Voya Financial

Third Quarter 2016 Investor Presentation

November 2, 2016

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Forward-Looking and Other Cautionary Statements

This presentation and the remarks made orally contain forward-looking statements. Forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “projected”, “target,” and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. In particular, our 2018 Adjusted ROE and Adjusted ROC targets, and all other statements about our financial targets and expectations, are forward-looking statements. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) general economic conditions, particularly economic conditions in our core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels, (v) persistency and lapse levels, (vi) interest rates, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, including those relating to the use and accreditation of captive reinsurance entities and those made pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or the U.S. Department of Labor’s final rules and exemptions pertaining to the fiduciary status of providers of investment advice and (x) changes in the policies of governments and/or regulatory authorities. Factors that may cause actual results to differ from those in any forward-looking statement also include those described in “Risk Factors,” “Management’s Discussion and Analysis of Results of Operations and Financial Condition—Trends and Uncertainties” and “Business—Closed Blocks—Closed Block Variable Annuity” in our Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the Securities and Exchange Commission (“SEC”) on February 25, 2016, and our Quarterly Report on Form 10-Q for the three months ended September 30, 2016, to be filed with the SEC on or before November 9, 2016.

This presentation and the remarks made orally contain certain non-GAAP financial measures. Non-GAAP measures include Operating Earnings, Adjusted Operating Earnings, Ongoing Business Adjusted Operating Earnings, Ongoing Business Adjusted Operating Return on Equity, Adjusted Operating Return on Capital, Ongoing Business Adjusted Return on Capital, Operating Margin, and debt-to-capital ratio. Information regarding these and other non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in our quarterly earnings press releases and in our quarterly investor supplements, all of which are available at the Investor Relations section of Voya Financial’s website at investors.voya.com.

Agenda

1. **Key Themes and Highlights**
   - Rod Martin, Chairman and Chief Executive Officer

2. **Executing Our Return on Equity (ROE) / Return on Capital (ROC) Improvement Plan**
   - Alain Karaoglan, Chief Operating Officer

3. **Business Operating and Balance Sheet Metrics**
   - Ewout Steenbergen, Chief Financial Officer

Key Themes

Management Continuing to Take Proactive ROE Measures	❑ Ongoing Business ROE continued to improve ❑ New projected annual run rate cost savings of at least $100 million in 2018 and growing in subsequent years[1] ❑ Simplifying organization to create a more agile and efficient company that can deliver a more enhanced customer experience ❑ Expect to achieve 13.5-14.5% 2018 ROE target
Capital Position is Strong	❑ Excess capital of $978 million ❑ Plan to execute $200 million discounted share repurchase agreement in 4Q'16 ❑ New $600 million share repurchase authorization ❑ Annual assumption review had modest impact on balance sheet
CBVA Capital Protected with Additional De-Risking Actions Taken	❑ Lowered long-term interest rate assumption to 3.75% for regulatory and rating agency purposes ❑ Available CBVA resources above regulatory and rating agency requirements ❑ Fourth Enhanced Annuitization Offer launched

1. Cost savings exclude costs related to 2018 development expenses per the Strategic Investment Program and restructuring charges

Third Quarter 2016 Financial Highlights

	Third Quarter 2016
After-tax Operating Earnings[1]	$74 million or $0.37 per diluted share • Includes: • $(0.47) of deferred acquisition costs and value of business acquired ("DAC/VOBA") unlocking • $(0.49) related to the assumption update • $0.02 due to favorable unlocking unrelated to the assumption update • +$0.05 of prepayment fees above long-term expectations and alternative investment income below long-term expectations[2]
Net Income Available to Common Shareholders[1]	• $(248) million primarily due to the company's annual review of actuarial assumptions and models • $(322) million GAAP pre-tax loss related to the company's annual review of actuarial assumptions and models
Ongoing Business Adjusted Operating Earnings (pre-tax)[3]	$330 million
Ongoing Business TTM Adjusted Operating Return on Equity[4]	12.1% versus 11.5% for 2Q'16 TTM • 3Q'16 TTM Includes: • Approximately (58) bps of prepayment fees above long-term expectations and alternative asset income below long-term expectations[2]

1. Voya Financial assumes a 32% tax rate for operating earnings. After-tax Operating Earnings is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement
2. Presented on an after-tax, post-DAC basis
3. Ongoing Business Adjusted Operating Earnings (pre-tax) is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement
4. Ongoing Business TTM Adjusted Operating Return on Equity is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

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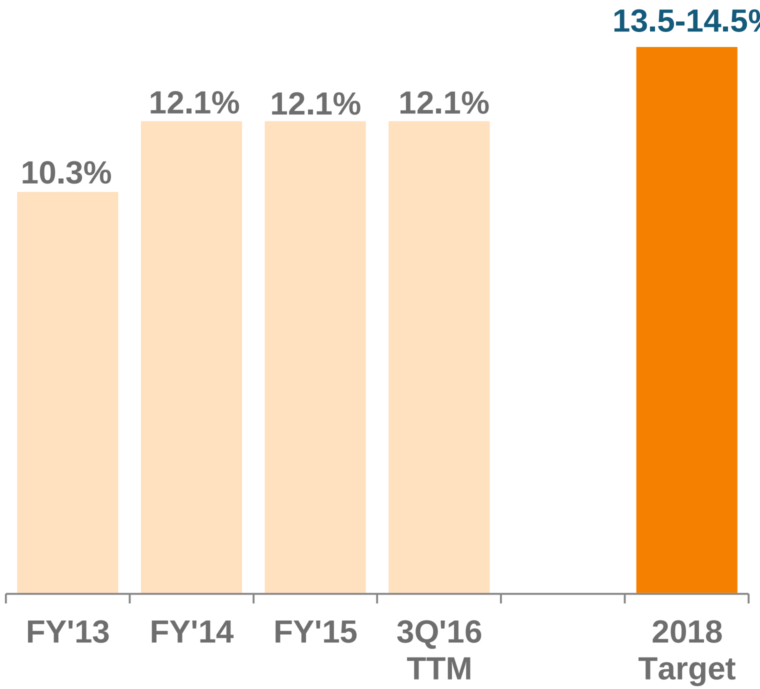
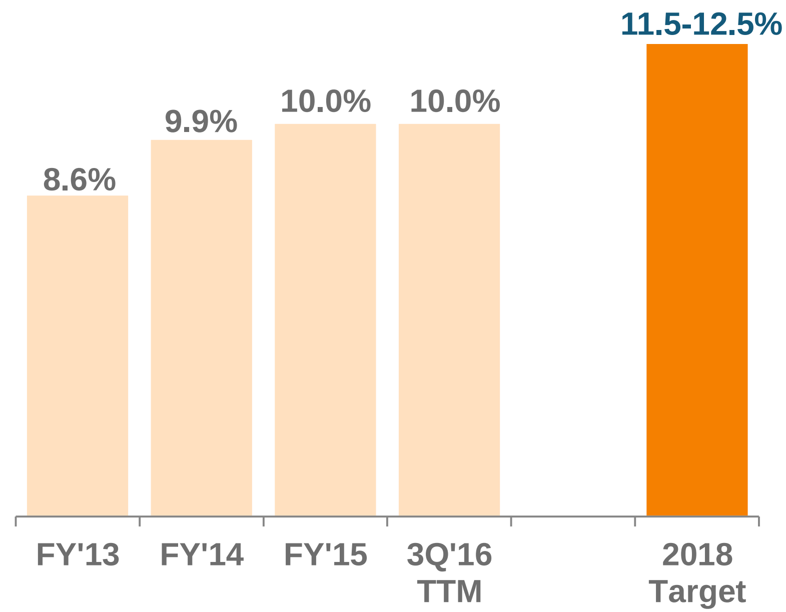
Ongoing Business Adjusted Operating Return on Equity and Return on Capital Tracking to Target

Ongoing Business[1] Adjusted Operating ROE[2]



Ongoing Business[1] Adjusted Operating ROC[3]



Effect of prepayments and alternative income above/(below) long-term expectation on ROE and ROC

53 bps	45 bps	(7) bps	(58) bps

40 bps	34 bps	(5) bps	(44) bps

1. Ongoing Business includes Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments
2. Ongoing Business adjusted operating earnings is calculated using the operating earnings (loss) before income taxes for the Ongoing Business, excluding DAC/VOBA unlocking, the gain associated with a Lehman Brothers bankruptcy settlement in 2013 and 2016, the loss recognized as a result of marking low income housing tax credit partnerships to the sales price associated with their disposition in 2013, and the gain on a reinsurance recapture in 2014. Ongoing Business adjusted operating ROE is then calculated by dividing the after-tax adjusted operating earnings (loss) (using a pro forma effective tax rate of 32% effective with 1Q'15 and 35% for all prior periods and applying a pro forma allocation of interest expense) by the average capital allocated to the Ongoing Business reflecting an allocation of pro forma debt. Assumes debt-to-capital ratio of 25% for all periods presented, a weighted average pre-tax interest rate of 5.5% for all periods prior to the third quarter of 2013, during which the Company completed its recapitalization initiatives, and the actual weighted average pre-tax interest rate for all periods starting with the third quarter of 2013. Ongoing Business Adjusted Operating ROE is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement
3. We calculate Ongoing Business adjusted operating return on capital by dividing Ongoing Business adjusted operating earnings before interest and after income taxes by average capital allocated to the Ongoing Business. Ongoing Business Adjusted Operating ROC is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

