20 quarters with positive net flows and our double digit recurring deposit growth in our small-mid corporate business.

Looking ahead, we see even more opportunity to further expand our distribution and increase our penetration in the markets we operate by driving more sales in two ways. First: by increasing the number of advisors, number of firms, and our number of wholesales. Two: by realizing more from our expanding network.

Now, let me unpack those just a little bit more for you. For example, on number one, we expect to grow our 401(k) wholesale team by approximately 30 percent as well as expand the number of advisors that are selling business with us by 33 percent. We're going to expand these relationships with both new and existing firms. We aim to achieve these results over the next three years while targeting improving productivity within our teams.

Two, we expect to realize more from our existing network by leveraging distribution within our lines of business, so within Investment Management and within Employee Benefits. And we're going to use advanced data and analytics to efficiently target opportunities. We believe we are well positioned to further expand and deepen our relationships in both the number of firms and advisors that we work with to drive higher sales and improve retention in our plans.

We have made great progress. Yet, there remains a significant opportunity ahead to better partner with our other businesses. For example, we see opportunity to leverage Voya Investment Management capabilities within Retirement. Currently, approximately 20 percent of current Retirement assets are in Voya Investment Management solutions. Our strong Investment Management performance and our positive adoption rate of Voya Investment Management solutions by many retirement plan sponsors gives us confidence that we can continue to leverage Voya Investment Management going forward.

For example, three years ago, just three years ago, our small-mid corporate new plan sales adopted our Voya intermediate bond fund 49 percent of the time. Today, that's approximately 60 percent. So, 60 percent of our new small-mid 401(k) plans, as an example, are taking our intermediate bond fund. We continue to work in close partnership with Investment Management to develop products and solutions to meet the growing retirement needs for income and wealth preservation. For example, we also will be soon launching a number of new stable value options with Voya Investment Management.

We also see opportunity to grow the partnership with Employee Benefits to optimize the workplace relationships that both businesses have. Increasingly, Americans are identifying and looking to the workplace as their primary source of health and wellness decisions. As a result of this rising importance of the workplace, we've seen an increase in common clients between Retirement and Employee Benefits.

Currently, more than 20 percent of our Employee Benefits sales for January 1 coming up are also Retirement customers. Protection solutions offered by Employee Benefits are an important part of the financial wellness equation and support the combination and commonality of our businesses.

We also see opportunity to grow Voya Retail Wealth Management within Retirement. For every dollar in workplace Retirement assets that our Voya advisors have, they have about a dollar in retail assets. And, interestingly, that dollar in retail assets – about 70 percent of those – are originated in a qualified plan. Retail Wealth Management plays an important role in our multichannel digital, phone, and in-person solutions and creates a broader financial wellness and wealth management experience. We have and we continue to develop solutions to better serve clients' interests to either stay in plan or rollover their assets as appropriate.

I think also it's important to note that the Retail Wealth Management team, the advisors, are the number one distributor of our tax exempt market solutions, and they're a top ten distribution channel for our small-mid 401(k). When you look at all this together, hopefully you can also see how well our businesses are positioned, the solutions that we have, how they fit together, our team, and how this is going to fuel our growth as we go forward.

In addition to enterprise collaboration, we will continue to grow efficiently through highly directed, purposeful innovations efforts. Now, these innovation efforts are going to be directed at both operational excellence and at deepening the relationships with our customers by keeping them engaged throughout the experience and driving action such as enrollment or increasing their savings rates.

Firstly, let's talk about operational excellence. We're going to be driving this, as I said, by automation. Recall that I identified that we took four platforms and consolidated into one. This is important because it positions us to better optimize, going forward, automation opportunities. With our size and our scale, we expect to extract more benefits than smaller competitors.

Now, we are also in the early stages of implementing robotic process automation, and we are positioned, we believe, to drive more automation benefits in the years ahead. Doing this while we are also improving the customer experience and increasing the quality of each customer interaction. Maggie Parent is going to address this just a little bit later this afternoon as well.

Our digital enhancements are also a continued focus for us. It's not just what you spend. But, it's what you get for the dollars that you've invested. Sometimes seemingly small changes can drive very significant results in increasing enrollment or even increasing savings rates.

We are taking and applying behavioral finance in a whole new way. We created our Voya Behavioral Finance Institute for innovation. This is a group that is a partnership with leading academics from a variety of instructions, from UCLA, Harvard, Duke, Penn, many, many institutions. And it's a combination of data, science, academic excellence, and business execution.

In short, what we're trying to do here is utilize science to drive improving outcomes and scale that impact digitally.

We're also leveraging the increasing importance of financial wellness and digital, and we expect to further engage customers, driving results in the years ahead. For example, in the digital world, I think we have all heard and are aware that one of the real keys is keeping the individuals engaged through your experience to ultimately take an action at the end of your experience.

We recently introduced a financial wellness digital solution and digital experience, and we are in the early stages. But, what's fascinating and very encouraging is that 89 percent of individuals that start our digital financial wellness experience complete it, and 86 percent go on to take further action. As I said, we're in the early stages. But, it's very, very encouraging and provides tremendous opportunity ahead, we believe.

So, I think this shows you how purposeful, thoughtful, and disciplined execution of innovation can drive, improve client outcomes and operational efficiency to fuel our future growth plans.

I trust you see why we are also excited about our business and our path forward. We've made some tremendous progress since 2015, much of which has laid a foundation for future growth. In large part, we expect, again, to drive these results due to our scale, our revenue and earnings diversification benefits from our leading position in our market of markets. And also achieve these benefits through the robotics and automation implementation as well as gaining further benefits from our enterprise collaboration opportunity.

We believe we are well positioned to grow and capture greater share as America's Retirement Company. And our ambition is that every Voya customer and American has access to a workplace retirement plan, access to advice, and is saving at a level to sustain an individually defined lifestyle in which they can plan, invest, and protect.

Thank you very much. And with that, I'd like to transition over to introduce Rob Grubka, our President of Employee Benefits. Rob?

Rob Grubka Voya Financial, Inc. – President, Employee Benefits

Alright. Great. Good afternoon. Thank you, Charlie. Charlie wrapped up talking about sort of going deeper, going broader, being more holistic in what we're doing for customers. The combination of an Retirement business, the Employee Benefit business is a great transition from that.

Importantly, Rod talked about being a high-growth, high-return, capital-light company as we move forward. That is the Employee Benefit business. So, as I set up and talk about where are we going to go over this next little bit and the conversation around Employee Benefit business, one of the things I want to lead in with is we're a different story than most. We've got a unique model, a more focused way that we go to market. And I think, importantly, with the Retirement business and the partnership across Voya, we've got a chance to address one of the fundamental issues that we all face is employees electing benefits and how that works and how that operates today. It's gotten more complex. It's gotten more confusion. The amount of decisions that you need to make, that we need to make has continued to grow and become more complex.

So, as we think about the EB, Employee Benefits business, I think we're got a great track record to look back upon, be excited about, learn from it, and also help understand how does it inform how we're going to grow into the future?

As I said, we've got a more focused product portfolio. That focus, we think, sets us up to exceed growth versus our peers. And then, to come back to it, we'll talk a little bit about financial wellness and what that means and how does it come to life and how do we bring solutions to bear, to help consumers deal with that more effectively.

So, what does all this lead up to? What's the end that we have in mind? So, for our targets, path line, in-force premium growth of seven to ten percent. Bottom line, operating earnings growth, seven to ten percent. Importantly, we unveiled that third quarter aggregate loss ratio, recognized in the mix of business and how it started to change and thinking about how do we run this business, how do we talk about it more effectively to all of you. And set expectations of where we think this business can run with a target loss ratio of 71 to 74 percent.

So, how do we get there? So, level set on what we look like today. This is a pretty clean of our product portfolio and $1.8 billion of premium. If we were to be in someone else's meeting talking about their Employee Benefit business, you'd see a lot more pieces to this chart. That's been deliberate. It's been thoughtful, and it's about enabling that seven to ten percent growth that we talked about.

So, within this is, as Rod talked about, Stop Loss business is sort of the foundation upon which we build upon. We've had tremendous growth, tremendous success in our Voluntary business. We expect that continue. As we think about the other piece of the puzzle here, the Group Life business, it is foundational to financial wellness. How do we not do this and do it successfully? It's too important for us and too important for consumers. And, importantly, through a strong partner oriented distribution model. We are in with the right people selling, servicing, and executing in the market every day, and we'll peel that back.

So, what has it done looking back? 18 percent in-force premium growth. I would argue market leading, if not at the tippy top of the market, return on capital of 27 percent. As we look at the earnings, the more complicated, nuanced story – but, it's all about where we start this picture. In 2015, we had extremely strong results in our Stop Loss business. That's good.

As we move forward, we've talked about, in the last several earnings calls, about driving improvement and margin in our Stop Loss business and being focused on that and seeing that come to life as we reported in third quarter. And, importantly, now, the bigger piece and a bigger piece of growth in our earnings will be our Voluntary business. We'll talk more about that.

So, to unpack the products. We are a "must quote" in Stop Loss. We've got the credibility. We've got the access to the market. We have the partners that focus in this business. We will continue to see strong growth. As you see in the bottom left, the industry at 11 percent growth, Voya at 13 percent. We see this as a double digit growth market as we move forward.

Importantly, this is about enabling and, as Charlie said, going deeper with our employer, customers, and how we can continue to serve them and approach the market in a more holistic way and help them move through the challenges of driving in escalating healthcare costs. How do we bring solutions? How do we bring expertise? How do we help them influence that picture for an employer and enable them to deliver that for their employees?

As we think about the leverage, again, this business will create the opportunity on an annual basis to be in front of customers, the employer, talk to them about what they're doing, what are they trying to accomplish, and how all that Voya has to offer can come to life.

As I said, working on pricing discipline and the margin in this business as we move forward, annual pricing process. We're going to get a cut at it again, as we speak, and we'll continue to have opportunities to leverage and manage this business from a margin perspective as we move forward. And we're confident that we're on the right path.

Transitioning to the Voluntary business. Again, drafting off of our scale expertise and relationships in Stop Loss. This has been a fast growing part of the market. Across the industry, it's been talked about. If you look at this segment of the industry focused in on accident, critical, and hospital indemnity products, as subset of it, but the fastest growing part of it. So, again, focus. Where we play and why we're playing there. How are we going to continue to grow?

We have done a good job of outpacing that. Some of that was starting on a low base. But, we're confident, as we move forward, that this, again, can be a double digit growth part of the market for us. And, importantly, this is really where you've seen it come first, this confluence of "Health and Wealth" and the decisions that we have to make as employees of companies. High deductible health plans growing in presence, more accountability on the end consumer. How do we help them bridge that gap of lower premium on high deductible health plan but also higher deductible with the higher deductible health plan? It's the reality. And these products, the Voluntary products can help bridge that gap and help consumers manage through that more effectively.

And, again, this is going to be an area where we see the opportunity to go broader. So, today, we have 40 percent of our customers with multiple products already. The addition of the Voluntary product is only going to help that nudge higher.

On the Group Life side of the business, this is going to be more driven by just economic growth, the economy in general. It's going to be slow growth and stable. That's okay.

