

# 2023

## Annual Report



PLAN | INVEST | PROTECT

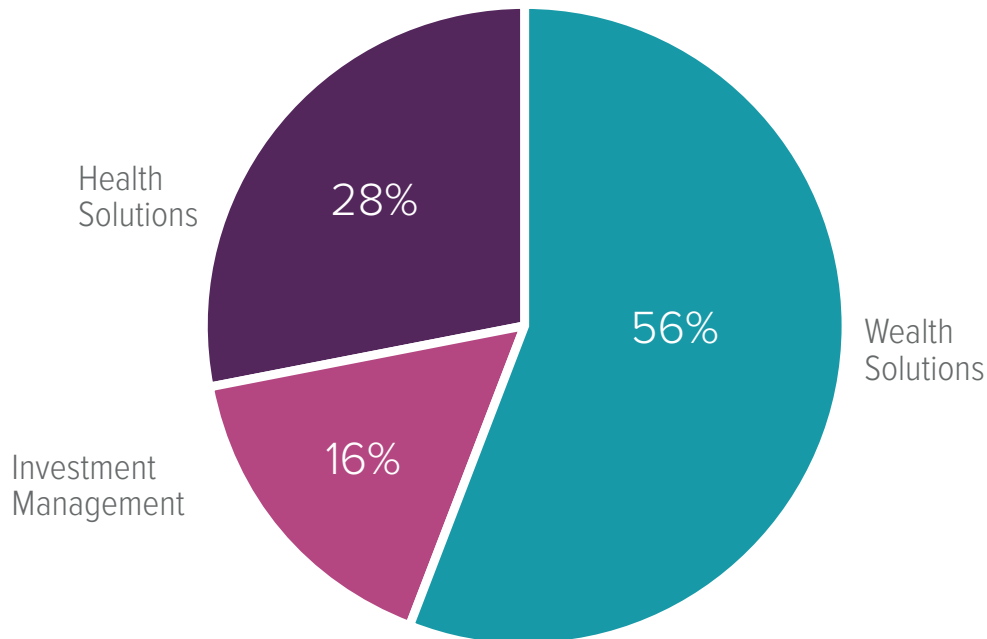
VOYA®

## About Voya Financial

Voya Financial, Inc. (NYSE: VOYA), is a leading health, wealth and investment company with approximately 9,000 employees who are focused on achieving Voya’s aspirational vision: Clearing your path to financial confidence and a more fulfilling life. Through products, solutions and technologies, Voya helps its 15.2 million individual, workplace and institutional clients become well planned, well invested and well protected. Benefitfocus, a Voya company and a leading benefits administration provider, extends the reach of Voya’s workplace benefits and savings offerings by engaging directly with over 12 million employees in the U.S. Certified as a “Great Place to Work” by the Great Place to Work® Institute, Voya is purpose-driven and committed to conducting business in a way that is economically, ethically, socially and environmentally responsible. Voya has earned recognition as: one of the World’s Most Ethical Companies® by Ethisphere®; a member of the Bloomberg Gender-Equality Index; and a “Best Place to Work for Disability Inclusion” on the Disability Equality Index.

## Percentage of adjusted operating earnings by segment

Before income taxes and for the year ended Dec. 31, 2023. Excludes Corporate.





Heather Lavalley  
Chief Executive Officer

## Letter to shareholders from the chief executive officer

Dear Fellow Shareholders:

In 2023, Voya celebrated its first decade as a public company. During that time, Voya firmly established itself as a leader in the markets where we operate. Our Wealth Solutions business has unmatched breadth and depth across corporate, tax-exempt and government employers of all sizes. We have grown our Health Solutions business into a leading provider of stop-loss, voluntary and group life benefits, surpassing competitors as we expanded our presence in rapidly growing markets. We have also transformed our Investment Management business into a diversified, international asset manager focused on third-party clients, with a broad array of investment strategies across institutional and retail markets.

Voya heads into its second decade as a capital-light, high free-cash-flow company well positioned for further profitable growth. I'm proud to have been part of the management team that delivered Voya's transformational success over its first 10 years, and to now be leading our company into its next phase of growth.

Focus and discipline have always been at the heart of Voya's success, and this year is no different. At Voya, we are focused on the following goals:

1. Executing on our financial targets;
2. Driving profitable growth, building on the commercial momentum we've generated across all three of our businesses;
3. Delivering an outstanding customer experience that distinguishes Voya in the market while retaining and growing our customer base; and
4. Living our Purpose and Vision, the unifying principles guiding Voya's more than 9,000 employees as we build our company for the long term.

Our Purpose and Vision speak to our passion for our customers and our dedication to creating long-term, durable value for our stakeholders. Our purpose — *Together, we fight for everyone's opportunity for a better financial future* — frames our commitment to providing financial solutions that work for every customer we serve. As a company with a strategic focus on the workplace and investment solutions that protect and grow assets, our products and services meet the needs of those with varied financial means at every stage of their careers and lives.

Our vision — *Clearing your path to financial confidence and a more fulfilling life* — bridges our purpose and our business strategy, emphasizing the importance we place on creating better outcomes for our customers. We design our solutions to deliver measurable, positive impacts on our customers' financial lives, inspiring a confidence and peace of mind that can benefit every aspect of their well-being.

## Voya is delivering results

Today, we provide our customers with innovative products and holistic solutions through a compelling value proposition. During the past year, we made important progress on our growth plans and gained new product and distribution capabilities through our strategic acquisitions. This uniquely positions Voya to serve the comprehensive wealth, health and investment needs of our customers.

### **Workplace Solutions**

Our leading scale and expertise in workplace benefits and savings continue to generate solid commercial momentum. In Wealth Solutions, we grew full-service recurring deposits more than 10% in 2023 compared with 2022, reflecting growth in both Corporate and Tax-Exempt markets. In Health Solutions, annualized in-force premiums and fees grew nearly 20% in 2023, reflecting strong growth across all product lines, favorable retention and the positive impact of our Benefitfocus acquisition.

At the same time, we are expanding and deepening our customer offerings, creating new revenue opportunities that distinguish Voya in the marketplace. Within Wealth Solutions, for example, managed accounts and non-qualified plans provide our recordkeeping customers with additional investment capabilities and flexibility. And through our retail wealth management capabilities, Voya's field and phone-based financial professionals give us further opportunities to provide advice and solutions to employers, employees and their households. Within Health Solutions, we are increasingly selling voluntary benefits alongside group life and disability insurance. Our Benefitfocus acquisition expands our capabilities in the workplace, providing employers with a comprehensive benefits solution, and helping their employees to make better benefit decisions. The early results have been highly encouraging. Our first open enrollment season as the owner of Benefitfocus was a resounding

success, and our customers rewarded us with a nearly 40-point increase in Benefitfocus' Net Promoter Score. This year-over-year increase represents an unprecedented improvement in a measure deemed the gold standard for customer experience and loyalty.

### **Investment Management**

In 2023, we navigated a difficult environment for active asset managers while executing on transformative changes that have opened vast new growth opportunities for Voya Investment Management. We enter 2024 with a diverse set of investment strategies and new, global reach. We now have a presence in more than 20 international markets, including in Asia-Pacific, where robust demand for U.S. credit and U.S.-dollar-denominated assets is driving high levels of growth. This transformation has catalyzed expansion opportunities throughout our business and helped turn around our retail franchise, while simultaneously diversifying our customer base and driving higher fee business.

Our success is rooted in strong investment performance. More than three-quarters of our assets under management are in strategies that exceed the benchmark or peer median on a five- or 10-year basis, and our performance in 2023 was exceptional. As a result, Voya Investment Management is positioned for long-term sustainable growth, with strong fundamentals, diversification across markets, and a well-established presence in attractive asset classes.

### **Significant Excess Capital Generation and a Focus on Margins**

In 2023, we generated approximately \$800 million of excess capital, in line with our track record of generating free cash flow of over 90% of after-tax adjusted operating earnings. During the year, we also deployed approximately \$1.3 billion of excess capital to drive further shareholder value.

We exhibited strong expense discipline during 2023 in the face of macroeconomic headwinds. We continue to actively manage our expenses to maintain and expand our margins, while also wisely investing in our future capabilities to meet the growing needs of our customers.

### **Guided by a strong culture, focused on continued growth**

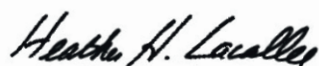
As important as “what” we achieve is “how” we operate. Our strong culture continues to distinguish Voya in the marketplace, helping us win new business and build stronger relationships with our customers and clients. During 2023, Voya remained the No. 1 brand associated with retirement for the fifth consecutive year. In addition, we earned multiple honors for our outstanding culture, including recognition by Ethisphere® as one of the World's Most Ethical Companies® for the 11th consecutive year, and as a “Best Place to Work for Disability Inclusion” for the sixth consecutive year.

As I close this letter, I'd like to recognize the immense contributions of Rod Martin, who retired as our executive chairman earlier this year. During the past decade, he led Voya through the financial, operational and cultural transformations that made us the inspirational company we are today. As we look to the future, our next chapter will be a growth story, focused on innovation, and guided by the same principles that served Voya and our shareholders well over the years — careful stewardship of shareholder capital, skillful management of expenses and a focus on profitable growth.

I also would like to express my deep appreciation for every Voya employee and their family members. Together, we have demonstrated what can be achieved when you are a purpose-driven organization, focused on execution, and committed to helping customers and clients build a better financial future.

Finally, I would like to thank you for your continued support of Voya. We have an exciting future ahead as we continue to drive improved outcomes for our customers, deliver results for our shareholders, and create lasting value for all of our stakeholders.

Very truly yours,

A handwritten signature in black ink that reads "Heather A. Lavalley". The signature is written in a cursive, flowing style.

Heather Lavalley  
Chief Executive Officer  
Voya Financial, Inc.



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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-35897

**Voya Financial, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**52-1222820**

(IRS Employer Identification No.)

**230 Park Avenue, New York, New York**

(Address of principal executive offices)

**10169**

(Zip Code)

**(212) 309-8200**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 Par Value	VOYA	The New York Stock Exchange
Depository Shares, each representing a 1/40 <sup>th</sup> interest in a share of 5.35% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B, \$0.01 par value	VOYAPrB	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.  
 Yes  No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of June 30, 2023, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately \$7.6 billion.

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No

As of February 14, 2024, there were 101,608,413 shares of the registrant's common stock outstanding.

**Documents incorporated by reference:** Portions of Voya Financial, Inc.'s Proxy Statement for its 2024 Annual Meeting of Shareholders are incorporated by reference in the Annual Report on Form 10-K in response to Part III, Items 10, 11, 12, 13 and 14.

**Voya Financial, Inc.**  
**Form 10-K for the period ended December 31, 2023**  
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## NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) global market risks, including general economic conditions, our ability to manage such risks and interest rates; (ii) liquidity and credit risks, including financial strength or credit ratings downgrades, requirements to post collateral, and availability of funds through dividends from our subsidiaries or lending programs; (iii) strategic and business risks, including our ability to maintain market share, achieve desired results from our acquisitions and dispositions, or otherwise manage our third-party relationships; (iv) investment risks, including the ability to achieve desired returns or liquidate certain assets; (v) operational risks, including cybersecurity and privacy failures and our dependence on third parties; (vi) tax, regulatory and legal risks, including limits on our ability to use deferred tax assets, changes in law, regulation or accounting standards, and our ability to comply with regulations, and (vii) other factors described in Part I, Item 1A. Risk Factors.

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

## MARKET DATA

In this Annual Report on Form 10-K, we present certain market and industry data and statistics. This information is based on third-party sources which we believe to be reliable, such as LIMRA, Secure Retirement Institute, an insurance and financial services industry organization (for Health Solutions market leadership positions), Morningstar fund data and eVestment institutional composites (for Investment Management market leadership positions) and industry recognized publications and websites such as Pensions & Investments (for Wealth Solutions and Investment Management), InvestmentNews.com (for Investment Management) and MyHealthGuide (for Health Solutions). Market ranking information is generally based on industry surveys and therefore the reported rankings reflect the rankings only of those companies that voluntarily participate in these surveys. Accordingly, our market ranking among all competitors may be lower than our ranking in third-party surveys. In some cases, we have supplemented our third-party survey rankings with our own knowledge, such as where we believe that we know the market ranking of particular companies that do not participate in the surveys.

In this Annual Report on Form 10-K, the term "customers" refers to retirement plan sponsors, retirement plan participants, institutional investment clients, retail investors, corporations or professional groups offering employee benefits solutions, insurance policyholders, annuity contract holders, individuals with contractual relationships with financial advisors and holders of Individual Retirement Accounts ("IRAs") or other individual retirement, investment or insurance products sold by us.

## PART I

### Item 1. Business

*For the purposes of this discussion, the terms "Voya," "the Company," "we," "our," and "us" refer to Voya Financial, Inc. and its subsidiaries.*

We are a leading provider of workplace benefits and savings solutions and technologies to U.S. employers, enabling better financial outcomes for their employees and for those who depend on their employees through our retirement solutions, retail wealth services, and a comprehensive portfolio of benefits products. We are also a leading international asset manager, built on a foundation of institutional-quality fixed income and private asset strategies, with a well-established presence in U.S. markets and a large and growing business managing retail and institutional equity, fixed income, and blended strategies for clients in Europe and Asia.

Serving the needs of approximately 15.2 million workplace customers as of December 31, 2023, we are committed to responsible business practices centered on our culture of service to our customers, colleagues and communities. Our approximately 9,000 employees (as of December 31, 2023), throughout the U.S. and in our global services hub in India, are united by our Company's purpose: fighting together for everyone's opportunity for a better financial future.

We offer our products and services through a broad group of financial intermediaries, independent producers, affiliated advisors and dedicated sales specialists throughout the U.S., and also offer investment management services to international clients through our distribution partnership with Allianz Global Investors U.S. LLC ("AllianzGI"). We provide our workplace benefits and savings products to employers across every segment of the U.S. economy, in private, public, and tax-exempt markets, from small businesses with fewer than 50 employees to the largest corporations and public-sector employers in the country. Through our retirement platform and associated retail wealth capabilities, we reach approximately seven million individual retirement plan participants as they enroll in retirement plans, choose contribution amounts, manage investment options, build wealth and improve financial wellness. As a result of our acquisition of Benefitfocus, Inc. ("Benefitfocus"), a leading benefits administration provider, we also engage directly with over twelve million employees in the U.S. as they enroll in and use workplace benefits on our open-architecture, product-agnostic, desktop and mobile administration platforms.

In our Workplace Solutions business, digital capabilities power our market-leading customer experience for both employers and employees alike, including our *myVoyage* mobile application, which provides a comprehensive guidance tool for employees to see their entire financial picture and engage with their workplace benefits and savings. We believe that by providing a more integrated benefits and savings experience, we can improve employees' financial outcomes and promote their physical, mental, and emotional well-being. Voya's award-winning retirement administration platform allows employees to plan for retirement and maximize their financial wellness, while our *Benefitplace* benefits administration platform helps employees select and use the best benefits options for their individual circumstances. For employers, these capabilities maximize the value of benefits spending, and promote a healthier and more financially secure workforce.

In our Investment Management business, our strong culture of client service and specialized capabilities for institutional clients have established us as a leading manager for institutional mandates, especially in the insurance and pension fund markets. Our private asset capabilities, with particular strength in private fixed income and secondary private equity, distinguish us in both the institutional and intermediary markets. Our strength in international retail markets, especially in Asia, is driven by scaled and highly competitive investment strategies distributed through the extensive global distribution network we access through our partnership with AllianzGI.

We are entering our second decade as a public company with a track record of consistent organic growth, prudent capital management, and strategic foresight. Our transformative acquisitions and divestitures have created a capital-light, growth-oriented, and high free-cash flow company with significant diversification across businesses, geographic markets and fee-based, spread-based, and underwriting revenues built for resilience throughout the economic cycle.

## Our Segments

We report our financial results in three segments: Wealth Solutions, Health Solutions, and Investment Management. We refer to our Wealth Solutions and Health Solutions segments collectively as our Workplace Solutions business.

Workplace Solutions		Investment Management
Wealth Solutions	Health Solutions	
A leading provider of retirement solutions and technology for plan administration, serving approximately 38,000 U.S. employers across all defined contribution tax code sections and market segments, and approximately 7 million plan participants. We offer retail wealth services, including IRA accounts and advice, to individuals through the workplace and telephonically.	A top provider of supplemental health and other group benefits covering approximately 7.2 million individual lives in the U.S. providing a comprehensive portfolio of stop loss, life, disability and voluntary insurance products, along with health savings and spending accounts. Through Benefitfocus, we offer open-architecture, product-agnostic benefits administration and utilization solutions to employers and health plans, with approximately 12.2 million employees on the platform as of December 31, 2023.	A leading international asset manager with global distribution capabilities, managing public and private fixed income, equities, multi-asset solutions and alternative strategies for institutions, financial intermediaries and individual investors.

As of December 31, 2023, on a consolidated basis, we had \$813.5 billion in total assets under management ("AUM") and assets under administration ("AUA") and total shareholders' equity, excluding accumulated other comprehensive income/loss ("AOCI") and noncontrolling interest, of \$6.6 billion.

For the year ended December 31, 2023, we generated \$678 million of Income (loss) from continuing operations before income taxes, and \$916 million of Adjusted operating earnings before income taxes. Adjusted operating earnings before income taxes is a non-GAAP financial measure. For a reconciliation of Adjusted operating earnings before income taxes to Income (loss) from continuing operations before income taxes, see the *Segments* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

## ORGANIZATIONAL HISTORY AND STRUCTURE

### Our History

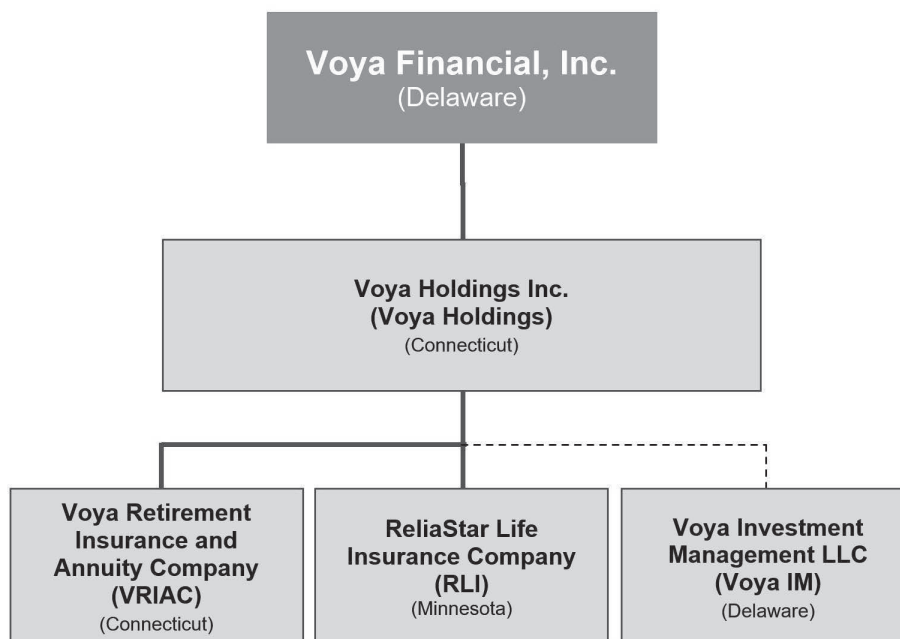
Prior to our initial public offering in May 2013, we were a wholly owned subsidiary of ING Groep N.V. ("ING Group"), a global financial institution based in the Netherlands.

Through ING Group, we entered the U.S. life insurance market in 1975 with the acquisition of Wisconsin National Life Insurance Company, followed with ING Group's acquisition of Midwestern United Life Insurance Company in 1976 and Security Life of Denver Insurance Company in 1977. ING Group significantly expanded its presence in the U.S. in the late 1990s and early 2000s with the acquisitions of Equitable Life Insurance Company of Iowa (1997), Furman Selz, an investment advisory company (1997), ReliaStar Life Insurance Company (including Pilgrim Capital Corporation) (2000), Aetna Life Insurance and Annuity Company (including Aeltus Investment Management) (2000) and CitiStreet (2008). We became a public company in May 2013 and ING Group completely divested its ownership of Voya Financial, Inc. common stock between 2013 and 2015.

Since Voya's IPO in 2013, we have evolved as a company through the divestiture of substantially all of our closed block variable annuity, life insurance and legacy non-retirement annuity businesses and related assets. These divestitures align with our strategic focus on higher-return, capital-light businesses, while maximizing the capital returned to our shareholders. As a result, we have returned approximately \$9.3 billion of capital to our shareholders since our IPO through share repurchases and dividends, while making strategic investments in Workplace Solutions and Investment Management.

## Our Organizational Structure

We are a holding company incorporated in Delaware in April 1999. We operate our businesses through a number of direct and indirect subsidiaries. The following organizational chart presents the ownership and jurisdiction of incorporation of our principal subsidiaries as of December 31, 2023:



This chart shows our principal intermediate holding company, Voya Holdings; our principal insurance operating entities, VRIAC and RLI; and Voya IM, the parent company of the various entities through which we operate our Investment Management segment. We hold our interest in Voya IM through an intermediate subsidiary in which an affiliate of Allianz SE holds a 24% equity interest.

## Recent Acquisition Transactions

### *AllianzGI*

On July 25, 2022, we completed a series of transactions (the "AllianzGI Transaction") pursuant to a Combination Agreement dated as of June 13, 2022 (the "AllianzGI Agreement") with Voya IM, Allianz SE, a stock corporation organized and existing under the laws of the European Union and the Federal Republic of Germany ("Allianz"), AllianzGI, a Delaware limited liability company and an indirect subsidiary of Allianz, and VIM Holdings LLC, a newly formed Delaware limited liability company ("VIM Holdings"), pursuant to which the parties combined Voya IM with assets and teams comprising specified strategies previously managed by AllianzGI. Following the transaction, we hold, indirectly, a 76% interest in VIM Holdings and operate the business, while Allianz holds, indirectly, the remaining 24%. The transaction increased Voya IM's AUM by approximately 40% as well as Voya IM's international scale and distribution, and added investment strategies that help us meet the needs of a larger and more global client base.

For further details, refer to the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

## ***Benefitfocus***

On January 24, 2023, we completed the acquisition of Benefitfocus, an industry-leading benefits administration technology company, that serves U.S. employers, health plans and brokers for a total purchase consideration of \$595 million. Benefitfocus helps organizations simplify the complexity of benefits administration. Benefitfocus solutions have a personalized user-friendly interface designed for people to choose and access a broad line-up of workplace benefits. As a result of the acquisition, we reach approximately 12.2 million subscription employees across employer and health plan clients.

For further details, refer to the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

## **OUR BUSINESSES**

### **Workplace Solutions**

Our Workplace Solutions business comprises our Wealth Solutions and Health Solutions segments.

### **Wealth Solutions**

Our Wealth Solutions segment provides retirement plan solutions and administration technology and services to employers. These products and services include full-service and recordkeeping-only defined contribution plan administration; stable value and fixed general account investment products; non-qualified plan administration; and tools, guidance, and services to promote the financial well-being and retirement security of employees. We also provide individual retirement accounts and financial guidance and advisory services that enable us to deepen relationships with our retirement plan participants. Wealth Solutions has a combined \$544.3 billion of AUM and AUA as of December 31, 2023 (after asset eliminations respective to each business line and including retail assets under advisement), of which \$73.3 billion were in proprietary assets.

Our Retirement Plans business serves corporations of all sizes, public and private school systems, higher education institutions, hospitals and healthcare facilities, not-for-profit organizations and state and local governments. Our Retirement Plans business is diversified across economic sectors, market segments and plan sizes, and provides services to U.S. employers covering approximately 7 million plan participants as of December 31, 2023.

Our Wealth Management business offers planning and advisory services through protection and investment products to help individuals plan, protect and invest to and through retirement. Products and services are provided through Voya's registered investment advisor and broker-dealer, Voya Financial Advisors ("VFA").

Our Wealth Solutions segment earns revenue from a diverse and complementary business mix, primarily fee income from asset based and participant based administrative, recordkeeping and advisory fees as well as investment income on our general account assets and other funds. Because a significant portion of our revenues are tied to account values, our profitability is determined in part by the amount of assets we have under management, administration or advisement, which in turn depends on sales volumes to new and existing clients, net deposits from retirement plan participants, and changes in the market value of account assets. Our profitability also depends on the difference between the investment income we earn on our general account assets, or our portfolio yield, and crediting rates on client accounts. Wealth Solutions generated Adjusted operating earnings before income taxes of \$632 million for the year ended December 31, 2023. Our Investment Management segment also earns market-based fees from the management of the general account and mutual fund assets supporting the Retirement Plans business and certain Wealth Management products and advisory solutions.

### ***Retirement Plans***

#### ***Products and Services***

***Full-Service.*** Full-service retirement products provide plan sponsors with options that meet their needs for both administrative and investment services, which include recordkeeping and plan administration support, tailored participant communications and education programs, supportive digital capabilities for intermediaries, sponsors and plan participants (plus mobile capabilities for participants), trustee services and institutional and retail investments. Offerings include products for defined contribution plans for tax-advantaged retirement savings, as well as non-qualified executive benefit plans and employer stock option plans. Plan sponsors may select from a variety of investment structures and products, such as general account, separate account, mutual funds, stable value or collective investment trusts and a variety of underlying asset types (including their own employer

stock, socially responsible funds, and a private equity option within non-qualified executive plans). A broad selection of funds is available for our products in all asset categories from over 200 fund families, including the Voya family of mutual funds managed by Voya IM. An open architecture investment platform (which offers most funds for which trades are cleared through the National Securities Clearing Corporation) is also available in certain products for larger full-service plans. Our full-service retirement plan offerings are supported by financial guidance and personalized participant investment advisory services offered through our Wealth Management business or through a third party.

*Recordkeeping.* Recordkeeping service products provide recordkeeping and plan administration support alongside a fully open architecture investment platform that employers can use to customize their plan's investment menu. These products are offered to a sponsor base that includes multi/pooled employer plans, mid, large and mega-sized corporations and state and local governments. Our recordkeeping retirement plan offerings are supported by participant communications and education programs, digital capabilities for intermediaries, sponsors and plan participants (plus mobile capabilities for participants), as well as financial guidance and personalized and objective participant investment advisory services offered through our Wealth Management business and Voya Retirement Advisors (our registered investment advisor group serving in-plan participants with the in-plan advisory services program).

*Stable Value.* Stable value investment options may be offered within our full service institutional plans, or as investment-only options within our recordkeeping services plans or within other vendor plans. Our product offering includes both separate account guaranteed investment contracts ("GICs") and synthetic GICs managed by either proprietary or outside investment managers.

The following chart presents our Retirement Plans product/service models and corresponding AUM and AUA, key markets in which we compete, primary defined contribution plan Internal Revenue Code sections and core products offered for each market segment.

Product/ Service Model	AUM/AUA (As of December 31, 2023)	Key Market Segments/ Product Lines	Primary Internal Revenue Code Section	Core Products*
Full Service Plans	\$185.4 billion**	Small-Mid Corporate	401(k)	Voya MAP Select, Voya Framework
		K-12 Education	403(b)	Voya Custom Choice II, Voya Retirement Choice II, Voya Framework
		Higher Education	403(b)	Voya Retirement Choice II, Voya Retirement Plus II, Voya Framework
		Healthcare & Other Non-Profits	403(b)	Voya Retirement Choice II, Voya Retirement Plus II, Voya Framework
		Government (Local & State)	457	RetireFlex-SA, RetireFlex-MF, Voya Health Reserve Account, Voya Framework
Recordkeeping Business	\$298.1 billion	Mid-Large Corporate	401(k)	***
		Government (Local & State)	457	***
Non Qualified Business	****	All Markets	409A	****
Stable Value/Other	\$40.1 billion*****	All Markets	All tax codes	Separate Account and Synthetic GICs

\* Core products actively being sold.

\*\* Includes a small block of assets associated with legacy K-12 Education market products, primarily fixed annuities, issued by RLI. Voya no longer manufactures RLI products for distribution by sales agents licensed with RLI.

\*\*\* Offerings include administration services and investment options such as mutual funds, commingled trusts and separate accounts.

\*\*\*\* Various solutions across tax codes are record-kept and accompanied by specialized administration services, consultative plan design and financing strategies, flexible funding options and tailored participant services. We have approximately \$5.6 billion of total assets and liabilities in non-qualified business both within our Full Service and Recordkeeping segments and with clients using only our non-qualified solutions.

\*\*\*\*\* Reflects total Stable Value assets in Voya Stable Value products, including those within our recordkeeping plans reported in the Recordkeeping business line above.

Our *Voya Framework* product can be sold in both full service corporate and tax-exempt markets. It is a mutual fund program offered to fund qualified retirement plans, and it gives plan advisors and third party administrators who work with us a uniform and consistent product experience across multiple plan markets. *Voya Framework* is distinguished by its flexible recordkeeping platform and contains over 300 funds from well-known fund families for smaller plans or can be provided as an open architecture investment platform for larger plans (which offers most funds for which trades are cleared through the National Securities Clearing Corporation). This product also includes our general account and various stable value solutions as investment options.

In addition to *Voya Framework*, we offer products customized to the full service corporate and tax-exempt markets.

For plans in the full service corporate market, we offer *Voya MAP Select*, a group funding agreement/group annuity contract to fund qualified retirement plans. *Voya MAP Select* contains over 300 funds from well-known fund families for smaller plans or can be provided as an open architecture investment platform for larger plans (which offers most funds for which trades are cleared through the National Securities Clearing Corporation). This product also includes our general account and various stable value solutions as investment options.

For plans in the full service tax-exempt market, we offer a variety of products including:

- *Voya Retirement Choice II and RetireFlex-MF*, mutual fund products providing flexible funding vehicles and are designed to provide a diversified menu of mutual funds in addition to a guaranteed option (available through a group fixed annuity contract or stable value product).
- *Voya Retirement Plus II and Voya Custom Choice II*, registered group annuity products featuring variable investment options held in a variable annuity separate account and a fixed investment option held in the general account.
- *RetireFlex-SA*, an unregistered group annuity product featuring variable investment options held in a variable annuity separate account and a guaranteed option (available through a group fixed annuity contract or stable value product).

Additional products and services are available through our Voya Cares® program, which serves aging people and people with special needs and disabilities, as well as their families and caregivers. Digital capabilities power our market-leading customer experience for employers and employees alike, including through our *MyVoyage* mobile application, which provides a comprehensive guidance tool for employees to see their entire financial picture and engage with their workplace benefits and savings.

### *Markets and Distribution*

Our Retirement Plans business serves two primary markets: Corporate and Tax Exempt.

Market		Employee Size	Asset Range	Typical Customer Solutions
Corporate Markets	Small Market	<1,000	\$0-\$50 million	<ul style="list-style-type: none"> <li>• Full service retirement plans</li> <li>• Retirement plan recordkeeping services</li> <li>• Investment options, including stable value solutions</li> <li>• Executive benefit plans</li> <li>• Health account services</li> <li>• Financial wellness, guidance and advice services to individuals</li> </ul>
	Mid-Market	1,000-10,000	\$50-\$250 million	
	Large Market	>10,000	>\$250 million	
Tax-Exempt Markets	Education Market	All sizes	All sizes	
	Healthcare/Other Non-Profits Market	All sizes	All sizes	
	Government Market	All sizes	All sizes	

Our Retirement Plans are distributed nationally through multiple unaffiliated channels supported by our employee wholesale field force and dedicated sales teams and through other affiliated distribution such as our broker-dealer and investment advisor, VFA. We offer localized support to distribution partners and their clients during and after the sales process as well as a broad selection of investment options with flexibility of choice and comprehensive fiduciary solutions to help their clients meet or exceed plan guidelines and responsibilities.