Simplifying the Organization to Reduce Costs and Improve Customer Experience

Additional Cost Savings	❑ Annual run rate cost savings of at least $100 million in 2018, including $30-40 million already announced as part of the Strategic Investment Program[1] ❑ Cost savings to grow beyond 2018
Key Benefits	❑ Offset some of the headwind of low interest rates ❑ Streamlined company that is more agile and efficient ❑ Enhanced customer experience
Examples of Simplification Opportunities	❑ Synergies from combining Annuities and Individual Life ❑ Further emphasis on less capital intensive products ❑ Greater migration to an information technology cloud environment ❑ Fewer registered entities

	2016	2017	2018
Projected Cost Savings[1]	$0 - $5m	$50 - $60m	At least $100m[1]

1. Cost savings exclude development expenses under the Strategic Investment Program and restructuring charges

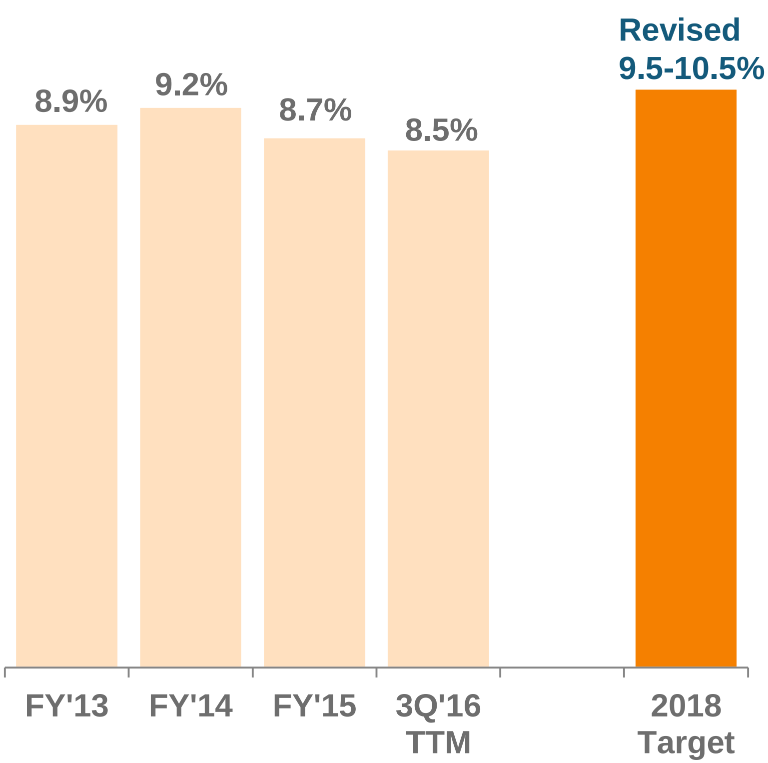
Progress on Growth Initiatives Execution Partially Affected by Funding Timing and Market Conditions

	2016 Growth Metrics[1]	1Q'16 Scorecard	2Q'16 Scorecard	3Q'16 Scorecard	Commentary
Retirement	Small/Mid Corporate – grow full year deposits by 5%-10%	✓[2]	✓	✓	• 3Q'16 deposits up 11% y-o-y • YTD'16 deposits up 5% y-o-y
	Tax-Exempt – grow full year deposits by 5%-10%	✓[3]		✓	• 3Q'16 deposits up 69% y-o-y • YTD'16 deposits up 2% y-o-y
Investment Management	Institutional – grow sales by 10%-15%	✓			• 3Q'16 sales down 22% y-o-y • YTD'16 sales down 5% y-o-y
	Retail Intermediary – grow sales by 5%-10%			✓	• 3Q'16 sales up 16% y-o-y • YTD'16 sales down 7% y-o-y
	Affiliate Sourced – grow sales by 10%-15%	✓		✓	• 3Q'16 sales up 23% y-o-y • YTD'16 sales up 5% y-o-y
Annuities	Fixed Indexed Annuities – grow sales by 10%-15%	✓	✓		• 3Q'16 sales down 24% y-o-y • YTD'16 sales up 19% y-o-y
	Investment Only – grow sales by 10%-15%				• 3Q'16 sales down 16% y-o-y • YTD'16 sales down 17% y-o-y
Employee Benefits	In-force premiums – grow by 8%-10%	✓			• YTD'16 in-force premiums up 6% y-o-y

1. As disclosed on February 10, 2016 4Q'15 earnings call
2. 1Q'16 expected deposits range of $1.9-$2.1 billion
3. 1Q'16 expected deposits range of $1.0-$1.2 billion

Retirement – Leading Franchise Driving Long-Term Growth and Returns

Adjusted Operating ROC[1]



Effect of prepayments and alternative income above/(below) long-term expectation on ROC

27 bps	**27 bps**	**5 bps**	**(6) bps**

Growth Initiatives

- Expand advisor distribution and market reach to generate higher sales
- Increase sales force productivity to win more mandates
- Retain profitable clients

Margin Initiatives

- Simplify and consolidate IT platforms
- Streamline operations through process digitization
- Continue managing in-force block

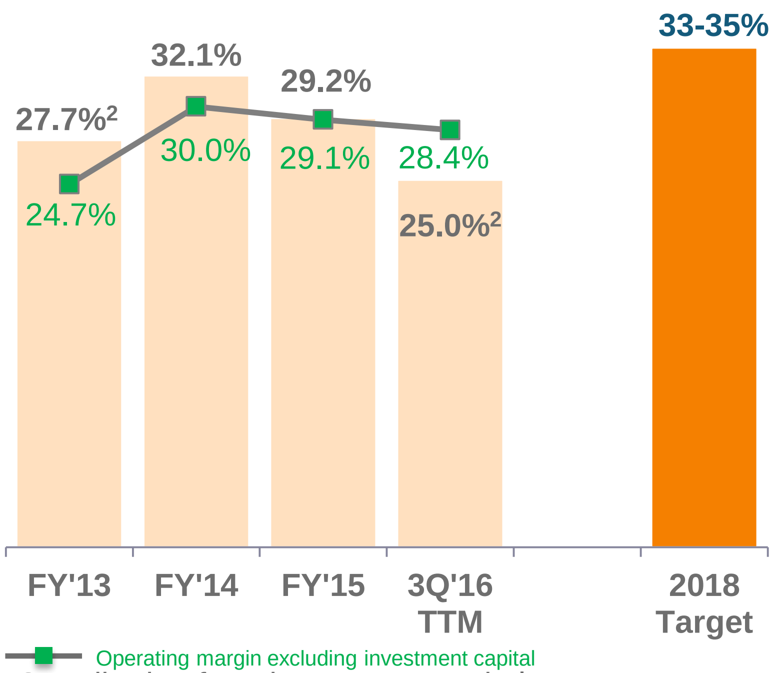
Examples of Execution

- Identified opportunities to lower maintenance and certain allocated fixed costs by simplifying organization
- Institutional recordkeeping wins totaling approximately $8 billion in AUA and 70,000+ participants
- 35% of new Small-Mid Corporate Markets clients investing in Voya Target Date funds, year-to-date, compared to prior period of 8%

Note:
1. Adjusted Operating ROC is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

Investment Management – Continued Strong Performance Across Broad Capabilities

Operating Margin[1]



Contribution from investment capital

3.0%[2]	2.1%	0.1%	(3.4)%[2]

Growth Initiatives

- New distribution and markets
- New products and solutions
- Productivity enhancements