From a consumer perspective, again, this is just the foundation for any conversation around wellness, which we are going to step into more fully, and I will talk about at the end of the presentation, from a solutions perspective. And how do we just ensure that people are thinking about and planning for things in a thoughtful way?

So, all this leads to focus from a product perspective, confidence in how we can continue to grow, as we've grown in the past. But why Voya? Why work with us? There's plenty other people out there. You can get this somewhere else. What makes us different?

The important foundational piece to this slide is our target market is 500 life employees and up. What's that mean? Think sophisticated buyer. Think sophisticated intermediary. Think about how you show up and act in a consultative way with your distribution team, how you execute flawlessly, and leverage the Voya brand in the workplace. That's a recipe for continued success.

So, on the expertise side, we cover a more narrow set of products. Our people know them all, and they're experts in it. As we think about the complexity of the environment and the amount of decisions that happen at an enrollment, think about all the product providers and the technology that goes into supporting that and the way it needs to integrate and connect together. We figured that out with over 90 technology partners today. That's the difference.

As I said, from the brand perspective, I think we have a tremendous opportunity to bring this story together. Again, too many decisions treated like they're clean and isolated and not related to one another – we need to change and help the conversation around that. Services – you'll hear Maggie in just a little bit talk about some things from a technology perspective that are making an impact within and across Voya, but also within the employee benefit business. How are we getting smarter? How are we getting more nimble in what we do? How are we executing more effectively and efficiently as we scale?

So, a little bit of a look back, little bit of color on what's going to continue to drive growth in this business, why we feel we're positioned well>. And then, importantly, to bring at life a little bit more, as we think about the growth in Voluntary and the "Health and Wealth" convergence, as we've talked about, this is going to continue to evolve. It's got to get easier for people to understand what they're doing and how they think about sitting down for an enrollment. What are they trying to accomplish aside from get through that enrollment?

So, if you look at the growth in high deductible health plans, one in four employees covered today, one in four covered, way more than that have it available and offered to them. If you think about the Retirement business and what's one of the big derailers around retirement? That's being consistent, that's staying on track. One in three of hardship withdrawals in the retirement business are driven by medical emergencies. That doesn't imply that they didn't have medical coverage. That means, when it happened, it was big enough, complex enough, expensive enough that they had to tap into other resources. That's an issue.

As we think about the HSA market related to high deductible growth, 61 percent increase over the last three years. We'll come back to that.

So, as we think about where we're going over the next few years, there's this consistency to where we have been. There's going to be a consistency to where we go and why we think we'll be successful as we move forward. The focus on top intermediaries, the consolidations that started around the time of the Affordable Care Act, has discontinued. The need for brokers and consultants to be able to do more, do it at scale, do it in a more complex environment is all driving consolidation. We're with the right partners. We're with the people driving consolidation.

We'll continue to leverage off of our Stop Loss business and the relationships and the cadence that it creates with employers and brokers and consultants is hard to replicate if you're not in this space.

And then, finally, what are we going to do instead of keep talking about this problem and how hard it is? What are we going to do to help people around health and wellness and bring some new solutions from Voya to the market?

So, in the first two – let me talk about it together. In 2015 – this is a view of our book of business with the top ten intermediaries out there in the consulting broker space. So, think Aon, think Mercer, think Willis Towers Watson and so on. What does that look like in June of '18? Stop Loss business – decent growth. Group Life business – better growth in a market that's growing at a couple percent. And Voluntary business – tremendous growth of over 60 percent over this period. Again, we think the places we're at, the partnership we have, the credibility we have to execute flawlessly in the upper end of the market is making a difference. We'll continue to execute on that.

As we think about new product development, how do we bring this together? Where is the ultimate place that my business, the Retirement business, and the Investment Management business come together? It's in the HSA market. So, we'll be coming out with an Health Savings and Spending account solution in 2019. You'll certainly hear more from us about that. But, it's a marriage of, and a recognition of, the complexity in which consumers have to try to balance out all these decisions and what are the tradeoffs. What is the relationship between one decision and the other is not transparent to people. Which brings me to how do we expand guidance across all that we do inside Voya?

So, Charlie talked a lot about the work they're doing from a behavioral perspective, the tools, and the things they have in place and they learn from every day in dealing with consumers. Think about where they're trying to go, what they're trying to accomplish, and then, how to get there? How do we go that with a broader benefit decisions? So, we're developing a partnership to come to market, again, next year to change that approach to sitting down to your benefits and not having a plan when you sit down to do it, not being satisfied with the, "Boy, what did I do with last year? That didn't feel too bad," to, "Where am I trying to go? What am I trying to do?" And knowing, when you walk away from that decision, that you can do it with confidence.

So, to come back, I think we've got a tremendous track record of success in this business. As Rod said, it may be slightly underappreciated. We're hoping that, throughout the day and the Q&A, you can get a sense of how does it fit into the Voya enterprise and just how much value we can bring to driving growth and opportunity for our customers. The focus will remain. We'll continue to lean in and learn from and drive a different approach with the consumer around financial wellness. And, importantly, I'm going to transition to Heather and Bill and just underscore the importance of how do we serve all Americans when they need us the most. And I think Voya Cares is a tremendous opportunity for the enterprise. It fits in all that we do, and it can truly be a difference maker.

So, with that, let me bring up Heather and Bill and let them talk to you about Voya Cares. Thank you.

Bill Harmon Voya Financial, Inc. – President, Corporate Markets (Retirement)

Thanks Rob. Good afternoon. So, you've heard Voya Cares mentioned a few times. Well, what is Voya Cares?

Voya Cares is a unique extension of financial wellness where we are helping people with special needs and their caregivers plan for the future that they envision. And we do this through providing holistic support for the over 14 million individual and institutional Voya customers. And we do that as an extension of our mission to be America's Retirement Company.

Well, if we're going to make that statement, then we need to serve all Americans, especially this large and underserved population that encompasses over 100 million Americans. Rod mentioned earlier, Voya Cares really is the perfect intersection of our culture and our business expertise, and it's driving positive business results. It's doing this by emotionally connecting with plan sponsors and intermediaries in a very differentiating manner. In fact, over the last year, we have presented Voya Cares to over 2,000 intermediaries or distributors and 1,000 plan sponsors. And it's had a meaningful effect on over 20 percent of our wins during that period of time. It's also opened doors to new intermediaries that we hadn't worked with in the past.

So, as I mentioned, it's a large community. Let's put some numbers to this. One in five Americans either have or will have a special need or disability in their lifetime. One in six US workers today are caregivers of a loved one with special needs. Together, that is easily the largest minority in the country. That encompasses – it covers all ethnic groups and gender.

Now, if we take a look at the responsibilities of a caregiver, they can be demanding. They can be demanding from a time perspective in that they spend, on average, over 24 hours per week providing care to their loved one with special needs. It can be demanding from a financial perspective in that nine out of ten receive little or no financial support to help take care of their loved one with special needs. And that then has an effect on their ability to save for retirement. Twenty-one percent of caregivers take out a loan or a hardship withdrawal from their retirement plan. That figure is 40 percent higher than the average.

Now, employers are willing to do something about it, and 89 percent has said that they'd be interested in offering an online tool or resource as an extension of their financial wellness benefits. So, we talked about special needs and disabilities. There are several different types. There are those that are born with a special need or disability. That would include Down syndrome or autism. There are those with a debilitating disease like multiple sclerosis. There are catastrophic events such as heart attack or stroke. And then, there's the large and growing aging population where you would have Alzheimer's or Parkinson's.

The good news is that like expectancy for people with special needs or disabilities is increasing. But with that, then extends caregiving and financial planning needs around that. As a caregiver, navigating the daily demands, from a time perspective or from a financial planning perspective, can be complicated and daunting.

I'll share that my wife and I are caregivers of our 17 year old son, William. William has Down syndrome, and he's our angel on earth. I'll share a little further actually that we are caregivers of three children with special needs. William has Down syndrome and my other two have raging adolescence. I'll take Down syndrome.

I've been in the financial service industry for over 30 years, and there were financial planning considerations that I was not aware of as caregiver until I joined Voya a little over a year ago and became part of Voya Cares. These new learnings have really affected how I think about saving for the future and the legacy I leave behind for my children, especially William. So, to learn more about what Voya Cares is providing and for this caregiver community, I'd like to introduce Heather Lavallee who is the President of Tax Exempt Markets and the executive sponsor of Voya Cares.

Heather Lavallee Voya Financial, Inc. – President, Tax-Exempt Markets (Retirement)

Thank you, Bill. So, in order to address this unmet financial need that Bill talked about moments ago, we designed a service model that aligns with our broader strategy to serve our clients how, when, and where they wish to be served. From our Voya Cares online resource center that offers planning tools, checklists, and articles; to how we have embedded special needs planning across the participant experience through our digital, phone, and in person education support. And, finally, as Charlie mentioned, how we are able to offer holistic planning through our phone and in person financial advisors.

As workplace benefit experts in investing, planning, and protection, we are able to help employers to boost employee productivity, to improve the employees' financial wellness and retirement readiness, and, finally, increase their employee engagement. Now, I'd like to share with you and really kind of bring to life the positive impact that Voya Cares can have on families and the financial plan.

About a year ago we were doing our Voya Cares training with my Tax Exempt team, and following the training, I had two individuals come up and share with me their own personal stories. The first employee – she is one of five children, and he has a 21 year old brother with Down syndrome who receives government assistance. Now, her mother was enrolling in her company's supplemental life plan, and she ended up naming all five children equally as beneficiaries to that life insurance program. She did not realize that her son, who's receiving government assistance – if something were to happen to her and those life proceeds were paid out and he had more than $2,000 of assets in his name, he would lose those government assistance. And this would then, in turn, place the burden of his financial care on his siblings, which was certainly not the intention she had when she enrolled in that supplemental life plan.

And we find that so many employers and employees do not know the unintended consequence of naming a loved one with a special need as a beneficiary for their retirement plan or any insurance plan.

Now, if I switch over and talked about the second example. I have another employee who has an 18 year old daughter who is profoundly deaf. Now, the family has to pay out of pocket expenses each month to cover some of her care and therapy as she is transitioning to college. Now, this individual, similar to Bill, is a financial planning expert. Yet, he did not know that there are additional sources of income that were available to his daughter. Through the Voya Cares education, he realized that his daughter, upon turning age 18, is eligible for supplemental security income based on her own income qualifications, which then – this important benefit provided the out of pocket dollars to cover those much needed expenses, freeing up his dollars to increase his contributions to his own 401(k) plan.

Now, these are just two prime examples that really show how Voya Cares is that perfect intersection between our culture and our business expertise.

Now, I'd like to share with you, too, the business application of how we have embedded special needs planning into our award winning digital planning tool, My Orange Money, which is centered around a participant's future monthly income. Now, as participants navigate our simple to use enrollment experience, they are intuitively guided through the enrollment and beneficiary election process, where we have provided important education around beneficiary designation.

We also provide modeling tools that include government benefits and retirement savings in the context of caring for a loved one with a special need. And we've also done this with a new financial wellness tool that Charlie mentioned a few moments ago.