Channel		Distribution Activities
Unaffiliated Distribution	Independent Sales Agents	<ul style="list-style-type: none"> <li>Over 2,600 sales agents</li> <li>Primarily sell fixed annuity products from multiple vendors in the education market</li> <li>Representatives focus on increasing participant enrollments and deferral amounts in existing K-12 education segment plans</li> </ul>
	Brokers and Advisors	<ul style="list-style-type: none"> <li>Over 12,000 wirehouse and independent regional and local brokers, specialty retirement plan advisors plus registered investment advisors</li> <li>Primarily distribute to the small-mid corporate market, as well as education, healthcare and government markets</li> <li>Typically present plan options from multiple vendors</li> <li>Assist with enrollment and education</li> </ul>
	Third Party Administrators ("TPAs")	<ul style="list-style-type: none"> <li>Over 1,000 TPAs</li> <li>Primarily sell products to our small-mid corporate markets and select tax-exempt market plans</li> <li>Typically present plan options from multiple vendors</li> <li>Typically focus on providing plan services, but may initiate and complete the sales process</li> <li>Connecting point between our wholesale team and unaffiliated producers who seek references for determining which providers to recommend</li> </ul>
Affiliated Distribution	Voya Financial Advisors ("VFA")	<ul style="list-style-type: none"> <li>Approximately 450 VFA field and phone-based financial professionals</li> <li>Sell workplace retirement plans</li> <li>Support plan participants with enrollment, education, advice and guidance services</li> <li>Field-based representatives focus on enrollment and contribution activities within our education, healthcare and government market workplace retirement plans</li> <li>Phone-based representatives focus on education, guidance and rollover support services to workplace retirement plan participants</li> </ul>
	Wholesale Field Force	<ul style="list-style-type: none"> <li>Locally based wholesalers</li> <li>Focus on expanding and strengthening relationships with unaffiliated distribution partners and TPAs who sell and service workplace retirement plan offerings</li> </ul>
	Dedicated Voya Sales Teams	<ul style="list-style-type: none"> <li>Our employee sales teams work with over 200 different pension specialty consulting firms, including national aggregators with both affiliated and unaffiliated firm-level business models that represent employers in corporate and tax-exempt markets seeking large-mega retirement plans, stable value solutions and non-qualified executive compensation offerings</li> <li>Our sales teams focus on close collaboration with these firms as their continued growth expands our distribution reach through the consultant marketplace</li> </ul>

### Competition

Our Retirement Plans business competes with other large, well-established insurance companies, asset managers, record keepers and diversified financial institutions. The business competes on the value we deliver to help guide individuals to greater financial wellness through competitively priced products, tools and services provided through the workplace. Our full-service business also competes on the breadth of our service and investment offerings, technical and regulatory expertise, industry experience, local enrollment and education support, investment flexibility and our ability to offer industry tailored product features to meet the financial wellness and retirement income needs of our clients. We have seen industry concentration in the large plan recordkeeping business, as providers seek to increase scale, improve cost efficiencies and enter new market segments. We emphasize our strong sponsor relationships, flexible value-added services, ability to support the most complex of



plans to match client needs, and technical and regulatory expertise as our competitive strengths. Additionally, we compete with our broad suite of products and financial wellness tools and services, including our innovative and robust digital and mobile capabilities, to help employers support the retirement preparedness and financial needs of their employees. Our long standing experience in the retirement market and strong stable value expertise allow us to effectively compete against existing and new providers. The following chart presents a summary of the current competitive landscape where we offer our Workplace Retirement Plans and stable value solutions:

Market/Product Segment	Competitive Landscape	Select Competitors
Small-Mid Corporate	Primary competitors are mutual fund companies and insurance-based providers with third-party administration and relationships	Fidelity Empower
K-12 Education	Primary competitors are insurance-based providers that focus on school districts across the nation	Equitable Corebridge
Higher Education	Competitors are 403(b) plan providers, asset managers and some insurance-based providers	TIAA Fidelity
Healthcare & Other Non-Profits	Competition varies across 403(b) plan providers, asset managers and some insurance-based providers	Fidelity TIAA
Government	Competitors are primarily insurance-based providers, but also include asset managers and 457 providers	Empower Nationwide
Mid-Large Corporate Recordkeeping	Competitors are primarily asset managers and business consulting services firms, but also include payroll firms and insurance-based providers	Fidelity Empower
Stable Value	Competitors are primarily select insurance companies who are also dedicated to the Stable value market, but also include certain banking institutions	Prudential MetLife

## ***Wealth Management***

### *Products and Services*

Our Wealth Management business offers a variety of investments and protection products, along with advice and guidance delivered to individuals through field-based advisory representatives and home office phone-based representatives. Our current investment solutions include a variety of mutual fund custodial IRA products, managed accounts and advisory programs, and brokerage accounts. The IRA products include certain tax-qualified mutual fund custodial products that were retained from the Annuities business we divested in 2018, which are also sold by our employee wholesale team that works directly with affiliated and unaffiliated brokers and advisers who sell individual retirement accounts to individuals or small businesses.

We use our Wealth Management business to deepen our long-term relationships with the approximately 7 million defined contribution plan participants on our retirement platform. We believe that our ability to offer an integrated approach to an individual customer’s entire financial picture, while saving for or living in retirement, presents a compelling reason for participants to partner with us as their principal investment and retirement plan provider. Through our broad range of advisory programs, our financial advisers are provided with a wide set of solutions for building their clients' investment portfolios, including stocks, bonds and mutual funds, as well as managed accounts.

### *Markets and Distribution*

Wealth Management products and advisory services are primarily sold to individuals through representatives licensed through VFA, our broker-dealer and investment advisor. VFA representatives help provide cohesiveness between our Retirement Plans and Wealth Management businesses and are grouped into two primary categories: field-based and home office phone-based representatives. Field-based representatives are registered sales and investment advisory representatives that drive both fee-based and commissioned sales. They provide face-to-face interaction with individuals seeking retail investment products (e.g., IRA products) as well as planning and advisory solutions. Home office phone-based representatives focus on assisting participants in our workplace retirement plans, primarily for our larger recordkeeping plans, with rollover products and advisory services. They also provide financial advice that helps customers transition through life stage and job-related changes. Our custodial mutual fund IRA product is also sold to individuals by unaffiliated brokers and advisors.

## *Competition*

Our Wealth Management advisory services and product solutions compete for rollover and other asset consolidation opportunities against integrated financial services companies and independent broker-dealers who also offer individual retirement products, all of which currently have more market share than insurance-based providers in this space. Primary competitors to our Wealth Management business include LPL, SagePoint Financial, Kestra, Waddell & Reed, Securities America and Commonwealth.

## **Health Solutions**

Our Health Solutions segment provides worksite employee benefits, Health Account Solutions (Health Savings Account ("HSA")/Flexible Spending Account ("FSA")/Health Reimbursement Arrangements ("HRA") and COBRA administration), leave management, financial wellness and decision support products and services to mid-size and large corporate employers and professional associations. In addition, our Health Solutions segment serves the employer market by providing stop-loss coverage to employer plan sponsors that self-fund their pharmaceutical and medical benefits plans. Our Health Solutions segment is among the largest writers of stop-loss coverage in the U.S., currently ranking fourth among third-party carriers on a premium basis with approximately \$1.5 billion of in-force premiums. We also rank fifth in our supplemental health benefits markets offering and are a top 15 provider of group life insurance.

Since January 2023, our Health Solutions segment has also provided benefits and plan administration services to employers and health plans through our Benefitfocus business. Benefitfocus provides market-leading benefits enrollment and administration services to employers and plan enrollment services to health plans. Benefitfocus also provides a benefits marketplace through which employees can select and enroll in voluntary benefits offered by their employers. Our Benefitfocus platform is open-architecture and product-agnostic, enrolling and administering benefits from a variety of third-party carriers.

As of December 31, 2023, Health Solutions total in-force premiums and fees were \$3.3 billion.

The Health Solutions segment generates revenue from premiums and fees, investment income, mortality and morbidity income and policy and other charges. Underwriting income comprises the majority of revenues in this segment and derives from the difference between premiums and mortality charges collected and benefits and expenses paid for group life, stop loss and voluntary benefits. Fee income is generated from margin on expenses for services provided on benefits administration, leave management, HSA/FSA/HRA and COBRA administration and proprietary decision support tools. Investment income is driven by the spread between investment yields and credited rates (the interest and income that is credited to the policies) to policyholders on voluntary universal life, whole life products, and HSA invested assets. Our Health Solutions segment generated adjusted operating earnings before income taxes of \$315 million for the year ended December 31, 2023.

We also provide decision support tools through the Benefitfocus enrollment platform and through our *MyVoyage* mobile application, which provides a comprehensive guidance tool for employees to see their entire financial picture and engage with their workplace benefits and savings. We support employers by taking on the administrative burden of benefits enrollment and administration, leave management, COBRA administration and other obligations with simplified billing, medical claims integration and by offering stop-loss coverage.

## *Products and Services*

*Stop Loss.* Our stop-loss insurance provides coverage for mid-sized to large employers that self-insure their medical claims. These employers provide a health plan to their employees and generally pay all plan-related claims and administrative expenses. Our stop-loss product helps these employers contain their health expenses by reimbursing specified claim amounts above certain deductibles and by reimbursing claims that exceed a specified limit. We offer this product through individual stop-loss insurance and aggregate stop-loss insurance, which are both re-priced and renewable annually. The primary difference between these two types of protection is a varying deductible.

*Group Life.* Group life products span basic and supplemental term life insurance as well as accidental death and dismemberment for mid-sized to large employers. These products offer employees guaranteed issue coverage, convenient payroll deduction, affordable rates and conversion options.

*Group Disability.* Group disability includes group long term disability, short term disability, voluntary long term disability and voluntary short term disability products for mid-sized to large employers. This product offering is typically packaged for sale with group life products, especially in the middle-market. We also provide leave administration services. We partner with

FullScopeRMS (formerly DisabilityRMS), a third-party insurer, to provide leave management and reinsure 100% of our group disability.

*Voluntary Benefits.* Our voluntary benefits business involves the sale of whole life insurance, critical illness, accident and hospital indemnity insurance, while also servicing universal life insurance policies. This product lineup is mostly employee-paid through payroll deduction.

*Benefits Administration.* Through Benefitfocus, we offer benefits administration services to employers and health plan enrollment services to health plan clients. Employers receive an online benefits enrollment experience for their employees, along with telephone-based enrollment support, and the associated billing and administration services. We also offer a benefits marketplace through which employees can elect to enroll in voluntary benefits selected by their employers. For health plans, we offer a software based solution through which members enroll directly in a plan. Our *Benefitplace* benefits enrollment platform provides a market-leading benefits enrollment experience, with decision support that uses the same advanced analytics as our *MyVoyage* mobile application to provide participants with a unique ability to look across their workplace benefits and savings for comprehensive guidance on the best use of their benefits spending.

*Health Account Solutions.* This product line involves the sale of health savings accounts, flexible spending accounts and health reimbursement arrangements, commuter and dependent care benefits, COBRA administration and direct billing services.

*Financial Wellness and Decision Support.* With our *MyVoyage mobile* application, we offer a distinctive guidance tool that assists employees and their dependents to make more informed decisions in making enrollment decisions that span medical coverage, dental insurance, vision, HSA, FSA, retirement contributions and emergency savings. Premiums associated with Financial Wellness and Decision Support are included within Health Account Solutions.

The following chart presents the key Health Solutions products we offer, along with annualized in-force premiums and fees for each product:

*(\$ in millions)*

<b><u>Health Solutions Products</u></b>	<b><u>Annualized In-Force Premiums and Fees</u></b>	
	<b><u>Year Ended December 31, 2023</u></b>	
Stop Loss .....	\$	1,500
Group Life .....		636
Group Disability .....		268
Voluntary and Other .....		926

*Markets and Distribution*

Our Health Solutions segment works primarily with national and regional benefits consultants, brokers, TPAs, enrollment firms and technology partners. Our tenured distribution organization provides local sales and account management support to offer customized solutions to mid-sized to large employers backed by a national accounts team.

*Competition*

The stop-loss insurance market is mature. Due to the large number of participants in this segment, price and claim servicing are important competitive drivers. Our principal competitors include Sun Life, Tokio Marine HCC (formerly Houston Casualty) and Symetra.

The group life market is the most mature of our market segments and most often sold alongside disability where competitive drivers for both are price, claim servicing, and additional administrative capabilities (such as leave management). Our principal competitors include MetLife, New York Life and Unum.

The supplemental benefits market is growing rapidly and we compete on price, claim servicing and product innovation with our principal competitors being Cigna, Aetna, Aflac, MetLife and Unum.

In benefits administration, competitive factors include price, the quality and breadth of the service offering, and the availability of existing clients who will act as references for potential new clients. Because the selection of a benefits administration provider involves a significant commitment on the part of the employer client, sales cycles tend to be long. Our principal competitors include Alight, Businessolver and BSwift.

In Health Account Solutions, price and administrative capabilities are among the most important competitive factors. This market continues to grow at a rapid pace, and includes HSAs, FSAs, COBRA administration, and billing services. Our principal competitors in this market are Health Equity, Optum (part of UnitedHealthcare), Fidelity and HSA Bank (part of Webster Bank).

### *Underwriting*

Group insurance pricing reflects the employer group's claims experience and the risk characteristics of each employer group. The employer's claims experience is reviewed at time of policy issuance and periodically thereafter, resulting in ongoing pricing adjustments. The key pricing and underwriting criteria are morbidity and mortality assumptions, the employer group's demographic composition, the industry, geographic location, regional and national economic trends, plan design and prior claims experience. Pricing for our group disability products is determined by our reinsurer, FullScopeRMS, and we assume no underwriting risk in connection with such products.

Stop-loss insurance pricing reflects the risk characteristics and claims experience for each employer group. The product is annually renewable and the underwriting information is reviewed annually as a result. The key pricing and underwriting criteria are medical cost trends, morbidity assumptions, the employer group's demographic composition, the industry, geographic location, plan design and prior claims experience. Pricing in the stop-loss insurance market is generally cyclical.

### *Reinsurance*

Our Health Solutions reinsurance strategy seeks to limit our exposure to any one individual which helps limit and control risk. Group Life, which includes Accidental Death and Dismemberment, cedes the excess over \$750,000 of each coverage to a reinsurer. Group Long Term Disability cedes substantially all of the risk and the claims servicing, to a TPA and reinsurer. As of January 1, 2023, Stop Loss has a reinsurance program that limits our exposure on any one specific claim to \$5.0 million, with aggregate stop-loss reinsurance that limits our exposure to \$5.0 million over the Policyholder's Aggregate Excess Retention. For policies issued in 2022 and 2021, the limits on any one specific claim are \$5.0 million and \$4.5 million, respectively, and there is aggregate stop-loss reinsurance limiting our exposure to \$5.0 million and \$4.5 million, respectively, over the Policyholders Aggregate Excess Retention. See *Quantitative and Qualitative Disclosures About Market Risk—Risk Management* in Part II, Item 7A. of this Annual Report on Form 10-K. We also use an annually renewable reinsurance transaction which lowers required capital of the Health Solutions segment.

## **Investment Management**

With global distribution capabilities, we offer domestic and international fixed income, equity, alternatives and multi-asset products and solutions across market sectors and investment styles through our actively managed, full-service investment management business. As of December 31, 2023, our Investment Management segment managed \$259 billion for third-party institutional and individual investors (including third-party variable annuity-sourced assets), \$28 billion in separate account assets for our other businesses and \$36 billion in general account assets. We also offer a range of privates and alternative asset solutions across fixed income and alternative investment products with AUM of \$95 billion for such privates and alternatives products as of December 31, 2023.

On July 25, 2022, we completed the AllianzGI Transaction, pursuant to which we acquired assets and investment teams comprising specified strategies previously managed by AllianzGI. The AllianzGI Transaction has increased Investment Management's international scale and distribution and provided us with new investment strategies that help us meet the needs of a larger and more global client base. As a result of the AllianzGI Transaction, we hold a 76% equity interest in Voya IM, and an affiliate of Allianz, the global parent of AllianzGI, holds the other 24%.

We aim to provide positive investment results that are repeatable and consistent, and deliver research-driven, risk-adjusted, client-oriented investment strategies and solutions and advisory services across asset classes, geographies and investment styles. Investment Management is committed to meeting increasing demands of clients, shareholders and stakeholders with respect to environmental, social and governance ("ESG") investment considerations while continuing to focus upon our adaptive, research-driven investment practices. In evaluating existing and potential investments, we expect to typically take into account ESG factors to determine whether one or more factors may have a material effect, with the goal of meeting our clients' investment objectives.

Through our institutional distribution channel and our Workplace Solutions business, we serve a variety of institutional clients, including public, corporate and multiemployer defined benefit and defined contribution retirement plans, endowments and foundations, and insurance companies. We are a market leader in providing third-party general account management services to insurance companies, with a focus on public and private fixed income asset strategies, and a client service model adapted for the particular needs of insurance company clients. We also serve individual investors by offering our mutual funds, separately managed accounts, and private and alternative funds through an intermediary-focused distribution platform or through affiliate and third-party retirement platforms. Our scaled and growing international retail business is conducted through sub-advisory agreements with investment vehicles sponsored by affiliates of AllianzGI and distributed in Europe and Asia.

Investment Management's primary source of revenue is management fees collected on the assets we manage. These fees are typically based on a percentage of AUM. In certain investment management fee arrangements, we may also receive performance-based incentive fees when the return on AUM exceeds certain benchmark returns or other performance hurdles. In addition, and to a lesser extent, Investment Management collects administrative fees on outside managed assets that are administered by our mutual fund platform and distributed primarily by our Wealth Solutions segment. Investment Management also receives fees as the primary investment manager of our general account, which is managed on a market-based pricing basis. Finally, Investment Management generates revenues from a portfolio of seed capital investments in private equity, Collateralized Loan Obligations ("CLOs") and various funds. Excluding Allianz's non-controlling interest, Investment Management generated adjusted operating earnings before income taxes of \$177 million for the year ended December 31, 2023.

### *Products and Services*

Investment Management delivers products and services that are manufactured through our traditional, private asset and alternative investment capabilities. The traditional platforms are fixed income, equities and multi-asset strategies and solutions ("MASS"). Our private asset and alternative capabilities include investment strategies such as private equity, private credit (investment grade and high yield), commercial mortgage loans, mortgage derivatives, leveraged credit and CLOs. The onboarding of former AllianzGI investment strategies has increased our product offering across thematic and fundamental equity and added multi-asset fund offerings.

*Fixed Income.* Investment Management's fixed income platform manages assets for domestic and international institutional investors, retail investors and our general account. As of December 31, 2023, there was \$214.1 billion in AUM on the fixed income platform, of which \$34.7 billion were general account assets. Through the fixed income platform, clients have access to public fixed income strategies including money market funds, investment-grade corporate debt, government bonds, residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS"), and high yield bonds. Our private fixed income capabilities include private placements, middle market private debt and syndicated debt instruments, leveraged credit, structured products (e.g., CLOs), commercial mortgages and preferred securities. Each sector within the platform is managed by seasoned investment professionals supported by significant credit, quantitative and macro research and risk management capabilities.

*Equities.* The equities platform is a multi-cap and multi-style research-driven platform comprising thematic, fundamental and quantitative equity strategies for institutional and retail investors. As of December 31, 2023, there were \$91.6 billion in AUM on the equities platform covering both domestic and international markets. Our fundamental equity capabilities are bottom-up and research driven, and cover growth, value, and core strategies in the large, mid and small cap spaces. The AllianzGI Transaction added thematic and fundamental equity capabilities. Our quantitative equity capabilities are used to create quantitative and enhanced indexed strategies, support other fundamental equity analysis, and create extension products.

*Alternatives.* Investment Management's largest alternatives platform is Pomona Capital. Pomona Capital specializes in investing in private equity funds: by purchasing secondary interests in existing partnerships; investing in new partnerships; and co-investing alongside buyout funds in individual companies. As of December 31, 2023, Pomona Capital managed assets totaling \$11 billion across a suite of limited partnerships and the Pomona Investment Fund, a registered investment fund available to accredited investors. In addition, Investment Management's alternatives platform includes privately-placed open-end and closed-end funds, the underlying strategies of which leverage our core private credit and mortgage loan investment capabilities. As of December 31, 2023, there were \$16 billion in alternatives AUM.

*MASS.* Investment Management's MASS platform offers a variety of investment products and strategies that combine multiple asset classes using asset allocation techniques. The objective of the MASS platform is to develop customized solutions that meet specific, and often unique, goals of investors that dynamically change over time in response to changing markets and client needs. Utilizing core capabilities in asset allocation, manager selection, asset/liability modeling, risk management and financial engineering, the MASS team has developed a suite of target date and target risk funds that are distributed through our

Wealth Solutions segment and to institutional and retail investors. These funds can incorporate multi-manager funds. The MASS team also provides pension risk management, strategic and tactical asset allocation, liability-driven investing solutions and investment strategies that hedge out specific market exposures (e.g., portable alpha) for clients.

The following table presents asset and net flow data, broken out by Investment Management's five investment platforms as well as by major client segment:

<b>Investment Platform</b>	<b>AUM</b>	<b>Net Flows</b>
	<b>As of December 31, 2023</b>	<b>Year Ended December 31, 2023</b>
	<i>(\$ in billions)</i>	<i>(\$ in millions)</i>
Fixed income - Public	\$ 135.2	\$ (5,100.4)
Fixed income - Privates	78.9	(1,451.2)
Equities	91.6	(7,859.8)
Alternatives	16.0	406.0
Total	<u>\$ 321.7</u> *	<u>\$ (14,005.4)</u>
MASS*	36.4	857.4
<b>Client Segment</b>		
Retail	\$ 138.2	\$ 1,474.2
Institutional	148.7	(15,479.5)
General Account	34.7	N/A
Total	<u>\$ 321.7</u>	<u>\$ (14,005.3)</u>
Divested Businesses **	30.0	(2,057.8)

\* \$24.8 billion of MASS assets are included in the fixed income, equity and alternatives AUM categories presented above. The balance of MASS assets, \$11.5 billion, is managed by third parties and we earn only a modest, market-rate fee on the assets. MASS Net Flows includes flows for both AUM and assets managed by third parties.

\*\* Upon closing of the Individual Life Transaction on January 4, 2021, \$26 billion of assets (measured on a market value basis) moved from the general account to external client assets, which are managed by Voya IM as investment manager. Under the terms of the Transaction, Voya IM's mandate covers approximately 80% of these assets for a minimum term of two years following the closing of the Individual Life Transaction, grading down to at least approximately 30% by the sixth year.

N/A - Not applicable

### *Markets and Distribution*

We serve our institutional clients through a dedicated sales and service platform domestically and internationally. Our strategic distribution partnership with AllianzGI significantly enhances our distribution reach globally. We serve individual investors through an intermediary-focused distribution platform, consisting of business development and wholesale forces that partner with banks, broker-dealers and independent financial advisers, as well as our affiliate and third-party retirement platforms.

With the exception of Pomona Capital and certain structured products, the different products and strategies associated with our investment platforms are distributed and serviced by these Retail and Institutional client-focused segments as follows:

- *Retail client segment:* This segment consists of registered open- and closed-end funds and Separately Managed Accounts through affiliate and third-party distribution platforms, including warehouses, brokerage firms, registered investment advisors, banks, trust companies and independent and regional broker-dealers. Our international retail business is carried out through sub-advisory arrangements with UCITS vehicles and other pooled investment vehicles sponsored and distributed by AllianzGI. As of December 31, 2023, total AUM from these channels was \$138.2 billion, including \$15 billion of AUM managed on behalf of divested businesses.
- *Institutional client segment:* This segment consists of individual and pooled accounts, targeting defined benefit, defined contribution recordkeeping and retirement plans, Taft Hartley plans and endowments and foundations. As of December 31, 2023, Investment Management had 357 institutional clients, representing \$148.7 billion of AUM primarily in separately managed accounts and collective investment trusts.

## *Competition*

Investment Management competes with a wide array of asset managers and institutions in the highly fragmented U.S. and global investment management industry. In our key market segments, Investment Management competes on the basis of, among other things, investment performance, investment philosophy and process, product features and structure and client service. Our principal competitors include insurance-owned asset managers such as Principal Global Investors (Principal Financial Group), Prudential and Ameriprise and bank-owned asset managers such as "pure-play" asset managers including Invesco, T. Rowe Price, Franklin Templeton, Janus Henderson and Virtus Investment Partners.

## **Human Capital Resources**

Voya's human capital strategy strives to recruit the best talent to deliver exceptional service to, and meet the evolving needs of, our diverse customer base. We believe that attracting and retaining a high-performing and diverse workforce, as well as building an inclusive culture, are essential to effectively serving our customers and fulfilling Voya's purpose of fighting together for everyone's opportunity for a better financial future. We also prioritize building connections between our employees and their communities through support of employee volunteerism and giving.

As of December 31, 2023, we had approximately 9,000 employees, 80% of whom are U.S.-based and 20% of whom are India-based. Our primary office locations are in New York, NY; Windsor, CT; Minneapolis, MN; Atlanta, GA; Braintree MA; Scottsdale, AZ; San Francisco, CA, San Diego, CA and Bangalore, India. Approximately 85.5% of our U.S.-based workforce is fully remote, approximately 13.5% is hybrid (working in an office location for part of their time) and approximately 1% are office-essential workers.

Our acquisition of Benefitfocus on January 24, 2023 increased our employee base by approximately 1,100 employees, 50% of whom are based in the Charleston, SC region, where we acquired an additional office facility.

## ***Talent Management & Development***

Voya is committed to developing employees through robust learning programs. Our talent management strategy focuses on our talent review process, leadership development, succession planning, mentoring programs, performance management process, coaching and feedback. Voya's Learning Center offers training and tools to help employees develop as they advance their careers, including through transitions into different roles within Voya. Voya's Career Hub offers mentoring, networking, and the ability to create development plans or participate in short-term projects.

## ***Total Rewards***

Voya offers market-competitive and equitable compensation and benefits in order to attract, retain, and motivate a talented and diverse workforce. Our Total Rewards offering is made up of direct compensation (base salary, annual and/or long-term incentives), company-sponsored benefits (retirement savings, health and welfare plans, paid time off, and work-life balance programs) and development opportunities.

## **REGULATION**

Our operations and businesses are subject to a significant number of Federal and state laws, regulations, and administrative determinations. Following is a description of certain legal and regulatory frameworks to which we or our subsidiaries are or may be subject.

Voya Financial, Inc. is the holding company for all of our business operations, which we conduct through our subsidiaries. Voya Financial, Inc. is not licensed as an insurer, investment advisor, trust company or broker-dealer but, because we own regulated insurers, we are subject to regulation as an insurance holding company.

## **Insurance Regulation**

We have three U.S. insurance subsidiaries – VRIAC, RLI and Reliastar of New York, which are domiciled in Connecticut, Minnesota and New York, respectively. These are collectively referred to as "our insurance subsidiaries" and VRIAC and RLI are referred to as our "Principal Insurance Subsidiaries" in this Annual Report on Form 10-K for purposes of discussions of U.S. insurance regulatory matters.

Our insurance subsidiaries are subject to comprehensive regulation and supervision under U.S. state and federal laws. Each U.S. state, the District of Columbia and U.S. territories and possessions have insurance laws that apply to companies licensed to conduct insurance business in the jurisdiction. However, the primary regulator of an insurance company is its state of domicile. Each of our insurance subsidiaries is licensed and regulated in each state in which it conducts insurance business.

State insurance laws and regulations grant insurance regulators broad regulatory and administrative powers with respect to all aspects of the insurance business. State regulators enforce the requirements of insurance laws and regulations through periodic market conduct examinations and other examinations.

State insurance laws and regulations require our insurance subsidiaries to file financial statements with state insurance regulators everywhere they are licensed and the operations of our insurance subsidiaries and accounts are subject to examination by those regulators at any time. Our insurance subsidiaries prepare statutory financial statements in accordance with accounting practices and procedures developed by regulators to monitor and regulate the solvency of insurance companies and their ability to pay current and future policyholder obligations. The National Association of Insurance Commissioners ("NAIC") has approved these uniform statutory accounting principles which have in turn been adopted, in some cases with minor modifications, by all state insurance regulators.

Our insurance subsidiaries are subject to periodic financial examinations and other inquiries and investigations by their respective domiciliary state insurance regulators and other state law enforcement agencies and attorneys general.

### ***Insurance Holding Company Regulation***

Voya Financial, Inc. and our insurance subsidiaries are subject to the insurance holding company laws of the states in which such insurance subsidiaries are domiciled. These laws generally require each insurance company directly or indirectly owned by the holding company to register with the insurance regulator in the insurance company's state of domicile and to furnish annually financial and other information about the operations of companies within the holding company system.

*Affiliate Transactions.* Generally, all transactions affecting the insurers in the holding company system must be fair and reasonable and, if material, require prior notice and approval or non-disapproval by the insurance commissioner of the state of domicile of the insurance subsidiary proposing the material transaction.

*Change of Control.* State insurance holding company regulations generally provide that no person, corporation or other entity may acquire control of an insurance company, or a controlling interest in any parent company of an insurance company, without the prior approval of such insurance company's domiciliary state insurance regulator. Under the laws of each of the domiciliary states of our insurance subsidiaries, any person acquiring, directly or indirectly, 10% or more of the voting securities of an insurance company is presumed to have acquired "control" of the company. This statutory presumption of control may be rebutted by a showing that control does not exist in fact. State insurance regulators, however, may find that "control" exists in circumstances in which a person owns or controls less than 10% of voting securities.

Any purchaser of shares of common stock representing 10% or more of the voting power of our capital stock will be presumed to have acquired control of our insurance subsidiaries unless, following application by that purchaser in each insurance subsidiary's state of domicile, the relevant insurance commissioner determines otherwise.

*NAIC Regulations.* The NAIC insurance holding company model act and regulations, versions of which have been adopted by our insurance subsidiaries' domicile states, include a requirement that an insurance holding company system's ultimate controlling person submit annually to its lead state insurance regulator an "enterprise risk report" that identifies activities, circumstances or events involving one or more affiliates of an insurer that, if not remedied properly, are likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole.

In addition, the NAIC's Risk Management and Own Risk and Solvency Assessment ("ORSA") Model Act, which has been adopted by our insurance subsidiaries' domicile states, requires that insurers maintain a risk management framework and conduct an internal risk and solvency assessment of the insurer's material risks in normal and stressed environments. In accordance with statutory requirements, Voya regularly prepares and submits ORSA summary reports. Several of our insurance subsidiary domiciliary regulators have adopted the Corporate Governance Annual Filing Model Act, which requires insurers, including Voya, to make an annual confidential filing regarding their corporate governance policies.



*Dividend Payment Restrictions.* As a holding company with no significant business operations of our own, we depend on dividends and other distributions from our subsidiaries as the principal source of cash to meet our obligations, including the payment of dividends and the payment of interest on, and repayment of principal of, our outstanding debt obligations. The states in which our insurance subsidiaries are domiciled impose certain restrictions on such subsidiaries' ability to pay dividends to us. These restrictions are based in part on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends above these levels, or extraordinary dividends, are subject to approval by the insurance commissioner of the state of domicile of the insurance subsidiary proposing to pay the dividend.