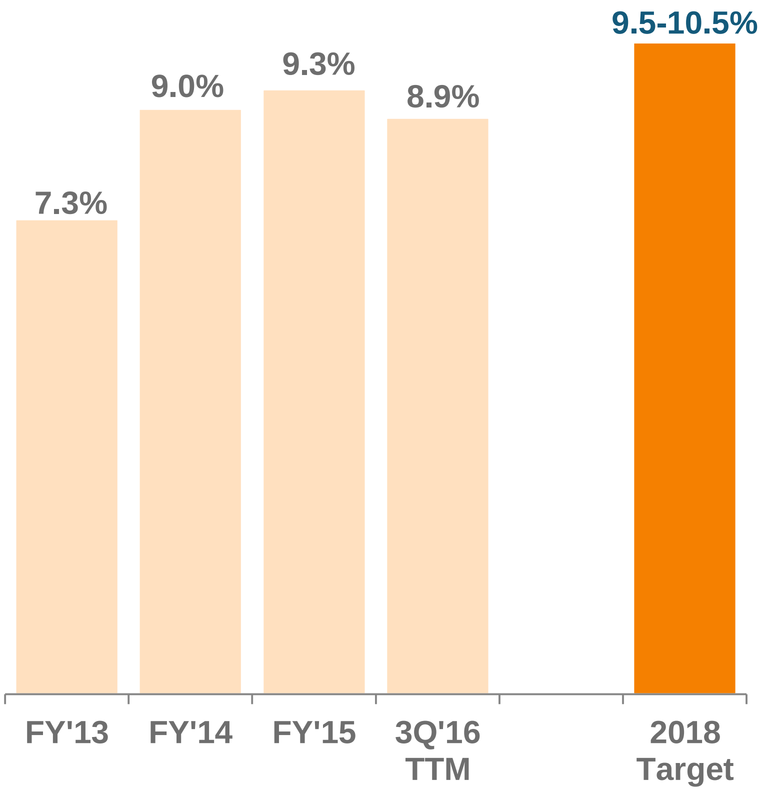
Examples of Execution

- Identified opportunities to lower maintenance and certain allocated fixed costs by simplifying organization
- Continued long-term strong investment performance[3]
- IM-sourced sales of $3.5 billion led by
  - Broad fixed-income capabilities across institutional and retail intermediary
  - New CLO issuance
- Launched a series of new investment diagnostics positioning Voya as a “Reliable Investing” partner to help retirement-focused advisors expand and differentiate guidance

Notes:
1. Operating Margin is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the “Reconciliations” section of the Quarterly Investor Supplement
2. Excludes gain from Lehman Recovery
3. Metrics presented measure each investment product based on (i) rank above the median of its peer category within Morningstar (mutual funds) or eVestment (institutional composites) for unconstrained and fully-active investment products; or (ii) outperformance against its benchmark index for “index-like”, rules-based, risk-constrained, or client-specific investment products. Asset breakdown of 3-year, 5-year, and 10-year outperformance, respectively, is as follows: 95%, 93%, and 69% for fixed income; 57%, 68%, and 64% for equities; 95%, 100%, and 39% for MASS

Annuities – Expanding Product Range and Distribution Reach

Adjusted Operating ROC[1]



Effect of prepayments and alternative income above/(below) long-term expectation on ROC

47 bps	47 bps	8 bps	4 bps

Growth Initiatives

- ❑ Expand product line
- ❑ Grow less capital-intensive investment only products
- ❑ Expand FIA distribution to growing institutional markets

Margin Initiatives

- ❑ Continue managing crediting rates / investment spread
- ❑ Continue running off Annual Reset / Multi-Year Guarantee Annuity block

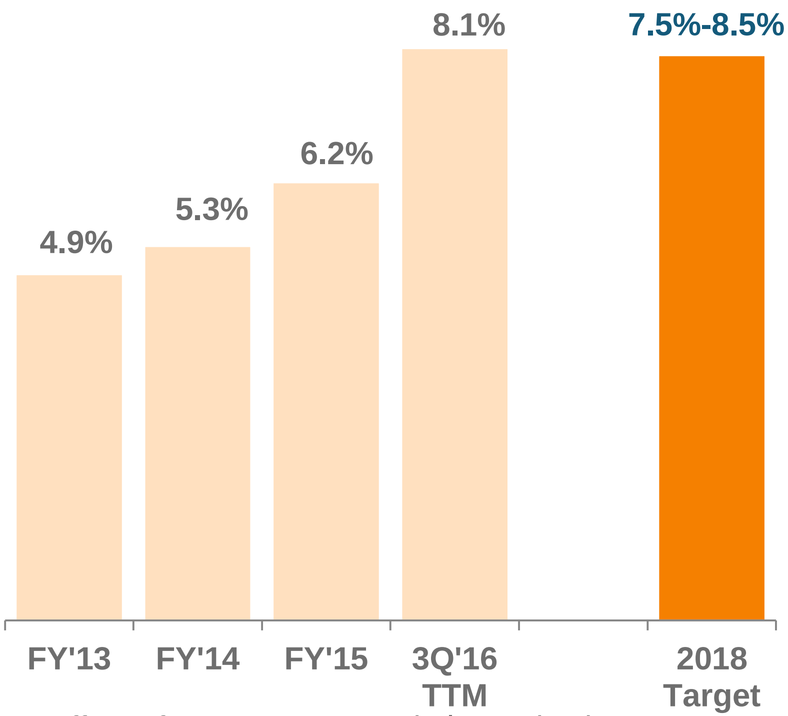
Examples of Execution

- ❑ Identified cost savings and distribution enhancement opportunities by combining Annuities and Individual Life
- ❑ Added investment-only annuities to our external FIA wholesaling partners, thereby expanding the sales reach of our most capital efficient solutions

Note:
1. Adjusted Operating ROC is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

Individual Life – Repositioning Through In-Force Actions and Aligned Distribution Model

Adjusted Operating ROC[1]



Effect of prepayments and alternative income above/(below) long-term expectation on ROC

30 bps	**26 bps**	**14 bps**	**(18) bps**

Margin Initiatives

- Restore profit margins within the in-force block
- Reduce redundant reserve financing cost

Capital Initiatives

- Reduce capital usage

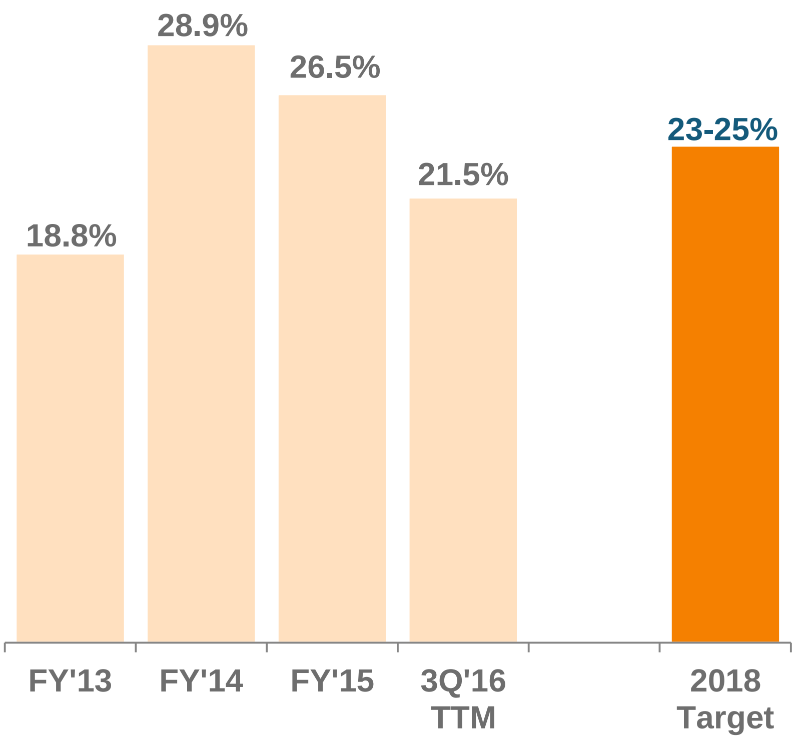
Examples of Execution

- Identified cost savings and distribution enhancement opportunities by combining Individual Life and Annuities
- 3Q'16 YTD indexed sales increased to $60 million from $48 million, a 25% year-over-year increase
- Executed new traditional reinsurance transaction that will reduce mortality risk and earnings volatility

Note:
1. Adjusted Operating ROC is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

Employee Benefits – High Return and Capital Generation Business

Adjusted Operating ROC[1]



Effect of prepayments and alternative income above/(below) long-term expectation on ROC

60 bps	15 bps	(14) bps	(17) bps

Growth Initiatives

- Expand into mid-market
- Grow private exchange participation and voluntary sales
- In-force premium growth

Examples of Execution

- Identified opportunities to lower maintenance and certain allocated fixed costs by simplifying organization
- 3Q'16 YTD mid-market in-force premiums increased 7% over 3Q'15 YTD
- 3Q'16 YTD voluntary sales increased 55% over 3Q'15 YTD

Note:
1. Adjusted Operating ROC is a non-GAAP measure. Information regarding this non-GAAP financial measure, and a reconciliation to most comparable U.S. GAAP measure, is provided in the "Reconciliations" section of the Quarterly Investor Supplement

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3Q’16 Business Segment Drivers