Now, I will tell you, in my 26 years, I have yet to see such a positive reaction from the market on a value added program as Voya Cares. And, as Bill mentioned, it is driving business results. But, it is more than that, and it's more than just a value added program. This is one of those aspects of the unique culture that Rod talked about in the beginning of the program. And we're not just financial planning experts. But, many of us are caregivers and part of this community. So, we've got a deep passion for it.

And, finally, to really bring this to life, I'd like to share with you a short video that's going to show you the positive impact that Voya Cares is having on caregivers. You're also going to hear from one of our largest clients in the tax exempt market, the executive director of the City of Milwaukee, and finally, from one of our independent advisors that is supporting our Retirement's corporate markets.

(Video Presentation)

So, you just heard from three individuals and how Voya Cares has affected them. You've heard perspectives from an employee, from an employer and plan sponsor, and from a financial advisor. And you heard similar comments related to addressing the need, filling the financial planning gaps. You've heard their appreciation for Voya's passion to help fill those gaps. And you heard appreciation for creating an opportunity for caregivers to feel supported in the workplace when they might otherwise feel overwhelmed. We do this as an extension of our mission to serve all Americans and specifically to serve this very large and underserved community of people with special needs and their caregivers.

When we've worked on building out Voya Cares, financial gains were not our primary goal. However, what we have found is that it's a differentiator, and it's driving positive business results. So, to close, I want to share a quote from one of our distributors. And this is a neat situation where we had a joint effort from Retirement services and Employee Benefits go out and present Voya Cares to a firm that worked in both Employee Benefits and Retirement services. This presentation was to their team. Their team then summarized their comments and give it to their practice leader who shared this response.

"No other recordkeeper is doing anything like Voya Cares, and how becoming experts in navigating all of the complexities of the special needs community could really grow their practices. But mostly they appreciate it because it is the 'right thing to do.'"

Thank you very much.

Mike Katz Voya Financial, Inc. – SVP, Investor Relations & Enterprise FP&A

Bill and Heather, thank you. Thank you for sharing the Voya Cares story. So, we're going to take a short break. We're going to ask everybody to be back in here by 2:30pm. We've got refreshments outside. Restrooms are off to the left or straight ahead for the women. We'll see you back here at 2:30pm

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(Break)

Mike Katz Voya Financial, Inc. – SVP, Investor Relations & Enterprise FP&A

It's Mike, I really like that song. Welcome back. But before we just – I got a couple questions on the USBs. Just for those that like to travel light like I do but loaded up with the presentations, obviously some of you are taking notes on them, but to the extent that you just want to take the USB, please do.

So now it's my privilege to invite to the stage the CEO of our Investment Management business, Christine Hurtsellers.

Christine Hurtsellers Voya Financial, Inc. – CEO, Investment Management

All right. Thank you so much, Mike, and good afternoon, everybody. I'm very excited to share with you the Investment Management story today. And our firm has successfully grown through a very deliberate focus. We're an active asset manager with differentiated capabilities in the products that we manage, and we have a clear strategy to further our revenue and earnings growth, and I think you're going to find it very attractive.

And as you've heard from Rod, in many ways we are just getting started. We have a breadth of capabilities, investment capabilities, that, combined with our outcome-oriented investment approach, appeal to a broad range of clients, and this is going to enable us to grow.

We have strong investment performance. That's table stakes for our business. Our risk-adjusted returns are top quartile or decile across multiple strategies. And our growth strategy is focused and centered on a two-pronged approach: leveraging our specialty investment capabilities, things such as commercial real estate, as well as leveraging the brand and the distribution reach of Voya in the Retirement and DCIO market, which is the fastest growing market within U.S. asset classes.

So, what I'm going to do is I'm going to get started with the what, then we're going to talk about the who are we, and then the how are we going to deliver these growth objectives. And so, you can see as far as what are we going to do is we are adding net cash flows as a percentage of beginning assets under management to our metrics for you and we are going to grow those between 2% and 4%. That is organic growth and that compares to industry expectations of zero to actually negative for active asset management.

So, this is a strong growth metric that we are going to achieve based on what we do and how we do it. It's going to result in an earnings growth between 5% and 8% as well as an expansion of our margin to 30% to 32% and this is a competitive margin for an asset manager of our size with our asset mix.

So, let's talk a little bit about the who. Who is Voya Investment Management? We're a mid-tier-sized asset manager in terms of assets under management at $210 billion. And who we are really resonates out of our general account roots and history and our DNA and that has differentiated us in some very key ways.

First of all, we have managed assets on behalf of that general account that add value for multiple decades such as private credit, private equity, and we have successfully commercialized these because they add value to many different clients that we have.

And then also, out of that U.S. general account DNA is that we can customize to outcomes in very complex ways. We can manage assets to yield targets, absolute return targets, capital efficiency and total rate of return relative to a benchmark. And you can see there, if you look at the pies on the left, it does appeal to a broad range of clients, and when you see $55 billion is the U.S. general account, and it's foundational to what we do, and it accounts for 20% of Voya's revenues.

However, three quarters of our assets under management are for external clients and we have been in the asset management business for 40 years. And one of the faster growing areas of assets that we manage is managing assets for other insurance companies, and you can see on the blue wheel, that is at $13 billion. We just added that as a dedicated insurance sales team just four years ago. So, in four years, with that focus, we have added 20 new clients and insourced billions of dollars of assets, and that is a growing part of the institutional market in the U.S., very well aligned to our DNA and what we do, and we expect continued strong growth from that segment of our business.

And then also, at Voya Investment Management, we have an important competitive advantage that is our infrastructure. We have one middle and back office that supports both our equity as well as our fixed-income businesses, and this is important when you think of some competitors that have diversified boutiques which can add to fixed or stranded costs and limit innovation and efficiency. That isn't us. We are more agile. Our ability to automate and to quickly learn from one part of our business to another adds to why we are a very efficient expense manager as an asset manager.

Taking a look at the history of what did we achieve, what type of growth as a launching pad for thinking about where we're going to go from here. And you can see what we did on this slide is we took out from our history the impact of the fixed annuity business. So, what you are looking at excludes that, but you can see our asset under management have grown, which has added to strong operating earnings growth and margin expansion through a combination of the commercial growth, our profitable business mix, and being a very efficient, strategic, prudent manager of expenses.

So, why are customers choosing Voya Investment Management? And you've heard me say, we have had 11 consecutive quarters of positive Investment Management sourced cash flows and you know the industry for active management. It is highly competitive and yet we are winning.

Three key things. First and foremost, investment performance. Most of my career has actually – was spent as an investor, and I appreciate – it is job number one that we deliver the investment performance and the outcomes that our clients expect from us, and we are true to style and disciplined in the way that we manage their assets.

Next, our specialty capabilities that are differentiated and they are what our clients want, as well as our retirement expertise. And we have been named a Top Quartile DCIO manager by Institutional Investor, leveraging that know-how and that retirement investing that being a part of Voya brings to us.

And then the third pillar, our culture, and our client approach and mindset and you can see we – over 50% of our institutional assets are managed to customized benchmarks and the world today with different needs and volatility and one size does not meet all. That's the liquid indexing world. We compete very well.

Also, the Voya culture, ethical, trusted, responsible. More and more we are seeing clients in what we call requests for proposal, RFPs, asking specifically about what they call ESG, or social responsibility, as well as diversity of team. And so, when you think about that culture of Voya, and this has been something in the world that the U.S. is increasingly adopting as well. Absolutely. Do we incorporate ESG into our investment process? Yes. But think about Voya. Dow Sustainability Index. You heard that from Rod earlier.

Ethical. We don't talk about ESG. Voya – we are ESG. And we can compete in this space and clients value it with an authenticity that few can match. And also our culture – I'm going to talk more about this, but long-tenured investors. Our investors have 19 years of experience. Our PMs, or portfolio managers, over 10 with

Voya, and clients and consultants rely on that stability of team. People want to work and stay at Voya.

Okay. So, I told you a little bit about what are we going to accomplish, who are we and how are we competing in the market. Now let's move into where do we go from here? And we have three key growth enablers that I'm going to get into a little bit more detail for you, and that will be continuing – and our continued strong investment performance, really increasing our market share in the very important specialized asset classes, as well as leveraging both our retirement investment DNA. As well as the distribution reach of our workplace businesses in collaboration with my business partners at Voya.

Again, table stakes. Job number one is investment performance. And here you can see that 72% of our firms have outperformed their peers or market median over the last five years. And so, let me kind of go through each – dig a little deeper into each one of these.

So, let's start off with our equities. You might think, well, so that performance was below the peer averages and why is that? Our equity team is a high-quality, fundamental, bottom-up-focused equity team, not a – in the kind of markets that we have seen in terms of momentum and sort of technology dominance, that is not our style, that is not why clients choose us. We have superior downside capture and capital preservation and the kind of markets that we have seen in the last few days we thrive, and that is why our clients choose us in their portfolio.

Next, multi-assets. This is the team that manages target date funds, and you can see there 100% of those assets are outperforming on a five-year basis. Very important, not only for outside DCIO sales to our intermediary, but also our partnerships with Charlie, and over 60% of the small- to mid-corporate plans are choosing Voya target date funds. That was less than 10% four and a half years ago.

Fixed income. This is our fastest growing platform and you can see we have top quartile or decile performance across multiple strategies. And our CLOs, in our CLO business, we are a top 10 manager, both in assets and number of CLOs we manage. And so, when you think – and also, there was a recent study by Citigroup in terms of CLO performance, and Voya was ranked number one out of 67 managers when considering returns achieved as well as with the amount of risk taken. We are best in class.

And, finally, purposeful innovation in terms of our investments and what we are doing with the investors. A lot of our work is actually being spent on automation, eliminating manual processes so that our investors can focus on alpha generation and also continuing to use and explore. We're working on natural language processing as an example as well so that tweets and research and broader sets of data can scan the world for relevant news in corporations that we can then apply to our intuition and our fundamental approach.

And, also, with our team I must mention that we are a team of managers, a team-based approach, not a star-based system. And we have an internal value we call stewardship and service – and this is so important – stewardship, because we do not forget why we are there and whose money we are managing. We are caretakers of our client's assets and that is fundamental to our investment performance and why clients choose Voya.

Specialty capabilities. And let me talk a little bit more about what this is. So, you can see what we call specialty capabilities. Those assets under management have grown 13% per annum over the time we're showing. And so, what do we mean by this? It's specialty, it's commercial real estate, it's private credit, private equity. These are the assets that we manage that are hard to index or replicate through more liquid markets. And the fees – it's an important—it's contributed to an important shift in the profitability of our business mix.

So, over the last five years, the inflows, the fees that we have earned on the inflows of assets coming in the door had been higher than those going out the doors, despite the fee pressure in the industry. And what we like to say about it is that it's almost like you have more of a moat around the intense fee pressure that the asset management industry has experienced. And what I mean by that is it's protection because clients truly value the investment opportunity of something like commercial real estate, and so they are willing to partner and pay for those capabilities.