For a summary of ordinary dividends and extraordinary distributions paid by each of our insurance subsidiaries to Voya Financial, Inc. or Voya Holdings in 2022 and 2023, and a discussion of ordinary dividend capacity for 2024, see *Liquidity and Capital Resources—Restrictions on Dividends and Returns of Capital from Subsidiaries* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K.

### **Financial Regulation**

*Policy and Contract Reserve Sufficiency Analysis.* Under the laws and regulations of their states of domicile, our insurance subsidiaries are required to conduct annual analyses of the sufficiency of their statutory reserves. Other jurisdictions in which these subsidiaries are licensed may have certain reserve requirements that differ from those of their domiciliary jurisdictions. In each case, a qualified actuary must submit an opinion that states that the aggregate statutory reserves, when considered in light of the assets held with respect to such reserves, are sufficient to meet the insurer's contractual obligations and related expenses. If such an opinion cannot be rendered, the affected insurer must establish additional statutory reserves by moving funds from available statutory surplus. Our insurance subsidiaries submit these opinions annually to applicable insurance regulatory authorities.

*Surplus and Capital Requirements.* Insurance regulators have the discretionary authority, in connection with the ongoing licensing of our insurance subsidiaries, to limit or prohibit the ability of an insurer to issue new policies if, in the regulators' judgment, the insurer is not maintaining a minimum amount of surplus or is in hazardous financial condition. Insurance regulators may also limit the ability of an insurer to issue new life insurance policies and annuity contracts. We do not currently believe that the current or anticipated levels of statutory surplus of our insurance subsidiaries present a material risk that any such regulator would limit the amount of new policies that our insurance subsidiaries may issue.

*Risk-Based Capital.* The NAIC has adopted RBC requirements for life, health and property and casualty insurance companies. The requirements provide a method for analyzing the minimum amount of adjusted capital (statutory capital and surplus plus other adjustments) appropriate for an insurance company to support its overall business operations, including the risk characteristics of the company's assets, liabilities and certain off-balance sheet items. State insurance regulators use RBC requirements to identify possibly inadequately capitalized insurers. An insurance company found to have insufficient statutory capital based on its RBC ratio may be subject to varying levels of additional regulatory oversight depending on the level of capital inadequacy. As of December 31, 2023, the Total Adjusted Capital of each of our insurance subsidiaries exceeded statutory minimum RBC levels that would require any regulatory or corrective action.

*Bond Factors.* In 2021, the NAIC adopted the Moody's Analytics proposed revisions to the RBC C-1 factors for invested assets effective for the year-end 2021 RBC calculation. The revisions include expanding the current NAIC designations used in the RBC calculation from six bond structures to twenty. The new factors did not materially impact our RBC calculation. The NAIC is undertaking a second phase of this project to refine capital charges for structured securities.

*Macroprudential Framework.* Since 2017, the NAIC has been developing a macroprudential framework intended to: improve state insurance regulators' ability to monitor and respond to the impact of external financial and economic risks on insurers and better monitor and respond to risk emanating from or amplified by insurers that might be transmitted externally. As part of this initiative, the NAIC has identified liquidity reporting and stress testing, resolution and recovery, capital stress testing, and counterparty exposure and concentration as areas of focus.

*IRIS Tests.* The NAIC has developed the Insurance Regulatory Information System ("IRIS") to assist state regulators in monitoring the financial condition of U.S. insurance companies and identifying companies requiring special attention or action. Our insurance subsidiaries annually submit data under IRIS to the NAIC and the NAIC analyzes this data using prescribed financial data ratios. A ratio falling outside the prescribed "usual range" is not considered a failing result. Rather, unusual values are viewed as part of the regulatory early monitoring system. In many cases, it is not unusual for financially sound companies to have one or more ratios that fall outside the usual range.

Regulators typically investigate or monitor an insurance company if its IRIS ratios fall outside the prescribed usual range for four or more of the ratios, but each state has the right to inquire about any ratios falling outside the usual range.

We do not anticipate regulatory action as a result of our 2023 IRIS ratio results.

*Insurance Guaranty Associations.* Each state has insurance guaranty association laws requiring insurance companies doing business in the state to participate in various types of guaranty associations or other arrangements. The laws are designed to protect policyholders from losses under insurance policies issued by insurance companies that become impaired or insolvent. Typically, these associations levy assessments, up to prescribed limits, on member insurers based on of the member insurer's proportionate share of the business in the relevant jurisdiction in the lines of business in which the impaired or insolvent insurer is engaged. Some jurisdictions permit member insurers to recover assessments that they paid through full or partial premium tax offsets, usually over a period of years.

### ***Securities Regulation Affecting Insurance Operations***

Certain of our insurance subsidiaries sell group variable annuities and have sold variable life insurance that are registered with and regulated by the SEC as securities under the Securities Act of 1933, as amended (the "Securities Act"). These products are issued through separate accounts that are registered as investment companies under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and are regulated by state insurance law. Each separate account is generally divided into sub-accounts, each of which invests in an underlying mutual fund which is itself a registered investment company under the Investment Company Act. Our mutual funds and, in certain states, our variable life insurance and variable annuity products, are subject to filing and other requirements under federal and state securities laws. Federal and state securities laws and regulations are primarily intended to protect investors and generally grant broad rulemaking and enforcement powers to regulatory agencies.

### ***Federal Initiatives Affecting Insurance Operations***

The U.S. federal government generally does not directly regulate the insurance business. Federal legislation and administrative policies in several areas can significantly affect insurance companies. These areas include federal pension and retirement plan regulation, financial services regulation, federal tax laws relating to life insurance companies and their products, the USA PATRIOT Act of 2001 (the "Patriot Act") requiring, among other things, the establishment of anti-money laundering monitoring programs, and federal healthcare laws that may affect supplemental or stop-loss insurance.

### ***Regulation of Investment and Retirement Products and Services***

Our investment, asset management and retirement products and services are subject to federal and state tax, securities, fiduciary (including the Employment Retirement Income Security Act ("ERISA")), insurance and other laws and regulations. The SEC, the Financial Industry Regulatory Authority ("FINRA"), the U.S. Commodities Futures Trading Commission ("CFTC"), state securities commissions, state banking and insurance departments, the Department of Labor ("DOL") and the Treasury Department are the principal regulators that regulate these products and services.

Federal and state securities laws and regulations are primarily intended to protect investors in the securities markets and generally grant regulatory agencies broad enforcement and rulemaking powers, including the power to limit or restrict the conduct of business in the event of non-compliance with such laws and regulations. Federal and state securities regulatory authorities and FINRA from time to time make inquiries and conduct examinations regarding compliance by us and our subsidiaries with securities and other laws and regulations.

### ***Department of Labor Rules Regarding Fiduciaries***

In December 2020, the DOL adopted a revised interpretation to determine investment advice fiduciary status under Title I of ERISA, and a new prohibited transaction exemption (PTE 2020-02) that, subject to certain requirements, allows investment advice fiduciaries to receive compensation that might otherwise have been considered an ERISA prohibited transaction. In November 2023, the DOL proposed additional changes to the definition of investment advice fiduciary under ERISA and to PTE 2020-02 and a number of other class prohibited transaction exemptions. We do not believe that compliance with the proposed fiduciary interpretation or the proposed prohibited transaction exemptions will have a material impact on us. We anticipate that other state and federal regulators may follow with their own rules applicable to investment recommendations relating to other separate or overlapping investment products and accounts, such as insurance products and retirement accounts. If anticipated amendments to these rules render them more onerous than Regulation Best Interest ("Regulation BI") as further

described in —*Broker-Dealers and Investment Advisers*, and existing or proposed DOL rules, or result in a conflict with Regulation BI or existing or proposed DOL rules, the impact on us could be more substantial.

### ***SECURE 2.0 Act***

On December 29, 2022, the SECURE 2.0 Act ("SECURE 2.0") was signed into law. SECURE 2.0 includes numerous provisions affecting retirement plans that: expand participant coverage; facilitate the establishment of retirement plans by smaller employers, the creation of emergency savings accounts, and opportunities for participants with student debt to begin building retirement savings; and simplify plan administration. These provisions are likely to have a significant effect on retirement plans and participants for the next several years due to their staggered effective dates, and will require numerous changes to retirement plan recordkeeping systems and processes. We continue to update our systems and processes to meet the obligations of SECURE 2.0 in our Wealth Solutions business, but do not expect such activities to have a material impact on us.

### **Broker-Dealers and Investment Advisers**

Our securities operations, principally conducted by our SEC-registered broker-dealers, are subject to federal and state securities, commodities and related laws, and are regulated principally by the SEC, the CFTC, state securities authorities, FINRA, the Municipal Securities Rulemaking Board and similar authorities. Independent contractor representatives and employees registered or associated with any of our broker-dealer subsidiaries are subject to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to regulation and examination by the SEC, FINRA and state securities commissioners. The SEC and other governmental agencies and self-regulatory organizations, as well as state securities commissions in the U.S., have the power to conduct administrative proceedings that can result in censure, fines, cease-and-desist orders or suspension, termination or limitation of the activities of the regulated entity or its associated persons.

Broker-dealers are subject to regulations that cover many aspects of the securities business, including, among other things, sales methods and trading practices, whether investments for individual customers are in their best interest, the use and safekeeping of customers' funds and securities, capital adequacy, recordkeeping, financial reporting and the conduct of directors, officers and employees. The federal securities laws may also require, upon a change in control, re-approval by shareholders in registered investment companies of the investment advisory contracts governing management of those investment companies, including mutual funds included in annuity products. Investment advisory clients may also need to approve, or consent to, investment advisory agreements upon a change in control. In addition, broker-dealers are required to make certain monthly and annual filings with FINRA, including monthly FOCUS reports (which include, among other things, financial results and net capital calculations) and annual audited financial statements prepared in accordance with U.S. GAAP.

In June 2019, the SEC adopted Regulation BI. Among other things, Regulation BI applies a "best interest" standard to broker-dealers and their associated persons, including our retail broker-dealer, VFA, when they make securities investment recommendations to retail customers.

As registered broker-dealers and members of various self-regulatory organizations, our registered broker-dealer subsidiaries are subject to the SEC's Net Capital Rule, which specifies the minimum level of net capital a broker-dealer is required to maintain and requires a minimum part of its assets to be kept in relatively liquid form. These net capital requirements are designed to measure the financial soundness and liquidity of broker-dealers. The Net Capital Rule imposes certain requirements that may have the effect of preventing a broker-dealer from distributing or withdrawing capital and may require that prior notice to the regulators be provided prior to making capital withdrawals.

Some of our subsidiaries are registered as investment advisers under the Investment Advisers Act and provide advice to registered investment companies, including mutual funds used in our annuity products, as well as an array of other institutional and retail clients. The Investment Advisers Act and Investment Company Act may require that fund shareholders be asked to approve new investment advisory contracts with respect to those registered investment companies upon a change in control of a fund's adviser. Likewise, the Investment Advisers Act may require that other clients consent to the continuance of the advisory contract upon a change in control of the adviser.

The commodity futures and commodity options industry in the U.S. is subject to regulation under the Commodity Exchange Act of 1936, as amended (the "Commodity Exchange Act"). The CFTC is charged with the administration of the Commodity Exchange Act and the regulations adopted under that Act. Some of our subsidiaries are registered with the CFTC as commodity pool operators and commodity trading advisors. Our futures business is also regulated by the National Futures Association.

In August 2023, the SEC adopted the new "Private Fund Adviser" rule under the Investment Advisers Act, which imposes new disclosure and transparency obligations on advisors to private funds and prohibits advisors from granting preferential treatment to investors in private funds. A lawsuit was filed in September 2023 in the federal court of appeals challenging the validity and enforceability of this rule, which may impact or delay the implementation of the rule.

### **Employee Retirement Income Security Act Considerations**

ERISA is a comprehensive federal statute that applies to U.S. employee benefit plans sponsored by private employers and labor unions. Plans subject to ERISA include pension and profit-sharing plans and welfare plans, including health, life and disability plans. Among other things, ERISA imposes reporting and disclosure obligations, prescribes standards of conduct that apply to plan fiduciaries and disallows "prohibited transactions," such as conflict-of-interest transactions, self-dealing and certain transactions between a benefit plan and a party in interest without an approved exemption. ERISA also provides for a scheme of civil and criminal penalties and enforcement. Our insurance, investment management and retirement businesses provide services to employee benefit plans subject to ERISA, including services under specific contracts where we may act as an ERISA fiduciary. We are also subject to ERISA's prohibited transaction rules for transactions with ERISA plans, which may affect our ability to, or the terms upon which we may, enter into transactions with those plans, even in businesses unrelated to those giving rise to party in interest status. The applicable provisions of ERISA and the Internal Revenue Code are subject to enforcement by the DOL, the U.S. Internal Revenue Service ("IRS") and the U.S. Pension Benefit Guaranty Corporation ("PBGC").

### **Trust Activities Regulation**

Voya Institutional Trust Company ("VITC") and Voya Investment Trust Co. ("VINTCO") are trust subsidiaries chartered by the Connecticut Department of Banking and subject to its regulation, supervision and examination. Neither entity is permitted to accept deposits (other than incidental to trust or custodial activities). VITC's activities are primarily to serve as trustee or custodian for retirement plans, IRAs, HSAs and trust and custodial accounts used by employers to fund health reimbursement arrangements, and VINTCO's activities are primarily to serve as trustee for and manage various collective and common trust funds. VINTCO is also subject to state fiduciary duty laws, and the collective trust funds it manages are generally subject to ERISA.

### **Other Laws and Regulations**

#### ***Cybersecurity Regulatory Activity***

The NAIC, numerous state and federal regulatory bodies, and self-regulatory organizations like FINRA are focused on cybersecurity standards both for the financial services industry and for all companies that collect personal information, and have proposed or enacted legislation and regulations, and issued guidance regarding cybersecurity standards and protocols. In addition, the SEC has promulgated more prescriptive investor disclosure rules regarding cybersecurity incidents, as well as cybersecurity risk management and governance.

Twenty-three states have adopted versions of the NAIC's Insurance Data Security Model Law (the "Model Law"), and other states may adopt versions of the Model Law in the future. Such laws govern cybersecurity and data protection practices of insurers, insurance agents, and other licensed entities registered under state insurance laws and are designed to ensure that licensees of the Department of Insurance in these states have strong and aggressive cybersecurity programs to protect the personal data of their customers. In February 2017, the New York Department of Financial Services ("NYDFS") issued final Cybersecurity Requirements for Financial Services Companies that is not based on the Model Law, that requires banks, insurance companies, and other financial services institutions regulated by the NYDFS, including certain of our subsidiaries, to establish and maintain a comprehensive cybersecurity program. NYDFS's Cybersecurity Requirements specifically provide for: (i) controls relating to the governance framework for a cybersecurity program; (ii) risk-based minimum standards for technology systems for data protection; (iii) minimum standards for cyber breach responses and business continuity and disaster recovery, including notice to the NYDFS of material events; and (iv) identification and documentation of material deficiencies, remediation plans and annual certification of regulatory compliance with the NYDFS. On November 1, 2023, the NYDFS adopted amendments to its cybersecurity regulations increasing mandatory controls and adding further cybersecurity requirements for larger companies.

## ***Privacy Laws and Regulation***

We are subject to laws, regulations and directives that require financial institutions and other businesses to protect the security and confidentiality of personal information, including health-related and customer information, and to notify their customers and other individuals of their policies and practices relating to the collection, use, and disclosure of customer information. In addition, we must comply with international privacy laws, regulations and directives concerning the cross-border transfer or use of employee and customer personal information. These laws, regulations and directives also:

- provide additional protections regarding the use and disclosure of certain information such as national identification numbers (e.g., Social Security numbers);
- require notice to affected individuals, law enforcement, regulators and others if there is a breach of the security of certain personal information;
- require financial institutions to implement effective programs to detect, prevent, and mitigate identity theft;
- regulate the ability of financial institutions to make telemarketing calls and send e-mail, text or fax messages to consumers and customers;
- require oversight of third parties that have access to, and handle, personal information; and
- prescribe the permissible uses of certain personal information, including customer information and consumer report information.

Some countries have also instituted laws requiring in-country data processing and/or in-country storage of the personal data of its citizens.

Certain of our activities are subject to the privacy regulations of the Gramm-Leach-Bliley Act of 1999 (the "GLBA"), along with its implementing regulations, which restricts certain collection, processing, storage, use and disclosure of personal information, requires notice to individuals of privacy practices, provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information and imposes requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines.

We are also subject to numerous state consumer privacy laws, including the California Consumer Privacy Act of 2018 ("CCPA"). The CCPA established a privacy framework for covered businesses that collect and process the personal information of California consumers. It includes a broad definition of personal information, affords California residents certain individual rights of access and deletion regarding their personal data, and limits the "sale" of such information, which is also broadly construed to include making personal information available to third parties for valuable consideration. The CCPA does not apply to data subject to the GLBA or the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). However, a breach of California consumers' personal data, to the extent it involves data not covered by GLBA or HIPAA, may expose us to liability under the CCPA. The CCPA was further supplemented by the California Privacy Rights Act (the "CRPA"), approved by California voters in November 2020, which established the California Privacy Protection Agency, authorized to promulgate new data protection regulations.

Certain of our products and services are subject to HIPAA, which establishes privacy and security standards that limit the use and disclosure of protected health information and require the implementation of administrative, physical and technical safeguards to ensure the confidentiality, integrity, availability, and privacy of protected health information. Benefitfocus, as a healthcare clearinghouse, is a "Covered Entity" directly subject to HIPAA's Privacy, Security, and Breach Notification Rules. Additionally, we may be required to enter into a HIPAA Business Associate Agreement ("BAA") as a result of administering FSAs and HRAs on behalf of our customers, including Benefitfocus' health plan customers, and in connection with the provision of certain services, such as medical claims integration. BAAs require us to safeguard protected health information and restrict how we may use and disclose such information.

More broadly, the General Data Protection Regulation ("GDPR") which regulates data protection for all individuals within the European Union ("EU"), including foreign companies processing data of EU residents, applies to our subsidiaries operating in the EU. The United Kingdom has also implemented the GDPR (the "U.K. GDPR"). The GDPR and the U.K. GDPR set out a number of requirements that must be complied with when handling the personal data of such EU and U.K.-based data subjects respectively including: the obligation to appoint data protection officers in certain circumstances; new rights for individuals to be "forgotten" and rights to data portability; the principle of accountability and the obligation to make public notification of significant data breaches.

The Privacy Protections Working Group, formed by the NAIC in 2019 to review state insurance privacy protections regarding the collection, use and disclosure of information gathered in connection with insurance transactions, is currently drafting a new Privacy Protections Model Act.

Additionally, we may be subject to privacy-related regulatory obligations of third parties with which we do business. For example, our use of certain vendors outside of the U.S. to perform services on our platform could subject us to additional data protection regimes and increased risk of non-compliance.

### ***Data Regulation***

There are emerging federal and state regulations and legislation that address the use of big data and artificial intelligence, including machine learning in the business of insurance. President Biden issued an Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence, the NAIC issued a Model Bulletin regarding the Use of Artificial Intelligence Systems by Insurers, which is expected to be adopted by multiple states, and the state of Colorado issued regulations governing an insurance company's use of artificial intelligence. The regulations and legislation generally focus on companies developing a risk management framework to protect the privacy of individuals and protect them against discrimination.

### ***Anti-Money Laundering, Sanctions, and Anti-Corruption Laws***

The Patriot Act contains anti-money laundering and financial transparency laws applicable to broker-dealers and other financial services companies, including insurance companies. The Patriot Act seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering. Anti-money laundering laws outside of the U.S. contain provisions that may be different, conflicting or more rigorous. Internal practices, procedures and controls are required to meet the obligations of financial institutions to identify their customers, watch for and report suspicious transactions, respond to requests for information by regulatory authorities and law enforcement agencies and share information with other financial institutions.

We are also required to follow certain economic and trade sanctions programs administered by the Office of Foreign Asset Control that prohibit or restrict transactions with suspected countries, their governments and, in certain circumstances, their nationals. We are also subject to regulations governing bribery and other anti-corruption measures.

### ***Environmental Considerations***

Our ownership and operation of real property and properties within our commercial mortgage loan portfolio is subject to federal, state and local environmental laws and regulations. Risks of hidden environmental liabilities and the costs of any required clean-up are inherent in owning and operating real property. Under the laws of certain states, contamination of a property may give rise to a lien on the property to secure recovery of the costs of clean-up, which could adversely affect the valuation of, and increase the liabilities associated with, the commercial mortgage loans we hold. In several states, this lien has priority over the lien of an existing mortgage against such property. In addition, we may be liable, in certain circumstances, as an "owner" or "operator," for costs of cleaning-up releases or threatened releases of hazardous substances at a property mortgaged to us under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the laws of certain states. Application of various other federal and state environmental laws could also result in the imposition of liability on us for costs associated with environmental hazards.

We routinely conduct environmental assessments prior to closing any new commercial mortgage loans or to taking title to real estate. Although unexpected environmental liabilities can always arise, we seek to minimize this risk by undertaking these environmental assessments and complying with our internal environmental policies and procedures.

Climate change, and the need to develop regulatory tools to ensure that insurers are managing the potential financial risks, has come under scrutiny by state legislatures, federal regulators, the NAIC, state insurance regulators, such as the NYDFS, and other state regulatory agencies.

In 2020, the NAIC established a Climate and Resiliency Task Force to coordinate engagement on climate-related risk and resiliency issues. The Task Force has implemented the NAIC's annual Climate Risk Disclosure Survey and developed proposed enhancements to existing regulatory tools to address climate-related risks.

The NYDFS, in a "Circular Letter No. 15," dated September 22, 2020 and in "Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change," dated November 15, 2021, provided that all New York insurers should start integrating the consideration of the financial risks from climate change into their governance frameworks, business strategies, risk management processes and scenario analysis, and develop their approach to climate-related financial disclosure.

In October 2023, California's governor signed into law climate disclosure and financial reporting legislation entitled the Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act. These laws impose new reporting requirements on companies doing business in California that generate over \$1 billion in gross annual revenue. The new laws require applicable companies to disclose Scope 1 and Scope 2 greenhouse gas ("GHG") emissions beginning in 2026 and Scope 3 GHG emissions in 2027. The laws also require applicable companies to submit biennial climate-related financial risk reports to the California Air Resources Board beginning in 2026. We are monitoring further guidance regarding implementation of the new laws but do not believe that the laws will have a material impact on our business and operations. The SEC has proposed similar disclosure rules for publicly reporting companies, which rules have not yet been finalized.

## AVAILABLE INFORMATION

We file periodic and current reports, proxy statements and other information with the SEC, which may be obtained through the SEC's website ([www.sec.gov](http://www.sec.gov)).

You may also access our press releases, financial information and reports filed with the SEC (for example, our Annual Report on Form 10-K, our Proxy Statement, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those Forms) online at [investors.voya.com](http://investors.voya.com). Copies of any documents on our website are available without charge, and reports filed with or furnished to the SEC will be available as soon as reasonably practicable after they are filed with or furnished to the SEC. The information found on our website is not part of this or any other report filed with or furnished to the SEC.

### Item 1A. Risk Factors

We face a variety of risks that are substantial and inherent in our business, including market, liquidity, credit, operational, legal, regulatory and reputational risks. The following is a summary of the material factors that could adversely affect our business, sales, revenues, AUM, reputation, results of operations, liquidity, profitability or financial condition.

- **Global Market Risks**
  - Conditions in the global capital markets, the economy and geopolitical events.
  - The level of interest rates and in particular a period of rapidly increasing interest rates or a recurrence of a low interest rate environment.
  - Unfavorable developments in interest rates, credit spreads and policyholder behavior related to our stable value products.
  - The adequacy of our risk management policies and procedures, including hedging programs.
- **Liquidity, Credit and Investment Risks**
  - A downgrade or potential downgrade in our financial strength or credit ratings.
  - The inability of counterparties to meet their financial obligations.
  - Requirements to post collateral or make payments related to changes in market value of specified assets.
  - Risks associated with our participation in securities lending and repurchase programs.
  - Risks associated with our institutional funding with the Federal Home Loan Bank system.
  - Our dependence on our subsidiaries' ability to transfer funds to us to meet our obligations.
  - Risk of a decrease in the value of our invested assets and the investment returns credited to customers.
  - The relative illiquidity of some of our investments as well as significant market valuation fluctuations of certain asset classes.
  - Inherent uncertainty in methodologies, estimations and assumptions used to value our investments and determine allowances and impairments on such investments.
- **Strategic and Business Risks**
  - Our ability to increase or maintain our market share in highly competitive markets.

- Our ability to achieve the desired results from recent acquisitions.
  - The complexity of our products and services and our reliance on intermediaries.
  - A deterioration in our AUM or the alteration or termination of our asset management agreements or our failure to realize certain performance hurdles under these agreements.
  - Differences between actual policy experience and pricing, reserving or actuarial assumptions.
  - Credit risk associated with reinsurance, as well as its general availability, affordability or adequacy.
  - Our ability to effectively apply technology or to adapt to disruptive technology or innovations.
  - Our ability to maintain client satisfaction with our services.
- **Operational Risks**
    - Interruption or other operational failures in telecommunication, cybersecurity, information technology and other operational systems.
    - Our ability to protect the privacy and confidentiality of customer information.
    - Our ability to attract and retain qualified employees.
    - The occurrence of natural or man-made disasters.
    - Potential difficulties arising from outsourcing relationships.
    - Our dependence on third party software licenses.
    - Risks related to our international operations.
- **Tax, Regulatory and Legal Risks**
    - Potential requirements to reduce the carrying value of our deferred income tax assets or establish an additional valuation allowance against them.
    - Potential limitations on our ability to use certain beneficial deferred tax assets.
    - Changes in tax laws and interpretations of existing tax law.
    - Potential failure to comply with regulations governing our business and our products or those of our affiliates.
    - Potential failure to comply with regulations governing our insurance businesses in particular, enforcement actions and regulatory investigations.
    - A decrease in the RBC ratio of our insurance subsidiaries.
    - Litigation or potential litigation.
    - Changes in accounting standards.

## **Global Market Risks**

***Conditions in the global capital markets and the economy generally, as well as geopolitical events, have affected and may continue to affect our business and results of operations.***

Our business and results of operations are affected by conditions in the global capital markets and the economy generally, and are vulnerable to general economic disruption, decreases in asset prices, increases in market volatility and reductions in the availability of credit.

We are affected by both domestic and international macroeconomic developments. Volatility and disruptions in financial markets, including global capital markets, can have an adverse effect on our investment portfolio, and our liabilities are sensitive to changing market factors. Factors including, geopolitics (including war and terrorism) and political uncertainty, potential government shutdowns, the ability of governments to respond in the event of national emergencies, government fiscal and tax policy, interest rates, credit spreads, equity prices, derivative prices and availability, real estate markets, exchange rates, the volatility and strength of the capital markets, changes in reference rates and the lack of historical performance information for such rates, and deflation and inflation, all affect our financial condition. Disruptions in one market or asset class can also spread to other markets or asset classes. Upheavals in the financial markets can also affect our financial condition (including our liquidity and capital levels) as a result of impacts, including diverging impacts, on the value of our assets and our liabilities.

Even in the absence of a market downturn, our retirement, investment and insurance products, as well as our investment returns and our access to and cost of financing, are sensitive to equity, fixed income, real estate and other market fluctuations and general economic and political conditions.



Adverse capital market conditions may affect the availability and cost of borrowed funds, thereby impacting our ability to support or grow our business. We need liquidity to pay our operating expenses, interest on our debt and dividends on our capital stock, to carry out any share repurchases that we may undertake, to maintain our securities lending activities, to collateralize certain obligations with respect to our indebtedness, to fund policyholder withdrawals and other benefits, and to replace certain maturing liabilities. Without sufficient liquidity, we would be forced to curtail our operations, our ability to manage our capital structure would be adversely affected, and our business would suffer.

To the extent that any of the foregoing risks were to emerge in a manner that adversely affected general economic conditions, financial markets, or the markets for our products and services, our financial condition, liquidity, and results of operations could be materially adversely affected.

***The level of interest rates may adversely affect our profitability, particularly during a period of rapidly increasing interest rates or in the event of a recurrence of a low interest rate environment.***

Increases in market interest rates could have a material adverse effect on the value of our investment portfolio by, for example, decreasing the estimated fair values of the fixed income securities within our investment portfolio. A decrease in the estimated fair value of our investment portfolio would result in a reduction in U.S. GAAP equity and an increase in our leverage ratios. An increase in market interest rates could also create increased collateral posting requirements associated with our interest rate hedging programs and Federal Home Loan Bank funding agreements, which could materially and adversely affect liquidity. In addition, an increase in market interest rates could require us to pay higher interest rates on debt securities we may issue in the financial markets from time to time to finance our operations, which would increase our interest expense and reduce our results of operations. In addition, certain statutory capital and reserve requirements are based on formulas or models that consider interest rates, and a rapidly increasing interest rate environment may increase the statutory capital we are required to hold and the amount of assets we must maintain to support statutory reserves.

Conversely, during a period of decreasing interest rates or a prolonged period of low interest rates, our investment earnings may decrease because the interest earnings on our recently purchased fixed income investments will likely have declined in tandem with market interest rates. In addition, a prolonged low interest rate period may result in higher costs for certain derivative instruments that may be used to hedge certain of our product risks. RMBS and callable fixed income securities in our investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, we may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to policyholders and contract owners and returns on our investment portfolios. An extended period of declining or prolonged low interest rates may also coincide with an increase in liabilities for future policyholder benefits. In addition, certain statutory capital and reserve requirements are based on formulas or models that consider interest rates, and an extended period of low interest rates may increase the statutory capital we are required to hold and the amount of assets we must maintain to support statutory reserves. We believe that a low interest rate environment would negatively affect our financial performance.

In a period of changing interest rates, interest expense may increase and interest credited to policyholders may change at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest margin. Changes in interest rates may negatively affect the value of our assets and our ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In addition, our insurance and annuity products and certain of our retirement and investment products are sensitive to inflation rate fluctuations. A sustained increase in the inflation rate in our principal markets may also negatively affect our business, financial condition and results of operations. A failure to accurately anticipate higher inflation and factor it into our product pricing assumptions may result in mispricing of our products, which could materially and adversely impact our results of operations.

***Unfavorable developments in interest rates, credit spreads and policyholder behavior may result in adverse financial consequences related to our stable value products, and our hedging program and risk mitigation features may not successfully offset these consequences.***

We offer stable value products primarily as a fixed rate, liquid asset allocation option for employees of our plan sponsor customers within the defined contribution funding plans offered by our Wealth Solutions business. These products provide a guaranteed annual credited rate on participant account values and generally allow immediately eligible participant withdrawals and transfers without a market value adjustment.

The sensitivity of our statutory reserves and surplus established for stable value products to changes in interest rates, credit spreads and policyholder behavior will vary depending on the magnitude of these changes, as well as on the market value of invested assets, participant account value, the market value of assets, credit losses, the guaranteed credited rates available to customers and other product features. Realization or re-measurement of these risks may result in an increase in the reserves for stable value products, and could materially and adversely affect our financial position or results of operations. In particular, in a low interest rate environment, we are exposed to the risk that reserves must be added to fund withdrawals and transfers when guaranteed annual credited rates exceed the earned rate on invested assets. In a rising interest rate environment, we are exposed to the risk of a potential increase in contract holder withdrawals and the potential need to sell assets at a loss to fund those withdrawals.