3Q’16 Commentary	
Retirement	▪ Fee-based margin benefitted from higher market levels ▪ Continued shift of participant assets from variable to fixed accounts ▪ Administrative expenses declined due in part to lower IT spend ▪ Prepayments and alternative income: $6 million above long-term expectations (pre-tax, post-DAC)
Investment Management	▪ Alternative income: in-line with long-term expectations
Annuities	▪ Prepayments and alternative income: $5 million above long-term expectations (pre-tax, post-DAC)
Individual Life	▪ Slightly unfavorable mortality due to elevated severity ▪ Prepayments and alternative income: $2 million above long-term expectations (pre-tax, post-DAC)
Employee Benefits	▪ Loss ratios for Group Life and Stop Loss were in-line with 77-80% annual target ▪ Underwriting income results benefited from $17 million (post-DAC) positive reserve adjustment ▪ Prepayments and alternative income: $1 million above long-term expectations (pre-tax, post-DAC)
Corporate	▪ $29 million of the planned $350 million strategic investment spend
Additional Items	
Retirement	▪ Full year 2016 administrative expenses expected to be lower than full year 2015
Corporate	▪ $25-35 million of the planned $350 million strategic investment spend expected to be incurred in 4Q’16
Closed Block Other	▪ Expect approximately $20-30 million operating loss in 4Q’16

Annual Assumptions Review Had Modest Balance Sheet Impact

- Main drivers of assumption updates:
  - Updated prospective impact of current yield environment on portfolio earned rates
  - Lowered GAAP long-term rate assumption to 4.25% from 4.75%
  - Lowered CBVA long-term rate assumption to 3.75% from 4.75% for regulatory and rating agency purposes
  - Policyholder behavior
  - Reinsurance cost increases

Effects of Assumptions and Model Updates ($ million)			
	Ongoing Business	CBVA	
		Policyholder Behavior[3]	Other[4]
GAAP Pre-Tax Gain / (Loss)	$(145)[1]	$155	$(251)
Statutory Reserve[2] Decrease / (Increase)	$(30)	$152	$57

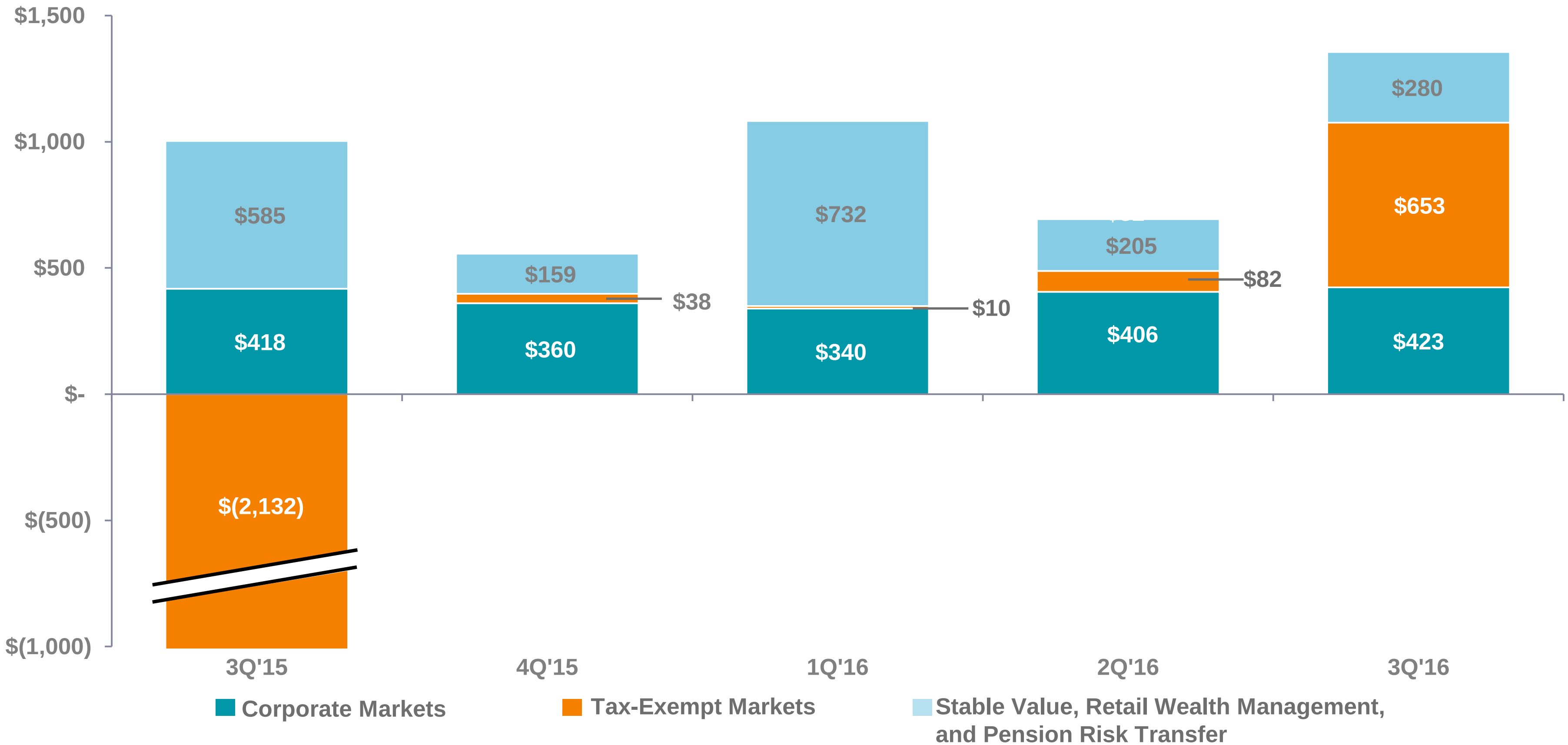
Note: Assumption changes were implemented in 3Q'16 and measured as of 7/1/2016

1. Ongoing Business represents operating results. Including non-operating results, Ongoing Business GAAP pre-tax loss was $(226) million
2. Statutory reserve result is preliminary
3. Incorporates lapse, annuitization, withdrawal benefit utilization, and partial withdrawals
4. Incorporates mortality and projection model inputs

Retirement Continued to Attract Strong Net Flows in 3Q’16

Retirement Net Flows[1]

($ million)



Total	$(1,129)	$557	$1,082	$693	$1,357

1. Excludes Recordkeeping

Investment Management Net Inflows in 3Q'16 Driven by Institutional Sales

Investment Management Third-Party Net Flows[1]

($ billion)

	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16
Sub-Advisor Replacements	$1.4	$0.0	$0.0	$0.0	$0.2
Investment Management VA Net Flows	$(0.8)	$(0.7)	$(0.7)	$(0.7)	$(0.8)[2]
Total	$(1.9)	$(1.6)	$(0.2)	$(0.2)	$(0.3)

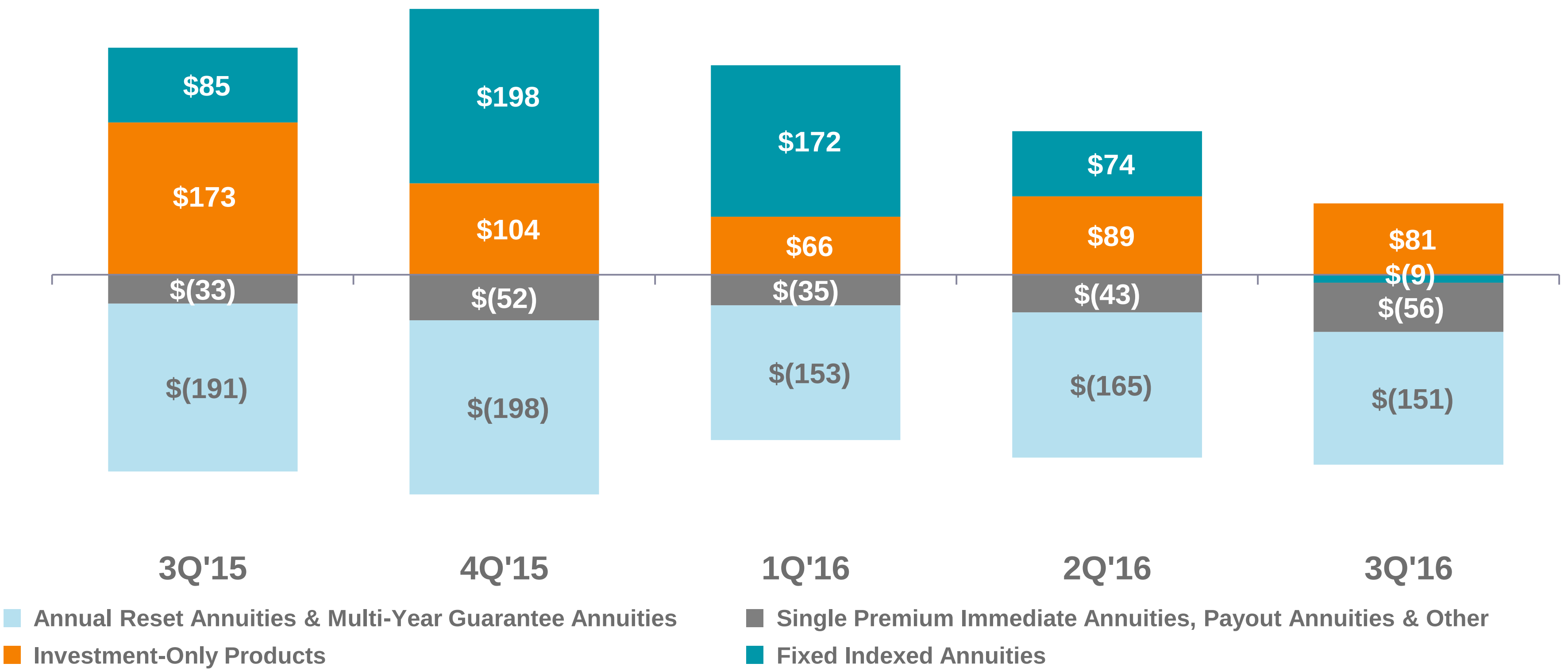
Investment Management Sourced   Affiliate Sourced