And, also, we are well positioned in the specialty asset classes for further growth. As an example, we are going to continue – CLOs, we launched our first European CLO this year, we have one teed up for first quarter of 2019, as well as we are issuing a euro loan in 2019.

And I want to mention as well in terms of global opportunities and global distribution with these asset classes. We have a long-standing partnership, distribution partnership, with a European asset manager. $19 billion of our assets under management are for foreign investors, and the foreign markets are growing faster than the U.S. And so, this is important because they have historically just distributed our credit products, but they are adding global bond and commercial real estate, so a strong partnership. As well as we're developing new products to penetrate insurance markets.

So, what do I mean by this? Commercial real estate debt fund, comingled. Before we were just managing assets for very large insurance companies in what we call separate accounts, but now with these comingled – this commingled vehicle, we can actually go a little bit to the mid- and smaller insurance companies. So, continuing to leverage great growth opportunities off of the specialty asset classes.

And leveraging the retirement capabilities. And you've already heard from the work – my workplace partners about this, but very important because $4 trillion, that is the active component of the DC market. Again, the DC market is growing in the U.S. by about 3%, and we have quite a bit of distribution reach as being part of Voya to penetrate that market.

And so, we also have strategies, we have equity. We can meet all phases of life when you think about the retirement market, equities with younger people that are accumulating assets, as well as for baby boomers who are getting more income focused with our fixed income capabilities.

And so, Charlie and I are working on products together. We've created two new stable value products, as an

example, for that market. A stable value fund with our workplace wrap that Voya Investment Management can sell to outside DCIO record keepers, leveraging that retirement brand. We did not have that capability to sell our excellent stable value products that we were managing outside of Voya, so we have done that as well as created a new pooled account for tax-exempt markets that we are going to launch early next year.
So, great opportunities and partnering with the HSA and the whole logistics solutions as well as leveraging the power of our enterprise in Voya is in the technology and the infrastructure data, you know, the foundational data that we have. It has been very important to improving some of our decision making as well as some of our sales productivity. And you're going to hear more from Maggie about that in just a bit.

So, I want to end where I started. And again that we have an attractive business. And we are well positioned for further growth and success. We have what clients want today, both in our capabilities and in our investment style and our ability to customize. As you've seen, we have a track record of delivering strong growth and business results. And we are going to continue that by leveraging our strong investment performance, very purposeful innovation, as well as our ability to automate and have an agility and efficiency that is very powerful.

So, again, retirement capabilities, investment capabilities, and truly being foundational with our infrastructure and how we go to market. And the culture that we bring to every client interaction. We are well positioned for future growth. And our 2019 pipeline is strong. And I'm incredibly excited about the road ahead. So, thank you.

Maggie Parent Voya Financial, Inc. – CAO

Good afternoon. We have seen this slide earlier today. As you've heard from Rod and my colleagues, our path to achieve our earnings forecast is underpinned by organic growth, by cost savings and operating efficiency, in addition to capital deployment. This section is a brief story about execution against the first two things on this list. It's a story to illustrate some of the tools and methods that we are employing to deliver on our growth and efficiency targets.

We have an established track record of delivering on our plan. And I want to share with you just a few examples of how our technology capabilities specifically support the growth and efficiency targets you've heard us talk about here today. Technology is a critical enabler of efficiency. But not just to the efficiency. It's also an enabler of a differentiated customer experience through all channels of customer contact, from our award-winning websites and mobile applications to call centers, and even payment processing. Beyond the customer experience, our execution capabilities, combined with newer technologies and behavioral finance design, can directly support client retention, can contribute to increasing recurring deposit rates, and can help drive sales productivity.

Our technology roadmap and execution capabilities are a foundational element to our plan. So, now let's take a look at a few specifics. First, as we discussed it in the last Investor Day, we have invested $350 million over the last three years on infrastructure, digital and data capabilities, collaboration across our businesses and process improvement. We have completed that phase of our journey. And have already reported the benefits of that in our historical earnings. Importantly, we've also made foundational investments that position Voya for the future.

You've heard Christine mention technology. In the Investment Management business, we are now running both our equity and fixed income platforms off of the same ultimate architecture. We have heard from Charlie, that he is referenced in the retirement business that we consolidated four record-keeping platforms down to one. We have achieved a consolidated efficient operation. As a result, every new dollar we spend on future capabilities is concentrated. It's not diluted across fragmented multiple platforms.

This clean architecture also means we can develop future capabilities faster, providing an acceleration affect to our future roadmap. Importantly, our foundational investment has also set us up for rapid scale ability. This means we're ready to support significant organic growth. And while our plan is not dependent on it, we are equally positioned to pursue in organic growth opportunities. In the growth and efficiency area specifically, we are effectively leveraging data analytics, behavioral finance, and robotic process automation. And we'll look at the impact of those in just one minute.

In the future, as we further build on our solid foundation, we are positioned to roll out new technologies as well. Such as, sentiment voice analysis. We'll be rolling that out in 2019. That capability improves service routing, exception handling, and customer experience overall. And we have an academic partnership where we're exploring improving investment outcomes within our Investment Management Business, using machine learning and artificial intelligence, as Christine mentioned, also natural language processing. We're back testing hypothesis on large segments of historical data. It's worth noting also, that all of these current and future investments are being made directly by our businesses and not held in the corporate segment. The investments are already in the forecast that you've seen today.

And now, bringing us back to execution. Let's look at just a few illustrative examples, case studies, where we have already put these capabilities into practice. Each of these case studies is only a limited example, but meaningful enough to demonstrate results at scale. And we have many more examples to choose from that we don’t have time to cover today. But in each of the examples I'm going to pick, which is very targeted, we still have a lot of upside in opportunity to leverage them more broadly across our businesses over the next two or three years.

So, the first example, is in our retirement business, with regard to the plan enrollment process. This demonstrates our ability to leverage behavioral finance design methods at the front line of customer experience. We have used design methods to engage individual employees differently during their retirement enrollment process. We have given them visual cues and better tools to understand the future value of their immediate savings decisions. The result, a material increase in contribution rates and recurring deposits delivered by the enrollment process.

We have applied this design technique to one of our market segments. And in that segment, we have achieved a 36% increase in savings rates. We have future opportunity to roll this specific design out more broadly to all of our markets. And we can also go further and continue to optimize the customer experience beyond the enrollment process using these same behavioral finance design methods. We truly have a lot more upside to come from leveraging these techniques.

This next example is regarding sales productivity within a segment of our Investment Management business. It's a story about using data analytics to accelerate and improve the sale cycle, demonstrating significant improvement in sales productivity. By joining multiple data sources across a wide range of market and client topical areas, we have identified ways of helping our sale-staff better identify and prioritize target opportunities. Our proposals to clients are more aligned to their needs. The solutions are more relevant. As a result, we have both accelerated and improved the sales process, resulting in a doubling of successful sales over a fixed period of time.

In addition to the 2X improvement, we have increased asset retention and increased transaction size. Like my previous example, we have applied this in one area. We have rich opportunities in the future to use our data analytics capabilities and support sales productivities across more markets and more products.

My next example is in our Employee Benefits business. We have applied process redesign methods and straight-through processing automation to our wellness claims. Previously, this process was manually intensive, meaning expensive, and it was slow. As of last year, we have implemented an automated triage process where large volumes of claims that are straight-forward and do not pose exceptions, can be lifted out and fully automated. It turns out that this applies to the majority of all claims in our wellness category. The result is a fully automated claims and payment process that can run all the way to completion in one day for straight-forward claims.

This capability not only decreases our cost, but it reduces error rates. And the speed and accuracy of interaction drives increased customer satisfaction and now, is a compelling part of our offering. This example again is the single process to which we've designed. And we've applied these design and automation techniques. We have had similar improvements in several other areas as well. But we still have a rich set of future opportunities, where we can go much further across multiple products and multiple processes. So, we have upside with further efficiency gains, and increased customer satisfaction.

My final example is regarding robotic process automation, or RPA. RPA has been applied in financial services for several years. It is come relatively late to our segment of financial services. And we see that as good news because it means that we still have a lot of upside in applying these tools and methods of RPA in our businesses. Robotic process automation takes repetitive manual tasks, maps out all the process flows, the logical branches, the exception handling, and automates the entire activity so that there is little to no human action required. The result is a process that runs orders of magnitude faster with no human error and an accelerated customer experience.

Importantly, it also frees up our staff to provide the extra personal touch with customers that drive higher satisfaction scores, and higher client retention. Our early efforts using RPA have been highly successful with efficiency savings dropping to the bottom line. And we are a large operation with a very broad set of target opportunities to apply RPA, meaning we have sufficient scale to make RPA a powerful tool to drive future efficiency. In fact, robotic process automation will be a meaningful contributor to delivering on our cost reduction targets in the near term, as well as over the next two or three years.

So, in summary, this is a story about having laid a solid, clean foundation about layering on top of that, new technology capabilities that will support our drive to growth and cost cutting targets. While, at the same time, improving customer experience and customer attention rates, increasing recurring deposits, increasing sales productivity, and much more. The examples I've shared today are a story about our next phase of execution, execution that positions Voya to deliver our future. A future that feels exciting for all of us here at Voya. And now, the man you've really all been waiting to hear from, our CFO, Mike Smith.

Mike Smith Voya Financial, Inc. – CFO

Thank you, Maggie. And that was quite an introduction, it really was. I didn't pay her for that. My key message today is that we have a clear path for strong EPS growth. As Rod said earlier, this growth will be driven by three factors. First, organic growth. You've heard our business leaders all share compelling opportunities for growth within their businesses, enhanced by being part of Voya. Second, cost savings. As Maggie just shared, we have great opportunity to leverage technology. We also see further savings available as we realize efficiencies from the sale of our annuities business and from our decision to discontinue sales of individual life products.

Third, capital management. Our focus on being good stewards of shareholder capital will continue. We expect to pursue more share repurchases even as we increase our dividend to a more normalized level. Our high-growth, capital-light, and high-return businesses operate with a favorable risk profile. Our rebalanced business mix supports high quality earnings. Alongside that, we expect to generate strong cash flows, boosted by valuable deferred tax assets. Our confidence in the strength of our free cash flow enables us to raise and potentially grow the dividend and undertake additional share repurchases.

The investment proposition for Voya is strong earnings growth and an attractive return. Our ten percent plus EPS growth target is supported by organic growth opportunities, additional cost savings and share repurchases. These three components will contribute roughly equally over the next three years with greater potential from organic growth. Earlier, our business leaders shared their respective earnings growth rate expectations. Those growth rates reflect the combined benefit of each businesses organic growth and cost savings.

Overall, we expect to realize an additional $100 million of cost savings by the end of 2020. This is on top of both the $110 to $130 million expected by mid-2019, and $20 million of expected savings from our recent decision to discontinue new Life sales. Achieving this additional goal, will bring our total savings since the announcement of the annuity's transaction to $230 to $250 million. With these multiple EPS levers, we have significant flexibility to respond to emerging business conditions, giving us confidence in our ability to deliver strong growth.