Although we maintain a hedging program and other risk mitigating features to offset these risks, such program and features may not operate as intended or may not be fully effective, and we may remain exposed to such risks.

***Our risk management policies and procedures, including hedging programs, may prove inadequate for the risks we face, which could adversely affect our business and financial condition or result in losses.***

We have developed risk management policies and procedures, including hedging programs, that utilize derivative financial instruments, and expect to continue to do so in the future. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective, particularly during turbulent economic conditions. Many of our methods of managing risk and exposures are based on observed historical market behavior or statistics based on historical models. As a result, these methods may not predict future exposures accurately, which could be significantly greater than historical measures indicate.

We employ various strategies, including hedging and reinsurance, with the objective of mitigating risks inherent in our business and operations. These risks include current or future changes in the fair value of our assets and liabilities, current or future changes in cash flows, the effect of interest rates, equity markets and credit spread changes, the occurrence of credit defaults, currency fluctuations and changes in mortality and longevity. We seek to control these risks by, among other things, entering into reinsurance contracts and derivative instruments, such as swaps, options, futures and forward contracts. See risk factor *Reinsurance subjects us to the credit risk of reinsurers and may not be available, affordable or adequate to protect us against losses* for risks associated with our use of reinsurance. Developing an effective strategy for dealing with these risks is complex, and no strategy can completely protect us from such risks. Our hedging strategies also rely on assumptions and projections regarding our assets, liabilities, general market factors, and the creditworthiness of our counterparties that may prove to be incorrect or inadequate. Our hedging strategies and the derivatives that we use, or may use in the future, may not adequately mitigate or offset the hedged risk and our hedging transactions may result in losses.

### **Liquidity, Credit and Investment Risks**

***A downgrade or a potential downgrade in our financial strength or credit ratings may result in a loss of business and adversely affect our results of operations and financial condition.***

We are currently subject to periodic review by independent credit rating agencies S&P, Moody's, Fitch and A.M. Best, each of which currently maintain an investment grade rating with respect to us. Our ability to obtain secured or unsecured debt financing and our cost of secured or unsecured debt financing depend, in part, on our credit ratings. In turn, maintaining our credit ratings depends on strong financial results and on other factors, including the outlook of the rating agencies on our sector and the market generally. A credit rating downgrade could negatively impact our ability to obtain secured or unsecured financing and increase borrowing costs.

Financial strength ratings, which various rating organizations publish as a measure of an insurance company's ability to meet contract holder and policyholder obligations, are important to maintain public confidence in our products, the ability to market our products and our competitive position. A downgrade in our financial strength ratings, or the announced potential for a downgrade, could have a significant adverse effect on our financial condition and results of operations in many ways, including by: (i) reducing new sales of insurance and annuity products and investment products; (ii) adversely affecting our relationships with our advisors and third-party distributors of our products; (iii) materially increasing the number or amount of policy surrenders and withdrawals by contract holders and policyholders; (iv) requiring us to reduce prices for many of our products and services to remain competitive; and (v) adversely affecting our ability to obtain reinsurance or obtain reasonable pricing on reinsurance.

In addition, rating agencies may implement changes to their capital models that may favorably or unfavorably affect our ratings. We cannot assure you that these ratings will remain in effect for any given period of time or that a rating will not be lowered,

suspended or withdrawn. Ratings are not a recommendation to buy, sell or hold any security, and each agency's rating should be evaluated independently of any other agency's rating.

***The inability of counterparties to meet their financial obligations could have an adverse effect on our results of operations.***

Third parties that owe us money, securities or other assets may not pay or perform under their obligations. These parties include the issuers or guarantors of securities we hold, customers, reinsurers, trading counterparties, securities lending and repurchase counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to us due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other factors, or even rumors about potential defaults by one or more of these parties, could have a material adverse effect on our results of operations, financial condition and liquidity. Actual or anticipated changes or downgrades in counterparty credit ratings, including any announcement that such ratings are under review for a downgrade, could increase our corporate borrowing costs and limit our access to the capital markets, which could adversely impact our financial results.

We routinely execute a high volume of transactions such as unsecured debt instruments, derivative transactions and equity investments with counterparties and customers in the financial services industry, resulting in large periodic settlement amounts which may result in our having significant credit exposure to one or more of such counterparties or customers. Many of these transactions comprise derivative instruments with a number of counterparties in order to hedge various risks, including equity and interest rate market risk features within many of our insurance and annuity products. Our obligations under our products are not changed by our hedging activities and we are liable for our obligations even if our derivative counterparties do not pay us. As a result, we face concentration risk with respect to liabilities or amounts we expect to collect from specific counterparties and customers. A default by, or even concerns about the creditworthiness of, one or more of these counterparties or customers could have an adverse effect on our results of operations or liquidity. There is no assurance that losses on, or impairments to the carrying value of, these assets due to counterparty credit risk would not materially and adversely affect our business, results of operations or financial condition.

We are also subject to the risk that our rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations we hold could result in losses and/or adversely affect our ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. While in many cases we are permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral we are entitled to receive and the value of pledged assets. Our credit risk may also be exacerbated when the collateral we hold cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to us, which is most likely to occur during periods of illiquidity and depressed asset valuations. The termination of contracts and the foreclosure on collateral may subject us to claims for the improper exercise of rights under the contracts. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

***Requirements to post collateral or make payments related to changes in market value of specified assets may adversely affect our liquidity.***

The amount of collateral we may be required to post under short-term financing agreements and derivative transactions may increase under certain circumstances. Pursuant to the terms of some transactions, we could be required to make payment to our counterparties related to any change in the market value of the specified collateral assets. Such requirements could have an adverse effect on our liquidity. Furthermore, with respect to any such payments, we may have unsecured risk to the counterparty as these amounts may not be required to be segregated from the counterparty's other funds, may not be held in a third-party custodial account and may not be required to be paid to us by the counterparty until the termination of the transaction.

***Our participation in securities lending and repurchase programs subjects us to potential liquidity and other risks.***

The repurchase of securities or our inability to enter into new repurchase agreements would reduce the amount of cash collateral available to us. Market conditions on or after the repurchase date may limit our ability to enter into new agreements at a time when we need access to additional cash collateral for investment or liquidity purposes.

For both securities lending and repurchase transactions, in some cases, the maturity of the securities held as invested collateral (i.e., securities that we have purchased with cash collateral received) may exceed the term of the related securities on loan and the estimated fair value may fall below the amount of cash received as collateral and invested. If we are required to return

significant amounts of cash collateral on short notice and we are forced to sell securities to meet the return obligation, we may have difficulty selling such collateral that is invested in securities in a timely manner, be forced to sell securities in a volatile or illiquid market for less than we otherwise would have been able to realize under normal market conditions, or both. In addition, under adverse capital market and economic conditions, liquidity may broadly deteriorate, which would further restrict our ability to sell securities. See *Liquidity and Capital Resources — Securities Pledged* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K for further information.

***A portion of our institutional funding originates from the Federal Home Loan Bank system, which subjects us to liquidity risks.***

A portion of our institutional funding agreements originates from the FHLB of Boston and the FHLB of Des Moines. We have issued funding agreements in exchange for eligible collateral primarily in the form of cash, mortgage-backed securities and U.S. Treasury securities. These funding agreements are for a fixed term and cannot be terminated early by the FHLB.

Should the FHLBs choose to change their definition of eligible collateral, change the lendable value against such collateral or if the market value of the pledged collateral decreases in value due to changes in interest rates or credit ratings, we may be required to post additional collateral in the form of cash or other eligible collateral. Additionally, if we lose access to FHLB funding, we may be required to find other sources to replace it. This could occur if our creditworthiness falls below either of the FHLB's requirements or if legislative or other political actions cause changes to the FHLBs' mandate or to the eligibility of life insurance companies to be members of the FHLB system.

***As holding companies, Voya Financial, Inc. and Voya Holdings depend on the ability of their subsidiaries to transfer funds to them to meet their obligations.***

Voya Financial, Inc. is the holding company for all our operations, and dividends, returns of capital and interest income on intercompany indebtedness from Voya Financial, Inc.'s subsidiaries are the principal sources of funds available to Voya Financial, Inc. to pay principal and interest on our outstanding indebtedness, corporate operating expenses and any stockholder dividends, to repurchase any stock, and to meet our other obligations. The subsidiaries of Voya Financial, Inc. are legally distinct from Voya Financial, Inc. and, except in the case of Voya Holdings, which is the guarantor of certain of our outstanding indebtedness, have no obligation to pay amounts due on the debt of Voya Financial, Inc. or to make funds available to Voya Financial, Inc. for such payments. The ability of our subsidiaries to pay dividends or make other distributions to Voya Financial, Inc. in the future will depend on their earnings, tax considerations, covenants contained in their financing or other agreements and applicable regulatory restrictions. In addition, such payments may be limited as a result of claims against our subsidiaries by their creditors, including suppliers, vendors, lessors and employees. The ability of our insurance subsidiaries to pay dividends and make other distributions to Voya Financial, Inc. is regulated by state insurance laws and regulations, and will depend on their ability to meet applicable regulatory standards and receive regulatory approvals. For additional information on the regulations governing our subsidiaries and restrictions imposed on their ability to pay dividends, see *—Regulation— Insurance Regulation* in Part I, Item 1. of this Annual Report on Form 10-K.

Voya Holdings is wholly owned by Voya Financial, Inc. and is also a holding company, and accordingly its ability to make payments under its guarantees of our indebtedness or on the debt for which it is the primary obligor is subject to restrictions and limitations similar to those applicable to Voya Financial, Inc. Voya Financial, Inc. and Voya Holdings do not have significant sources of cash flows other than from our subsidiaries that do not guarantee such indebtedness.

If the ability of our insurance or non-insurance subsidiaries to pay dividends or make other distributions or payments to Voya Financial, Inc. and Voya Holdings is materially restricted by regulatory requirements, other cash needs, bankruptcy or insolvency, or our need to maintain the financial strength ratings of our insurance subsidiaries, or is limited due to results of operations or other factors, we may be required to raise cash through the incurrence of debt, the issuance of equity or the sale of assets. However, there is no assurance that we would be able to raise cash by these means. This could materially and adversely affect the ability of Voya Financial, Inc. and Voya Holdings to pay their obligations.

For a summary of ordinary dividends and extraordinary distributions paid by each of our Principal Insurance Subsidiaries to Voya Financial or Voya Holdings in 2022 and 2023, and a discussion of ordinary dividend capacity for 2024, see *Liquidity and Capital Resources—Restrictions on Dividends and Returns of Capital from Subsidiaries* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K and the *Insurance Subsidiaries* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

***Our investment portfolio is subject to several risks that may diminish the value of our invested assets and the investment returns credited to customers, which could reduce our sales, revenues and results of operations.***

Fixed income securities represent a significant portion of our investment portfolio. We are subject to the risk that the issuers, or guarantors, of fixed income securities we own may default on principal and interest payments they owe us. We are also subject to the risk that the underlying collateral within asset-backed securities, including mortgage-backed securities, may default on principal and interest payments causing an adverse change in cash flows. The occurrence of a major economic downturn, acts of corporate malfeasance, widening mortgage or credit spreads, or other events that adversely affect the issuers, guarantors or underlying collateral of these securities could cause the estimated fair value of our fixed income securities portfolio and our earnings to decline and the default rate of the fixed income securities in our investment portfolio to increase. A ratings downgrade affecting issuers or guarantors of securities in our investment portfolio, or similar trends that could worsen the credit quality of such issuers or guarantors could also have a similar effect. Similarly, a ratings downgrade affecting a security we hold could indicate that the credit quality of that security has deteriorated and could increase the capital we must hold to support that security to maintain our RBC ratio. See risk factor *A decrease in the RBC ratio (as a result of a reduction in statutory surplus and/or increase in RBC requirements) of our insurance subsidiaries could result in increased scrutiny by insurance regulators and rating agencies and have a material adverse effect on our business, results of operations and financial condition.* We are also subject to the risk that cash flows resulting from the payments on pools of mortgages or other obligations that serve as collateral underlying the mortgage- or asset-backed securities we own may differ from our expectations in timing or size. Cash flow variability arising from an unexpected acceleration in mortgage prepayment behavior can be significant, and could cause a decline in the estimated fair value of certain "interest-only" securities within our mortgage-backed securities portfolio. Any event reducing the estimated fair value of these securities, other than on a temporary basis, could have a material adverse effect on our business, results of operations and financial condition.

In particular, we manage a portfolio of various collateralized mortgage obligation ("CMO") tranches in combination with financial derivatives as part of a proprietary strategy we refer to as "CMO-B," as described under *Investments—CMO-B Portfolio* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K. The CMO-B portfolio is subject to a number of market and behavior risks, including interest rate risk, prepayment risk, and delinquency and default risk associated with Agency mortgage borrowers. In addition, government policy changes affecting residential housing and residential housing finance, such as government agency reform and government sponsored refinancing programs, and Federal Reserve Bank purchases of agency mortgage securities could alter prepayment behavior and result in adverse changes to portfolio values. While we actively monitor our exposure to these and other risks inherent in this strategy, it is possible that our hedging and risk management strategies will not be effective; any failure to manage these risks effectively could materially and adversely affect our results of operations and financial condition. In addition, although our CMO-B portfolio has historically performed well, it may not continue to meet expectations in the future. A rise in home prices, the concern over further introduction of or changes to government policies aimed at altering prepayment behavior, and an increased availability of housing-related credit could combine to increase expected or actual prepayment speeds, which would likely lower interest only ("IO") and inverse IO valuations. Under these circumstances, the results of our CMO-B portfolio would likely underperform compared to recent periods.

From time to time we invest our capital to seed a particular investment strategy or investment portfolio. We may also co-invest in funds or take an equity ownership interest in certain structured finance/investment vehicles that we manage for our customers. In some cases, these interests may be leveraged with third-party debt financing. Any decrease in the value of such investments could negatively affect our revenues and income or subject us to losses.

Poor investment performance may result in reductions to interest rates credited to our products, which in turn could lead to lower sales, an increase in customer withdrawals, and a decrease in AUM which would adversely affect results of operations.

***Some of our investments are relatively illiquid and in some cases are in asset classes that have been experiencing significant market valuation fluctuations.***

We hold certain assets that may lack liquidity, such as privately placed fixed income securities, commercial mortgage loans, policy loans and limited partnership interests. Reported values of our relatively illiquid types of investments do not necessarily reflect the current market prices of the assets. If we require significant amounts of cash on short notice in excess of normal cash requirements or are required to post or return collateral in connection with our investment portfolio, derivatives transactions or securities lending activities, we may have difficulty selling these investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both.

We invest a portion of our invested assets in investment funds, many of which make private equity investments. The amount and timing of income from such investment funds tend to be uneven as a result of the performance of the underlying investments, including private equity investments. The timing of distributions from the funds, which depends on particular events relating to the underlying investments, as well as the funds' schedules for making distributions and their needs for cash, can be difficult to predict. As a result, the amount of income that we record from these investments can vary substantially from quarter to quarter. Recent market volatility may reduce investment income for these types of investments.

***The valuation of many of our financial instruments, and the determination of the amount of allowances and impairments taken on our investments, include methodologies, estimations and assumptions that are subject to differing interpretations or are inherently subjective and could result in changes to investment valuations that may adversely affect our results of operations and financial condition.***

During periods of market disruption, including periods of rapidly changing credit spreads or illiquidity, it may be difficult to value certain of our securities, such as certain mortgage-backed securities, if trading becomes less frequent or market data becomes less observable. There may be certain asset classes that, although currently in active markets with significant observable data, could become illiquid in a difficult financial environment. As such, valuations may include inputs and assumptions that are less observable or require greater estimation, thereby resulting in values that may differ materially from the value at which the investments may be ultimately sold. Further, rapidly changing and unprecedented market conditions could materially impact the valuation of securities as reported within the financial statements, and the period-to-period changes in value could vary significantly. Decreases in value could have a material adverse effect on our results of operations and financial condition.

The determination of the amount of allowances and impairments varies by investment type and is based on our quarterly evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are subjective and require a high degree of judgment, and are revised as conditions change and new information becomes available. There can be no assurance that management has accurately assessed the level of impairments taken and allowances reflected in our financial statements. Furthermore, additional impairments may need to be taken or allowances provided for in the future if investments perform worse than our expectations. Historical trends may not be indicative of future impairments or allowances.

## **Strategic and Business Risks**

***Because we operate in highly competitive markets, we may not be able to increase or maintain our market share, which may have an adverse effect on our results of operations.***

In each of our businesses we face intense competition, including from broker-dealers, financial advisors, asset managers and diversified financial institutions, banks, technology companies and start-up financial services providers, both for the ultimate customers for our products and for distribution through independent distribution channels. We compete based on a number of factors including brand recognition, reputation, quality of service, quality of investment advice, investment performance of our products, product features, scope of distribution, price, perceived financial strength and credit ratings, scale and level of customer service. A decline in our competitive position as to one or more of these factors could adversely affect our profitability. Many of our competitors are large and well-established and some have greater market share or breadth of distribution, offer a broader range of products, services or features, assume a greater level of risk, have greater financial resources, or have higher claims-paying or credit ratings than we do. Furthermore, the preferences of the end consumers for our products and services may shift, including as a result of technological innovations affecting the marketplaces in which we operate. To the extent that our competitors are more successful than we are at adopting new technology and adapting to the changing preferences of the marketplace, our competitiveness may decline.

Further, the profitability of our engagements with clients may not meet our expectations due to unexpected costs, cost overruns, early contract terminations, unrealized assumptions used in our contract bidding process or the inability to maintain our prices in light of any inflationary circumstances.

In recent years, there has been substantial consolidation among companies in the financial services industry resulting in increased competition from large, well-capitalized financial services firms. Many of our competitors also have been able to increase their distribution systems through mergers, acquisitions, partnerships or other contractual arrangements. Furthermore, larger competitors may have lower operating costs and an ability to absorb greater risk, allowing them to price products more competitively while maintaining financial strength ratings. These competitive pressures could result in increased pressure on the pricing of certain of our products and services, and could harm our ability to maintain or increase profitability. There can be no

assurance that we will continue to effectively compete within the industry or that competition will not have a material adverse impact on our business, results of operations and financial condition.

***Recent acquisitions, including managing the transition on the terms or timing currently contemplated, could have negative impacts on us.***

As further described under *–Organizational History and Structure–Recent Acquisitions* in Part I, Item 1. of this Annual Report on Form 10-K, we completed several acquisitions in 2022 and 2023.

Although we believe these acquisitions to have been successful to date, it is possible that we may not achieve certain of the benefits that we expect to obtain in connection with the acquisitions, or that integrating these businesses, including their information technology, data management and operational systems, may take longer than expected or create additional vulnerabilities. For example, it is possible that expected revenues may not fully materialize or that the value of the acquisitions to us is less than we anticipated. In addition, the costs of integrating these acquired businesses may be more than anticipated. See *Overview* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K for further information. Should any of the acquisitions ultimately prove to be less beneficial than we anticipated, or should the integration costs, transition services or other developments resulting from the acquisitions create unanticipated difficulties for our business, our results of operations and financial condition could be adversely affected, including impairment to the value of goodwill and intangible assets which has materially increased as a result of our most recent acquisitions.

Further, we share ownership of VIM Holdings with Allianz, which holds a 24% equity interest in VIM Holdings. While we maintain full operational control of VIM Holdings, we may have less flexibility to engage in strategic transactions involving Voya IM or its subsidiaries.

***Our products and services are complex and are frequently sold through intermediaries, and a failure to properly perform services, the misrepresentation of our products or services or a loss or significant change in these relationships may have an adverse effect on our revenues and income.***

Many of our products and services are complex and are frequently sold through intermediaries. In particular, our Workplace Solutions business is reliant on intermediaries to describe and explain our products to potential customers. The intentional or unintentional misrepresentation of our products and services in advertising materials or other external communications, or inappropriate activities by our personnel or an intermediary, could adversely affect our reputation and business prospects, as well as lead to potential regulatory actions or litigation.

We distribute certain products under agreements with affiliated distributors and other members of the financial services industry that are not affiliated with us. We compete with other financial institutions to attract and retain commercial relationships in each of these channels, and our success in competing for sales through these distribution intermediaries depends on factors such as the amount of sales commissions and fees we pay, the breadth of our product offerings, the strength of our brand, our perceived stability and financial strength ratings, and the marketing and services we provide to, and the strength of the relationships we maintain with, individual distributors. An interruption or significant change in certain key relationships could materially affect our ability to market our products and could have a material adverse effect on our business, results of operations and financial condition. Distributors may elect to alter, reduce or terminate their distribution relationships with us, including for such reasons as changes in our distribution strategy, adverse developments in our business, adverse rating agency actions or concerns about market-related risks. Alternatively, we may terminate one or more distribution agreements due to, for example, a loss of confidence in, or a change in control of, one of the distributors, which could reduce sales.

We are also at risk that key distribution partners may merge or change their business models in ways that affect how our products are sold, either in response to changing business priorities or as a result of shifts in regulatory supervision or potential changes in state and federal laws and regulations regarding standards of conduct applicable to distributors when providing investment advice to retail and other customers.

***Revenues, earnings and income from our Investment Management business operations could be adversely affected if (i) the amount of our AUM is adversely impacted due to performance and (ii) the terms of our asset management agreements are significantly altered or the agreements are terminated, or if certain performance hurdles are not realized.***

We derive operating revenues from providing investment management and related services. Our investment management related revenues are derived primarily from fees based on a percentage of the value of AUM. Any decrease in the value or

amount of our AUM because of market volatility, client withdrawals or other factors negatively impacts our revenues and income. Macroeconomic developments and other factors that are difficult to predict affect the mix, market values and levels of our AUM. The funds we manage may be subject to an unanticipated large number of redemptions as a result of such developments, causing the funds to sell securities they hold, possibly at a loss, or draw on any available lines of credit to obtain cash, or use securities held in the applicable fund, to settle these redemptions. We may, in our discretion, also provide financial support to a fund to enable it to maintain sufficient liquidity in such an event. Additionally, changing market conditions may cause a shift in our asset mix towards fixed-income products and a related decline in our revenue and income, as we generally derive higher fee revenues and income from equity products than from fixed-income products we manage. Any decrease in the level of our AUM resulting from price declines, interest rate volatility or uncertainty, increased redemptions or other factors could negatively impact our revenues and income.

Our investment performance is critical to the success of our investment management and related services business, as well as to the profitability of our retirement and insurance products. Poor investment performance as compared to third-party benchmarks or competitor products could lead to a decrease in sales of investment products we manage and lead to redemptions of existing assets, generally lowering the overall level of AUM and reducing the management fees we earn. We cannot assure you that past or present investment performance in the investment products we manage will be indicative of future performance. Any poor investment performance may negatively impact our revenues and income.

Our revenues from our investment management business operations are also dependent on fees earned under asset management and related services agreements that we have with the clients and funds we advise. Revenues for this segment could be adversely affected if these agreements are altered significantly or terminated in the future. The decline in revenue that might result from alteration or termination of our asset management services agreements could have a material adverse impact on our results of operations or financial condition. In addition, under certain laws and contract provisions, advisory contracts may require approval or consent from clients or fund shareholders in the event of an assignment of the contract or a change in control of the investment adviser. Were a transaction to result in an assignment or change in control, the inability to obtain consent or approval from clients or shareholders of mutual funds or other investment funds could result in a significant reduction in advisory fees.

As investment manager for certain private equity funds that we sponsor, we earn both a fixed management fee and performance-based capital allocations, or "carried interest." Our receipt of carried interest is dependent on the fund exceeding a specified investment return hurdle over the life of the fund. The profitability of our investment management activities with respect to these funds depends to a significant extent on our ability to exceed the hurdle rates and receive carried interest. To the extent that we exceed the investment hurdle during the life of the fund, we may receive or accrue carried interest, which is reported as Net investment income and Net gains (losses) within our Investment Management segment during the period such fees are first earned. If the investment return of a fund were to subsequently decline so that the cumulative return of a fund falls below its specified investment return hurdle, we may have to reverse previously reported carried interest, which would result in a reduction to Net investment income and Net gains (losses) during the period in which such reversal becomes due. Consequently, a decline in fund performance could require us to reverse previously reported carried interest, which could create volatility in the results we report in our Investment Management segment, and the adverse effects of any such reversals could be material to our results for the period in which they occur.

***We may face significant losses if our actuarial assumptions, including mortality rates, morbidity rates, persistency rates or other underwriting assumptions, are not accurate, differ significantly from our pricing expectations or change in the future.***

Our financial results are subject to risks around actuarial assumptions, including those related to mortality and the future behavior of policyholders, such as lapse rates and future claims payment patterns. These assumptions, which we use to determine our liabilities for future policy benefits, may not reflect future experience. Changes to these actuarial assumptions in the future could require increases to our reserves in amounts that could be material. Any adverse changes to reserves could require us to make material additional capital contributions to one or more of our insurance company subsidiaries or could otherwise be material and adverse to our results of operations or financial condition. We review these assumptions at least annually in the third quarter and update them if necessary. For further information, see *Results of Operations* and *Critical Accounting Judgments and Estimates* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K.

We set prices for many of our Health Solutions products based on expected claims and payment patterns, using assumptions for mortality rates, or likelihood of death, and morbidity rates, or likelihood of sickness or accident, of our policyholders. In addition to the potential effect of natural or man-made disasters, significant changes in mortality or morbidity could emerge gradually over time due to changes in the natural environment, the health habits of the insured population, technologies and



treatments for disease or disability, the economic environment, or other factors. The long-term profitability of such products depends on how our actual mortality and morbidity rates compare to our pricing assumptions. In addition, prolonged or severe adverse mortality or morbidity experience could result in increased reinsurance costs, and ultimately, reinsurers might not offer coverage at all. If we are unable to maintain our current level of reinsurance or purchase new reinsurance protection in amounts that we consider sufficient, we would have to accept an increase in our net risk exposures, revise our pricing to reflect higher reinsurance premiums, or otherwise modify our product offering.

Pricing of our Health Solutions products is also based in part on expected persistency of these products, which is the probability that a policy will remain in force from one period to the next. Actual persistency that is lower than our persistency assumptions could have an adverse effect on profitability, especially in the early years of a policy, primarily because we would be required to accelerate the amortization of expenses we defer in connection with the acquisition of the policy. Actual persistency that is higher than our persistency assumptions could have an adverse effect on profitability in the later years of a block of business because the anticipated claims experience is higher in these later years. If actual persistency is significantly different from that assumed in our current reserving assumptions, our reserves for future policy benefits may prove to be inadequate. Although some of our products permit us to increase premiums or adjust other charges and credits during the life of the policy, the adjustments permitted under the terms of the policies may not be sufficient to maintain profitability. Many of our products, however, do not permit us to increase premiums or adjust charges and credits during the life of the policy or during the initial guarantee term of the policy. Even if permitted under the policy, we may not be able or willing to raise premiums or adjust other charges for regulatory or competitive reasons.

Pricing of our products is also based on long-term assumptions regarding interest rates, investment returns and operating costs. Management establishes target returns for each product based on these factors, the other underwriting assumptions noted above and the average amount of regulatory and rating agency capital that we must hold to support in-force contracts. We monitor and manage pricing and sales to achieve target returns. Profitability from new business emerges over a period of years, depending on the nature and life of the product, and is subject to variability as actual results may differ from pricing assumptions. Our profitability depends on multiple factors, including the comparison of actual mortality, morbidity and persistency rates and policyholder behavior to our assumptions; the adequacy of investment margins; our management of market and credit risks associated with investments; our ability to maintain premiums and contract charges at a level adequate to cover mortality, benefits and contract administration expenses; the adequacy of contract charges and availability of revenue from providers of investment options offered in variable contracts to cover the cost of product features and other expenses; and management of operating costs and expenses.

***Reinsurance subjects us to the credit risk of reinsurers and may not be available, affordable or adequate to protect us against losses.***

We cede life insurance policies and annuity contracts or certain risks related to life insurance policies and annuity contracts to other insurance companies using various forms of reinsurance, including coinsurance, modified coinsurance, coinsurance with funds withheld, monthly renewable term and yearly renewable term. However, we remain liable to the underlying policyholders if the reinsurer defaults on its obligations with respect to the ceded business. If a reinsurer fails to meet its obligations under the reinsurance contract, we will be forced to bear the entire unresolved liability for claims on the reinsured policies. In addition, a reinsurer insolvency or loss of accredited reinsurer status may cause us to lose our reserve credits on the ceded business, in which case we would be required to establish additional statutory reserves.

In connection with the Individual Life Transaction, we have entered into large reinsurance agreements with Security Life of Denver ("SLD"), our former insurance subsidiary, with respect to the portion of the Individual Life and other legacy businesses that have been written by our insurance subsidiaries domiciled in Minnesota, Connecticut and New York. While SLD's reinsurance obligations to us are collateralized through assets held in trust, in the event of any default by SLD of its reinsurance obligations to us, or any loss of credit for such reinsurance, there can be no assurance that such assets will be sufficient to support the reserves that our subsidiaries would be required to establish or to pay claims.

If a reinsurer does not have accredited reinsurer status, or if a currently accredited reinsurer loses that status, in any state where we are licensed to do business, we are not entitled to take credit for reinsurance in that state if the reinsurer does not post sufficient qualifying collateral (either qualifying assets in a qualifying trust or qualifying letters of credit ("LOCs")). In this event, we would be required to establish additional statutory reserves. Similarly, the credit for reinsurance taken by our insurance subsidiaries under reinsurance agreements with affiliated and unaffiliated non-accredited reinsurers is, under certain conditions, dependent on the non-accredited reinsurer's ability to obtain and provide sufficient qualifying assets in a qualifying trust or qualifying LOCs issued by qualifying lending banks. If these steps are unsuccessful, or if unaffiliated non-accredited

reinsurers that have reinsured business from our insurance subsidiaries are unsuccessful in obtaining sources of qualifying reinsurance collateral, our insurance subsidiaries might not be able to obtain full statutory reserve credit.

Loss of reserve credit by an insurance subsidiary would require it to establish additional statutory reserves and would result in a decrease in the level of its capital, which could have a material adverse effect on our profitability, results of operations and financial condition.

Our reinsurance recoverable balances are periodically assessed for uncollectability. The collectability of reinsurance recoverables is subject to uncertainty arising from a number of factors, including whether the insured losses meet the qualifying conditions of the reinsurance contract, whether reinsurers or their affiliates have the financial capacity and willingness to make payments under the terms of the reinsurance contract, and the degree to which our reinsurance balances are secured by sufficient qualifying assets in qualifying trusts or qualifying LOCs issued by qualifying lending institutions. Although a substantial portion of our reinsurance exposure is secured by assets held in trusts or LOCs, the inability to collect a material recovery from a reinsurer could have a material adverse effect on our profitability, results of operations and financial condition. For additional information regarding our unsecured reinsurance recoverable balances, see *Quantitative and Qualitative Disclosures about Market Risk—Market Risk Related to Credit Risk* in Part II, Item 7A. of this Annual Report on Form 10-K.

The premium rates and other fees that we charge are based, in part, on the assumption that reinsurance will be available at a certain cost. Some of our reinsurance contracts contain provisions that limit the reinsurer's ability to increase rates on in-force business; however, some do not. If a reinsurer raises the rates that it charges on a block of in-force business, in some instances, we will not be able to pass the increased costs onto our customers and our profitability will be negatively impacted. Additionally, such a rate increase could result in our recapturing of the business, which may result in a need to maintain additional reserves, reduce reinsurance receivables and expose us to greater risks. In recent years, we have faced a number of rate increase actions on in-force business, which have in some instances adversely affected our financial results, and there can be no assurance that the outcome of future rate increase actions would not have a material effect on our results of operations or financial condition. In addition, if reinsurers raise the rates that they charge on new business, we may be forced to raise our premiums, which could have a negative impact on our competitive position.