1. Excludes Voya General Account and pension risk transfer
2. Total Closed Block Variable Annuity net flows were $(1.1) billion in 3Q'16 of which $(0.8) billion were managed by Investment Management

Positive Investment-Only Flows, Offset by Negative Fixed Indexed Annuities Flows and Continued Run Off of Less Profitable Business

Annuities Net Flows[1]

($ million)

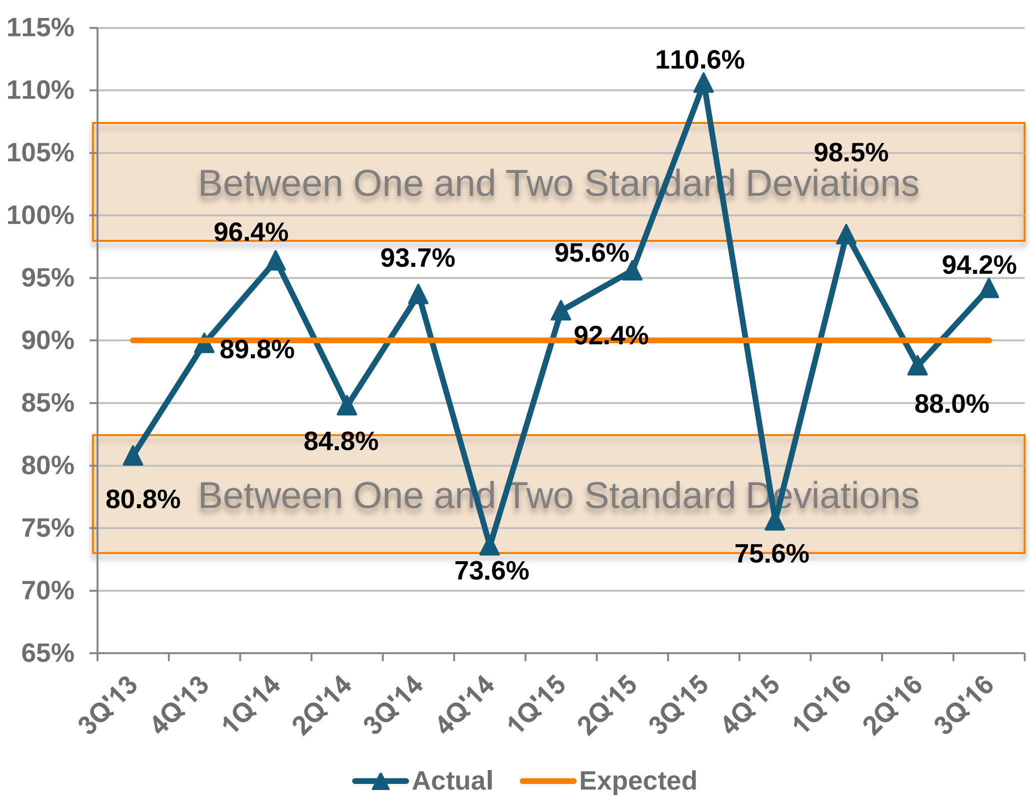


Total	$34	$53	$50	$(45)	$(135)

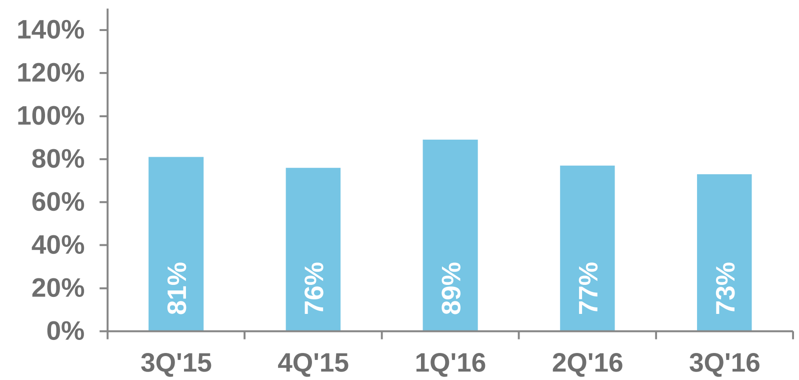
1. Annual reset (AR) / Multi-year guarantee annuities (MYGA) are in run-off