In particular, though our growth range includes some equity market appreciation, we can still achieve at least high single digit EPS growth under a flat equity market assumption. This growth will occur while we target an operating ROE between 13 and 15%, excluding our deferred tax assets from GAAP capital. As a reminder, and for consistency, our GAAP income figures do not recognize cash tax impacts from our deferred tax assets. We recognize these goals are ambitious. But we are confident in our ability to deliver based on our track record. Projecting out full year 2018, we will have more than doubled our normalized EPS since 2015.

Even if you exclude tax reform impacts, our normalized EPS has nearly doubled. By year-end, we will have repurchased a cumulative $5 billion of shares since we've been public. For some perspective, this amount equals our market capitalization at IPO. And as we announced two weeks ago, we have a new $500 million share repurchase authorization available for 2019. We have a diverse operating revenue mix. Nearly half of our operating revenue comes from fee income, which requires minimal risk capital. This fee income comes from diverse sources. Approximately 55% of fees are generated from equity AUM, while fixed income funds contribute 30%. Record keeping fees and stable value round out the remainder.

In a period of now rising rates, but still relatively favorable credit conditions, our exposure to investment spread is now just a slight head-wind and could become a modest tail-wind with further increases and rates. And finally, our underwriting income provides revenue diversification with no correlation to capital markets. With the actions we've taken since the IPO, we now have a favorable risk profile relative to our peers. We removed significant tail-risk through the Annuities sale and have no meaningful variable annuity exposure. And as you know, we have never had any long-term care exposure.

In addition to our favorable risk profile, our earnings are driven by capital-light businesses with strong growth opportunities and higher returns. Eighty percent of our earnings comes from these three core businesses. These three businesses also produce high quality earnings. One key feature that demonstrates high quality should be operating income that tracks closely with reported net income. As you can see on the right, another feature is the relatively high cash flow conversion of these three businesses.

Further, as a result of our Individual Life strategic review, we have increased the cash flow conversion for that segment to 70 to 80%. For Voya in total, consistent with a business mix tilted toward high earnings quality, we expect to realize 85 to 95% free cash flow conversion. As we discussed in our third quarter earnings call a couple weeks ago, our decision to stop new sales for Individual Life best maximizes shareholder value. As we progress along that value maximizing path, there are multiple actions that we plan to take, as well as additional options for us to consider.

Reducing our cost, pursuing further administrative simplification, and lowering the cost of reserve financing gives us confidence that we can realize at least $1 billion of free cash flow over the next five to six years. We will also pursue other initiatives that could free up additional capital, including potential further block reinsurance transactions. We have completed multiple value adding reinsurance actions on the Life block, as well as the annuities transaction.

So, we have a strong track record of managing enforced blocks to drive shareholder value. Our strong free cash flow and improved risk profile will support strong access capital generation. This gives us confidence to raise our dividend to a more normalized level. We intend to raise our dividend to a yield of at least 1% by mid-2019. Over time, as we grow earnings and generate higher free cash flow, we expect to have flexibility to further increase the dividend. We believe a higher dividend will meaningfully broaden our investor base, as our current minimal dividend precludes many income-focused investors from owning our shares.

Over time, we will also consider M&A opportunities as potential alternatives to share repurchases. As diligent stewards of capital, we will be disciplined with M&A. We expect any potential deal to meet the following minimum criteria. First, a compelling strategic fit. An acquisition would likely either enhance scale in existing markets or add a new capability that furthers our vision of becoming America's Retirement Company. Second, we expect acquisitions to be EPS accretive within 18 to 24 months under reasonable assumptions.

Now, this is not an exhaustive list. There will be other factors that we'll consider. But these hurdles will apply to all. And let me be very clear. Our EPS goals are achievable based solely on our organic plans and do not require M&A. And we will continue to prioritize share repurchases as Voya's evaluation remains attractive. Our deferred tax assets are a key source of value, which we believe is not fully appreciated by the market. So, here we provide some additional details to help close the value perception gap.

Specifically, we project $1.2 billion of net present value here in 2018. We expect to use the majority of our DTA within the next five years. During this period, we also expect to receive a refund of our alternative minimum tax credits. This should result in Voya paying essentially no net cash taxes for the next five to seven years.

And finally, we expect to fully use our DTA's before statutory expiration. Even under significantly stressed taxable income scenarios, we expect only modest expirations. Adjusting the value of our deferred tax assets into our stock price, as we've discussed in the past, Voya trades below seven times 2019 consensus earnings. We continue to believe that our shares trade at an attractive valuation, both on an absolute basis and relative to peers. Particularly given our high-quality earnings, our high free cash flow generation, and the growth opportunities ahead of us.

We've come a long way since our last Investor Day in June of 2015, and even further since the IPO in 2013. Our leadership team and all the employees of Voya are excited about our next phase. We expect to generate attractive growth at strong returns with high quality earnings. There are more cost savings opportunities that will fuel part of that earnings growth. We continue to repurchase shares at attractive valuations. All of these opportunities make Voya a compelling investment proposition. And I cannot be more personally excited about being a part of it. It's going to be great. So, with that, I'm going to invite the team up to the stage, we'll rearrange some furniture and then we'll take your questions. So, thank you very much.

QUESTIONS & ANSWERS

Mike Katz Voya Financial, Inc. – SVP, Investor Relations & Enterprise FP&A

Welcome back. Just a couple notes before we start the Q&A. For those on the web, you're able to send the questions. We have a couple folks in the back that will be asking those questions based on we have time, obviously we want to get to as many people in the room as well. When you ask a question, if you could just limit it to one and one follow-up, just so we can get to as many people in the room as possible. And with that, first question.

Suneet Kamath: Thanks, Suneet Kamath from Citi. First question on just what's underlying the earnest growth assumptions in terms of equity markets but then also interest rates?

Mike Katz: Mike.

Mike Smith: So, our typical forecast would include an assumption that’s consistent with our GAAP assumptions, which would be following the forward curves on interest rates and a long-term expectation of 9% for equity. But I point out that as I said, even in flat equity markets, we see high-growth and that’s just what the model says. I think what the management team and our track record would show, is that we've been quite resilient in responding to evolving economic conditions and delivering on the targets that we set. So, I think we've got plenty of levers to pull to the extent that the macro-economic environment doesn't cooperate, and we'll be able to deliver growth that’s at the top end of the curve.

Suneet Kamath: Okay, and then my follow-up is just on capital – I mean, you spent most of the presentation talking about organic growth and then stuck in some M&A commentary right at the end there. So can you maybe talk a little bit about size in terms of M&A and businesses or areas that you'd be particularly focused on?

Rod Martin: Sure, I'll start. We've used a couple of examples on an earnings call previously. So, in no particular order, we've talked about with our Investment Management business the extension of our distribution reach of some of the specialty products and the unique categories that Christine just talked about. And that would be an example of something we would consider.

Charlie talked about the top ten retirement players that basically have 75% of the AUM. It is our view that that market will consolidate over a period of time. Should there be a block of business or a capability that becomes available that makes sense under the framework that Mike talked about, it would be a consideration.

Again, key point, the plan is based on full organic growth just like the last three years was. We would do this if we felt it was a better use of the capital in relation to what Mike framed out.

Mike Katz: Tom?

Tom Gallagher: Thanks, Tom Gallagher, Evercore. So Mike, the - I guess you've laid out uses of common dividend and 3% to 5% of earnings growth coming from buybacks which would leave, what, maybe half of your free cash flow unaccounted for? You mentioned prioritizing buybacks currently based on where the stock is. If that were the case, how much more EPS accretion would you get if you use all of your free cash flow for buybacks?

Mike Smith: Yeah Tom, I'm not quite sure where the amount only comes - you said it comes up only half of the cash flows being used?

Tom Gallagher: Three – if you just say look at the 3% to 5% and you look at that as a percent of your market cap, that's, what $400 million on the top-end of that and your free cash flow now is going to be double that?

Mike Smith: Look, I think there's plenty of opportunity for us to look for additional share repurchases. I think we'll continue to monitor appropriately to the extent that that becomes a lever we particularly need to pull as we go forward, then that's one we can certainly explore. I don't think we should view those as limiting. The 3% to 5% is an estimate over the next three years of where we think we'll be. It's possible it could be higher. Less likely it will be below that range.

Tom Gallagher: Got it. And then follow-up just on Employee Benefits. I guess since medical stop loss is your biggest business, can you talk a bit about what's your competitive advantage there? Did the healthcare companies have an advantage over you from an information content standpoint or how do you stay sort of ahead of the curve in understanding you're writing the best risks there.

Rob Grubka: Yeah, no, it's a great question. I - being new to it myself, I would just still make an observation. It's a lot less commoditized than you'd think, from a pricing standpoint, I would just start with you. You would think, boy, it's all about that and it really does get down to where your question is going, what's the expertise and the learning and the insight that you can bring about what risk is going on within that population. Look, the top players in the stop loss business certainly, a number of them are medical players. They see a level of data but we're not going to write risk where we don't think we get the data, right? Why would I guess at that and allow my team to guess at that?

So if we're not getting what we need to see, we're walking away. I mean, that is a low placement based business, you know, you think about win rates of a couple percent in that business. We don't ever feel like we're sort of hostage to where we want to grow and the risk that we see, we feel like we assess it well, then that's just fundamental to how we're going to run that business as we move forward for sure.

But there's a level of complexity to it that I think we do a good job of influencing and assessing the experience and trying to help an employer where we can. Sometimes the medical carrier, they see the data, they see the in and out, but did they influence it the way that we might be able to? I think there's still room to differentiate there.

Rod Martin: Tom, a piece that I would add to that is, and Rob talked about this when he shared the slide in the material that you have about basically the top ten firms that we do business with, and the examples that he gave were Mercer, Aon, etc. There's a pretty reasonable spread of risk with those firms. And we are one of those firms that that is occurring with. And so we're getting a healthy piece of that business and I think that is something that you and we should expect going forward; that there's going to be a pretty balanced placement of that business across those firms and we're going to continue to be a beneficiary of that.

Tom Gallagher: And Rob, is Employee Benefits an area you would consider for M&A? Is it really more Retirement that you're focused on?

Rod Martin: We would - the examples that most often we use are retirement and asset management. I think we have the portfolio that we need right now with Employee Benefits but should there be a capability that emerges, we would consider that. Right now as I mentioned, I think it's one of the more underappreciated pieces of our portfolio; that's on us to continue to share with you the progress we're making and we did that in the third quarter with our stat supplement in terms of additional data but we would consider capabilities as we - as they emerge and we think we need them there.

Ryan Krueger: Thanks, Ryan Krueger at KBW. On the organic growth range of 2% to 7%, I guess should we think about the difference between the low and the high end more execution based or are you also incorporating things like different macroeconomic and market scenarios?

Mike Smith: Yeah, it's both Ryan, right? I mean, just naturally growth has like more of a range of variation; you just can't predict it as well as I think you can the other two. They're a little bit less in our control, so that's what we're trying to represent as just the difference there.

Ryan Krueger: Got it. And then just one more on capital, I think - it looks like your capital or deployment ranges probably are more based on your free cash flow generation, you also have talked about, I think, about $800 million of excess capital and then you're freeing up some additional capital from Individual Life. So I guess to the extent that you did contemplate strategic M&A, could you potentially use the excess capital and have it not affect by that?