***Our business performance and growth plans may be adversely affected if we are not able to effectively apply technology in our business and operations or to adapt quickly enough to disruptive technology or innovations. Conversely, investments in innovative product offerings may fail to yield sufficient returns to cover their costs.***

Our success depends, in part, on our ability to develop and implement new or revised solutions that anticipate and keep pace with rapid and continuing innovation, changes in technology, industry standards and client preferences, including changes that result from developments in artificial intelligence and big data analytics. Rapid developments in the applications of generative artificial intelligence may be especially challenging to keep pace with. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis. In addition, our innovative solutions may not be accepted in the marketplace. Such technology, including artificial intelligence and big data analytics, may develop in unanticipated ways that could harm customers, the Company or our business models or that could lead to increasing regulatory scrutiny. Additionally, the effort to gain technological expertise and develop or apply new technologies requires us to incur significant expenses.

All of these factors could have a material adverse effect on our ability to compete or to obtain or retain client engagements.

***If our clients are not satisfied with our services, we may face additional cost, loss of profit opportunities and damage to our reputation or legal liability.***

We depend, to a large extent, on our relationships with our clients and our reputation to understand our clients' needs and deliver solutions and services that are tailored to satisfy those needs. If a client is not satisfied with our services, it may be damaging to our business and could cause us to incur additional costs, impair our profitability or reduce our AUM. Accordingly, poor service to one client may negatively impact our relationships with multiple other clients. Moreover, if we fail to meet our contractual obligations, we could be subject to legal liability or loss of client relationships.

## Operational Risks

***Interruption or other operational failures in telecommunication, cybersecurity, information technology and other operational systems, including as a result of human and process error or a failure to maintain the security, integrity, confidentiality, or privacy of such systems, could harm our business.***

We are highly dependent on automated and information technology systems, including off-premises systems provided by various cloud services providers, to record and process both our internal transactions and transactions involving our customers, as well as to calculate reserves, value invested assets and complete certain other components of our U.S. GAAP and statutory financial statements. Despite the implementation of security and back-up measures, our information technology systems may remain vulnerable to disruptions, including disruptions due to events that are wholly or partially beyond our control (such as natural disasters and electrical/telecommunications outages) or to physical or electronic intrusions, viruses or other attacks.

Businesses have increasingly become the targets of "cyberattacks," "ransomware," "phishing," "hacking" or similar illegal or unauthorized intrusions into computer systems and networks. Such events are often highly publicized, can result in significant disruptions to information technology systems and the theft of significant amounts of information as well as funds from online financial accounts. In addition, they can cause extensive damage to the reputation of the targeted business and lead to significant expenses associated with investigation, remediation, regulatory scrutiny and customer protection measures. Like others in our industry, we may experience cybersecurity incidents in the ordinary course of our business. Although we seek to limit our vulnerability to such events through technological and other means, it is not possible to anticipate or prevent all potential forms of cyberattack or to guarantee our ability to fully defend against all such attacks. In addition, due to the sensitive nature of much of the financial and other personal information we maintain, we may be at particular risk for targeting.

We rely on industry standard commercial technologies to maintain the security of our systems, but such protections may not be sufficient to prevent unauthorized individuals from circumventing our security measures and penetrating our systems to access, view, misappropriate, alter, or delete information in such systems, including personal information and proprietary business information, or to misappropriate funds from online financial accounts. Information security risks also exist with respect to the use of portable electronic devices, such as laptops, which are particularly vulnerable to loss and theft. Our transition to work-from-home or hybrid working environments also increases our vulnerability to cybersecurity threats and other fraudulent activities.

Certain state and federal laws require that individuals be notified if a security breach compromises the security or confidentiality of their personal information. Any attack or other breach of the security of our information technology systems that compromises personal information, or that otherwise results in unauthorized disclosure or use of personal information, could damage our reputation in the marketplace, deter purchases of our products, subject us to heightened regulatory scrutiny, sanctions, significant civil and criminal liability or other adverse legal consequences and require us to incur significant technical, legal and other expenses.

All of these risks exist where we rely on third party service providers to provide services to us and our customers, including service providers to which we outsource certain of our functions and including providers of information security services used by businesses acquired by us. The failure of any one of these systems for any reason, including due to errors made by our employees or agents or due to cybersecurity incidents, could cause significant interruptions to our operations or result in substantial costs and other negative consequences such as harm to our reputation, adversely affect our internal control over financial reporting, or have a material adverse effect on our business, results of operations and financial condition. For additional information about specific cybersecurity regulations that we are subject to, see —*Regulation—Other Laws and Regulations—Cybersecurity Regulatory Activity* in Part I, Item 1. of this Annual Report on Form 10-K.

Our risk management policies and procedures, including our cybersecurity incident response plan, may not be adequate for the operational risks we face, and in particular, for the increased operational risks posed by costly and time-consuming integration of acquired businesses. Our risk management methods depend on the evaluation of information regarding markets, customers, catastrophe occurrence or other matters that is publicly available or otherwise accessible to us, as well as on timely escalation of critical information regarding our operations and systems. This information may not always be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record and verify large numbers of transactions and events, as well as technology, policies and procedures to manage increasingly complex and large amounts of information, including unstructured data, retained electronically. These policies and procedures may not be fully effective.

***Any failure to protect the privacy and confidentiality of customer information could adversely affect our reputation and adversely affect our business, financial condition and results of operations.***

Our business and relationships with customers are dependent on our ability to maintain the privacy, security and confidentiality of our and our customers' personal information, trade secrets and other confidential information (including customer transactional data and personal information about our customers, the employees and customers of our customers, and our own employees and agents). We are also subject to numerous federal and state laws, as well as certain non-U.S. laws such as GDPR, regarding the privacy and security of personal information, which laws vary significantly from jurisdiction to jurisdiction. Numerous state regulatory bodies and the U.S. Senate have proposed and enacted legislation and regulations regarding privacy standards and protocols. As data privacy and protection laws continue to proliferate, including due to increased focus on data use by artificial intelligence or other innovative technology, we may incur significant technological, administrative and other expenses and face other difficulties in complying with an increasing number of legal obligations with respect to data privacy and security, or with balancing competing requirements that may be inconsistent across jurisdictions.

Many of our employees and contractors and the representatives of our broker-dealer subsidiaries have access to and routinely process personal information in computerized, paper and other forms, including on legacy systems or on systems that may not yet be fully integrated in our systems. We rely on various internal policies, procedures and controls to protect the privacy, security and confidentiality of personal and confidential information that is accessible to, or in the possession of, us or our employees, contractors and representatives. It is possible that an employee, contractor or representative could, intentionally or unintentionally, disclose or misappropriate personal information or other confidential information. If we fail in the future to maintain adequate internal controls, including any failure to implement newly-required additional controls, or if our employees, contractors or representatives fail to comply with our policies and procedures, or if we fail to implement or maintain such controls and policies and procedures when integrating acquired businesses, misappropriation or intentional or unintentional inappropriate disclosure or misuse of personal information or confidential customer information could occur. Such internal control inadequacies or non-compliance could materially damage our reputation, result in regulatory action or lead to civil or criminal penalties, which, in turn, could have a material adverse effect on our business, reputation, results of operations and financial condition. For additional risks related to our potential failure to protect confidential information, see risk factor *Interruption or other operational failures in telecommunication, cybersecurity, information technology and other operational systems, including as a result of human and process error or a failure to maintain the security, integrity, confidentiality, or privacy of such systems, could harm our business.*

***Our business success depends on our ability to attract and retain qualified employees.***

Our ability to attract and retain qualified employees is critical to our success. As a financial services organization, our employees are our most important resource. In addition, some of our most critical functions rely on the employees of our strategic partners and outsourcing vendors. In many areas of our industry, competition for qualified personnel has intensified in recent years. If we or our strategic sourcing partners are unable to continue to attract or retain qualified employees, including successors to key officers and other positions, our ability to compete could be adversely affected.

***The occurrence of natural or man-made disasters may adversely affect our results of operations and financial condition.***

We are exposed to various risks arising from natural disasters, including hurricanes, climate change, floods, earthquakes, tornadoes and pandemic disease, as well as man-made disasters and core infrastructure failures, including acts of terrorism, military actions, power grid and telephone/internet infrastructure failures, which may adversely affect AUM, results of operations and financial condition by causing, among other things:

- Losses in our investment portfolio due to significant volatility in global financial markets or the failure of counterparties to perform;
- Declines in fee revenues from lower AUM/AUA and plan participant counts, as a result of increased unemployment and furloughs, lower asset prices, suspensions or reductions in participant plan deposits or employer matching contributions, and an increase in plan loans and withdrawals;
- Decreased spread-based revenues due to lower interest rates;
- A decline in fund management carried interests and performance fees in our Investment Management business;
- Increased impairments or credit rating downgrades within our general account portfolio, which could consume our excess capital, reduce the dividend capacity of our insurance subsidiaries, trigger requirements for additional statutory capital within our insurance subsidiaries;
- Extraordinary assessments on our insurance subsidiaries, due to requirements in jurisdictions where those subsidiaries are admitted to transact business requiring life insurers to participate in guaranty associations, which raise funds to pay contractual benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers;

- Reductions in the carrying value of our deferred tax assets as a result of a need to establish an additional valuation allowance against such assets, which would decrease U.S. GAAP equity and increase our leverage ratios (which could result in increased scrutiny by insurance regulators and rating agencies), and could also affect the statutory surplus of our insurance subsidiaries if there is a reduction in the statutory carrying value of our deferred tax assets admitted for statutory purposes;
- Changes in the rate of mortality, claims, withdrawals, lapses and surrenders of existing policies and contracts, as well as sales of new policies and contracts;
- Reduced premium revenues in our Health Solutions Business due to increased unemployment;
- Material harm to the financial condition of our reinsurers, including due to increased claims, which would increase the probability of default on reinsurance recoveries;
- Reduced sales levels due to decreased RFP activity or delayed decision making by our clients or prospective clients;
- Restricted activity to preserve liquidity at our holding company, including by reducing or eliminating planned share buybacks or our common stock dividend; and
- Disruption of our normal business operations, including the ability to interact with existing or potential clients, due to catastrophic property damage, loss of life, or disruption of public and private infrastructure, including communications and financial services, or mandatory shutdowns and stay-at-home orders.

A number of these risks materialized in connection with the COVID-19 pandemic, which created material economic disruption worldwide and had significant effects on our business operations, including our operations in India and the overseas operations of our third-party outsourcing providers.

In the event of any future disaster or disruption, there can be no assurance that our business continuation and crisis management plan or insurance coverages would be effective in mitigating any negative effects on operations or profitability in the event of a disaster, nor can we provide assurance that the business continuation and crisis management plans of the independent distributors and outside vendors on which we rely for certain services and products would be effective in mitigating any negative effects on the provision of such services and products.

***If we experience difficulties arising from outsourcing relationships, our ability to conduct business may be compromised, which may adversely affect our business and results of operations.***

As we continue to focus on reducing the expense necessary to support our operations, we have increasingly used outsourcing strategies for a significant portion of our information technology and business functions. If our third-party service providers experience disruptions or do not perform as anticipated, or we experience problems with a transition, we may experience system failures, disruptions, or other operational difficulties, an inability to meet obligations, including obligations to policyholders, customers, business partners and distribution partners, increased costs and loss of business, and such events may have a material adverse effect on our business and results of operations. See risk factor *Interruption or other operational failures in telecommunication, cybersecurity, information technology and other operational systems, including as a result of human and process error or a failure to maintain the security, integrity, confidentiality, or privacy of such systems, could harm our business.*

***We depend on licenses of third-party software to provide our services. The inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which would adversely affect our business.***

Our applications incorporate certain third-party software obtained under licenses from other companies. We anticipate that we will continue to rely on such third-party software and development tools from third parties in the future. Although we believe that there are commercially reasonable alternatives to much of the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in our applications with new third-party software may require significant work and require substantial investment of our time and resources. To the extent that our applications depend on the successful operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our own applications, delay new application introductions, result in a failure of our applications and damage our reputation. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties which could result in increased costs, business disruptions and other complications.

***Our international operations may result in increased risks to our business.***

Our international operations, including our operations in India, expose us to a variety of political, legal, operational and other risks, including: changes in laws, their application or interpretation; increased or conflicting regulatory restrictions; political

instability; non-compliance with anti-corruption and anti-bribery laws; economic or trade sanctions; dividend limitations; price controls; currency exchange controls or other transfer or exchange restrictions; difficulty in enforcing contracts; nationalization or expropriation of assets; imposition of limits on foreign ownership of local companies; and public or political criticism of our business and operations.

## **Tax, Regulatory and Legal Risks**

***We may be required to reduce the carrying value of our deferred income tax assets or establish an additional valuation allowance against the deferred income tax assets.***

We evaluate and test our ability to realize our deferred tax assets on a quarterly basis. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. In assessing the more likely than not criteria, we consider future taxable income as well as prudent tax planning strategies.

Reductions to deferred income taxes could occur if: (i) there are significant changes to federal tax policy; (ii) our business does not generate sufficient taxable income; (iii) there is a significant decline in the fair market value of our investment portfolio; or (iv) our tax planning strategies are not feasible. Additionally, future changes in facts, circumstances, or tax law, including a reduction in federal corporate tax rates, may result in a reduction in the carrying value of our deferred income tax assets and the RBC ratios of our insurance subsidiaries or an increase in the valuation allowance. A reduction in the carrying value of our deferred income tax assets, a reduction in the RBC ratios of our insurance subsidiaries, or an increase in the valuation allowance could have a material adverse effect on our results of operations and financial condition.

We have significant deferred tax assets on our available-for-sale portfolio due to unrealized losses. Future increases to interest rates or the occurrence of other unexpected circumstances, such as changes in the economic environment, liquidity and investment strategy, could result in recording a related valuation allowance on our deferred tax assets in a future period.

We have estimated our deferred tax assets based on projections of future taxable income and on tax planning related to unrealized gains on investment assets. To the extent that our estimates of future taxable income decrease or if actual future taxable income is less than the projected amounts, recognition of our deferred tax assets may be reduced. Also, to the extent that unrealized gains decrease, the tax benefit may be reduced. Any reduction, including a reduction associated with a decrease in tax rate, in our deferred tax assets may be recorded as a tax expense.

***Our ability to use certain beneficial deferred tax assets may become subject to limitations.***

Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), operate as anti-abuse rules, the general purpose of which is to prevent trafficking in tax losses and credits, but which can apply without regard to whether a "loss trafficking" transaction occurs or is intended. These rules are triggered by the occurrence of an ownership change—generally defined as when the ownership of a company, or its parent, changes by more than 50% (measured by value) on a cumulative basis in any three-year period ("Section 382 event"). If triggered, the amount of the taxable income for any post-change year which may be offset by a pre-change loss is subject to an annual limitation. This limitation is generally derived by multiplying the fair market value of the company immediately before the date of the Section 382 event by the applicable federal long-term tax-exempt rate. If we were to experience a Section 382 event, this could impact our ability to obtain tax benefits from Voya's significant existing deferred tax assets as well as future losses and deductions.

***Changes in tax laws and interpretations of existing tax law, including recent U.S. tax law changes, could impact the taxation of our operations or impact the ability of our insurance company subsidiaries to make distributions to Voya Financial, Inc. or make our products less attractive to customers.***

Changes in tax law, as well as changes in interpretation and enforcement of existing tax laws, could increase our future tax costs, reducing our profitability. In August 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes a 15% corporate alternative minimum tax ("CAMT") on the adjusted financial statement income of large corporations. The CAMT is effective in taxable years beginning after December 31, 2022. There is uncertainty in the application of CAMT rules due to limited guidance to date by the U.S. Treasury and IRS. If the CAMT applies in a future year, we will be required to pay tax at the 15% CAMT rate despite our U.S. Federal net operating loss carryforwards, which could adversely impact our business, financial condition, results of operations and liquidity. Additionally, any tax liability may create variability in the amount of cash taxes that we pay, which may affect our ordinary dividend or share buyback capacity.

Changes or clarifications in tax law could cause further reductions to the statutory deferred tax assets and RBC ratios of our insurance subsidiaries. A reduction in the statutory deferred tax assets or RBC ratios may impact the ability of the affected insurance subsidiaries to make distributions to us and consequently could negatively impact our ability to pay dividends to our stockholders and service our debt.

Current U.S. federal income tax law permits tax-deferred accumulation of income earned under life insurance and annuity products, and permits exclusion from taxation of death benefits paid under life insurance contracts. Changes in tax laws that restrict these tax benefits could make some of our products less attractive to customers. Reductions in individual income tax rates or estate tax rates could also make some of our products less advantageous to customers. Changes in federal tax laws that reduce the amount an individual can contribute on a pre-tax basis to an employer-provided, tax-deferred product (either directly by reducing current limits or indirectly by changing the tax treatment of such contributions from exclusions to deductions), or that would limit an individual's aggregate amount of tax-deferred savings could make our Wealth Solutions products less attractive to customers.

***Our business and those of our affiliates are heavily regulated and our products and services are subject to extensive regulation. Changes in regulation or the application of regulation or the failure to meet complex product requirements may reduce our profitability.***

We are subject to detailed insurance, asset management and other financial services laws and government regulation. Regulatory agencies have broad administrative power over many aspects of our business, which may include ethical issues, money laundering, privacy, recordkeeping and marketing and sales practices. Also, bank regulators and other supervisory authorities in the U.S. and elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or corruption.

Our products are subject to a complex and extensive array of state and federal tax, securities, insurance and employee benefit plan laws and regulations, which are administered and enforced by different governmental and self-regulatory authorities, including state insurance regulators, state securities administrators, state banking authorities, the SEC, FINRA, the DOL and the IRS.

For example, U.S. federal income tax law imposes requirements relating to insurance and annuity product design, administration and investments that are conditions for beneficial tax treatment of such products under the Internal Revenue Code. Additionally, state and federal securities and insurance laws impose requirements relating to investment, insurance and annuity product design, offering and distribution and administration. Failure to manage or administer product features in accordance with contract provisions or applicable law, or to meet any of these complex tax, securities, or insurance requirements, could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, interrupt our operations or adversely impact profitability.

Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in laws and regulations may materially increase the cost of compliance and other expenses of doing business. There are a number of risks that may arise where applicable regulations may be unclear, subject to multiple interpretations or under development or where regulations may conflict with one another, where regulators revise their previous guidance or courts overturn previous rulings, which could result in our failure to meet applicable standards.

In addition, governmental scrutiny with respect to matters relating to compensation, compliance with regulatory and tax requirements, environmental laws and other business practices in the financial services industry has increased significantly in the past several years and has resulted in more aggressive and intense regulatory supervision and the application and enforcement of more stringent standards. Press coverage and other public statements that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, can lead to increased inquiries or investigation by regulators, legislators or law enforcement officials or in lawsuits. Such developments could also have a negative impact on our reputation and on business retention and new sales, which could adversely affect our business and results of operations.

Regulators and other authorities have the power to bring administrative or judicial proceedings against us, which could result, among other things, in suspension or revocation of our licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm our results of operations and financial condition. If we fail to address, or appear to fail to address, appropriately any of these matters, our reputation could be harmed and we could be subject to

additional legal risk, which could increase the size and number of claims and damages asserted against us or subject us to enforcement actions, fines and penalties.

Past or future misconduct by our employees, agents, intermediaries, representatives of our broker-dealer subsidiaries or employees of our vendors could result in violations of law by us or our subsidiaries, regulatory sanctions or serious reputational or financial harm, and the precautions we take to prevent and detect this activity may not be effective in all cases. Although we employ controls and procedures designed to monitor employees' and associates' business decisions and to prevent us from taking excessive or inappropriate risks, employees and associates may take such risks regardless of such controls and procedures. Our compensation policies and practices are reviewed by us as part of our overall risk management program, but it is possible that such compensation policies and practices could inadvertently incentivize excessive or inappropriate risk taking. If our employees or associates take excessive or inappropriate risks, those risks could harm our reputation and have a material adverse effect on our results of operations and financial condition. Future legislation or regulation or governmental views on compensation may result in us altering compensation practices in ways that could adversely affect our ability to attract and retain talented employees.

For a description of certain regulatory inquiries affecting the Company, see the Litigation, Regulatory Matters and Loss Contingencies section of the *Commitments and Contingencies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

***Our insurance businesses are heavily regulated, and changes in regulation in the U.S., enforcement actions and regulatory investigations may reduce profitability.***

Our insurance operations are subject to comprehensive regulation and supervision throughout the U.S. State insurance laws regulate most aspects of our insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and the states in which they are licensed. The primary purpose of state regulation is to protect policyholders, and not necessarily to protect creditors or investors. See —*Regulation—Insurance Regulation* in Part I, Item 1. of this Annual Report on Form 10-K.

State insurance regulators, the NAIC and other regulatory bodies regularly reexamine existing laws and regulations applicable to insurance companies and their products. Changes in these laws and regulations, or in interpretations thereof, are often made for the protection of the consumer at the expense of the insurer and could materially and adversely affect our business, results of operations or financial condition.

***A decrease in the RBC ratio (as a result of a reduction in statutory surplus or increase in RBC requirements) of our insurance subsidiaries could result in increased scrutiny by insurance regulators and rating agencies and have a material adverse effect on our business, results of operations and financial condition.***

The NAIC has established regulations that provide minimum capitalization requirements based on RBC formulas for insurance companies. The RBC formula for life insurance companies establishes capital requirements relating to asset, insurance, interest rate and business risks, including equity, interest rate and expense recovery risks. Each of our insurance subsidiaries is subject to RBC standards or other minimum statutory capital and surplus requirements imposed under the laws of its respective jurisdiction of domicile. For additional discussion of how the NAIC calculates RBC ratios, see —*Regulation—Insurance Regulation—Financial Regulation—Risk-Based Capital* in Part I, Item 1. of this Annual Report on Form 10-K.

In any particular year, statutory surplus amounts and RBC ratios may increase or decrease depending on a variety of factors. Many of these factors are outside of our control. Our financial strength and credit ratings are significantly influenced by statutory surplus amounts and RBC ratios. In addition, rating agencies may implement changes to their own internal models, which differ from the RBC capital model, that have the effect of increasing or decreasing the amount of statutory capital we or our insurance subsidiaries should hold relative to the rating agencies' expectations. To the extent that any of our insurance subsidiary's RBC ratios are deemed to be insufficient, we may seek to take actions to increase its capitalization or reduce the capitalization requirements. If we were unable to accomplish such actions, the rating agencies may view this as a reason for a ratings downgrade.

The failure of any of our insurance subsidiaries to meet its applicable RBC or minimum capital and surplus requirements could subject it to further examination or corrective action imposed by insurance regulators, including limitations on its ability to write additional business, supervision by regulators or seizure or liquidation. Any corrective action imposed could have a material adverse effect on our business, results of operations and financial condition. A decline in RBC ratios, whether or not it results in a failure to meet applicable RBC requirements, may still limit the ability of an insurance subsidiary to make dividends



or distributions to us, could result in a loss of customers or new business, and could be a factor in causing ratings agencies to downgrade the insurer's financial strength ratings, each of which could have a material adverse effect on our business, results of operations and financial condition.

***Litigation may adversely affect our profitability and financial condition.***

We are, and may be in the future, subject to legal actions in the ordinary course of our business operations. Some of these legal proceedings may be brought on behalf of a class. Plaintiffs may seek large or indeterminate amounts of damage, including compensatory, liquidated, treble or punitive damages. Our reserves for litigation may prove to be inadequate and insurance coverage may not be available or may be declined for certain matters. It is possible that our results of operations or cash flows in a particular interim or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation depending, in part, on the results of operations or cash flows for such period. Given the large or indeterminate amounts sometimes sought, and the inherent unpredictability of litigation, it is also possible that in certain cases an ultimate unfavorable resolution of one or more pending litigation matters could have a material adverse effect on our financial condition.

***Changes in accounting standards could adversely impact our reported results of operations and our reported financial condition.***

Our financial statements are subject to the application of U.S. GAAP, which is periodically revised or expanded. Accordingly, from time to time we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the Financial Accounting Standards Board ("FASB"). It is possible that future accounting standards we are required to adopt could change the current accounting treatment that we apply to our consolidated financial statements and that such changes could have a material adverse effect on our results of operations and financial condition.

For additional information regarding new accounting standards, see the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

***Cybersecurity Risk Management and Strategy***

We maintain an information security program that seeks to comply with applicable regulatory requirements. The information security team, led by the Chief Information Security Officer ("CISO"), implements appropriate measures designed to safeguard sensitive information and protect our operations and systems against cyber threats. The information security team carries out continuous monitoring and evaluation of Voya's technology and digital infrastructure with the goal of identifying and assessing threats and proactively mitigating potential risks. The CISO and the information security team provide regular updates to Voya's senior management, as further described under *Cybersecurity Governance* below.

In addition, as part of its risk management strategy, Voya has an established and integrated cybersecurity incident response plan that focuses on incident detection, management and response. The information security team periodically reviews and updates the plan and tests playbooks within the plan through tabletop exercises.

Voya's information security team is responsible for identifying, assessing, and managing cyber risk, with support from Voya's operational risk management team. Information security control tasks are performed under the direction and guidance of the CISO, who is designated under Voya's risk management principles and policies to oversee the evaluation and mitigation of information security risks. Information security management is integrated into Voya's overall risk management framework, which provides for a coordinated approach to addressing cybersecurity risk.

As part of Voya's overall information security program, we may engage and retain external assessors and consultants to help improve our security, stay aligned with industry best practices, evaluate external threats and, on an as-needed basis, perform forensic reviews of cybersecurity-related incidents or independent security assessments.

With regard to risks posed by third-party vendors and service providers, Voya has a dedicated team that is responsible for evaluating, assessing, and addressing those risks, with the ultimate goal of protecting sensitive information and the security of

our operations and systems supported by those vendors and providers using a risk-based approach. This team conducts due diligence on third-party vendors and service providers, including evaluating their information security controls and related measures, to identify potential risks and implement appropriate controls.

Technology risks, including cybersecurity threats, undergo a thorough risk management assessment. We evaluate risks quantitatively and qualitatively to determine both the probability and potential severity of such risks and whether any such risks could materially affect Voya. We have experienced and may continue to experience cybersecurity incidents and threats that could materially affect our business strategy, results of operations or financial condition. There have been no known cybersecurity incidents that have materially affected us in the past three years. For more information about the cybersecurity related risks that we face, see *Interruption or other operational failures in telecommunication, cybersecurity, information technology and other operational systems, including as a result of human and process error or a failure to maintain the security, integrity, confidentiality, or privacy of such systems, could harm our business* in Risk Factors in Item 1A of this Annual Report on Form 10-K.

### **Cybersecurity Governance**

As detailed above, the CISO and the information security team regularly assess and manage cybersecurity risks. Voya's information security leadership team has extensive information technology and information security experience, and the full team comprises over 100 employees with over 150 certifications from leading information security certification organizations. Additional management of cybersecurity risks is conducted by Voya's Technology and Operational Risk Committee ("TORC"), which has been delegated authority by Voya's Management Risk Committee to provide oversight of operational risk, including information and technology risk, as well as related legal, compliance and regulatory risks. Members of the TORC include senior management with relevant expertise in operations, technology, information security, legal, compliance, data privacy and operational risk management. The information security team participates in the TORC meetings to discuss cybersecurity risks and mitigation treatment. The TORC provides guidance and direction in assessing, addressing, mitigating and monitoring cybersecurity risks within Voya.

Voya's Board committees include the Technology, Innovation and Operations ("TIO") Committee, which provides support to the Board in its oversight of information technology, including cybersecurity risks. In addition, the TIO Committee supports the Audit Committee in reviewing cybersecurity risks and disclosures thereof, and collaborates with both the Audit Committee and the Risk, Investment and Finance ("RIF") Committee of the Board to oversee material risks. Management, including the CISO, regularly updates the TIO Committee on cybersecurity-related matters.

### **Item 2. Properties**

As of December 31, 2023, we owned or leased 76 locations in the U.S. and elsewhere, totaling approximately 1.9 million square feet, of which approximately 849 thousand square feet was owned properties and approximately 1.1 million square feet was leased properties. We believe that our owned and leased properties are suitable and adequate for our current business operations.

### **Item 3. Legal Proceedings**

See the Litigation, Regulatory Matters and Loss Contingencies section of the *Commitments and Contingencies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for a description of our material legal proceedings.

### **Item 4. Mine Safety Disclosures**

Not Applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### *Issuer Common Equity*

Voya Financial, Inc.'s common stock, par value \$0.01 per share, began trading on the NYSE under the symbol "VOYA" on May 2, 2013.

The declaration and payment of dividends is subject to the discretion of our Board of Directors and depends on Voya Financial, Inc.'s financial condition, results of operations, cash requirements, future prospects, regulatory restrictions on the payment of dividends by Voya Financial, Inc.'s other insurance subsidiaries and other factors deemed relevant by the Board. The payment of dividends is also subject to restrictions under the terms of our junior subordinated debentures in the event we should choose to defer interest payments on those debentures. Additionally, our ability to declare or pay dividends on shares of our common stock will be substantially restricted in the event that we do not declare and pay (or set aside) dividends on the Series A and Series B Preferred Stock for the last preceding dividend period. See *Liquidity and Capital Resources* in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7. of this Annual Report on Form 10-K for further information regarding common stock dividends.

At February 14, 2024, there were 61 stockholders of record of common stock. Stockholders of record include institutional or omnibus accounts that hold common stock for many underlying investors.

#### *Purchases of Equity Securities by the Issuer*

The following table summarizes Voya Financial, Inc.'s repurchases of its common stock for the three months ended December 31, 2023:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(2)</sup>
				<i>(in millions)</i>
October 1, 2023 - October 31, 2023	749,773	\$ 66.31	737,300	\$ 506
November 1, 2023 - November 30, 2023	794,443	70.05	775,933	452
December 1, 2023 - December 31, 2023	759,336	73.34	744,875	397
<b>Total</b>	<b>2,303,552</b>	<b>\$ 69.92</b>	<b>2,258,108</b>	N/A

<sup>(1)</sup> In connection with exercise or vesting of equity-based compensation awards, employees may remit to Voya Financial, Inc., or Voya Financial, Inc. may withhold into treasury stock, shares of common stock in respect of tax withholding obligations and option exercise cost associated with such exercise or vesting. For the three months ended December 31, 2023, there were 45,444 Treasury share increases in connection with such withholding activities.

<sup>(2)</sup> This share repurchase authorization expires on September 30, 2024 (unless extended), and does not obligate the Company to purchase any shares. The authorization for the share repurchase program may be terminated, increased or decreased by the Board of Directors at any time.

For equity compensation information, refer to the *Share-based Incentive Compensation Plans* Note in our Consolidated Financial Statements in Part II, Item 8. and to Part III, Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters of this Annual Report on Form 10-K.

