

Voya Financial Enters into Agreement with RGA on Block of Term Life Policies

NEW YORK, Sept. 10, 2015 /PRNewswire/ -- Voya Financial, Inc. (NYSE: VOYA) announced today that it has entered into an agreement to sell via reinsurance an in-force block of approximately 155,000 term life insurance policies to Reinsurance Group of America, Incorporated (NYSE: RGA). Voya Financial will continue to administer and service the policies, which represent approximately \$90 billion of life insurance in force backed by approximately \$1.4 billion of statutory reserves as of June 30, 2015.

Following the closing of the transaction, Voya Financial's insurance subsidiaries will have more than 950,000 policies representing approximately \$270 billion of life insurance in-force backed by statutory reserves of \$18 billion as of June 30, 2015.

"This transaction supports our focus on improving returns in our Ongoing Business while also enabling us to free up more than \$230 million in excess capital," said Rodney O. Martin, Jr., chairman and CEO, Voya Financial, Inc. "The transaction aligns with our focus on executing on growth, margin and – as in this example – capital initiatives as part of our plan to drive further improvement in Voya's Ongoing Business Operating Return on Equity and create value for our shareholders."

Based on financials as of June 30, 2015, Voya Financial expects the transaction will:

- Create excess capital of approximately \$230 million;
- Reduce GAAP capital allocated to the company's Individual Life business by approximately \$270 million;
- Reduce operating earnings in Voya's Individual Life segment by approximately \$4-6 million on a quarterly basis; and
- Create an immediate non-operating pre-tax GAAP loss of \$100 million to \$110 million and a deferred non-operating pre-tax GAAP loss that the company expects to recognize at an average rate of approximately \$12 million a year over the next 15 years.

The figures presented above represent the estimated pro forma effect of the transaction as of June 30, 2015. Actual amounts will differ at the time of closing, which is expected to occur in the fourth quarter of 2015. In addition, beginning with full year 2016, Voya expects the transaction to provide approximately 10-20 basis points of incremental operating return on capital (ROC) benefit to both Voya's Individual Life segment and the Ongoing Business.

The transaction is subject to regulatory approval and other customary closing conditions. The block of term life insurance products included in this transaction were issued by ReliaStar Life Insurance Company and ReliaStar Life Insurance Company of New York (collectively "ReliaStar"). The transaction does not affect Voya's Tax-Exempt Markets (403(b)), Employee Benefits or Annuities businesses also conducted through ReliaStar.

"Our success over the past several years in shifting sales of individual life insurance to less capital intensive, higher-return products, such as indexed life insurance, not only supports our focus on improving returns but also

enables us to fulfill a key aspect of our value proposition as we help Americans get ready to retire better by helping them plan, invest and protect their savings," added Martin.

Citigroup served as sole financial advisor and Sutherland Asbill & Brennan served as legal advisor to Voya Financial on the transaction.

Media Contact:

Christopher Breslin

(212) 309-8941

Christopher.Breslin@voya.com

Investor Contact:

Darin Arita

(212) 309-8999

IR@voya.com

About Voya Financial

Voya Financial, Inc. (NYSE: VOYA), helps Americans plan, invest and protect their savings — to retire better. Serving the financial needs of approximately 13 million individual and institutional customers in the United States, Voya is a Fortune 500 company that had \$11 billion in revenue in 2014. The company had \$484 billion in total assets under management and administration as of June 30, 2015. With a clear mission to make a secure financial future possible — one person, one family, one institution at a time — Voya's vision is to be America's Retirement Company™. The company is equally committed to conducting business in a way that is socially, environmentally, economically and ethically responsible — Voya has been recognized as one of the World's Most Ethical Companies, by the Ethisphere Institute, and as one of the Top Green Companies in the U.S., by Newsweek magazine. For more information, visit voya.com or view the company's **2014 annual report**. Follow Voya Financial on **Facebook** and Twitter **@Voya**.

Forward-Looking and Other Cautionary Statements

This press release contains 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," and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) general economic conditions, particularly economic conditions in our core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels, (v) persistency and lapse levels, (vi) interest rates, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, including those relating to the use of and possible application of NAIC accreditation standards to 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 proposed 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 under "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition—Trends and Uncertainties" in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on February 27, 2015, and our Quarterly Report for the three-month period ended June 30, 2015, filed with the SEC on August 7, 2015.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/voya-financial-enters-into-agreement-with-rga-on-block-of-term-life-policies-300140784.html>