Mike Smith: Potentially, sure. Look, I think we'll continue to evaluate our excess capital position as it evolves, right? And we'll look for the best ways to utilize the capital at that time. That could be share repurchase, it could be an opportunity to the extent that those two coincide with a particularly (flushed) excess capital position; great. We also have, I think, intention if things go reasonably well to increase the dividend over time.

So all of that will come into play, I think, we've got a general sense of what we want to prioritize right now like share repurchases given the attractive valuation and we'll see how life unfolds from there.

Ryan Krueger: Thank you.

Mike Katz: Erik.

Erik Bass: Thank you, Erik Bass with Autonomous. I was hoping you could provide some additional detail on the new $100 million of additional cost savings and where you would expect, or where we should expect to see those come through the P&L?

Mike Smith: So, let's put it in the broader context, right? So, we're setting aside the $20 million of Life saves because that will come through Life. The current cost save initiative of $110 million to $130 million, we're making good progress on that. That will continue to be what we chip away at over the next two to three quarters. That should all be in Corporate. And then the remaining $100 million, think of that as coming over the next six quarters after that for modeling purposes. I'd assume it's fairly level. We'll give you more - you know, as we get closer to the extent it's going to be different, we can give you more color when we get there but the first $40 million or so will come out of Corporate, the balance in 2020 will get you to - that will be in the segments, if that makes sense? And then I think we'll ultimately get to a corporate run rate. Another way to think about it in terms of the corporate loss will be essentially debt and preferred stock payments. And that will range in the, right now we think, between $45 million and $55 million a quarter. The preferred stock is a first and third quarter event so that's when we'll have the $55 million, the other two quarters will be the $45 million.

Ryan Krueger: Thank you and then bigger picture questions. Can you talk about the customer overlap across your different businesses? Maybe put in perspective too, how that's changed in recent years because it seems like one of the objectives is certainly, I don’t want to use cross-sell, but kind of expanding kind of the working together of the businesses.

Rod Martin: Charlie will start.

Charlie Nelson: Sure, we see an awful lot in the workplace in particular and what's transpiring in the workplace is both in employers and how they're approaching their purchases of various benefits whether it be a retirement, voluntary benefits or even stop loss. To that matter often are individuals in the same department within that employer. Equally, we're seeing more and more distributors bring their various distribution teams together and look for leverage across their distribution teams; the distributors that Rob spoke, referred to, are many of the same firms that we're working with in retirement. And similarly, on Investment Management as well.

So we see a lot more kind of consolidation of product shelf, if you will, by firms, because firms want to be able to work with providers that can cover a wide range of solutions for their clients whether it be Retirement, Employee Benefits or Investment Management. So at a high level, we think we're really, really well positioned and it's actually just kind of the market is kind of coming directly to us in terms of how we're positioned in the marketplace both with our workplace as well as with our Investment Management solutions as well.

Rod Martin: And I would say some of the things that Maggie spoke about in terms of the tools and the analytics that came to our space later than perhaps other industries but nonetheless are arriving, are giving us access to data that we simply didn't have before; that we're beginning to leverage in a very positive and constructive way.

You think about the decision, we've shared this with many individual meetings with all of you. If someone has made the decision to do business with us on a 401(k) plan, they've gone through the diligence of that process. If they're making a decision about their Employee Benefit business it would be reasonable to assume that they'd be willing to do business with us there too and we're finding that increasingly the case. So it's just – part of it is just making sure we're talking enough with each other, there's a commonality of where we're doing – I mean, just bringing - these are simple things but just bringing people together periodically and talking about, what are we doing in a given geography and there's a lot of I didn’t know you did that there stuff and it's just – it's beginning to work in a meaningful way.

Mike Katz: Andrew?

Andrew Kligerman: Okay, I have just three very quick follow-ups on the earlier questions and then maybe you'll give me a follow-up if it's short. First, Mike, I thought I heard you say 9% equity market appreciation?

Mike Smith: That includes dividends, yeah, that's the total.

Andrew Kligerman: Including dividends, okay. M&A, Rod, what's the maximum -

Rod Martin: Let me go back to the nine. That's not new. So we - that's been our assumption for some period of time so the 7.5% plus the 1.5% of nine.

Andrew Kligerman: Not new, okay. And then Rod, is there a maximum size dollar-wise of a transaction you'd do, or is sky the limit?

Rod Martin: Look, I want to be, we want to be, very open and transparent about the M&A conversation. The fact that we have completed the portfolio rebalancing that we've done, close the annuity transaction, made the decision in the life insurance business, will enable us to have those conversations but I don’t want to leave you with the impression that this is - we've just lost our minds and we're now running right or left about those activities. That isn't the case at all. We've been, I believe, tremendous stewards of our shareholders capital; $5 billion that we've returned by the end of this year and we're going to continue to be. And most of the feedback that Mike and I get when we have meetings with our investors is just that; we trust you to be good stewards, make good judgments. Will we consider it? We will, but it's got to pass the smell test of what Mike talked about. And we're not thinking about it as much on size as it is, is it smart? Does it fit? Is it sensible to management? Is it sensible to our board? And I think we'll collectively be guided in that way.

Andrew Kligerman: Okay, rational. And then lastly, this $100 million in cost saves is fantastic but how are you going to achieve that? Where did that suddenly come from? You gave the geography but how are you suddenly going to get an extra $100 million?

Mike Smith: Well, it's not sudden.

Andrew Kligerman: Okay.

Mike Smith: Look, I think what we laid out when we did the Annuities transaction was the first wave of what we thought we could take out from being a simplified, more focused organization. Then making the decision on life further enhances our ability to make those kinds of choices. I think we always viewed there was additional opportunity beyond that and so we just didn't have enough information and we're now a year past the transaction. We've got a much clearer view of what we think we can achieve. We've got, I think, a pretty fair plan as to how we're going to go about it. It's going to come from further simplification of the organization. It's going to come from leveraging technology. It's going to come from leveraging our continuous improvement and process improvement capabilities. It's going to come from automation and robotics, all of those things.

Rod Martin: And Andrew, let me just add, follow-up with this, because this is a terrific question. Part of what our ambition is: we've gone from the bottom quartile to the top quartile of performance. Now is the next level of good, it's not easy, but it's doable. We would not be introducing a plan to you if we didn't feel we can touch the levers to do that.

We are absolutely committed to that outcome but we're going to have to make some hard decisions in doing so and we've got a very detailed plan to do exactly that. So, as Mike talked about, the $110 to 130 [million], we're spot on in terms of accomplishing that by mid of 2019. The $20 [million] comes from the life insurance piece and the rest of it we've been working our tails off in preparation for this meeting to be able to sit here and say, first to our board and then ultimately to you as investors, we've got a plan to accomplish that outcome.

Andrew Kligerman: Thank you.

Mike Katz: Alex?

Alex Scott: Thanks, it's Alex Scott, Goldman Sachs. First question I had was on Retirement flows. The deposit growth that you talked about was pretty sizable. So I was just interested if you can provide more color on the wholesaler expansion that you mentioned and if there's any kind or re-pricing contemplated in that, if acquisition costs associated with it would come through, anything else I should be thinking about?

Charlie Nelson: Thank you, yes. We are very pleased with the momentum, I think, and the strong momentum that we have on our team. It's been building over the years. In particular, to look and say that we're going to have 10% to 12% trailing 12-month recurring deposit growth, for us how we manage the business day to day, that is a key metric for us because that's the daily contributions that come out of an individual's paycheck, that get deposited into a retirement plan. That really speaks, for us, to the strength of the deposits. Deposits in total can fluctuate with market, you get a single transfer plan that comes over, the market value may be up or down. But recurring deposits are really an important part. They account for maybe a little bit over 50% of the total deposit aspect. So that's an important component.

Our growth and distribution, is much as I described in our presentation, has been meant to be very strategic, very methodical in terms of how we're trying to grow our distribution; not just kind of put a number of individuals out there in the market but really to make sure our team has a well-rounded approach for our culture, our approach, our value proposition. We've been expanding the number of wholesalers that we've had, I think we're up about 18% just this year alone in our small-mid 401(k) space. You saw the additional that we expect to have over the next three years. We want to kind of continue to build on the deep relationships that we have because these relationships are very, very hard to replicate. Once you get in with an advisor you're on a narrow shelf that they may have. You want to continue to build on that and grow very strategically and methodically, not just kind of like we're going to put a bunch of bodies in the street and go after it.

So we've been trying to very smart and I think that that comes through in our – we're now 20 quarters or, as I like to refer to it to Bill Harmon, a half a decade of positive net cash flows in small-mid corporate. That's a real strong base to build on and we think we can continue to build on that with a very strategic and methodical growth in our distribution.

Rod Martin: The other thing I would point out is, as a result of our continuous improvement program, Charlie pointed out in his slide but it was similar in the other businesses, our operating expenses have been fundamentally flat through that entire five-year period. Not an easy thing to accomplish when you think about normal expenses of your businesses and the businesses you watch and oversee and assess over that period of time.

That's part of the culture piece. That's part of what we put in place four or five years ago in finding ways to better problem solve and finding better ways for solutions and it's well beyond the men and women on the stage, and there's a lot of talent on this stage, it's the people that work with us and for us that are helping us find ways to solve problems and do things in a more effective way.

Alex Scott: Maybe if I could ask a quick follow-up to the expenses. I guess the thing that surprised me was that you get another $100 million without sort of an upfront bigger investment. I think the last time around there was that investment and it kind of inflected to giving way to the expense saves. What allows for that not to be necessary here and is it just you have more coming from the original investment than you thought?

Rod Martin: I think the benefit of the $350 million, if that's what you're referring to investment that we made, laid foundation or track, as Maggie pointed out, to enable us to continue. The continuous improvement program that I'm referring to, is another component of that. And we're being good managers. I mean, we're a simpler company and we're a smaller company and those are the hard decisions that I think the better companies make when you're facing exactly what we're facing.

So we've done portfolio rebalancing just as I think you would have expected us to do over this period of time. We've exited the tail liabilities and we now need to right-size the organization associated with what we are and who we are, go forward and we've got a very detailed plan to do so.

Mike Smith: And Alex, the only thing I would add is that we have added an additional level of ongoing investment; it's built into the business as results. So that's there helping to sustain that as well it's just we're not going to do a big omnibus one time we're going to spend this amount, it's built into the ongoing business results.

Mike Katz: Ron?

Ron McIntosh: Question on the CLOs that you highlighted earlier in the Investment Management piece. Some have pointed to that as a potential maybe contributor to the next credit cycle. As the number one manager, number one, you agree with that, and if you were to stretch your portfolio I guess both within your $50 billion fixed income portfolio and the asset management piece, so that's revenues and credit costs, what would a stress scenario look like on your CLOs?