### Item 6. Reserved

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*For the purposes of this discussion, the terms "Voya," "the Company," "we," "our," and "us" refer to Voya Financial, Inc. and its subsidiaries.*

*The following discussion and analysis presents a review of our results of operations for the years ended December 31, 2023 and 2022, and financial condition as of December 31, 2023 and 2022. This item should be read in its entirety and in conjunction with the Consolidated Financial Statements and related notes contained in Part II, Item 8. of this Annual Report on*

*Form 10-K. For discussion and analysis of our results of operations for the years ended December 31, 2022 and 2021, refer to our 2022 Annual Report on Form 10-K filed with the SEC on February 24, 2023.*

*In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Actual results may differ materially from those discussed in the forward-looking statements as a result of various factors. See the "Note Concerning Forward-Looking Statements."*

## **Overview**

We are a leading provider of workplace benefits and savings solutions and technologies to U.S. employers, enabling better financial outcomes for their employees and for those who depend on their employees through our retirement solutions, retail wealth services, and comprehensive portfolio of benefits products. We are also a leading international asset manager, built on a foundation of institutional-quality fixed income and private asset strategies, with a well-established presence in U.S. markets and a large and growing business managing retail and institutional equity, fixed income, and blended strategies for clients in Europe and Asia.

Since Voya's IPO in 2013, we have evolved through the divestiture of substantially all of our closed block variable annuity, life insurance and legacy non-retirement annuity businesses and related assets. These divestitures align with our strategic focus on higher-return, capital-light businesses, while maximizing the capital returned to our shareholders. As a result, we have returned approximately \$9.3 billion of capital to our shareholders since our IPO through share repurchases and dividends, while making strategic investments in Workplace Solutions and Investment Management.

We are focused on executing our mission to make a secure financial future possible—one person, one family and one institution at a time. Voya's scale, business mix, risk profile, and strong free cash flow generation are competitive differentiators, and we have a clear path to Adjusted Operating Earnings Per Share growth via net revenue growth, margin expansion, and disciplined capital management. We provide our products and services principally through our Workplace Solutions business, which encompasses both our Wealth Solutions and Health Solutions business segments, and through our Investment Management segment.

### Wealth Solutions

Our Wealth Solutions segment provides retirement plan solutions and administration technology and services to employers. These products and services include full-service and recordkeeping-only defined contribution plan administration, stable value and fixed general account investment products; non-qualified plan administration; and tools, guidance, and services to promote the financial well-being and retirement security of employees. We also provide individual retirement accounts and financial guidance and advisory services that enables us to deepen relationships with our retirement plan participants.

Our Wealth Solutions segment earns revenue from a diverse and complementary business mix, primarily fee income from asset based and participant based administrative, recordkeeping and advisory fees as well as investment income on our general account assets and other funds. Because a significant portion of our revenues are tied to account values, our profitability is determined in part by the amount of assets we have under management, administration or advisement, which in turn depends on sales volumes to new and existing clients, net deposits from retirement plan participants, and changes in the market value of account assets. Our profitability also depends on the difference between the investment income we earn on our general account assets, or our portfolio yield, and crediting rates on client accounts.

### Health Solutions

Our Health Solutions segment provides worksite employee benefits, Health Account Solutions (Health Savings Account ("HSA")/Flexible Spending Account ("FSA")/Health Reimbursement Arrangements ("HRA") and COBRA administration), leave management, financial wellness and decision support products and services to mid-size and large corporate employers and professional associations as well as benefits administration. In addition, our Health Solutions segment provides stop-loss coverage to employer plan sponsors that self-fund their pharmaceutical and medical benefits.

Our Health Solutions segment generates revenue from premiums and fees, investment income, mortality and morbidity income and policy and other charges. Underwriting income comprises the majority of revenues in this segment and derives from the difference between premiums and mortality charges collected and benefits and expenses paid for group life, stop loss and voluntary benefits. Fee income is generated from margin on expenses for services provided on benefits administration, leave management, HSA/FSA/HRA and COBRA administration and proprietary decision support tools. Investment income is driven

by the spread between investment yields and credited rates (the interest and income that is credited to the policies) to policyholders on voluntary universal life, whole life products, and HSA invested assets.

### Investment Management

Our Investment Management segment serves both individual and institutional customers, offering them domestic and international fixed income, equity, multi-asset and alternative investment products and solutions across a range of geographies, investment styles and capitalization spectrums. We aim to provide positive investment results that are repeatable and consistent, and deliver research-driven, risk-adjusted, client-oriented investment strategies and solutions and advisory services.

Through our institutional distribution channel and our Workplace Solutions business, we serve a variety of institutional clients, including public, corporate and multiemployer defined benefit and defined contribution retirement plans, endowments and foundations, and insurance companies. We are a market leader in providing third-party general account management services to insurance companies, with a focus on public and private fixed income asset strategies, and a client service model adapted for the particular needs of insurance company clients. We also serve individual investors by offering our mutual funds, separately managed accounts, and private and alternative funds through an intermediary-focused distribution platform or through affiliate and third-party retirement platforms. Our scaled and growing international retail business is conducted through sub-advisory agreements with investment vehicles sponsored by affiliates and distributed in Europe and Asia.

Our Investment Management segment generates revenue through the collection of management fees on the assets we manage. These fees are typically based upon a percentage of AUM. In certain investment management fee arrangements, we may also receive performance-based incentive fees when the return on AUM exceeds certain benchmark returns or other performance hurdles. In addition, and to a lesser extent, Investment Management collects administrative fees on outside managed assets that are administered by our mutual fund platform and distributed primarily by our Wealth Solutions segment. Investment Management also receives fees as the primary investment manager of our general account, which is managed on a market-based pricing basis. Finally, Investment Management generates revenues from a portfolio of seed capital investments, collateralized loan obligations and various funds.

### ***Business Update***

On August 1, 2023, we acquired all remaining equity interest in VFI SLK Global Services Private Limited previously held by SLK Software Private Limited ("SLK") and renamed the entity as Voya Global Services Private Limited ("Voya India"). Voya India was a private limited company in India formed pursuant to a joint venture agreement between us and SLK on August 1, 2019, with us and SLK holding 49% and 51% of ownership shares, respectively. The purpose of Voya India is to provide technology and business operation services to us. As a result of the acquisition, Voya India has become a wholly owned subsidiary of us and provides us with improved strategic and operational flexibility.

As part of the purchase consideration, an upfront payment of approximately \$53 million was made at closing. We recorded a gain of \$45 million in relation to revaluation of the existing investment in Voya India which was recorded in Net gains (losses) in the Consolidated Statements of Operations for the year ended December 31, 2023. Net assets acquired as part of this transaction included goodwill of \$102 million. The revenues, expenses, assets and liabilities of the business acquired are reported in Corporate.

On January 24, 2023, we completed the acquisition of Benefitfocus, Inc. ("Benefitfocus"), an industry-leading benefits administration technology company that serves U.S. employers, health plans and brokers for a total purchase price consideration of \$595 million. The acquisition has expanded the Company's capacity to meet the growing demand for comprehensive benefits and savings solutions and increases its ability to deliver innovative solutions for employers and health plans. In connection with the acquisition, we have incurred \$37 million of integration expenses for the year ended December 31, 2023 and expect to incur additional integration expenses in the future. These expenses include severance, consulting and business integration expenses and are recorded in Operating expenses in the period they are incurred. These expenses are classified as a component of Other adjustments to Income (loss) before income taxes and consequently are not included in the adjusted operating results of our segments.

On July 25, 2022, we completed a series of transactions pursuant to a Combination Agreement dated as of June 13, 2022 (the "AllianzGI Agreement") with Voya Investment Management LLC ("Voya IM") and VIM Holdings LLC ("VIM Holdings"), both our indirect subsidiaries, Allianz SE ("Allianz") and Allianz Global Investors U.S. LLC ("AllianzGI"), an indirect subsidiary of Allianz, pursuant to which the parties have combined Voya IM with assets and teams comprising specified strategies previously managed by AllianzGI. Following the transaction, we hold, indirectly, a 76% interest in VIM Holdings and operate the business, while Allianz holds, indirectly, the remaining 24%. The transaction increased Voya IM's AUM by

approximately 40%. The acquisition has increased Voya IM's international scale and distribution and provides it with new investment strategies that help us meet the needs of a larger and more global client base. We incurred \$68 million and \$67 million of transaction and integration expenses, primarily related to this transaction for the years ended December 31, 2023 and 2022, respectively. We expect to incur additional integration expenses in future periods. These expenses include consulting, legal and business integration expenses and are recorded in Operating expenses in the period they are incurred. These expenses are classified as a component of Other adjustments to Income (loss) before income taxes and consequently are not included in the adjusted operating results of our segments.

## **Trends and Uncertainties**

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), we discuss a number of trends and uncertainties that we believe may materially affect our future liquidity, financial condition or results of operations. Where these trends or uncertainties are specific to a particular aspect of our business, we often include such a discussion under the relevant caption of this MD&A, as part of our broader analysis of that area of our business. In addition, the following factors represent some of the key general trends and uncertainties that have influenced the development of our business and our historical financial performance and that we believe will continue to influence our continuing business operations and financial performance in the future.

### ***Market Conditions***

Extraordinary monetary accommodation to support a global economy negatively impacted by the pandemic is being unwound. Inflationary pressures related to easy monetary and fiscal policies, and the stagflationary impacts of the Russia-Ukraine war and global supply chain frictions, have been addressed by sharply tighter monetary policy. As the continued impact of sharply tighter global monetary policy works through the real economy, an increase in market volatility could affect our business, including through effects on the rate and spread component of yields we earn on invested assets, changes in required reserves and capital, and fluctuations in the value of our AUM and AUA. These effects could be exacerbated by uncertainty about future fiscal policy, changes in tax policy, the scope of potential deregulation, levels of global trade, and geopolitical risk. In the short- to medium-term, the potential for increased volatility and slowing economic growth can pressure sales and reduce demand as consumers hesitate to make financial decisions. Financial performance can be adversely affected by market volatility as fees driven by AUM fluctuate, hedging costs increase and revenue declines due to reduced sales and increased outflows. As a company with strong retirement, investment management and insurance capabilities, however, we believe the market conditions noted above may, over the long term, enhance the attractiveness of our broad portfolio of products and services. We will need to continue to monitor the behavior of our customers and other factors, including mortality rates, morbidity rates, and lapse rates, which adjust in response to changes in market conditions in order to ensure that our products and services remain attractive as well as profitable. For additional information on our sensitivity to interest rates and equity market prices, see *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A. of this Annual Report on Form 10-K.

### ***Interest Rate Environment***

We believe the interest rate environment will continue to influence our business and financial performance in the future for several reasons, including the following:

- Our general account investment portfolio, which was approximately \$36 billion as of December 31, 2023, consists predominantly of fixed income investments. At prevailing interest rate levels, new money investments or reinvestment of proceeds from maturities and asset paydowns are likely to be accretive to the overall portfolio earned rate. Higher interest rates, however, also reduce the prices of fixed income investments and the proceeds of bonds that are sold before maturity in the secondary market.
- Several of our products pay credited rates such as fixed accounts and a portion of the stable value accounts included within defined contribution retirement plans. During periods of rising interest rates, credited rates on our products generally lag the current market rates, which can result in elevated outflows from these products due to the availability of higher return investment options.

For additional information on the impact of the interest rate environment, see *The level of interest rates may adversely affect our profitability, particularly during a period of rapidly increasing interest rates or in the event of a recurrence of a low interest rate environment* in Risk Factors in Part I, Item 1A. of this Annual Report on Form 10-K. Also, for additional information on our sensitivity to interest rates, see *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A. of this Annual Report on Form 10-K.

## ***Seasonality and Other Matters***

Our business results can vary from quarter to quarter as a result of seasonal factors. For all of our segments, the first quarter of each year typically has elevated operating expenses, reflecting higher payroll taxes, equity compensation grants, and certain other expenses that tend to be concentrated in the first quarter. Additionally, alternative investment income tends to be lower in the first quarter. Other seasonal factors that affect our business include:

### ***Wealth Solutions***

- The first quarter of each year tends to have the highest level of recurring deposits in Corporate Markets, due to the increase in participant contributions from the receipt of annual bonus award payments or annual lump sum matches and profit sharing contributions made by many employers. Corporate Market withdrawals also tend to increase in the first quarter as departing sponsors change providers at the start of a new year.
- In the third quarter of each year, education tax-exempt markets typically have the lowest recurring deposits, due to the timing of vacation schedules in the academic calendar.
- The fourth quarter of each year tends to have the highest level of single/transfer deposits due to new Corporate Market plan sales as sponsors transfer from other providers when contracts expire at the fiscal or calendar year-end. Recurring deposits in the Corporate Market may be lower in the fourth quarter as higher paid participants scale back or halt their contributions upon reaching the annual maximums allowed for the year. Finally, Corporate Market withdrawals tend to increase in the fourth quarter, as in the first quarter, due to departing sponsors.

### ***Health Solutions***

- The first quarter of each year tends to have the highest Group Life loss ratio. Sales for Group Life, Stop Loss, and Voluntary Benefits also tend to be the highest in the first quarter, as most of our contracts have January start dates in alignment with the start of our clients' fiscal years.
- The third quarter of each year tends to have the second highest Group Life, Stop Loss, and Voluntary Benefits sales, as a large number of our contracts have July start dates in alignment with the start of our clients' fiscal years.
- The fourth quarter of each year tends to have higher Voluntary Claims. This seasonality is generally driven by policyholders reassessing past incidents at the end of the year and during annual open enrollment.

### ***Investment Management***

- In the fourth quarter of each year, performance fees are typically higher due to certain performance fees being associated with calendar-year performance against established benchmarks and hurdle rates.

In addition to these seasonal factors, our results are impacted by the annual review of assumptions related to future policy benefits, which we generally complete in the third quarter of each year, and annual remeasurement related to our employee benefit plans, which we generally complete in the fourth quarter of each year. See *Critical Accounting Judgments and Estimates* in Part II, Item 7. of this Annual Report on Form 10-K for further information.

## **Results of Operations**

### **Operating Measures**

In this MD&A, we discuss Adjusted operating earnings before income taxes and Adjusted operating revenues, each of which is a measure used by management to evaluate segment performance. For additional information on each measure, see *Segments* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### ***Assets Under Management ("AUM") and Assets Under Advisement ("AUA")***

A substantial portion of our fees, other charges and margins are based on AUM. AUM represents on-balance sheet assets supporting customer account values/liabilities and surplus as well as off-balance sheet institutional/mutual funds. Customer account values reflect the amount of policyholder equity that has accumulated within retirement, annuity and universal-life type products.

AUM includes general account assets managed by our Investment Management segment in which we bear the investment risk and separate account assets in which the contract owner bears the investment risk and institutional/mutual funds, which are excluded from our balance sheets. AUM-based revenues increase or decrease with a rise or fall in the amount of AUM, whether caused by changes in capital markets or by net flows. AUM is principally affected by net deposits (i.e., new deposits, less surrenders and other outflows) and investment performance (i.e., interest credited to contract owner accounts for assets that earn

a fixed return or market performance for assets that earn a variable return). Separate account AUM and institutional/mutual fund AUM include assets managed by our Investment Management segment, as well as assets managed by third-party investment managers. Our Investment Management segment reflects the revenues earned for managing affiliated assets for our other segments as well as assets managed for third parties.

AUA represents accumulated assets on contracts pursuant to which we either provide administrative, advisement services, or distribution coverage, relationship management and client servicing or product guarantees for assets managed by third parties. These contracts are not insurance contracts and the assets are excluded from the Consolidated Financial Statements. Fees earned on AUA are generally based on the number of participants, asset levels or the level of services or product guarantees that are provided.

Our consolidated AUM/AUA includes eliminations of AUM/AUA managed by our Investment Management segment that is also reflected in other segments' AUM/AUA and adjustments for AUM not reflected in any segments.

The following table presents AUM and AUA as of the dates indicated:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>AUM and AUA:</b>		
Wealth Solutions <sup>(1)</sup>	\$ 544,319	\$ 477,386
Health Solutions	1,833	1,880
Investment Management	377,744	376,963
Eliminations/Other	(110,383)	(111,893)
<b>Total AUM and AUA<sup>(1)(2)</sup></b>	<b>\$ 813,513</b>	<b>\$ 744,336</b>
AUM	\$ 462,079	\$ 438,964
AUA	351,434	305,372
<b>Total AUM and AUA<sup>(1)(2)</sup></b>	<b>\$ 813,513</b>	<b>\$ 744,336</b>

<sup>(1)</sup> Effective Q1 2023, includes asset balances associated with non-qualified retirement plans for clients using only our non-qualified solutions. Historical periods presented have been recast to conform with this change.

<sup>(2)</sup> Includes AUM and AUA related to the divested businesses, for which a substantial portion of the assets continue to be managed by our Investment Management segment.

## Terminology Definitions

### Sales Statistics

In our discussion of our segment results under *Results of Operations—Segment by Segment*, we sometimes refer to sales activity for various products. The term "sales" is used differently for different products, as described more fully below. These sales statistics do not correspond to revenues under U.S. GAAP and are used by us as operating statistics underlying our financial performance.

*Net flows* are deposits less redemptions (including benefits and other product charges).

*Sales* for Health Solutions products are based on a calculation of annual premiums, which represent regular premiums on new policies, plus a portion of new single premiums.

*Total gross premiums and deposits* are defined as premium revenue and deposits for policies written and assumed. This measure provides information as to growth and persistency trends related to premium and deposits.

### Other Measures

*Net Revenue* is a non-GAAP measure defined as Adjusted Operating Revenues less Interest credited and other benefits to contract owners/policyholders.

*Total annualized in-force premiums and fees* are defined as a full year of premium at the rate in effect at the end of the period. This measure provides information as to the growth and persistency trends in premium and fee revenue.



*Interest adjusted loss ratios* are defined as the ratio of benefits expense to premium revenue exclusive of the discount component in the change in benefit reserve. This measure reports the loss ratio related to mortality on life products and morbidity on health products.

*Net gains (losses)* and *Net investment gains (losses) and related charges and adjustments* include changes in the fair value of derivatives. Increases in the fair value of derivative assets or decreases in the fair value of derivative liabilities result in "gains." Decreases in the fair value of derivative assets or increases in the fair value of derivative liabilities result in "losses."

## Results of Operations - Company Consolidated

The following table presents our Consolidated Statements of Operations for the periods indicated:

(\$ in millions)	Year Ended December 31,		Change
	2023	2022	
<b>Revenues:</b>			
Net investment income	\$ 2,159	\$ 2,281	\$ (122)
Fee income	1,916	1,742	174
Premiums	2,717	2,423	294
Net gains (losses)	(72)	(686)	614
Other revenue	327	148	179
Income (loss) related to consolidated investment entities	301	22	279
<b>Total revenues</b>	<b>7,348</b>	<b>5,930</b>	<b>1,418</b>
<b>Benefits and expenses:</b>			
Interest credited and other benefits to contract owners/policyholders	3,036	2,528	508
Operating expenses	3,096	2,542	554
Net amortization of Deferred policy acquisition costs and Value of business acquired	230	240	(10)
Interest expense	132	134	(2)
Operating expenses related to consolidated investment entities	176	58	118
<b>Total benefits and expenses</b>	<b>6,670</b>	<b>5,502</b>	<b>1,168</b>
Income (loss) from continuing operations before income taxes	678	428	250
Income tax expense (benefit)	(51)	(5)	(46)
<b>Net income (loss)</b>	<b>729</b>	<b>433</b>	<b>296</b>
Less: Net income (loss) attributable to noncontrolling interest	104	(77)	181
Less: Preferred stock dividends	36	36	—
<b>Net income (loss) available to our common shareholders</b>	<b>\$ 589</b>	<b>\$ 474</b>	<b>\$ 115</b>

### *Consolidated - Year Ended December 31, 2023 Compared to Year Ended December 31, 2022*

#### **Total Revenues**

*Total Revenues* increased \$1,418 million from \$5,930 million to \$7,348 million. The following items contributed to the overall increase.

*Net investment income* decreased \$122 million from \$2,281 million to \$2,159 million primarily due to:

- lower investment income on fixed maturity securities primarily due to interest rate movements and lower average volume; and
- lower alternative investment and prepayment fee income in the current period primarily driven by overall market performance.

The decrease was partially offset by:

- higher investment income on short-term investments due to interest rate movements.

*Fee income* increased \$174 million from \$1,742 million to \$1,916 million primarily due to:

- higher fee income in Investment Management primarily due to the addition of the AllianzGI business and market appreciation, partially offset by net outflows; and
- higher fee income in Wealth Solutions primarily driven by market appreciation and business growth, partially offset by a reduction in the average fee rate.

*Premiums* increased \$294 million from \$2,423 million to \$2,717 million primarily due to:

- higher premiums in Health Solutions driven by growth across all blocks of business.

*Net gains (losses)* improved \$614 million from a loss of \$686 million to a loss of \$72 million primarily due to:

- a favorable change in mark-to-market adjustments on securities subject to fair value option accounting primarily due to interest rate movements;
- favorable equity security performance due to higher equity markets in the current period; and
- a gain from the revaluation of the investment in Voya India.

The improvement was partially offset by:

- net unfavorable changes in derivative valuations due to interest rate movements.

*Other revenue* increased \$179 million from \$148 million to \$327 million primarily due to:

- higher other revenue in Health Solutions primarily driven by the Benefitfocus acquisition.

The increase was partially offset by:

- lower revenue from transition services agreements associated with the Individual Life transaction.

*Income related to consolidated investment entities* increased \$279 million from \$22 million to \$301 million primarily due to:

- equity market impacts to limited partnership valuations; and
- an increase in interest income in collateralized loan obligations due to higher interest rates and a new fund launch.

### ***Total Benefits and Expenses***

*Total benefits and expenses* increased by \$1,168 million from \$5,502 million to \$6,670 million. The following items contributed to the overall increase.

*Interest credited and other benefits to contract owners/policyholders* increased \$508 million from \$2,528 million to \$3,036 million primarily due to:

- higher benefits incurred in Health Solutions due to growth in in-force business and an unfavorable change due to the annual assumption update;
- an unfavorable change in the value of embedded derivatives associated with businesses reinsured primarily due to changes in interest rates;
- an unfavorable impact from the annual assumption update in Businesses Exited; and
- higher participant crediting rates in Wealth Solutions due to higher interest rates.

The increase was partially offset by:

- a lower loss ratio in stop loss and absence of COVID-19 impacts in the current period in Health Solutions; and
- a lower litigation reserve in the current period compared to the prior period in Businesses exited.

*Operating expenses* increased \$554 million from \$2,542 million to \$3,096 million primarily due to:

- an increase in Health Solutions expenses primarily driven by the acquisition of Benefitfocus and business growth;
- an increase in Investment Management expenses primarily driven by the addition of the AllianzGI business;
- an increase in Wealth Solutions expenses driven by business growth;
- closing and integration costs associated with the acquisition of Benefitfocus;
- an increase in the amortization of intangible assets associated with acquisitions;
- an increase in the deferred compensation plan liability due to equity market movements; and
- higher severance accruals in the current period.

The increase was partially offset by:

- a net favorable adjustment to acquisition-related assets and liabilities; and
- lower incentive compensation in Corporate.

*Operating expenses related to consolidated investment entities* increased \$118 million from \$58 million to \$176 million primarily due to:

- increase in collateralized loan obligations interest costs due to higher rates and a new fund launch; and
- increase in interest costs of limited partnerships due to higher loans.

### ***Income Tax Benefit***

*Income tax benefit* increased \$46 million from \$5 million to \$51 million primarily due to:

- the Security Life of Denver Company capital loss carryback. For more details, see the *Income Taxes* note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K;
- a change in noncontrolling interest; and
- the non-taxable Voya India gain.

The increase was partially offset by:

- an increase in income before income taxes;
- tax credits claimed in 2022 related to tax years 2012 - 2017.

### ***Adjustments from Income (Loss) before Income Taxes to Adjusted Operating Earnings (Loss) before Income Taxes***

For additional information on the reconciliation adjustments listed below, see the *Segments* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

*Net investment gains (losses)* improved \$175 million from a loss of \$190 million to a loss of \$15 million primarily due to:

- a favorable change in mark-to-market adjustments on securities subject to fair value option accounting primarily due to interest rate movements; and
- a gain from the revaluation of the investment in Voya India.

The improvement was partially offset by:

- net unfavorable changes in derivative valuations due to interest rate movements.

*Income (loss) related to businesses exited through reinsurance or divestment* decreased \$44 million from a loss of \$138 million to a loss of \$182 million primarily due to:

- an unfavorable impact from the third quarter annual assumption update; and
- net unfavorable market value changes on embedded derivatives primarily due to interest rate movements.

The decrease was partially offset by:

- a lower litigation reserve in the current period compared to the prior period; and
- a favorable change in the allowance for credit losses on reinsurance recoverable.

*Other adjustments* decreased \$69 million from a loss of \$111 million to a loss of \$180 million primarily due to:

- closing and integration costs associated with the acquisition of Benefitfocus;
- an increase in the amortization of intangible assets associated with acquisitions; and
- higher severance accruals in the current period.

The decrease was partially offset by:

- a net favorable adjustment to acquisition-related assets and liabilities.

## Results of Operations - Segment by Segment

Adjusted operating earnings before income taxes is the measure of segment profit or loss management uses to evaluate segment performance. Adjusted operating earnings before income taxes should not be viewed as a substitute for GAAP pretax income. We believe the presentation of segment Adjusted operating earnings before income taxes as we measure it for management purposes enhances the understanding of our business by reflecting the underlying performance of our core operations and facilitating a more meaningful trend analysis. Refer to the *Segments* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on the presentation of segment results and our definition of Adjusted operating earnings before income taxes.

### Wealth Solutions

The following table presents Adjusted operating earnings before income taxes of our Wealth Solutions segment for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Adjusted operating revenues:</b>		
Net investment income and net gains (losses) .....	\$ 1,737	\$ 1,756
Fee income .....	966	953
Other revenue .....	74	70
Total adjusted operating revenues .....	<u>2,776</u>	<u>2,778</u>
<b>Operating benefits and expenses:</b>		
Interest credited and other benefits to contract owners/policyholders .....	895	886
Operating expenses .....	1,162	1,101
Net amortization of DAC/VOBA .....	88	93
Total operating benefits and expenses .....	<u>2,144</u>	<u>2,081</u>
<b>Adjusted operating earnings before income taxes</b> .....	<u>\$ 632</u>	<u>\$ 697</u>

The following table presents Net revenue and Adjusted operating margin for our Wealth Solutions segment as of the dates indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Adjusted operating earnings before income taxes</b>	\$ 632	\$ 697
<b>Total adjusted operating revenues</b>	2,776	2,778
Less: Interest credited and other benefits to contract owners/policyholders	895	886
<b>Net revenue</b>	<u>\$ 1,881</u>	<u>\$ 1,892</u>
<b>Adjusted operating margin<sup>(1)</sup></b>	33.6 %	36.9 %

<sup>(1)</sup> Adjusted operating earnings before income taxes divided by Net Revenue.

The following tables present Total Client Assets, which comprise total AUM and AUA, for our Wealth Solutions segment as of the dates indicated:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
Full Service	\$ 185,379	\$ 162,636
Recordkeeping	298,120	254,957
Total Defined Contribution	483,499	417,593
Investment-only Stable Value	35,188	38,148
Retail Client and Other Assets	32,840	29,156
Eliminations <sup>(1)</sup>	(7,208)	(7,511)
<b>Total Client Assets<sup>(1)</sup></b>	<u>\$ 544,319</u>	<u>\$ 477,386</u>

<sup>(1)</sup> Includes asset eliminations which were previously reported in Recordkeeping and Retail Client Assets. Historical periods presented have been recast to conform with this change.

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
Fee-based	\$ 457,089	\$ 387,961
Spread-based	31,327	33,881
Investment-only Stable Value	35,188	38,148
Retail Client Assets	27,923	24,908
Eliminations <sup>(1)</sup>	(7,208)	(7,511)
<b>Total Client Assets<sup>(2)</sup></b>	<u>\$ 544,319</u>	<u>\$ 477,386</u>

<sup>(1)</sup> Includes asset eliminations which were previously reported in Recordkeeping and Retail Client Assets. Historical periods presented have been recast to conform with this change.

<sup>(2)</sup> Effective Q1 2023, includes asset balances associated with non-qualified retirement plans for clients using only our non-qualified solutions. Historical periods presented have been recast to conform with this change.

The following table presents Full Service, Recordkeeping, and Stable Value net flows for our Wealth Solutions segment for the periods indicated:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Full Service - Corporate markets:</b>		
Deposits .....	\$ 16,591	\$ 14,722
Surrenders, benefits and product charges .....	(14,627)	(11,910)
Net flows .....	1,964	2,812
<b>Full Service - Tax-exempt markets:</b>		
Deposits .....	5,585	6,143
Surrenders, benefits and product charges .....	(10,495)	(6,002)
Net flows .....	(4,910)	141
<b>Total Full Service Net Flows .....</b>	<b>\$ (2,945)</b>	<b>\$ 2,953</b>
<b>Recordkeeping and Stable Value:</b>		
Recordkeeping Net Flows .....	\$ 7,437	\$ 766
Investment-only Stable Value Net Flows .....	\$ (4,265)	\$ 1,215

***Wealth Solutions - Year Ended December 31, 2023 Compared to Year Ended December 31, 2022***

*Adjusted operating earnings before income taxes* decreased \$65 million from \$697 million to \$632 million primarily due to:

- higher expenses primarily driven by business growth;
- lower net investment income primarily due to lower alternative asset returns and lower spread-based assets due to participant surrenders and fund transfer activities, partially offset by a higher portfolio yield; and
- higher crediting rates due to higher interest rates.

The decrease was partially offset by:

- higher fee income and other revenue primarily due to market appreciation and business growth, partially offset by a reduction in the average fee rate.

## Health Solutions

The following table presents Adjusted operating earnings before income taxes of the Health Solutions segment for the periods indicated:

	Year Ended December 31,	
	2023	2022
<i>(\$ in millions)</i>		
<b>Adjusted operating revenues:</b>		
Net investment income and net gains (losses) .....	\$ 135	\$ 134
Fee income .....	75	76
Premiums .....	2,673	2,378
Other revenue .....	198	(6)
Total adjusted operating revenues .....	<u>3,082</u>	<u>2,582</u>
<b>Operating benefits and expenses:</b>		
Interest credited and other benefits to contract owners/policyholders .....	1,895	1,680
Operating expenses .....	839	569
Net amortization of DAC/VOBA .....	33	29
Total operating benefits and expenses .....	<u>2,767</u>	<u>2,278</u>
<b>Adjusted operating earnings before income taxes<sup>(1)</sup> .....</b>	<u>\$ 315</u>	<u>\$ 304</u>

<sup>(1)</sup>The years ended December 31, 2023 and 2022 include \$8 million unfavorable and \$66 million favorable impacts, respectively, related to the annual review of assumption. See *Critical Accounting Judgments and Estimates* in Part II, Item 7. of this Annual Report on Form 10-K for further information.

The following table presents Net revenue and Adjusted operating margin for our Health Solutions segment as of the dates indicated:

	Year Ended December 31,	
	2023	2022
<i>(\$ in millions)</i>		
<b>Adjusted operating earnings before income taxes</b>	\$ 315	\$ 304
<b>Total adjusted operating revenues</b> .....	3,082	2,582
Less: Interest credited and other benefits to contract owners/policyholders .....	1,895	1,680
<b>Net revenue</b> .....	<u>\$ 1,185</u>	<u>\$ 902</u>
<b>Adjusted operating margin<sup>(1)</sup></b> .....	26.6 %	33.7 %

<sup>(1)</sup> Adjusted operating earnings before income taxes divided by Net Revenue.