Individual Life 3Q'16 Unfavorable Mortality

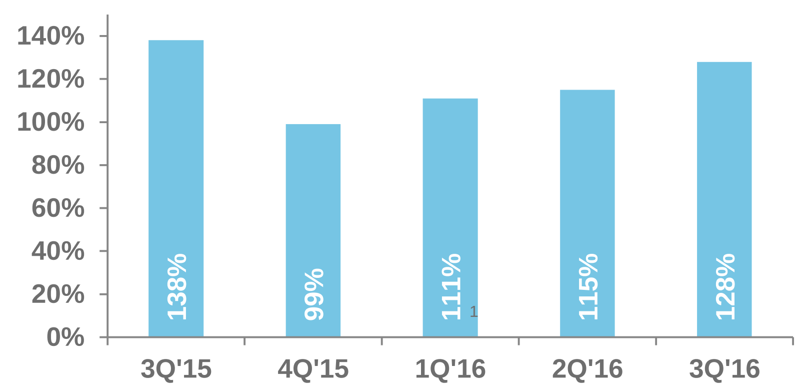
Actual-to-Expected Mortality



Actual-to-Expected Frequency



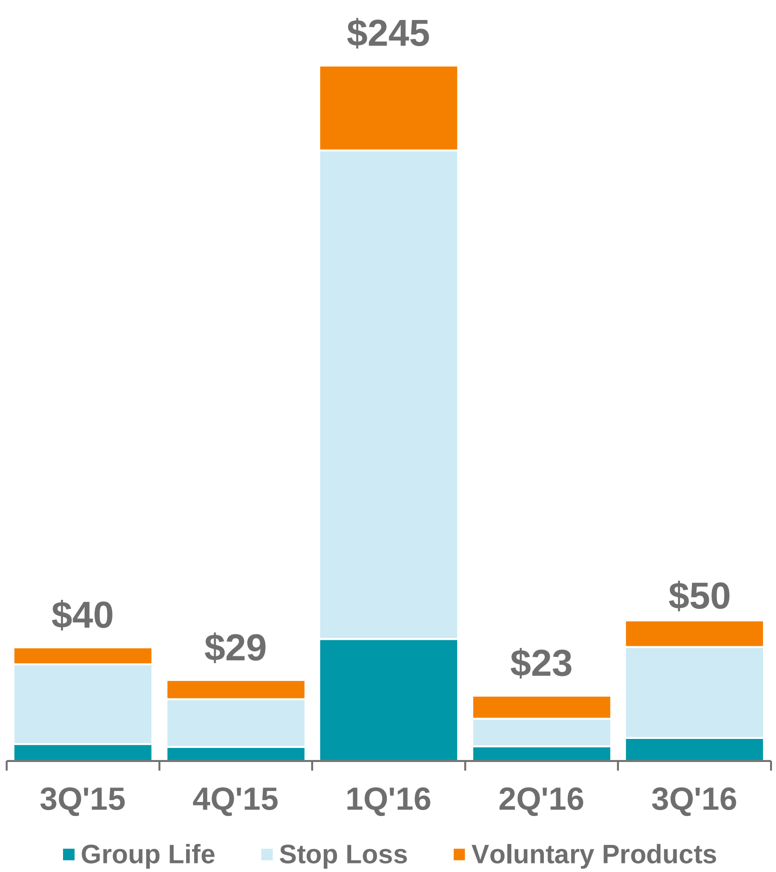
Actual-to-Expected Severity



1. Expected is based on initial pricing assumptions

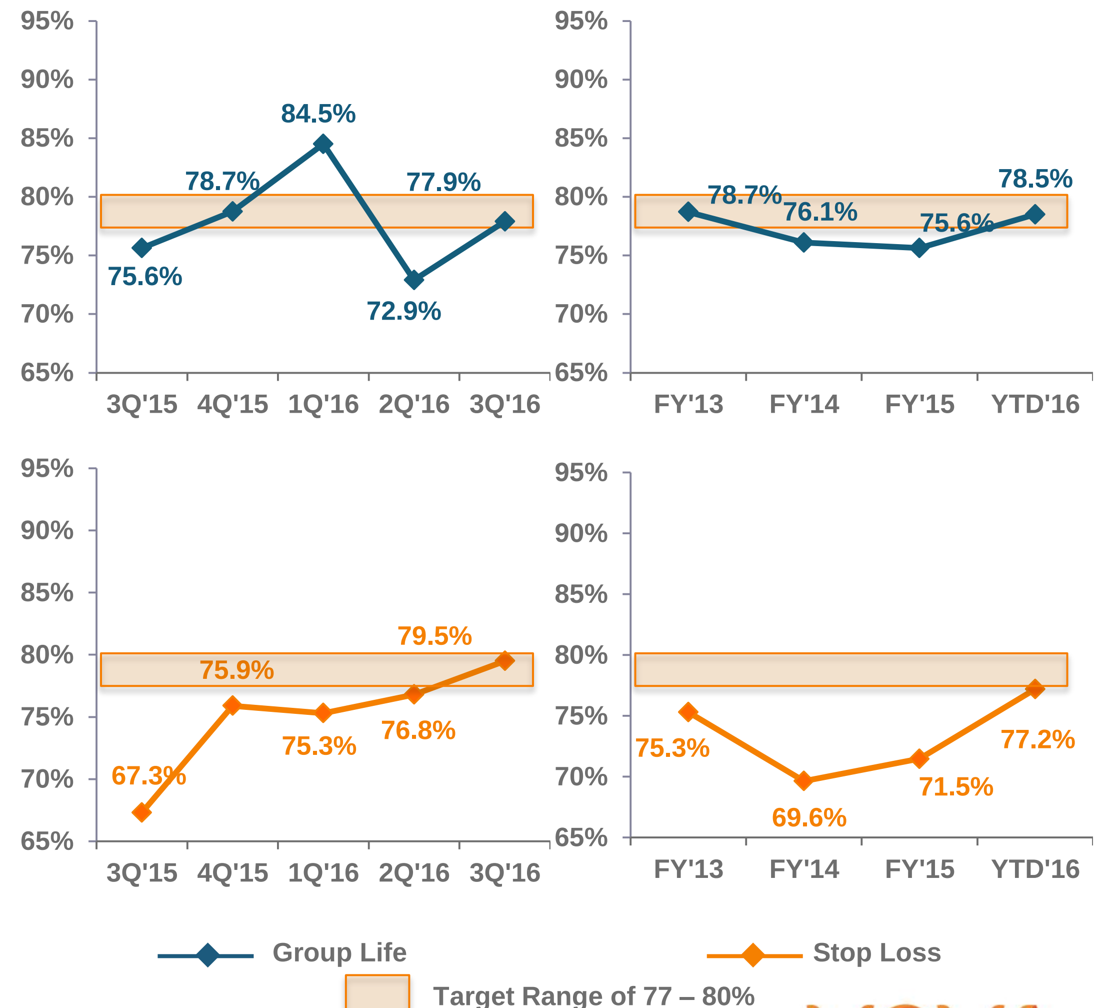
Employee Benefits Loss Ratios In-Line With Annual Targets

Sales[1] ($ million)



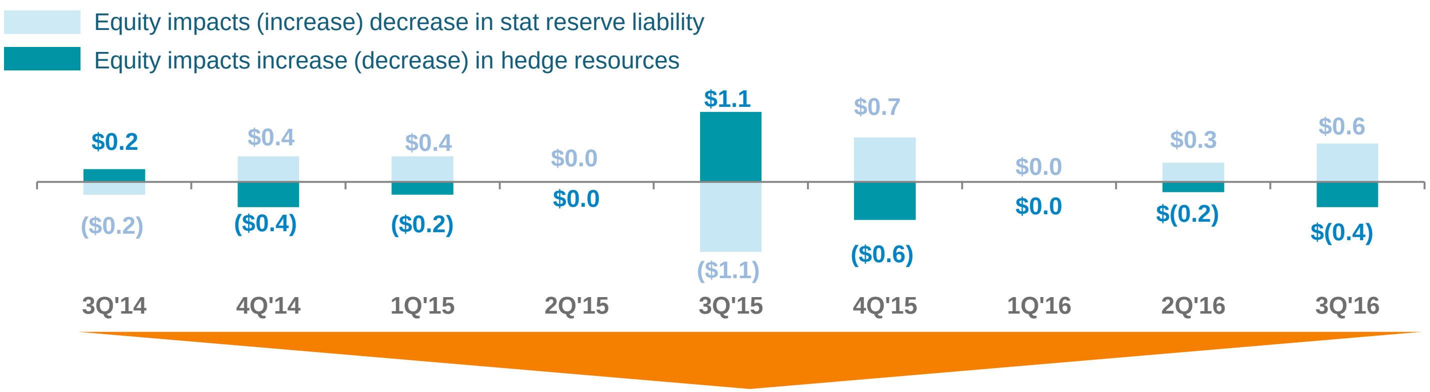
1. Refer to the 3Q'16 Quarterly Investor Supplement for sales figures by product

Loss Ratios (%)



Active Hedge Program in Closed Block Variable Annuity

Change in Statutory Reserves Relative to Hedge Resources
($ billion)



Net Impact ($ billion)

$0.0	$0.0	$0.2	$0.0	$0.0	$0.1	$0.0	$0.1	$0.2

3Q'16 Results

- Estimated available resources of $6.3 billion
- Statutory reserves of $5.3 billion
- Net flows of $(1.1) billion, annualized 12.7% of beginning of period assets (including 2.6% for GMIB enhancement offer)
- No LOCs issued or needed as of 9/30/16

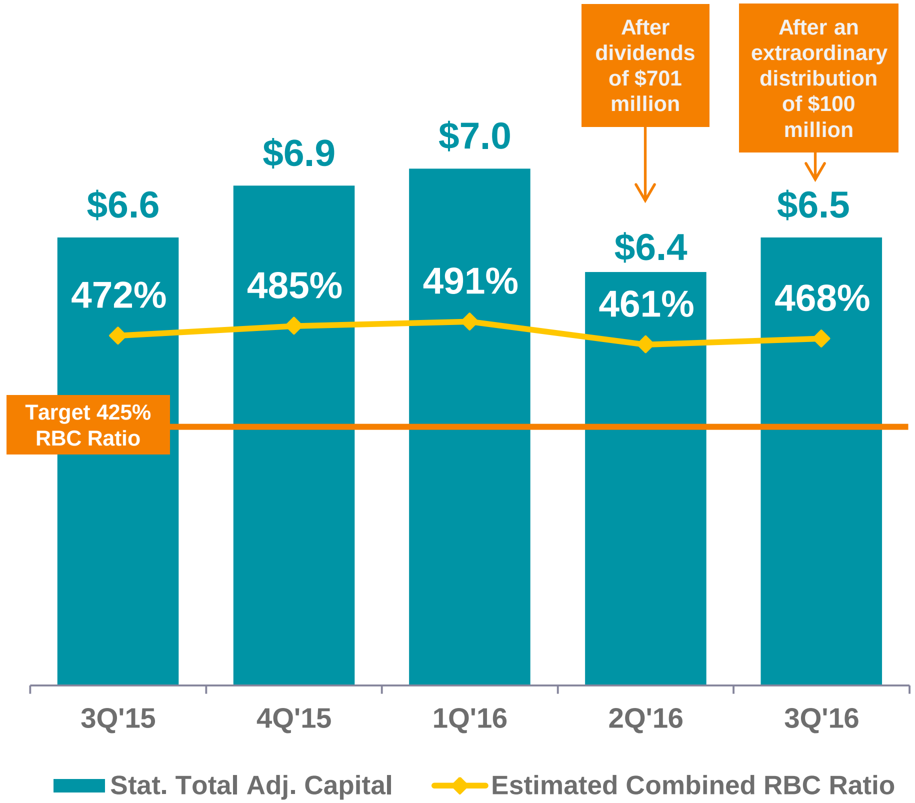
Preliminary Impact to Regulatory Capital and Earnings[1,2]
($ million)

Net Impact (increase / (decrease))	Equity Market (S&P 500)						Interest Rates	
	-25%	-15%	-5%	5%	15%	25%	-1%	1%
Regulatory Capital	0	0	0	200	700	1,150	500	0
U.S. GAAP Earnings Before Income Taxes	450	250	100	(100)	(100)	(50)	(300)	200