Christine Hurtsellers: Well, as far as the CLO market generally goes, is that overall, and this is beyond CLOs, but just private debt, corporate debt, is not 45% of U.S. GDP, right, and it hasn't been there since really the dot com crisis. So is that an issue? That is a broader macro question that is beyond any of our ability to really have the crystal ball. So what's really important about our CLO franchise is that we're a pure loan manager, fundamentally when you look statistic we really shine in downside capture and that credit DNA of how we approach things, including even in the U.S. general account, which we also manage, and going into private credit is making sure that we have the covenants and the quality and the dry powder for whatever the market brings to us. And so again, we're thinking very holistically not only about our overall clients and business externally but also the Voya general account as well. So as far as stress scenarios and that type of thing, I mean, do we with our capital, and Mike you might want to add to this, overall, absolutely, we're stressing our portfolios holistically. And, again, just given our kind of DNA that I talked about, about high quality, superior risk adjusted returns, or our value proposition. And then also within the loan market specifically, I think people also - covenant light, some of the things that you're seeing, we're watching for that and we've been doing this for decades. So, you look at the experience of that loan team, it's like wow! I mean, we're founding partners and so there's that level of experience that we have that I think is very important but also regulatory-wise offsetting that is you know that they did control the overall amount of leverage, the regulators did, the loans are able to take, so I think some of the headlines are a little overblown with the loan market specifically.

Mike Katz: John?

John Barnidge: John Barnidge, Sandler O'Neill. This is about Employee Benefits. Today, what percent of claims are digitally submitted and in 2021, what do you think they'll be?

Rob Grubka: That's a good one. Digitally submitted today, I mean most of our Voluntary benefit products would allow and enable that and it gets complicated as you sort of work around the other products; obviously stop loss is just a very different environment. As we continue to move forward, actually I should start back, where we've been was about enabling a digital environment for our claims platform. That doesn't mean everything is completely done yet today but the path and the framework and sort of the talk about the investment that we've laid out, it's going to evolve and vary and it's going to continue to increase as you would expect with probably just about anything digitally. But to quote you a number, I'm going to resist the temptation.

John Barnidge: All right and then my follow-up maybe on culture, it's been a focus today. I understand how going from four to one processing systems is culture positive because it's less annoying. But in the backdrop of a lot of expense savings, how do you focus on growing the culture just beyond utilizing AI and automation to make the employees lives easier?

Rod Martin: That's a fantastic question, and that's challenging. So part of it is I think the transparency of the from and to. People knew the businesses we had, we've been very open and transparent about what we were doing and when and I think it's serving us well. We are finding ways, and look, anytime you go from five businesses to three, there's lots of people with lots of opinions about this is a perfect time to make the corporate center smaller and make this smaller and make that smaller and we've had a very detailed process and actually have allowed anyone to put an idea on the table and have that vetted through the process. And that really has been a culture enabling outcome.

Now, many of them are tested and either adopted or rejected pretty quickly but we're not saying only this group of people can come up with those ideas, and we are literally doing a bottom-up, if you've ever had an idea that you want to take out of the third drawer on your desk and put on the table, and you might imagine there's a lot of favorites of those kinds of ideas on, okay guys, and this is where they come, and Maggie has helped leading a process, and maybe Maggie talk about it a little bit, but how we're going about this.

I just think the openness and transparency and the date specific nature of this, this is not something that you want to do forever. We've said by a certain date we're going to accomplish these objectives, we're going to be in an execution mode and moving on a growth basis.

Maggie Parent: Yeah, I'll just chime in and really underscore really what Rod has already said. Every employee who's ever worked anywhere knows some stupid process that should be shut down. And by leveraging our culture of continuous improvement where we've empowered the middle level management and the lower level management to raise their hand and thoughtfully bring ideas forward is part of what's driving this for us. There's one employee, and I won't share all of the details. We have one employee who had been harboring a $7 million idea that, I should say incubating, has zero impact on eliminating any staff roles at all. It was just a really good idea. And so there are elements of this that are very hard because they are likely to be, as Mike referenced, as we right-size the organization, having made some of the strategic decisions we've made, there will be some job losses. But by and large, I think that we're driving this in a very organic way by engaging the staff and they are really stepping up.

So there are categories I think, in which this is in fact motivating to many of our employees. We're striking that balance. It's not easy, but we're striking the balance.

Mike Katz: Humphrey?

Rod Martin: And maybe if I could just add to it because it really is such a good question. We have indexed heavily on moving from bottom quartile to top quartile. It's yet another thing to maintain it. It's one thing to get there, you know this, you all know this, but sustaining it, that's the difference and there's a tremendous pride in what the team broadly has helped create here and that's really where the focus has been. We've made the transition, now how do we sustain it? And these are some of the decisions that have to be made to enable that to happen.

Humphrey Lee: Humphrey Lee from Dowling & Partners. Question for Christine. In your remarks you talked about targeting 2% to 4% net flows for the Investment Management-sourced business. When you think about them, how should we think about how sensitive it is to market conditions, whether it's equity market, credit or fixed income? So in other words, like what would be the biggest challenge or challenges to getting that 2% to 4% net flow?

Christine Hurtsellers: I would say in terms of the net flows, and certainly market conditions can affect investor preferences. The beauty of what we have, when you go back to the platforms, we have equity, private equity and a pretty large fixed income business. So we will capture in all market opportunities, for example stable value tends to grow quite a bit and we're market leading between Charlie and I in stable value where some of our short-duration safer funds.

So that environment will have a pivot, it will affect a little bit the profitability mix and I would say one thing that did affect flows earlier in the year was, in a negative way, was really dollar appreciation so when you think about our global credit appeal; sometimes gyrations in the currency can affect the attractiveness of U.S. based strategies. So I would say from a macro-level that, but when you're really thinking over a three-year period of time. There are ebbs and flows. We have a lot of products and so overall I'm quite confident that we're going to achieve those organic numbers.

Rod Martin: If I could just follow-up and use an analogy of what we just experienced in the last three years. Part of the reason that we had the businesses share with you a range is that life will happen. Those things will happen unless you or we can predict exactly what will happen. Let me give an example. We had to bring out, in the last three years where we accomplished the objectives we laid out sitting on this stage exactly like this three years ago, our low for longer slides four times because that was the environment. We didn't raise the white flag and say, oops, sorry we can't accomplish any objectives. We found a way to pivot and make other choices. And that's really what we're trying to convey here in the range of things and the levers that are within our control and the support that we have from our board and the alignment we have on these three businesses. And I am absolutely certain that none of us can predict exactly what the outcome of the interest rate growth is or the equity market growth but I'm completely comfortable particularly five years into this journey with this team, that we are nimble and agile enough to find a way to solve those problems.

Humphrey Lee: And then a question for Rob. You talked about Voya's strategy for Employee Benefits as being more focused. We've heard many of your competitors talked about they need a fuller suite of products in order to compete so that's kind of very different from your own approach. Can you talk about how you're winning with less products on the shelf space?

Rob Grubka: Yeah, no. It's a great point and as I said, and you heard, right, it is a different approach to the market and it's, as I said, deliberate. That's the areas we think we can be successful in, that we can grow in, and that we can earn the right return in.

So on the one hand, if you just run down market and think about that, you're going to hear the, we've got to package everything together, they don’t want to talk to ten different product providers and there's a lot of reasons because they don’t have HR departments, they don’t have enough people to manage that activity. It's a natural response. We'll do business with you but I want dental, I want vision, I want the five other things that I may not be able to do, but again, as you get into the more sophisticated side of the market where we can work with the right intermediaries and we can have the right consultative conversation, we can sell why we're great at stop loss and we can sell why we're going to do voluntary better than the rest. And from a life insurance perspective, again, there's how we fit in and how we know them and then ultimately I think where we're going is how do we service those employees best and make that whole selection process better and differentiate it as we move forward.

Now that's work to come, but I think that's an important part of why we see opportunity. Does that help?

Humphrey Lee: Yeah, thanks.

Mike Katz: Jay?

Jay Gelb: Jay Gelb from Barclays. Mike, I'm just trying to kind of square my expectations thinking about 2019 whereas in the past, I mean 2017 for example, Voya returned $1 billion in capital to shareholders and it's kind of what I'm penciling in basically for 2019 but it seems even based with your increased expectations that I guess what I'm asking is, is that estimate too high maybe?

Mike Smith: So you want me to tell you how much shares we're going to buy next year is basically the question. Look, I think we've given you a sense of the kind of excess capital generation in terms of free cash flow, the 85% to 95% of total earnings. I think we've given you a picture as a percent of net income, how we intend to use that. They'll be the timing of the dividend as a little uncertain. I think the balance will be available for a share repurchase or a possible M&A, as we said, subject to the criteria that we talked about.

So I haven't done the math to figure out from that whether a billion is too high or not, I'll let you make that choice.

Jay Gelb: It seems in order to get there perhaps there would need to be a reinsurance transaction, the life business that might free up some capital, that's been a catalyst for additional buybacks in the past. Is that maybe something we should be thinking about?

Mike Smith: Yeah, I can give you a little more color. If you think about the 70% to 80% of Individual Life, free cash flow conversation, right?

Rod Martin: As compared to what it used to be at 50%.

Mike Smith: At 50. And going forward, that doesn't add up to the billion. So, there are going to be a couple of one-timers that will occur and the timing is still uncertain. It could be late 2019; it could be early 2020, where we would see one of the first chunks and then maybe another chunk to happen later in 2020 to make up the difference to get you over the billion.

Jay Gelb: That's helpful, thanks.

Rod Martin: So again, a terrific question. We're buying back this year a billion and a half dollars. We've got $250 million in flight this quarter. We haven't lost our way in buybacks. We've got $500 million authorization from the board, we've got a great history of going back to the board, we've utilized that authorization and securing more based on market conditions and the environment and all of those other pieces are available to use that you just talked about.

Jay Gelb: So, in other words it seems like there's upside?

Rod Martin: They can look at the record of the past.

Mike Smith: The $500 [million] authorization, the plan for 2019, that's not the way we're viewing it.

Mike Katz: Ron?

Ron McIntosh: Trying to right-size the cost save program, the $100 million plus the $20 [million], so we'll call it $120 million, is that against the base on the GAAP operating expenses of $2.6 billion or against the statutory

G&A expense base of a billion? So is it 11% cost saves or 4%?

Mike Smith: We think of it actually against the administrative cost space at about $1.7 billion, so what is that? Another 10% give or take?

Mike Katz: Ryan?

Ryan Krueger: Thanks, Ryan Krueger, KBW. Can you talk a little bit about competitive and pricing pressures in Retirement and maybe differentiate between tax exempt and 401(k) and what you're seeing?

Charlie Nelson: Sure. Well, first, price pressure, price compression often referred together is nothing new. It's things that we've been dealing with, I think, in the industry for the last 20 plus years. Whether it be tax exempt or in our corporate markets, either of those markets, where we're differentiated and I think where it's helped us an awful lot is in our market of markets and how that is manifested in a revenue diversification between spread-based and fee-based income. Markets grow at differing paces and that balance of revenue mix has really served us well and we think it's going to continue to serve us well in both the corporate and tax exempt marketplace. So we like where we are in a market-to-market. We don't anticipate that the pricing compression is, and pressures, I think, in the marketplace are going to subside anytime soon, but we like that we're well positioned in those with a very diversified business and a diversified revenue mix as well.

Ryan Krueger: Thanks.

Mike Katz: In the back.