The following table presents sales, gross premiums and in-force for our Health Solutions segment for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Sales by Product Line:</b>		
Group life and Disability .....	\$ 135	\$ 126
Stop loss .....	460	409
Total group products .....	595	536
Voluntary and Other <sup>(1)</sup> .....	157	149
<b>Total sales by product line</b> .....	<b>\$ 752</b>	<b>\$ 684</b>
Total gross premiums and deposits .....	\$ 3,054	\$ 2,724
Group life and Disability .....	905	833
Stop loss .....	1,500	1,258
Voluntary and Other <sup>(1)</sup> .....	926	689
<b>Total annualized in-force premiums and fees</b> .....	<b>\$ 3,331</b>	<b>\$ 2,780</b>
<b>Loss Ratios:</b>		
Group life (interest adjusted) .....	82.5 %	89.5 %
Stop loss .....	73.2 %	75.9 %
Total Loss Ratio <sup>(2)(3)</sup> .....	67.2 %	68.9 %

<sup>(1)</sup> Includes benefit administration annual recurring revenue and Health Account Solutions products.

<sup>(2)</sup> The year ended December 31, 2022 loss ratio excludes \$57 million of favorable reserve impact related to annual review of the assumptions.

<sup>(3)</sup> Total Loss Ratio is presented on a trailing twelve month basis.

### ***Health Solutions - Year Ended December 31, 2023 Compared to Year Ended December 31, 2022***

*Adjusted operating earnings before income taxes* increased \$11 million from \$304 million to \$315 million primarily due to:

- higher premiums driven by growth across all three lines of business; and
- higher other revenue driven by the acquisition of Benefitfocus.

The increase was partially offset by:

- higher expenses primarily driven by the acquisition of Benefitfocus and business growth; and
- higher benefits to policyholders due to growth in in-force business, an unfavorable change due to the annual assumption update, partially offset by a lower total loss ratio and absence of COVID-19 impacts in the current period.



## Investment Management

The following table presents Adjusted operating earnings before income taxes of our Investment Management segment for the periods indicated:

	Year Ended December 31,	
	2023	2022
<i>(\$ in millions)</i>		
<b>Adjusted operating revenues:</b>		
Net investment income and net gains (losses)	\$ 33	\$ 3
Fee income	881	736
Other revenue	2	17
Total adjusted operating revenues	916	756
<b>Operating benefits and expenses:</b>		
Operating expenses	690	570
Total operating benefits and expenses	690	570
<b>Adjusted operating earnings before income taxes including Allianz noncontrolling interest</b>	225	186
Less: Earnings (loss) attributable to Allianz noncontrolling interest	49	27
<b>Adjusted operating earnings before income taxes</b>	<u>\$ 177</u>	<u>\$ 158</u>

The following table presents Net revenue and Adjusted operating margin for our Investment Management segment as of the dates indicated:

	Year Ended December 31,	
	2023	2022
<i>(\$ in millions)</i>		
<b>Adjusted operating earnings before income taxes including Allianz noncontrolling interest</b>	\$ 225	\$ 186
<b>Total adjusted operating revenues</b>	916	756
<b>Net revenue</b>	<u>\$ 916</u>	<u>\$ 756</u>
<b>Adjusted operating margin<sup>(1)</sup></b>	24.6 %	24.7 %

<sup>(1)</sup> Adjusted operating earnings before income taxes divided by Net Revenue.

Our Investment Management segment revenues include the following intersegment revenues, primarily consisting of asset-based management and administration fees.

	Year Ended December 31,	
	2023	2022
<i>(\$ in millions)</i>		
Investment Management intersegment revenues	\$ 85	\$ 91

The following table presents AUM and AUA for our Investment Management segment as of the dates indicated:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
External clients:		
Institutional <sup>(1)</sup> .....	\$ 148,722	\$ 161,502
Retail <sup>(1)</sup> .....	138,239	121,833
Total external clients .....	<u>286,961</u>	<u>283,335</u>
General account .....	34,740	38,028
Total AUM <sup>(1)</sup> .....	321,701	321,363
AUA <sup>(2)</sup> .....	56,043	55,601
<b>Total AUM and AUA<sup>(1)(2)</sup></b> .....	<u><u>\$ 377,744</u></u>	<u><u>\$ 376,963</u></u>

<sup>(1)</sup> Includes assets associated with the divested businesses.

<sup>(2)</sup> Includes assets sourced by other segments and also reported as AUA or AUM by such other segments. Assets Under Advisement, presented in AUA, includes advisory assets, mutual fund, general account and stable value assets.

The following table presents net flows for our Investment Management segment for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
Net Flows:		
Institutional .....	\$ (15,480)	\$ 3,675
Retail .....	1,474	(2,601)
Divested businesses .....	(2,058)	(2,156)
<b>Total</b> .....	<u><u>\$ (16,063)</u></u>	<u><u>\$ (1,082)</u></u>

***Investment Management - Year Ended December 31, 2023 Compared to Year Ended December 31, 2022***

*Adjusted operating earnings before income taxes including Allianz noncontrolling interest* increased \$39 million from \$186 million to \$225 million primarily due to:

- higher fee income and other revenue primarily due to the addition of the AllianzGI business and market appreciation, partially offset by net outflows; and
- higher investment capital returns primarily driven by overall market performance.

The increase was partially offset by:

- higher operating expenses primarily driven by addition of the AllianzGI business.

## Corporate

The following table presents Adjusted operating earnings before income taxes of Corporate for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Adjusted operating revenues:</b>		
Net investment income and net gains (losses) .....	\$ 28	\$ 8
Other revenue .....	21	59
Total adjusted operating revenues .....	<u>48</u>	<u>67</u>
<b>Operating benefits and expenses:</b>		
Operating expenses <sup>(1)</sup> .....	96	142
Interest expense <sup>(2)</sup> .....	161	177
Total operating benefits and expenses .....	<u>256</u>	<u>319</u>
<b>Adjusted operating earnings before income taxes including Allianz noncontrolling interest</b> .....	(208)	(253)
Less: Earnings (loss) attributable to Allianz noncontrolling interest .....	(1)	(1)
<b>Adjusted operating earnings before income taxes</b> .....	<u>\$ (207)</u>	<u>\$ (251)</u>

<sup>(1)</sup> Includes expenses from corporate activities and expenses not allocated to our segments.

<sup>(2)</sup> Includes dividend payments made to preferred shareholders.

### **Corporate - Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**

Adjusted operating earnings before income taxes including Allianz noncontrolling interest improved \$45 million from a loss of \$253 million to a loss of \$208 million primarily due to:

- lower operating expenses due to stranded costs in the prior period and lower incentive compensation in the current period, partially offset by an increase in the deferred compensation liability;
- higher investment income due to the increase in short-term rates on assets backing surplus in excess of amounts held at the segment level; and
- lower interest expense driven by cumulative debt extinguishments.

The improvement was partially offset by:

- lower other revenue from transition services agreements associated with the Individual Life transaction.

### **Alternative Investment Income**

Investment income on certain alternative investments can be volatile due to changes in market conditions. The following table presents the amount of investment income (loss) on certain alternative investments that is included in segment Adjusted operating earnings before income taxes and the average level of assets in each segment, prior to intercompany eliminations, which excludes alternative investments and income that are a component of Income (loss) related to businesses exited or to be exited through reinsurance or divestment. These alternative investments are carried at fair value, which is estimated based on the net asset value ("NAV") of these funds.

While investment income on these assets can be volatile, based on current plans, we expect to earn 9.0% on these assets over the long-term.

The following table presents the alternative investment income and the average assets of alternative investments as of the dates indicated:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Wealth Solutions:</b>		
Alternative investment income .....	\$ 66	\$ 91
Average alternative investments .....	1,606	1,608
<b>Health Solutions:</b>		
Alternative investment income .....	7	8
Average alternative investments .....	169	164
<b>Investment Management:</b>		
Alternative investment income .....	27	1
Average alternative investments .....	322	337

### **Liquidity and Capital Resources**

Liquidity refers to our ability to access sufficient sources of cash to meet the requirements of our operating, investing and financing activities. Capital refers to our long-term financial resources available to support business operations and future growth. Our ability to generate and maintain sufficient liquidity and capital depends on the profitability of the businesses, timing of cash flows on investments and products, general economic conditions and access to the capital markets and the other sources of liquidity and capital described herein.

The following discussion presents a review of our sources and uses of liquidity and capital and should be read in its entirety and in conjunction with the Off-Balance Sheet Arrangements and Aggregate Contractual Obligations table included further below.

#### ***Consolidated Sources and Uses of Liquidity and Capital***

Our principal available sources of liquidity are product charges, investment income, proceeds from the maturity and sale of investments, proceeds from debt issuance and borrowing facilities, equity securities issuance, repurchase agreements, contract deposits and securities lending. Primary uses of these funds are payments of policyholder benefits, commissions and operating expenses, interest credits, dividends, debt maturities and redemptions, share repurchases, investment purchases, business acquisitions and contract maturities, withdrawals and surrenders.

#### ***Parent Company Sources and Uses of Liquidity***

Voya Financial, Inc. is largely dependent on cash flows from its operating subsidiaries to meet its obligations. The principal sources of funds available to Voya Financial, Inc. include dividends and returns of capital from its operating subsidiaries, as well as cash and short-term investments, and proceeds from debt issuances, borrowing facilities and equity securities issuances.

These sources of funds include the \$500 million revolving credit sublimit of our senior unsecured credit facility and reciprocal borrowing facilities maintained with Voya Financial, Inc.'s subsidiaries as well as alternate sources of liquidity described below.

We estimate that our excess capital (which we define as the amount of total adjusted capital in our insurance subsidiaries above our 375% RBC target, plus the amount of holding company liquidity above our \$200 million target) as of December 31, 2023 was approximately \$0.4 billion.

Voya Financial, Inc.'s primary sources and uses of cash for the periods indicated are presented in the following table:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
(\$ in millions)		
<b>Beginning cash and cash equivalents balance</b>	\$ 209	\$ 202
<b>Sources:</b>		
Proceeds from loans from subsidiaries, net of repayments	—	34
Dividends and returns of capital from subsidiaries	1,057	1,210
Repayment of loans to subsidiaries, net of new issuances	250	65
Debt issuance <sup>(1)</sup>	388	—
Amounts received from subsidiaries under tax sharing agreements, net	83	47
Collateral received, net	16	—
Settlement of amounts due from (to) subsidiaries and affiliates, net	147	60
Discounts and fees received for debt extinguishment	—	2
Asset maturities and investment income, net	7	26
Derivatives, net	10	—
Other, net	—	2
Total sources	<u>1,958</u>	<u>1,446</u>
<b>Uses:</b>		
Payment of interest expense	111	111
Capital provided to subsidiaries	8	—
Payment for business acquisitions	611	—
Repayments of loans from subsidiaries, net of new issuances	204	—
Debt repurchase	393	366
Payment of income taxes, net	4	14
Common stock acquired - Share repurchase	369	750
Share-based compensation	47	40
Dividends paid on preferred stock	36	36
Dividends paid on common stock	125	80
Collateral delivered, net	—	5
Derivatives, net	—	37
Other, net	53	—
Total uses	<u>1,961</u>	<u>1,439</u>
Net increase (decrease) in cash and cash equivalents	<u>(3)</u>	<u>7</u>
<b>Ending cash and cash equivalents balance</b>	<u>\$ 206</u>	<u>\$ 209</u>

<sup>(1)</sup> See *Put Option Agreement for Senior Debt Issuance* below for further detail.

### **Liquidity**

We manage liquidity through access to substantial investment portfolios as well as a variety of other sources of liquidity including committed credit facilities, securities lending and repurchase agreements. Our asset-liability management ("ALM") process takes into account the expected maturity of investments and expected benefit payments as well as the specific nature and risk profile of the liabilities. As part of our liquidity management process, we model different scenarios to determine whether existing assets are adequate to meet projected cash flows.

## Capitalization

The primary components of our capital structure consist of debt and equity securities. Our capital position is supported by cash flows within our operating subsidiaries, the availability of borrowed funds under liquidity facilities, and any additional capital we raise to invest in the growth of the business and for general corporate purposes. We manage our capital position based on a variety of factors including, but not limited to, our financial strength, the credit rating of Voya Financial, Inc. and of its insurance company subsidiaries and general macroeconomic conditions. We may repurchase or otherwise retire our debt and preferred stock and take other steps to reduce our debt and preferred stock or otherwise improve our financial position. These actions could include open market repurchases, negotiated repurchases, tender offers or other retirements of outstanding debt and opportunistic refinancing of debt. The amount that may be repurchased or otherwise retired, if any, will depend on market conditions, trading levels, cash position, compliance with covenants and other considerations.

See the *Consolidated and Nonconsolidated Investment Entities* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for details over changes in noncontrolling interest during the year and impacting capitalization.

## Share Repurchase Program and Dividends to Common Shareholders

See the *Shareholders' Equity* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information relating to authorizations by the Board of Directors to repurchase our shares and amounts of common stock repurchased pursuant to such authorizations for the years ended December 31, 2023 and 2022. As of December 31, 2023, we were authorized to repurchase shares up to an aggregate purchase price of \$397 million.

The following table provides a summary of common dividends and repurchases of common shares for the periods indicated:

	Year Ended December 31,	
	2023	2022
Dividends paid on common shares	\$ 125	\$ 80
Repurchases of common shares (at cost)	374	750
Total	<u>\$ 499</u>	<u>\$ 830</u>

Subsequent to December 31, 2023, we repurchased approximately 1.5 million shares pursuant to 10b5-1 plans and through open market repurchases for an aggregate purchase price of \$107 million.

## Preferred Stock

Our ability to declare or pay dividends on, or purchase, redeem or otherwise acquire, shares of our common stock will be substantially restricted in the event that we do not declare and pay (or set aside) dividends on the Series A and Series B preferred stock for the last preceding dividend period.

During the year ended December 31, 2023, we declared and paid dividends of \$20 million and \$16 million on the Series A and Series B preferred stock, respectively. During the year ended December 31, 2022, we declared and paid dividends of \$20 million and \$16 million on the Series A and Series B preferred stock, respectively. As of December 31, 2023, there were no preferred stock dividends in arrears. See the *Shareholders' Equity* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on preferred stock issuances.

## Debt

As of December 31, 2023, we had \$1 million of short-term debt borrowings outstanding consisting entirely of the current portion of long-term debt. The following table summarizes our borrowing activities for the year ended December 31, 2023:

	Beginning Balance	Issuance	Maturities and Repayment	Other Changes	Ending Balance
Total long-term debt	<u>\$ 2,094</u>	<u>\$ 400</u>	<u>\$ (393)</u>	<u>\$ (4)</u>	<u>\$ 2,097</u>

As of December 31, 2022, we had \$141 million of short-term debt borrowings outstanding consisting entirely of the current portion of long-term debt. The following table summarizes our borrowing activities for the year ended December 31, 2022:

<i>(\$ in millions)</i>	<b>Beginning Balance</b>	<b>Issuance</b>	<b>Maturities and Repayment</b>	<b>Other Changes<sup>(1)</sup></b>	<b>Ending Balance</b>
Total long-term debt . . . . .	\$ 2,595	\$ —	\$ (366)	\$ (135)	\$ 2,094

<sup>(1)</sup> Other changes is primarily the reclassification of \$140 million of debt maturing in 2023 from long-term debt to short-term debt.

See the *Financing Agreements* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for additional details over changes in debt during the year and impacting capitalization.

***Put Option Agreement for Senior Debt Issuance***

On May 1, 2023, we exercised the put option (the "Put Option") pursuant to the Put Option Agreement, dated March 17, 2015, with Peachtree Corners Funding Trust (the "Trust"), a Delaware trust formed in connection with the sale by the Trust of pre-capitalized trust securities ("P-Caps"), that provided us the right to issue up to \$500 million aggregate principal amount of our 3.976% Senior Notes due 2025 (the "3.976% Senior Notes") to the Trust in exchange for a corresponding amount of U.S. Treasury securities that are held by the Trust.

On May 3, 2023, we issued \$400 million aggregate principal amount of 3.976% Senior Notes to the Trust, and we received approximately \$400 million of U.S. Treasury securities. The proceeds from the sale of the U.S. Treasury securities received by us in exchange for the 3.976% Senior Notes were used to redeem the 2053 Notes on May 15, 2023.

See the *Financing Agreements* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information on the senior unsecured credit facility.

***Credit Facilities***

See the *Financing Agreements* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information on credit facilities, including our senior unsecured credit facility.

***Voya Financial, Inc. Credit Support of Subsidiaries***

Voya Financial, Inc. provides guarantees to certain of our subsidiaries to support various business requirements:

- Voya Financial, Inc. guarantees the obligations of Voya Holdings under the \$13 million principal amount 8.42% Series B Capital Securities due April 1, 2027, and provides a back-to-back guarantee to ING Group in respect of its guarantee of \$218 million combined principal amount of Aetna Notes.
- Voya Financial, Inc. and Voya Holdings provide a guarantee of payment of obligations to certain subsidiaries under certain surplus notes held by those subsidiaries.

We did not recognize any asset or liability as of December 31, 2023 in relation to intercompany indemnifications, guarantees or support agreements. As of December 31, 2023, no guarantees existed in which we were required to currently perform under these arrangements.

***Repurchase Agreements and Securities Pledged***

We enter into reverse repurchase agreements and engage in dollar repurchase agreements with mortgage-backed securities ("dollar rolls") and repurchase agreements with other collateral types to increase our return on investments and improve liquidity. Additionally, we engage in securities lending whereby certain securities from our portfolio are loaned to other institutions for short periods of time.

See *Business, Basis of Presentation and Significant Accounting Policies* and *Investments (excluding Consolidated Investment Entities)* Notes to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on repurchase agreements and our securities lending program.

## **FHLB**

We are currently a member of the FHLB of Boston and the FHLB of Des Moines and may engage in transactions with FHLB for investment income enhancement and/or liquidity purposes. We are required to maintain a collateral deposit to back any funding agreements issued by the FHLB. We have the ability to obtain funding from the FHLBs, in the form of non-putable funding agreements, based on a percentage of the value of our assets and subject to the availability of eligible collateral. The types of securities generally pledged include mortgage securities, commercial real estate and U.S. treasury securities. Our borrowing capacity is also limited by the lending value of our assets eligible to be pledged to the FHLB. As of December 31, 2023 our available collateral value was approximately \$1.8 billion for VRIAC and RLI. As of December 31, 2022 the lending value of collateral was approximately \$2.4 billion for VRIAC and RLI.

We had \$1.2 billion and \$1.3 billion in FHLB funding agreements as of December 31, 2023 and 2022, respectively, which are included in Contract owner account balances on the Consolidated Balance Sheets. As of December 31, 2023 and 2022, we had assets with a market value of approximately \$2.0 billion and \$1.8 billion, respectively, which collateralized the FHLB funding agreements.

## ***Borrowings from Subsidiaries***

We maintain revolving reciprocal loan agreements with a number of our life and non-life insurance subsidiaries that are used to fund short-term cash requirements that arise in the ordinary course of business. Under these agreements, either party may borrow up to the maximum allowable under the agreement for a term not more than 270 days. For life insurance subsidiaries, the amounts that either party may borrow under the agreement vary and are between 2% and 5% of the insurance subsidiary's statutory net admitted assets (excluding separate accounts) as of the previous year end depending on the state of domicile. As of December 31, 2023, the aggregate amount that may be borrowed or lent under agreements with life insurance subsidiaries was \$1.4 billion. For non-life insurance subsidiaries, the maximum allowable under the agreement is based on the assets of the subsidiaries and their particular cash requirements. As of December 31, 2023, Voya Financial, Inc. had \$445 million in outstanding borrowings from subsidiaries and had loaned \$293 million to its subsidiaries.

## ***Collateral - Derivative Contracts***

See the *Derivatives* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information on collateral for derivatives.

## ***Ratings***

Our access to funding and our related cost of borrowing, collateral requirements for derivative instruments and the attractiveness of certain of our products to customers are affected by our credit ratings and insurance financial strength ratings, which are periodically reviewed by the rating agencies. Financial strength ratings and credit ratings are important factors affecting public confidence in an insurer and its competitive position in marketing products. Credit ratings are also important to our ability to raise capital through the issuance of debt and for the cost of such financing.

A downgrade in our credit ratings or the credit or financial strength ratings of our rated subsidiaries could have a material adverse effect on our results of operations and financial condition. See *A downgrade or a potential downgrade in our financial strength or credit ratings may result in a loss of business and adversely affect our results of operations and financial condition* in Risk Factors in Part I, Item 1A. of this Annual Report on Form 10-K.

Financial strength ratings represent the opinions of rating agencies regarding the financial ability of an insurance company to meet its obligations under an insurance policy. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. These ratings are not a recommendation to buy or hold any of our securities and they may be revised or revoked at any time at the sole discretion of the rating organization.



The financial strength and credit ratings of Voya Financial, Inc. and its principal subsidiaries as of the date of this Annual Report on Form 10-K are summarized in the following table.

	<b>Rating Agency</b>			
	<b>A.M. Best</b> ("A.M. Best") <sup>(1)</sup>	<b>Fitch, Inc.</b> ("Fitch") <sup>(2)</sup>	<b>Moody's Investors Service, Inc.</b> ("Moody's") <sup>(3)</sup>	<b>Standard &amp; Poor's</b> ("S&P") <sup>(4)</sup>
<b>Long-term Issuer Credit Rating/Outlook:</b>				
Voya Financial, Inc. ....	(5)	BBB+/positive	Baa2/stable	BBB+/stable
<b>Financial Strength Rating/Outlook:</b>				
Voya Retirement Insurance and Annuity Company	(5)	A/positive	A2/stable	A+/stable
ReliaStar Life Insurance Company .....	A/stable	A/positive	A2/stable	A+/stable
ReliaStar Life Insurance Company of New York ..	A/stable	A/positive	A2/stable	A+/stable

<sup>(1)</sup> A.M. Best's financial strength ratings for insurance companies range from "A++ (superior)" to "s (suspended)." Long-term credit ratings range from "aaa (exceptional)" to "s (suspended)."

<sup>(2)</sup> Fitch's financial strength ratings for insurance companies range from "AAA (exceptionally strong)" to "C (distressed)." Long-term credit ratings range from "AAA (highest credit quality)," which denotes exceptionally strong capacity for timely payment of financial commitments, to "D (default)."

<sup>(3)</sup> Moody's financial strength ratings for insurance companies range from "Aaa (exceptional)" to "C (lowest)." Numeric modifiers are used to refer to the ranking within the group with 1 being the highest and 3 being the lowest. These modifiers are used to indicate relative strength within a category. Long-term credit ratings range from "Aaa (highest)" to "C (default)."

<sup>(4)</sup> S&P's financial strength ratings for insurance companies range from "AAA (extremely strong)" to "D (default)." Long-term credit ratings range from "AAA (extremely strong)" to "D (default)."

<sup>(5)</sup> Effective April 11, 2019, A.M. Best withdrew, at the Company's request, its financial strength ratings with respect to Voya Financial, Inc. and Voya Retirement Insurance and Annuity Company.

Rating agencies use an "outlook" statement for both industry sectors and individual companies. For an industry sector, a stable outlook generally implies that over the next 12 to 18 months the rating agency expects ratings to remain unchanged among companies in the sector. For a particular company, an outlook generally indicates a medium or long-term trend in credit fundamentals, which if continued, may lead to a rating change. In December of 2023, Moody's confirmed its outlook for the U.S. life insurance sector as stable. Also, in November of 2023, A.M. Best maintained a stable outlook on the U.S. life insurance sector and Fitch changed its outlook from neutral to improving for the North American life insurance sector.

### **Reinsurance**

We reinsure our business through a diversified group of well-capitalized, highly rated reinsurers. However, we remain liable to the extent our reinsurers do not meet their obligations under the reinsurance agreements. We monitor trends in arbitration and any litigation outcomes with our reinsurers. Collectability of reinsurance balances is evaluated by monitoring ratings and evaluating the financial strength of our reinsurers. Large reinsurance recoverable balances with offshore or other non-accredited reinsurers are secured through various forms of collateral, including secured trusts, funds withheld accounts and irrevocable LOCs. For additional information regarding our reinsurance recoverable balances, see *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A. and the *Reinsurance* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### **Pension and Postretirement Plans**

When contributing to our qualified retirement plans we will take into consideration the minimum and maximum amounts required by ERISA, the attained funding target percentage of the plan, the variable-rate premiums that may be required by the Pension Benefit Guaranty Corporation ("PBGC") and any funding relief that might be enacted by Congress. Contributions to our non-qualified plans and other postretirement and post-employment plans are funded from general assets of the respective sponsoring subsidiary company as benefits are paid.

For additional information on our pension and postretirement plan arrangements, see the *Employee Benefit Arrangements* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### ***Restrictions on Dividends and Returns of Capital from Subsidiaries***

We depend on dividends and other distributions from our subsidiaries as the principal source of cash to meet our obligations. These subsidiaries include our principal subsidiaries listed in *Our Organizational Structure* in Part I, Item 1. of this Annual Report on Form 10-K as well as other direct and indirect subsidiaries. Our insurance companies are subject to limitations on the payment of dividends and other transfers of funds to Voya Financial, Inc. and other affiliates under applicable insurance laws and regulations. These restrictions are based in part on the prior year's statutory income and surplus. Generally, dividends up to specified levels are considered ordinary and may be paid without prior regulatory approval. Otherwise, dividends are considered extraordinary, and are subject to approval by the insurance department of the respective state of domicile of the insurance subsidiary requesting the dividend.

For a summary of dividends permitted without approval, dividends paid, and extraordinary distributions paid and applicable laws and regulations governing dividends, see the Insurance Subsidiaries Dividend Restrictions section of the *Insurance Subsidiaries* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### ***Other Subsidiaries - Dividends, Returns of Capital, and Capital Contributions***

We may receive dividends from or contribute capital to our wholly owned non-life insurance subsidiaries such as broker-dealers, investment management entities and intermediate holding companies. For the years ended December 31, 2023 and 2022, dividends, net of capital contributions, received by Voya Financial, Inc. and Voya Holdings from non-life subsidiaries were \$82 million and \$75 million, respectively.

### ***Statutory Capital and Risk-Based Capital of Principal Insurance Subsidiaries***

Each of our Principal Insurance subsidiaries is subject to minimum risk-based capital ("RBC") requirements based upon the laws of its state of domicile. The RBC formula for life insurance companies establishes capital requirements relating to asset, insurance, interest rate and business risks. RBC ratios, expressed as Total Adjusted Capital ("TAC") to Company Action Level ("CAL"), may increase or decrease depending on a variety of factors including income or losses generated by the insurance subsidiary, additional capital held to support business objectives, market conditions, as well as changes to the NAIC RBC framework. State insurance regulators use the RBC requirements to identify inadequately capitalized insurers. Not meeting the minimum amount of capital based upon RBC requirements may subject the insurer to varying levels of regulatory oversight. As of December 31, 2023, the Total Adjusted Capital of each of our insurance subsidiaries exceeded statutory minimum RBC levels.

The following table summarizes the estimated ratio of TAC to CAL on a combined basis primarily for our Principal Insurance Subsidiaries adjusted for an intercompany loan of \$435 million and \$121 million as of December 31, 2023 and 2022, respectively.

<i>(\$ in millions)</i>			<i>(\$ in millions)</i>		
<b>As of December 31, 2023</b>			<b>As of December 31, 2022</b>		
<b>CAL</b>	<b>TAC</b>	<b>Ratio</b>	<b>CAL</b>	<b>TAC</b>	<b>Ratio</b>
\$ 778	\$ 3,365	433 %	\$ 817	\$ 4,002	490 %

For additional information regarding RBC, see *Business-Regulation-Financial Regulation* in Part I, Item 1. of this Annual Report on Form 10-K. For a summary of statutory capital and surplus of our Principal Insurance Subsidiaries, see the *Insurance Subsidiaries* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

## Leverage Ratios

Our Leverage Ratios are a measure that we use to monitor the level of our debt relative to our total capitalization. The following table presents our leverage ratios for the periods indicated:

	As of December 31,	
	2023	2022
<i>(\$ in millions)</i>		
<b>Financial Debt</b>		
Total financial debt	\$ 2,098	\$ 2,235
Other financial obligations <sup>(1)</sup>	312	265
Total financial obligations	<u>2,410</u>	<u>2,500</u>
<b>Mezzanine equity</b>		
Allianz noncontrolling interest	175	166
<b>Equity</b>		
Preferred equity <sup>(2)</sup>	612	612
Common equity, excluding AOCI	5,981	5,792
Total equity, excluding AOCI	<u>6,593</u>	<u>6,404</u>
AOCI	<u>(2,400)</u>	<u>(3,055)</u>
Total Voya Financial, Inc. shareholders' equity	4,193	3,349
Noncontrolling interest	1,685	1,482
Total shareholders' equity	<u>\$ 5,878</u>	<u>\$ 4,831</u>
<b>Capital</b>		
Capitalization <sup>(3)</sup>	\$ 6,291	\$ 5,584
Adjusted capitalization excluding AOCI <sup>(4)</sup>	\$ 10,863	\$ 10,552
<b>Leverage Ratios</b>		
Debt-to-Capital <sup>(5)</sup>	33.3 %	40.0 %
Financial Leverage excluding AOCI <sup>(6)</sup>	27.8 %	29.5 %

<sup>(1)</sup> Includes operating leases, finance leases, and unfunded pension plan after-tax.

<sup>(2)</sup> Includes preferred stock par value and additional paid-in-capital.

<sup>(3)</sup> Includes Total financial debt and Total Voya Financial, Inc. shareholders' equity.

<sup>(4)</sup> Includes Total financial obligations, Mezzanine equity, and Total shareholders' equity excluding AOCI.

<sup>(5)</sup> Total financial debt divided by Capitalization.

<sup>(6)</sup> Total financial obligations and Preferred equity divided by Adjusted capitalization excluding AOCI.

Our Financial Leverage Ratio, excluding AOCI, decreased from 29.5% at December 31, 2022 to 27.8% at December 31, 2023. This decrease was primarily driven by Net income available to common shareholders which increased Common equity, excluding AOCI, a decrease in Total financial debt due to debt extinguishment and an increase in Noncontrolling interest, partially offset by repurchases of common stock which decreased Common equity, excluding AOCI.

## Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

The following table presents our on- and off- balance sheet contractual obligations due in various periods as of December 31, 2023. The payments reflected in this table are based on our estimates and assumptions about these obligations and consequently the actual cash outflows in future periods will vary, possibly materially, from those presented in the table.

(\$ in millions)	<b>Total</b>	<b>Less than 1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>More than 5 Years</b>
<b>Contractual Obligations:</b>					
Purchase obligations <sup>(1)</sup>	\$ 1,096	\$ 1,086	\$ 10	\$ —	\$ —
Reserves for insurance obligations <sup>(2)(3)</sup>	55,415	5,069	7,265	6,828	36,253
Retirement and other plans <sup>(4)</sup>	1,728	149	316	332	931
Short-term and long-term debt obligations <sup>(5)</sup>	3,293	104	1,161	129	1,899
Operating leases <sup>(6)</sup>	90	29	32	19	10
Finance leases <sup>(7)</sup>	101	12	24	25	40
Securities lending, repurchase agreements and collateral held <sup>(8)</sup>	1,347	1,230	—	—	117
Other obligations <sup>(9)</sup>	159	61	98	—	—
<b>Total<sup>(10)</sup></b>	<b>\$ 63,229</b>	<b>\$ 7,740</b>	<b>\$ 8,906</b>	<b>\$ 7,333</b>	<b>\$ 39,250</b>

<sup>(1)</sup> Purchase obligations consist primarily of outstanding commitments under alternative investments that may occur any time within the terms of the partnership and private loans. The exact timing, however, of funding these commitments related to partnerships and private loans cannot be estimated. Therefore, the amount of the commitments related to partnerships and private loans is included in the category "Less than 1 Year."