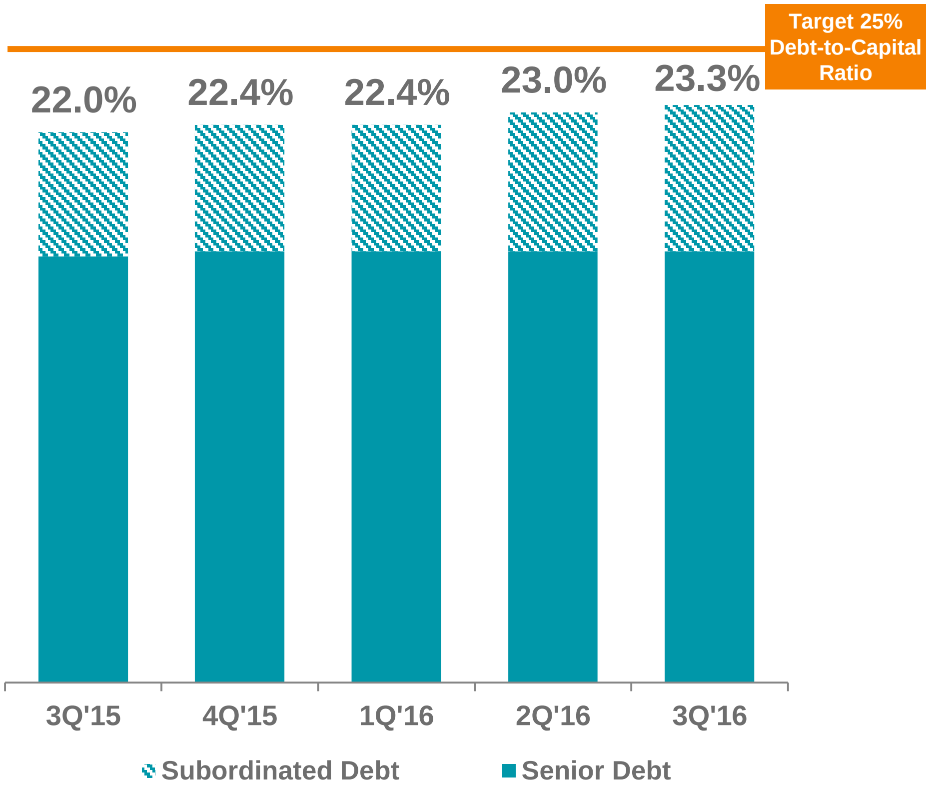
1. These sensitivities illustrate the estimated impact of the indicated shocks beginning on the first market trading day following September 30, 2016, and give effect to dynamic rebalancing over the course of the shock event. This reflects the hedging in place as of the date of this disclosure in light of our determination of risk tolerance and available collateral, which may change from time to time. The estimates of equity market shocks reflect a shock to all equity markets, domestic and global, of the same magnitude
2. Actual results will differ due to issues such as basis risk, variance in market volatility versus what is assumed, combined effects of interest rates and equities, rebalancing of hedges in the future, or the effects of time and other variations from assumptions. Additionally, estimated sensitivities vary over time as the market and closed book of business evolve or if assumptions or methodologies that affect sensitivities are refined

Estimated Combined RBC Ratio[1] and Leverage Ratio Better Than Target

Statutory Total Adjusted Capital ($ billion) and Estimated Combined RBC Ratio[1]



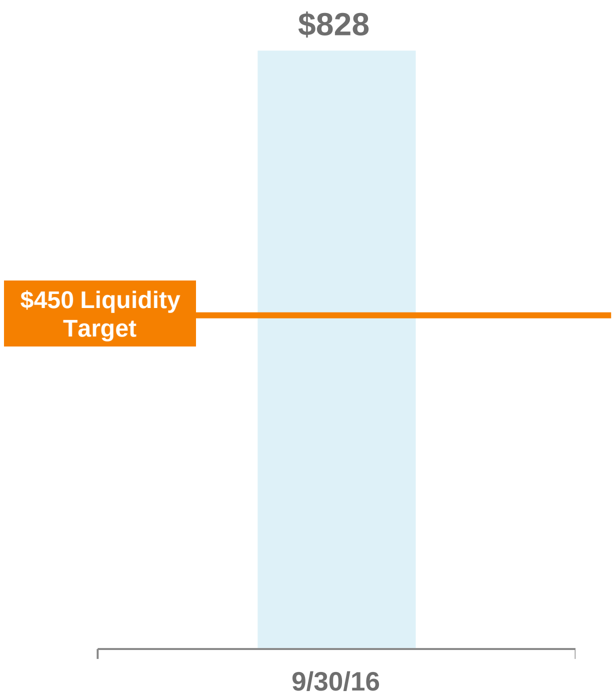
Debt to Total Capital Ratio ex. Minority Interest and AOCI[2]

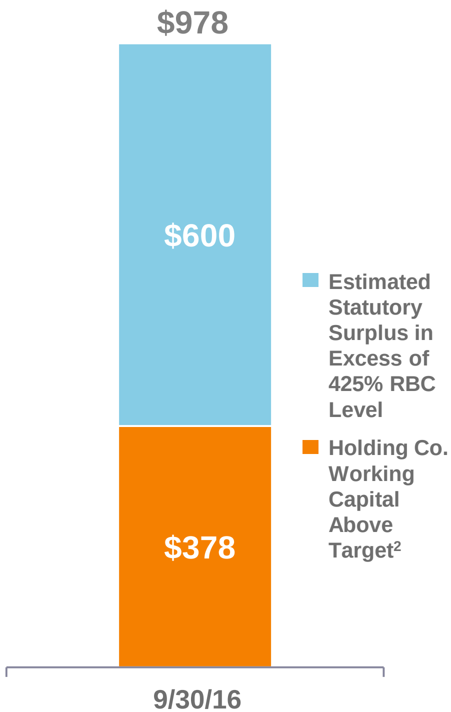


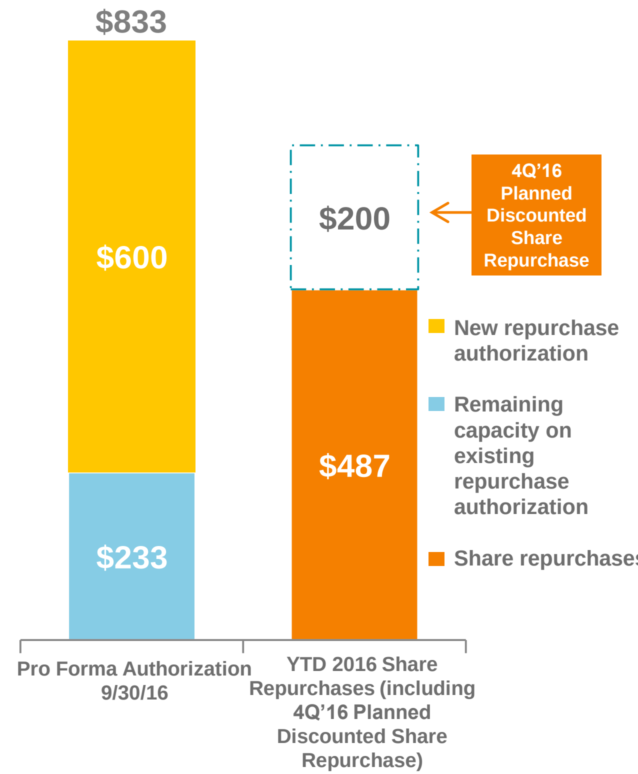
1. Estimated combined RBC ratio primarily for our four principal U.S. insurance subsidiaries
2. Ratio is based on U.S. GAAP capital (adjusted to exclude minority interest and AOCI) and ignores the 100% and 25% equity treatment afforded to subordinated debt by S&P and Moody's, respectively

Significant Excess Capital Available

Holding Company Liquidity[1] ($ million)	Excess Capital ($ million)	Share Repurchases ($ million)







1. Target of 24-month holding company liquidity represents $450 million; holding company liquidity includes cash, cash equivalents, and short-term investments; holding company is defined as Voya Financial Inc. and Voya Holdings Inc.
2. Includes $81 million of loans to subsidiaries considered short-term investments