Dave Sochol: Thank you. Hi, Dave Sochol, Levin Capital. First, I didn't want today to go by without noting two things; one, that you served oranges during the break time. It finally dawned on me why. And secondly, it is certainly great to see a company, not just paying lip service to important values and to be able to do well while doing good and hopefully that will have a positive effect on other companies in the Fortune 500.

It just wasn't a full day without hearing about cyber. So I would like to hear a little bit about cyber risk and then maybe to follow to Ron's earlier question on stress testing and maybe enterprise risk management, especially as energy just continues to decline, how you're managing both on the Investment Management side and within your own portfolio, various shared risks. Thank you.

Rod Martin: Sure. Let me have Maggie start with the cyber and then Mike and I can toggle on enterprise risk.

Maggie Parent: Okay, so cyber is a big topic. Obviously it's top-of-mind of every public company and probably most of the private ones as well as their boards. We are performing at really best-in-class levels and I say that because we have been externally certified a number of times. Our general philosophy is considered best practice which is defense in depth which means sometimes I harken for the old days where you just had to have a firewall and antivirus software and you were good, right? We now have about 12 layers to that security infrastructure and we are practicing actively all 12 layers. As we talk about our efficiency and cost saving, I can assure you that cost cutting on cyber is not on the table. That's an area we continue to prioritize. We actually continue to engineer the way we even think about setting up. Our infrastructure is geared around security, security comes first, control comes first, we are guardians of other people's money, and we take that very seriously.

We are also plugged into the intelligence community as any reputable financial services firm would be; with Homeland Security and what is called the FS-ISAC which is the community for financial services to share real time intrusion threats and we're switched on. We also have external parties who we engage for forensics and occasionally they conduct a white hat attack on us just to ensure that we're ready and that we're hard to break into and I can share with you happily that we have passed such attempts. So we have a very, very evolved program. We just recently hired a new chief information security officer as well. Talent is a big part of this. He personally holds more than 12 patents in hardcore security engineering topics so it is something we take very seriously and I think we're effective at focusing on.

Rod Martin: Mike, on the risk piece?

Mike Smith: Yeah. Let's start with the fact that given our heritage and having the CBVA and having an Annuities business and all of the other associated risks that came from that, as well as the residual effects of the crisis. We've got an awful lot of muscle built in enterprise risk management. We do consistent stress testing across the entire organization. We share the results of those stress tests quarterly with our board and very concise and clearly understandable risk dashboards. That's probably worth pointing out that at one point I was the Chief Risk Officer of this organization at IPO, and so I, along with our current CRO, Chet Ragavan, are both on the executive committee. We have absolute access to the management team to make sure that we're paying close attention to that.

The stress testing includes checking our exposure to credit risks through an entire cycle. What are the losses that come from that, what are the short-term losses that come from that? And we're pretty comfortable that those operate within a reasonable set of risk limits that are predefined and discussed with our board.

Rod Martin: We've also been recognized with our regulators in terms of the tests that all companies have to do as being one of the better in class in this activity. I would leave you with the thought that particularly as we've simplified our business we've exited the CBVA and the annuity business. We've now ceased writing new life insurance. We have less risk today, prospectively, than at any point in our history and I think we've got the DNA that was warranted and needed to carry forward in a far more simplified environment.

Andrew Kligerman: Two questions. First, Rob, you had a slide in the Employee Benefits section about targeting 500 plus employees. I understand why that works for Stop Loss but Group and Voluntary, why does that work? And then just a quick follow up with Mike and Rod. You previously put out guidance of $1.30 to $1.40 by 2Q next year. You already hit the top of that last quarter. So given what we've learned today, is that too light of an estimate?

Rod Martin: We added $100 million. We'll come back to that. Go ahead Rob.

Rob Grubka: I'll take the easy one. So, again, the 500 plus and the focus there, don't think of it as a tabletop; also, I just sort of encourage you to think about, it's where we point and execute and focus but it doesn't mean where it makes sense we don't go below that. But we also don't want to overdo it.

So if that's 10%-ish of our groups today, that's probably a reasonable number. But in Stop Loss, as you said, it makes sense. In Voluntary the thing I would tell you, having done it down market, it's an incredibly intensive business to execute well and get scale.

And so for us I think we started out being a little bit more open in where we've been going is to get more and more focus. And I think it's continued to show itself in our results so that when you do the work, when you execute and plan around the enrollment properly, the way you manage risk in the Voluntary business is manage the enrollment. It isn't like wow, these are so complex, how do you ever figure them out, you've got to diversify the risk. So if you're talking about getting 15% or 20% of a population in chunks like that, I want that to count when we go do it and we spend that effort. So that's probably an easy one to sort of poke at, the why being a market there still makes a ton of sense.

Mike Smith: And then on the guidance. I think our primary objective is to grow normalized EPS 10% a year, right. And so the normalized third-quarter result was $1.34 as you said, it was in the range. We're still thinking the second quarter, mid-2019, is also going to be in that $1.30 to $1.40 range if we can exceed it; absolutely we will. But I think if you do the math, just at that level alone, maintaining that throughout the year compared to where 2018 is going to be, then you're going to come to something like the 10% growth year-over-year, normalized.

Andrew Kligerman: And then you had 10%-plus so it could be exceeded?

Mike Smith: Yes. We would be thrilled to deliver more than 10%, yes.

Rod Martin: We're not putting a limit on it.

Andrew Kligerman: Okay.

Richard Wegener: Hi, Richard Wegener from Citadel. Question for Rob. You talked about rolling out an HSA product. I'd be curious to hear your thoughts on the growth prospects of that business as well as how Voya's product offering will be differentiated?

Rob Grubka: Yeah so look, we're excited about it, as I said, the opportunity across my partners here to work together and bring something to the market. And look, I'll be the first to say, boy is the market clambering for another provider of an HSA product? Probably not, but how do we bring what we do and the approach of leverage in a Retirement business the complexity of decision makings now about, wait a minute, do I maximize this first or that first or how do I balance between the two? That conversation needs to, again, happen in a more thoughtful, holistic sort of way.

In my business, the Employee Benefit piece of things, we've been seeing the growth come in Voluntary. You've seen that happen for others in the HSA market. Why aren't we there and able to sort of satisfy that same need twice? So we see the strategic piece is pretty easy to see why you would do it. For us, the thing that I get excited about driving and learning from, and then differentiation from, is wait a minute, what is the claims activity going on, on one side of the products versus the other side and how do we make that easier? How do we take the paperwork and the process out of the employee; remembering to do all of these things and see, again, the person as a person? And what's going on in one versus the other? We think there's opportunity to leverage learning, improve execution from how we service them and show up and make a difference.

Richard Wegener: Thanks.

Mike Katz: Okay, why don’t we take one from the web?

Investor Relations: The first question is on regulation. How do you think potential regulations targeting retirement coverage in the U.S. will impact your business?

Rod Martin: Charlie?

Charlie Nelson: In short, I think it's going to impact us well and we're well positioned for it. Whether you look at the president’s executive order, some of the things that the Department of Labor is doing from a regulatory perspective or you look at congress and how they're approaching it whether it's through RESA or other bills that are out there. Representative Neal, who is, I guess, potentially a candidate for the new House Ways and Means Chairmanship and then he has a bill to expand coverage of workplace retirement plans that he's been promoting. And then you combine that with Portman, Cardin 3.0, which is another bipartisan approach, there's a lot of bipartisanship in congress right now to address the coverage issue. And why I mention those two bills in particular is that the American Retirement Association recently came out with an analysis of these two bills that address coverage and encourage savings; both of those, the Portman, Cardin and the Neal Bill.

And it would add another $5 trillion to the U.S. retirement market over the next seven years on a present value basis; $5 trillion. You put that on top of the $8 trillion that Rod indicated and the 32 million individuals that I talked about in my presentation, we think it's really a great time and Voya is really well positioned for this. Why I get really excited about it in particular, is because where the coverage issue is most prominently displayed is in the smaller end of the marketplace. Where do we have a particularly strong position? The smaller end of the marketplace with our distribution and with our offering. So we think we're really, really well positioned to capitalize on this as it hopefully matures and comes to life over the next, hopefully, year or so.

Rod Martin: Can you comment just on startup plans for this year?

Charlie Nelson: One of the interesting things we've watched within the industry – and the data is always a little bit late – but through the first half of this year, new plans, new formation of 401(k) plans are up 26% over the previous year and that's a LIMRA study of about the top 50%, if you will, or 50% of the top 20 DC providers. So it's reasonable coverage, kind of look at it across a number of companies. So think about that, 26% growth on new plan formation; we love that as well. That's new individuals, new plans in the marketplace, people that are saving, they're going to create further recurring deposits and growth and I think it speaks to a healthy market and a healthy industry as well.

Mike Katz: How about another from the web?

Investor Relations: Next one is for Rod. Rod, do you see yourself leading Voya through this entire next phase of growth, Phase 3?

Rod Martin: I made a commitment to the board to be here through 2019, 2020. We've got a discussion about 2021. And if you look at what we've done, I think there's a reasonable likelihood that I will be here for that period of time but co-equally, I hope you've seen the talent that we've got in the organization and that's what I'm bullish about in terms of proud of what we've built and at the end of that period be able to hand the baton to the next generation of the organization. And I call tell you, the board is squarely focused on that activity.

So I'm absolutely committed to being here for that period of time. I'm excited about what we're doing. I've talked about taking it to the next level of good and this has been an opportunity of a lifetime for me and I will convey that in some small way to all of you.

Mike Katz: Seems like a good place to leave it. So just a couple of quick housekeeping and then I'll turn it over to Rod for some closing remarks. Cocktail reception is right outside and we have a full hour with you so please stay and enjoy a beverage with us. And with that said, I'll turn it over to Rod just to close us out.

Rod Martin Voya Financial, Inc. – Chairman & CEO

There it is, the infamous clicker. I think I just pretty much summarized it. But I hope you've seen we're a simpler company, we're a whole lot more focused and I think there's other level that we could go to, and I'm excited about that. We talked about our brand and our culture and I know these sound like really soft things and they're really not. This is something we're living and talking about every day and it really is a point of differentiation. We strongly believe this will influence the continued focus that we have and why we're confident about the targets that we've set. It will not be linear; it has not been and it won't be.

Unless you can tell us precisely what's going to happen with the markets and interest rates, it won't be. But what we've learned and what we've experienced and what we've put in place foundationally with our continuous improvement program, is the ability to adapt and adjust and people are proud of that. The team is really proud of that.

Throughout the afternoon we've talked about the brand and how we continue to advance the brand as a point of differentiation. Just to remind you that we couldn't even introduce the brand when we went public until ING Groups sold down half of their interest; and honestly, that was understandable from their perspective. So it's been less than four years. We just got numbers from October. Associated with retirement, at this moment, we're the number one brand associated with retirement, in four years. You've heard Charlie and Christine and Rob talk about the connectivity of that in their markets. I want to close with a recent Twitter, not my Twitter, that I think demonstrates that we're reaching far beyond the traditional retirement demographic. Let's take a look.

(Video Presentation)

Rod Martin: Let's go have a drink.