Helping Americans Get Ready to Retire Better

1 Management Continuing to Take Proactive ROE Measures

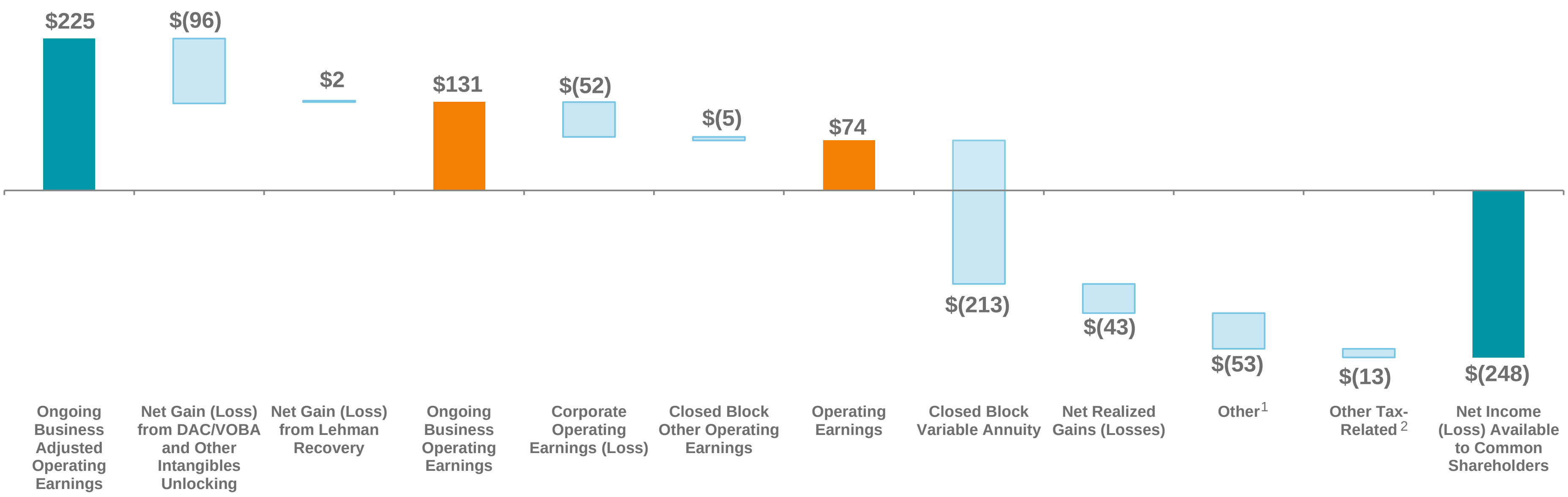
2 Capital Position is Strong

3 CBVA Capital Protected with Additional De-Risking Actions Taken

Appendix

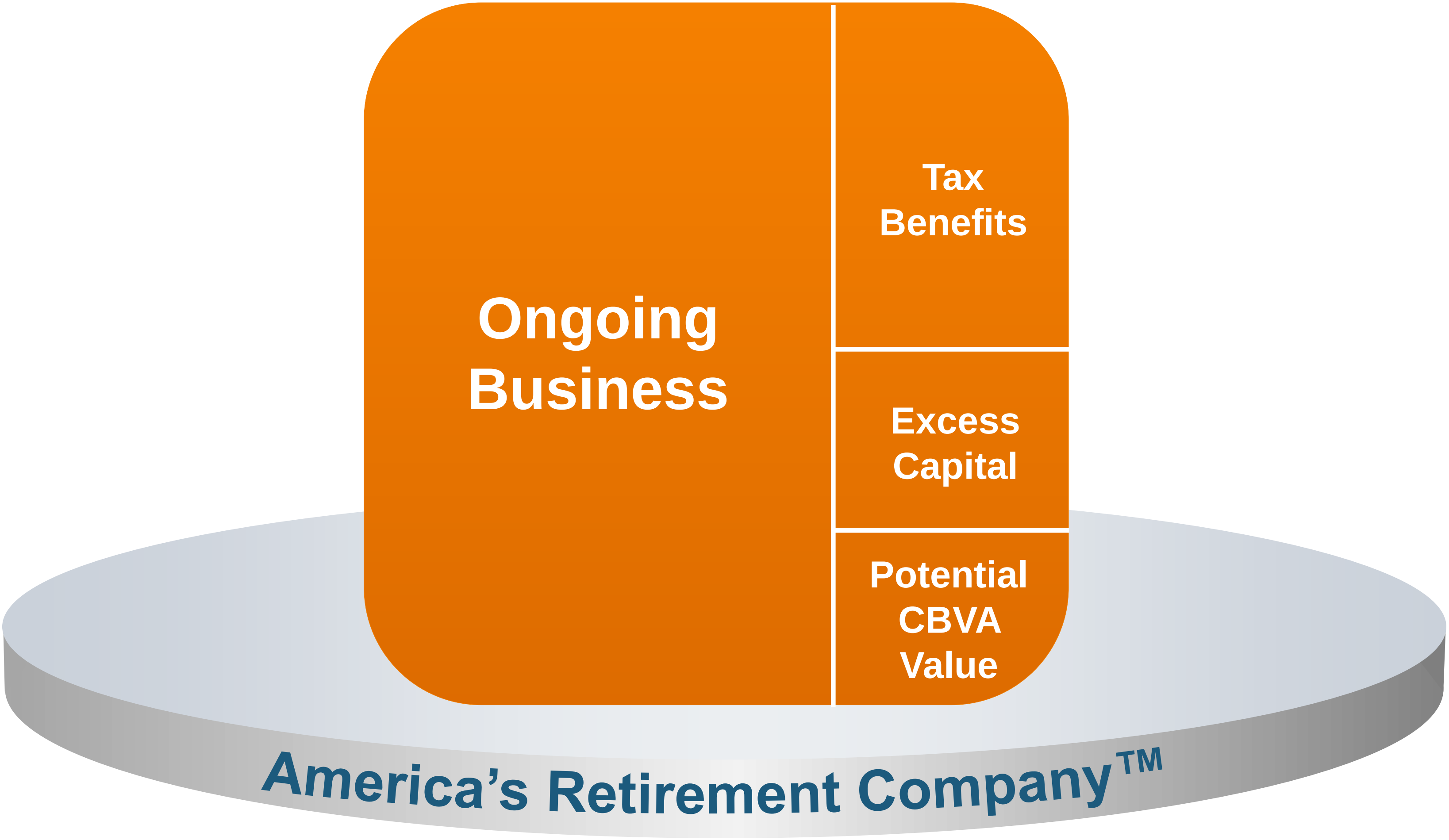
Reconciliation of 3Q'16 Ongoing Business Adjusted Operating Earnings to Net Income

($ million; all figures are after-tax)



1. Other, after-tax consists of net guaranteed benefit hedging gains (losses) and related charges and adjustments; income (loss) from business exited; income (loss) attributable to non-controlling interests; immediate recognition of net actuarial gains (losses) related to pension and other post retirement benefit obligations and gains (losses) from plan amendments and curtailments; expenses associated with the rebranding of Voya Financial from ING U.S.; and restructuring expenses (severance, lease write-offs, etc.)
2. Represents the difference between actual tax expense and the tax expense reflected in other line items. Voya Financial assumes a 32% tax rate on all operating earnings and all components of operating earnings described as "after-tax." A 35% tax rate is applied to all non-operating items. The 32% tax rate for operating earnings and components reflects the estimated benefit of the dividend received deduction benefit related to the Company's five Ongoing Business segments, which include Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits

Key Sources of Value



Seasonality of Financial Items

	1Q	2Q	3Q	4Q
Retirement	❑ Corporate Markets tends to have the highest recurring deposits ❑ Withdrawals also tend to increase		❑ Education Tax-Exempt Markets typically see lowest recurring deposits	❑ Corporate Markets typically see highest transfer / single deposits ❑ Withdrawals also tend to increase ❑ Recurring deposits in Corporate Markets may be lower
Investment Management	❑ Performance fees tend to be lowest			❑ Performance fees tend to be highest
Individual Life				❑ Universal Life sales tend to be highest
Employee Benefits	❑ Group Life loss ratio tends to be highest ❑ Sales tend to be the highest		❑ Sales tend to be second highest	
All Segments	❑ Payroll taxes tend to be highest and steadily decline over remaining quarters ❑ Other annual expenses are concentrated ❑ Alternative investment income tends to be lower			

Note: Annuities does not have any segment-specific seasonal financial items

Analyst Modeling Considerations

Prepayment Income and Alternative Income	▪ Prepayment income of \$12 million per quarter for Ongoing Business in 2016 (pre-tax, pre-DAC): \$6 million for Retirement; \$4 million for Annuities; \$2 million for Individual Life ▪ Approximately 9% annual long-term expected returns (pre-tax, pre-DAC) for alternative income
Retirement	▪ 2016 recordkeeping fees expected quarterly run-rate of approximately \$40 million ▪ Full year 2016 administrative expenses expected to be lower than full year 2015
Employee Benefits	▪ Stop Loss and Group Life loss ratios underwritten to an annual range of 77-80%
Tax Rate and Corporate	▪ 32% effective tax rate on operating earnings ▪ \$25-35 million of the planned \$350 million strategic investment spend expected to be incurred in 4Q'16
Closed Block Other	▪ Expect approximately \$20-30 million operating loss in 4Q'16

Note: Green font denotes change from 2Q'16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