<sup>(2)</sup> Reserves for insurance obligations consist of amounts required to meet our future obligations for future policy benefits and contract owner account balances. Amounts presented in the table represent estimated cash payments under such contracts, including significant assumptions related to the receipt of future premiums, mortality, morbidity, lapse, renewal, retirement, disability and annuitization comparable with actual experience. These assumptions also include market growth and interest crediting assumptions. Estimated cash payments are undiscounted for the time value of money. Accordingly, the sum of cash flows presented of \$55.4 billion significantly exceeds the sum of Future policy benefits and Contract owner account balances of \$48.7 billion recorded on our Consolidated Balance Sheets as of December 31, 2023. Estimated cash payments are also presented gross of reinsurance. Due to the significance of the assumptions used, the amounts presented could materially differ from actual results.

<sup>(3)</sup> Contractual obligations related to certain closed blocks that were divested through reinsurance to third parties with reserves in the amount of \$1.1 billion, have been excluded from the table. Although we are not relieved of legal liability to the contract holder for these closed blocks, third-party collateral of \$1.2 billion has been provided for the payment of the related insurance obligations. The sufficiency of collateral held for any individual block may vary.

<sup>(4)</sup> Includes estimated benefit payments under our qualified and non-qualified pension plans, estimated benefit payments under our other postretirement benefit plans, and estimated payments of deferred compensation based on participant elections and an average retirement age.

<sup>(5)</sup> The estimated payments due by period for long-term debt reflects the contractual maturities of principal, as well as estimated future interest payments. The payment of principal and estimated future interest for short-term debt are reflected in estimated payments due in less than one year. See the *Financing Agreements* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for additional information concerning the short-term and long-term debt obligations.

<sup>(6)</sup> Operating leases consist primarily of outstanding commitments for office space.

<sup>(7)</sup> Finance lease obligation is associated with office space leases or service contracts.

<sup>(8)</sup> Securities loan, repurchase agreements, and collateral held represent the liability to return collateral received from counterparties under securities lending agreements, OTC derivative and cleared derivative contracts as well as the obligations related to borrowings under repurchase agreements. Securities lending agreements include provisions which permit us to call back securities with minimal notice and accordingly, the payable is classified as having a term of less than 1 year. Additionally, Securities lending agreements and collateral held include off-balance sheet non-cash collateral of \$215 million and \$11 million, respectively.

<sup>(9)</sup> Other obligations consist of contingent consideration liability and liability on reinsurance.

<sup>(10)</sup> Unrecognized tax benefits are excluded from the table due to immateriality. In addition, in 2015 we entered into a put option agreement with a Delaware trust that gives Voya Financial, Inc. the right, at any time over a 10.0-year period, to issue up to \$500 million of senior notes to the trust in return for principal and interest strips of U.S. Treasury securities that are held by the trust. See the *Financing Agreements* and *Income Taxes* Notes to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for more information on this agreement.

## Critical Accounting Judgments and Estimates

### General

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Critical estimates and assumptions are evaluated on an on-going basis based on historical developments, market conditions, industry trends and other information that is reasonable under the circumstances. There can be no assurance that actual results will conform to estimates and assumptions and that reported results of operations will not be materially affected by the need to make future accounting adjustments to reflect changes in these estimates and assumptions from time to time. Those estimates are inherently subject to change and actual results could differ from those estimates, and the differences may be material to the accompanying Consolidated Financial Statements.

We have identified the following accounting judgments and estimates as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability:

- Reserves for future policy benefits;
- Valuation of investments and derivatives;
- Investment impairments;
- Goodwill and other intangible assets;
- Income taxes;
- Contingencies; and
- Employee benefit plans.

In developing these accounting estimates, we make subjective and complex judgments that are inherently uncertain and subject to material changes as facts and circumstances develop. Although variability is inherent in these estimates, we believe the amounts provided are appropriate based on the facts available upon preparation of the Consolidated Financial Statements.

Effective January 1, 2023, we adopted Accounting Standards Update ("ASU") 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts ("ASU 2018-12"). As a result, we made changes to the Reserves for future policy benefits critical accounting estimate, which are noted below. In addition, deferred policy acquisition costs and value of business acquired are no longer considered critical estimates, as the amortization methodology is no longer subject to a significant degree of variability and does not require a high degree of judgment.

The above critical accounting estimates are described in the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### Reserves for Future Policy Benefits

Principal assumptions used to establish the liability for future policy benefits include mortality, morbidity, policy lapse, contract renewal, payment of subsequent premiums or deposits by the contract owner, retirement, inflation and benefit utilization. Other than interest rate assumptions, these assumptions are based on our experience and periodically reviewed against industry standards. The assumptions used require considerable judgments. Changes in, or deviations from, the assumptions used can significantly affect our reserve levels and related results of operations.

- Mortality is the incidence of death among policyholders triggering the payment of underlying insurance coverage by the insurer. In addition, mortality also refers to the ceasing of payments on life-contingent annuities due to the death of the annuitant. We utilize a combination of actual and industry experience when setting our mortality assumptions.
- A lapse rate is the percentage of in-force policies surrendered by the policyholder or canceled by us due to nonpayment of premiums. A decrease in policy lapses would result in an increase in persistency rates.

Interest rates used to calculate these reserves are based on an upper-medium grade (low-credit-risk) fixed-income instrument yield derived from observable market data.

### Insurance and Other Reserves

Reserves for traditional life insurance contracts (term insurance, participating and non-participating whole life insurance and traditional group life insurance) and accident and health insurance represent the present value of future benefits to be paid to or on behalf of contract owners and related expenses, less the present value of future net premiums.

Assumptions that are critical to the determination of expected future benefit payments and premium cash flows include estimates of mortality, morbidity and persistency and represent management's best estimate of future outcomes. We review these assumptions at least annually against actual experience and, based on additional information that becomes available, update them if necessary. The annual review of assumptions is generally performed in the third quarter and could have a significant impact on our reserves and results of operations.

For the third quarter of 2023, the impact of annual assumption updates was \$67 million unfavorable, of which \$8 million was an unfavorable impact to Adjusted operating earnings before income taxes. The unfavorable remeasurement impact within Adjusted operating earnings was related to the Health Solutions segment, primarily driven by unfavorable mortality experience. The total impact from assumption changes is mainly reflected in Interest credited to contract owner account balances, Policyholder benefits and Net gains (losses) in the Consolidated Statements of Operations.

For the third quarter of 2022, the impact of annual assumption updates on Adjusted Operating earnings before income taxes was approximately \$66 million favorable. This is comprised of favorable remeasurement reserve impact in our Health Solutions business driven by favorable mortality and morbidity experience.

*Sensitivity*

We perform sensitivity analyses to assess the impact that certain assumptions have on traditional reserves. The following table presents the estimated instantaneous net impact to income of various assumption changes on our reserves for future policy benefits and reinsurance. The effects are not representative of the aggregate impacts that could result if a combination of such changes to equity markets, interest rates and other assumptions occurred.

<i>(\$ in millions)</i>	<u>As of December 31, 2023</u>
An assumed increase in future mortality by 1% .....	\$ (1.6)
An assumed increase in future morbidity by 1% .....	\$ (0.3)
An assumed increase in future persistency by 1% .....	\$ (0.4)

Increased assumed future mortality, morbidity, or persistency generally increases future policy benefits, thus decreasing income before income taxes.

*Product Guarantees*

The assumptions used to establish the liabilities for our product guarantees require considerable judgment and are established as management's best estimate of future outcomes. We periodically review these assumptions and, if necessary, update them based on additional information that becomes available. Changes in, or deviations from, the assumptions used can significantly affect our reserve levels and related results of operations.

*Stabilizer and MCG:* We also issue stabilizer ("Stabilizer") contracts that contain embedded derivatives that are measured at estimated fair value separately from the host contracts. The managed custody guarantee product ("MCG") is a stand-alone derivative and is measured in its entirety at estimated fair value.

The estimated fair value of the Stabilizer embedded derivative and MCG stand-alone derivative is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, we project a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions.

The liabilities for Stabilizer embedded derivatives and the MCG stand-alone derivative include a risk margin to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require to assume these risks.

The discount rate used to determine the fair value of the liabilities for our Stabilizer embedded derivatives and the MCG stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk"). Our nonperformance risk adjustment is based on a blend of observable, similarly rated peer holding company credit spreads,

adjusted to reflect the credit quality of our individual insurance subsidiary that issued the guarantee, as well as an adjustment to reflect the non-default spreads and the priority and recovery rates of policyholder claims.

*Universal and Variable Universal Life:* Reserves for universal life ("UL") and variable universal life ("VUL") secondary guarantees and paid-up guarantees are calculated by estimating the expected value of death benefits payable and recognizing those benefits ratably over the accumulation period based on total expected assessments. The reserve for such products recognizes the portion of contract assessments received in early years used to compensate us for benefits provided in later years. Key assumptions used in estimating these reserves include rates of interest, lapse, and mortality.

See the *Reserves for Future Policy Benefits and Contract Owner Account Balances* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on our reserves for future policy benefits and contract owner account balances. In addition, see *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A. of this Annual Report on Form 10-K for additional information regarding specific hedging strategies we utilize to mitigate risk for the product guarantees, as well as sensitivities of the embedded derivative and stand-alone derivative liabilities to changes in certain capital markets assumptions.

### ***Valuation of Investments and Derivatives***

Our investment portfolio includes certain investments recorded at fair value and consists of public and private fixed maturity securities, commercial mortgage and other loans, equity securities, short-term investments, other invested assets and derivative financial instruments. We enter into interest rate, equity market, credit default and currency contracts, including swaps, futures, forwards, caps, floors and options, to reduce and manage various risks associated with changes in value, yield, price, cash flow or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index or pool. We also utilize options and futures on equity indices to reduce and manage risks associated with our universal-life type and annuity products.

See the *Investments (excluding Consolidated Investment Entities)* Note and the *Derivative Financial Instruments* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information.

### ***Investments***

We measure the fair value of our financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset, or nonperformance risk, including our own credit risk. The estimate of fair value is the price that would be received to sell an asset or paid to transfer a liability ("exit price") in an orderly transaction between market participants in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. We use a number of valuation sources to determine the fair values of our financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, industry-standard, vendor-provided software that models the value based on market observable inputs, and other internal modeling techniques based on projected cash flows.

We categorize our financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

When available, the estimated fair value of securities is based on quoted prices in active markets that are readily and regularly obtainable. When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, including discounted cash flows, matrix pricing or other similar techniques. Inputs to these methodologies include, but are not limited to, market observable inputs such as benchmark yields, credit quality, issuer spreads, bids, offers and cash flow characteristics of the security. For privately placed bonds, we also consider such factors as the net worth of the borrower, value of the collateral, the capital structure of the borrower, the presence of guarantees, and the borrower's ability to compete in its relevant market. Valuations are reviewed and validated monthly by an internal valuation committee using price variance reports, comparisons to internal pricing models, back testing of recent trades, and monitoring of trading volumes, as appropriate.

The valuation of financial assets and liabilities involves considerable judgment, is subject to considerable variability, is established using management's best estimate, and is revised as additional information becomes available. As such, changes in,

or deviations from, the assumptions used in such valuations can significantly affect our results of operations. Financial markets are subject to significant movements in valuation and liquidity, which can impact our ability to liquidate and the selling price that can be realized for our securities.

### *Derivatives*

Derivatives are carried at fair value, which is determined by using observable key financial data, such as yield curves, exchange rates, S&P 500 prices, London Interbank Offered Rates ("LIBOR"), Overnight Index Swap Rates ("OIS") and Secured Overnight Financing Rates ("SOFR"), or through values established by third-party sources, such as brokers. Valuations for our futures contracts are based on unadjusted quoted prices from an active exchange. Counterparty credit risk is considered and incorporated in our valuation process through counterparty credit rating requirements and monitoring of overall exposure. Our own credit risk is also considered and incorporated in our valuation process.

We have certain credit default swaps ("CDS") and options that are priced by third party vendors or by using models that primarily use market observable inputs, but contain inputs that are not observable to market participants.

We also have investments in certain fixed maturities and have issued certain universal life-type ("UL-type") and annuity products that contain embedded derivatives for which fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets, or credit ratings/spreads. The fair values of these embedded derivatives are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. For additional information regarding the valuation of and significant assumptions associated with embedded derivatives and stand-alone derivatives associated with certain UL-type and annuity contracts, see "Reserves for Future Policy Benefits" above.

In addition, we have entered into coinsurance with funds withheld and modified coinsurance reinsurance arrangements that contain embedded derivatives. The fair value of the embedded derivatives is based on the change in the fair value of the underlying assets held in the trust using the valuation methods and assumptions described for our investments held.

The valuation of derivatives involves considerable judgment, is subject to considerable variability, is established using management's best estimate and is revised as additional information becomes available. As such, changes in, or deviations from, these assumptions used in such valuations can have a significant effect on the results of operations.

For additional information regarding the fair value of our investments and derivatives, see the *Fair Value Measurements (excluding Consolidated Investment Entities)* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K. For additional information regarding the sensitivities of interest rate risk and equity market price risk and impact on investments and derivatives, see *Quantitative and Qualitative Disclosures About Market Risk* in Part II, Item 7A. of this Annual Report on Form 10-K.

### ***Investment Impairments***

Fixed maturities, available-for-sale, and mortgage loans on real estate can be subject to credit impairment, which can have a significant effect on the results of operations. Refer to the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for an understanding of our methodology and significant inputs considered within the allowance for credit losses and impairments. For additional information regarding the evaluation process for credit impairments, refer to the *Investments (excluding Consolidated Investment Entities)* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### ***Goodwill and Other Intangible Assets***

Goodwill and other intangible assets are established based on estimates of fair value as of the date of acquisition in a business combination. The fair valuation methodologies utilized in connection with testing goodwill and other intangible assets for impairment are subject to key judgments and assumptions that are sensitive to change. Goodwill and other intangible assets with indefinite lives are not amortized. Intangibles with finite lives are amortized over their estimated useful lives. We assess goodwill and other intangible assets for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired.



## *Goodwill*

Goodwill testing is performed at the reporting unit level and consists of qualitative or quantitative assessments. In the qualitative assessment, we consider relevant events and circumstances that could affect the significant inputs used to determine the fair value of the reporting unit. If, when reviewing the qualitative factors, it is determined it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is performed. The determination of fair value for our reporting units is primarily based on an income approach whereby we use discounted cash flows for each reporting unit. We apply significant judgment to our discounted cash flow models when determining the estimated fair value of our reporting units. The key inputs, judgments and assumptions necessary in determining estimated fair value of the reporting units include projected adjusted earnings, current book value, the level of economic capital required to support the mix of business, long-term growth rates, comparative market multiples, projections of new and renewed business, as well as margins on such business, interest rate levels, credit spreads, equity market levels, and the discount rate that we believe is appropriate for the respective reporting unit. As a result of goodwill testing, the Company concluded there was no requirement for goodwill impairment for the years ended December 31, 2023, 2022, and 2021.

## *Other Intangible Assets*

The Company's indefinite-lived intangible assets primarily relate to the right to manage client assets. The approach to testing indefinite-lived intangibles is similar to the impairment testing approach applied to goodwill, except that the testing is performed with reference to the carrying amount and fair value of the intangible asset.

Finite-lived intangible assets include primarily management contract rights, customer relationship lists and computer software and are reviewed periodically for indicators of change in useful lives or impairment. If facts and circumstances suggest possible impairment, the sum of the estimated undiscounted future cash flows expected to result from the use of the asset is compared to the carrying value of the asset. If the carrying value of the asset exceeds the undiscounted cash flows, the asset is written down to its fair value determined using discounted cash flows. Significant estimates in the determination of fair value for this purpose include the projected net cash flow attributable to the intangible asset and the rate at which future net cash flows are discounted for purposes of estimating fair value, as applicable.

During the fourth quarter of 2023, the Company recognized an impairment loss in relation to a management contract rights intangible asset associated with a prior acquisition within the Investment Management segment, which is included in Operating expenses in the Consolidated Statements of Operations for the year ended December 31, 2023, and excluded from Adjusted operating earnings before income taxes. See the *Goodwill and Other Intangible Assets* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for additional details on the impairment.

## *Income Taxes*

### *Valuation Allowances*

We use certain assumptions and estimates in determining the income taxes payable or refundable for the current year, the deferred tax liabilities and assets for items recognized differently in our Consolidated Financial Statements from amounts shown on our income tax returns and the federal income tax expense. Determining these amounts requires analysis and interpretation of current tax laws and regulations, including the loss limitation rules associated with change in control. We exercise considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments are reevaluated on a quarterly basis and as regulatory and business factors change.

During the year, we had gains on available-for-sale securities in Other comprehensive income of \$863 million, resulting in overall unrealized capital losses of \$(2.3) billion in Accumulated other comprehensive income as of December 31, 2023. The gains generated during the year reduced the prior year deferred tax asset ("DTA") related to the unrealized capital losses. We expect this DTA to be utilized by our capital loss carryback capacity and hold to maturity tax planning strategy. Significant future increases to interest rates and/or the occurrence of other unexpected circumstances, such as changes in the economic environment, liquidity and investment strategy, could result in recording a related valuation allowance on our deferred tax assets in a future period.

For additional understanding over the Company's valuation allowance, refer to the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

In December 2014, we entered into an Issue Resolution Agreement ("IA") with the IRS relating to the Internal Revenue Code Section 382 calculation of the annual limitation on the use of certain of the Company's federal tax attributes that will apply as a consequence of the Section 382 event experienced by the Company in March 2014. We do not expect the annual limitation to impact our ability to utilize the losses or credits.

For further information on our income taxes, including information on the valuation allowance, see the *Income Taxes* Note in our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K.

### *Tax Contingencies*

We recognize the tax benefit from an uncertain tax position only if it is more likely than not to be sustained under examination by the applicable taxing authority. We also consider positions that have been reviewed and agreed to as part of an examination by the applicable taxing authority. For items that meet the more-likely-than-not recognition threshold, we measure the tax position as the largest amount of benefit that is more than 50% likely to be realized upon ultimate resolution with the applicable tax authority that has full knowledge of all relevant information. Tax positions that do not meet the more-likely-than-not standard are not recognized.

### *Changes in Law*

Certain changes or future events, such as changes in tax legislation, geographic mix of earnings, completion of tax audits, planning opportunities and expectations about future outcomes could have an impact on our estimates of deferred taxes, valuation allowances, tax provisions, and effective tax rates.

In August 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes a 15% corporate alternative minimum tax ("CAMT") and a 1% excise tax on the fair market value of stock that is repurchased by publicly traded U.S. corporations or their specified affiliates. The CAMT and the excise tax are effective in taxable years beginning after December 31, 2022. The Internal Revenue Service has only issued limited guidance on the CAMT, and uncertainty remains regarding the application of and potential adjustments to the CAMT. Based on this guidance, we do not expect to be subject to the CAMT for 2024. We do expect to be subject to the 1% excise tax but do not expect that it will have a material impact to our financial statements.

### *Contingencies*

For information regarding our contingencies, see the *Commitments and Contingencies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### *Employee Benefits Plans*

We sponsor both qualified and non-qualified defined benefit pension plans (the "Plans") and other postretirement benefit plans covering eligible employees, sales representatives and other individuals. For accounting policies and more information related to our employee benefit plans, see the *Employee Benefit Arrangements* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

The Voya Retirement Plan (the "Retirement Plan") is a tax qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation ("PBGC"). Beginning January 1, 2012, the Retirement Plan adopted a cash balance pension formula instead of a final average pay ("FAP") formula, allowing all eligible employees to participate in the Retirement Plan. Participants earn an annual credit equal to 4% of eligible compensation. Interest is credited monthly based on a 30-year U.S. Treasury securities bond rate published by the IRS in the preceding August of each year. The accrued vested cash pension balance benefit is portable; participants can take it if they leave us.

The table below summarizes the components of the net actuarial (gains) losses related to the Plans' pension obligations recognized within Operating expenses in our Consolidated Statements of Operations for the periods indicated:

<i>(Gain)/Loss Recognized (\$ in millions)</i>	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Discount Rate .....	\$ 37	\$ (571)
Asset Returns .....	(49)	534
Demographic Data and other .....	8	31
Total Net Actuarial (Gain)/Loss Recognized .....	<u>\$ (4)</u>	<u>\$ (6)</u>

For the year ended December 31, 2023, we decreased our Plans' discount rate by 0.19% resulting in an increase in our benefit obligations and a corresponding actuarial loss of \$37 million. This decrease in the discount rate was driven by the decrease in corporate AA yields. For the year ended December 31, 2022, we increased our Plans' discount rate by 2.47% resulting in a decrease in our benefit obligations and a corresponding actuarial gain of \$571 million. This increase in the discount rate was driven by increase in the 30-year Treasury and corporate AA yields.

The asset returns are only applicable to the Retirement Plan as assets are not held by any of the other pension and other postretirement plans. Our expected long-term rate of return on our Retirement Plan assets was 5.82% and 4.85% for 2023 and 2022, respectively. Our expected return on Retirement Plan assets is calculated using 30-year forward looking assumptions based on the long-term target asset allocation. In 2023, the actual return on our Retirement Plan assets was approximately 9.0%, resulting in an actuarial gain of \$49 million. In 2022, the actual return on our Retirement Plan assets was approximately (19.1)%, resulting in an actuarial loss of \$534 million.

#### *Sensitivity*

The discount rate and expected rate of return assumptions relating to our defined benefit pension plans have historically had the most significant effect on our net periodic benefit costs and the projected and accumulated projected benefit obligations associated with these plans.

The discount rate is based on current market information provided by plan actuaries. The discount rate modeling process involves selecting a portfolio of high quality, non-callable bonds that will match the cash flows of the defined benefit pension plans. The weighted average discount rate in 2023 for the net periodic benefit cost was 5.47% for the Plans. The discount rate as of December 31, 2023 for the benefit obligation of the Plans was 5.28%.

As of December 31, 2023, the sensitivities of the effect of a change in the discount rate are as presented below. This represents the estimate of actuarial gains (losses) that would be recognized immediately through Operating expenses in our Consolidated Statements of Operations:

<i>(\$ in millions)</i>	<b>Increase (Decrease) in Net Periodic Benefit Cost-Pension Plans</b>	
Increase in discount rate by 100 basis points .....	\$	(181)
Decrease in discount rate by 100 basis points .....		216

<i>(\$ in millions)</i>	<b>Increase (Decrease) in Pension Benefit Obligation</b>	
Increase in discount rate by 100 basis points .....	\$	(181)
Decrease in discount rate by 100 basis points .....		216

The discount rate to be used to determine interest cost for 2024 is 5.28%. The estimated impact of this change, as well as actuarial loss on discount rate experienced during 2023, is expected to have an immaterial impact on our net periodic pension cost.

The expected rate of return considers the asset allocation, historical returns on the types of assets held and current economic environment. Based on these factors, we expect that the assets will earn an average percentage per year over the long term. This estimation is based on an active return on a compound basis, with a reduction for administrative expenses and manager fees

paid to non-affiliated companies from the assets. For estimation purposes, we assume the long-term asset mix will be consistent with the current mix. Changes in the asset mix could impact the amount of recorded pension income or expense, the funded status of the Retirement Plan and the need for future cash contributions. The expected rate of return for 2023 was 5.82%, net of expenses, for the Retirement Plan.

As of December 31, 2023, the effect of a change in the actual rate of return on the net periodic benefit cost is presented in the table below. This represents the estimate of actuarial gains (losses) that would be recognized immediately through Operating expenses in our Consolidated Statements of Operations:

<i>(\$ in millions)</i>	<b>Increase (Decrease) in Net Periodic Benefit Cost-Pension Plans</b>
Increase in actual rate of return by 100 basis points .....	\$ (17)
Decrease in actual rate of return by 100 basis points .....	17

The expected rate of return for 2024 is 6.0%, net of expenses, for the Retirement Plan. The estimated impact of this change as well as the actuarial gain experienced on plan assets in 2023 is expected to decrease our net periodic benefit cost by approximately \$8 million.

### **Impact of New Accounting Pronouncements**

For information regarding the impact of new accounting pronouncements, see the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

### **Investments (excluding Consolidated Investment Entities)**

Investments for our general account are managed by our wholly owned asset manager, Voya Investment Management LLC, pursuant to investment advisory agreements with affiliates. In addition, our internal treasury group manages our holding company liquidity investments, primarily money market funds.

#### ***Investment Strategy***

Our investment strategy seeks to achieve sustainable risk-adjusted returns by focusing on principal preservation, disciplined matching of asset characteristics with liability requirements and the diversification of risks. Investment activities are undertaken according to investment policy statements that contain internally established guidelines and risk tolerances and are required to comply with applicable laws and insurance regulations. Risk tolerances are established for credit risk, credit spread risk, market risk, liquidity risk and concentration risk across issuers, sectors and asset types that seek to mitigate the impact of cash flow variability arising from these risks.

Segmented portfolios are established for groups of products with similar liability characteristics. Our investment portfolio consists largely of high quality fixed maturities and short-term investments, investments in commercial mortgage loans, alternative investments and other instruments, including a small amount of equity holdings. Fixed maturities include publicly issued corporate bonds, government bonds, privately placed notes and bonds, bonds issued by states and municipalities, ABS, traditional MBS and various collateralized mortgage obligation ("CMO") tranches managed in combination with financial derivatives as part of a proprietary strategy known as CMO-B.

We use derivatives for hedging purposes to reduce our exposure to the cash flow variability of assets and liabilities, interest rate risk, credit risk and market risk. In addition, we use credit derivatives to replicate exposure to individual securities or pools of securities as a means of achieving credit exposure similar to bonds of the underlying issuer(s) more efficiently.

See the Investments (excluding Consolidated Investment Entities) Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for more information on investments. Additionally, see the *Consolidated Balance Sheets* to our Consolidated Financial Statements Part II, Item 8. of this Annual Report on Form 10-K for a composition of our investment portfolio.

## Fixed Maturities Credit Quality - Ratings

The Securities Valuation Office ("SVO") of the NAIC evaluates the fixed maturity security investments of insurers for regulatory reporting and capital assessment purposes and assigns securities to one of six credit quality categories called "NAIC designations." An internally developed rating is used as permitted by the NAIC if no rating is available. These designations are generally similar to the credit quality designations of the NAIC acceptable rating organizations ("ARO") for marketable fixed maturity securities, called rating agency designations except for certain structured securities as described below. NAIC designations of "1," highest quality and "2," high quality, include fixed maturity securities generally considered investment grade by such rating organizations. NAIC designations 3 through 6 include fixed maturity securities generally considered below investment grade by such rating organizations.

The NAIC designations for structured securities, including subprime and Alt-A RMBS, are based upon a comparison of the bond's amortized cost to the NAIC's loss expectation for each security. Securities where modeling results in no expected loss in each scenario are considered to have the highest designation of NAIC 1. A large percentage of our RMBS securities carry the NAIC 1 designation while the ARO rating indicates below investment grade. This is primarily due to the credit and intent impairments recorded by us that reduced the amortized cost on these securities to a level resulting in no expected loss in any scenario, which corresponds to the NAIC 1 designation. The methodology reduces regulatory reliance on rating agencies and allows for greater regulatory input into the assumptions used to estimate expected losses from such structured securities. In the tables below, we present the rating of structured securities based on ratings from the NAIC methodologies described above (which may not correspond to rating agency designations). NAIC designations (e.g., NAIC 1-6) are based on the NAIC methodologies.

As a result of time lags between the funding of investments, the finalization of legal documents and the completion of the SVO filing process, the fixed maturity portfolio generally includes securities, that have not yet been rated by the SVO as of each balance sheet date, such as private placements. Pending receipt of SVO ratings, the categorization of these securities by NAIC designation is based on the expected ratings indicated by internal analysis.

Information about certain of our fixed maturity securities holdings by the NAIC designation is set forth in the following tables. Corresponding rating agency designation does not directly translate into NAIC designation, but represents our best estimate of comparable ratings from rating agencies, including Moody's, S&P and Fitch. If no rating is available from a rating agency, then an internally developed rating is used. As of December 31, 2023 and 2022, the weighted average NAIC quality rating of our fixed maturities portfolio was 1.5.

The following tables present credit quality of fixed maturities, including securities pledged, using NAIC designations as of the dates indicated:

(\$ in millions)

	December 31, 2023						Total Fair Value
NAIC Quality Designation	1	2	3	4	5	6	
U.S. Treasuries	\$ 403	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 403
U.S. Government agencies and authorities	56	—	—	—	—	—	56
State, municipalities and political subdivisions	732	39	—	—	—	—	771
U.S. corporate public securities	2,493	4,891	239	42	1	—	7,666
U.S. corporate private securities	1,799	2,576	312	64	9	—	4,760
Foreign corporate public securities and foreign governments <sup>(1)</sup>	834	1,669	113	84	—	2	2,702
Foreign corporate private securities <sup>(1)</sup>	280	2,396	114	4	18	—	2,812
Residential mortgage-backed securities	3,415	35	8	1	9	8	3,476
Commercial mortgage-backed securities	2,879	484	94	16	15	7	3,495
Other asset-backed securities	2,143	284	7	11	1	24	2,470
Total fixed maturities	\$ 15,034	\$ 12,374	\$ 887	\$ 222	\$ 53	\$ 41	\$ 28,611
% of Fair Value	52.6%	43.2%	3.1%	0.8%	0.2%	0.1%	100.0%

<sup>(1)</sup> Primarily U.S. dollar denominated.

(\$ in millions)

	December 31, 2022						Total Fair Value
NAIC Quality Designation	1	2	3	4	5	6	
U.S. Treasuries	\$ 581	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 581
U.S. Government agencies and authorities	59	—	—	—	—	—	59
State, municipalities and political subdivisions	787	58	—	—	—	—	845
U.S. corporate public securities	2,485	5,357	307	36	—	16	8,201
U.S. corporate private securities	1,684	2,677	234	89	8	—	4,692
Foreign corporate public securities and foreign governments <sup>(1)</sup>	945	1,829	104	64	—	7	2,949
Foreign corporate private securities <sup>(1)</sup>	367	2,531	99	26	11	—	3,034
Residential mortgage-backed securities	3,919	34	4	1	10	9	3,977
Commercial mortgage-backed securities	3,258	521	85	12	5	2	3,883
Other asset-backed securities	1,767	325	7	10	6	21	2,136
Total fixed maturities	\$ 15,852	\$ 13,332	\$ 840	\$ 238	\$ 40	\$ 55	\$ 30,357
% of Fair Value	52.2%	43.9%	2.8%	0.8%	0.1%	0.2%	100.0%

<sup>(1)</sup> Primarily U.S. dollar denominated.

The fixed maturities in our portfolio are generally rated by external rating agencies and, if not externally rated, are rated by us on a basis similar to that used by the rating agencies. As of December 31, 2023 and 2022, the weighted average quality rating of our fixed maturities portfolio was A. Ratings are derived from three ARO ratings and are applied as follows, based on the number of agency ratings received:

- when three ratings are received then the middle rating is applied;
- when two ratings are received then the lower rating is applied;
- when a single rating is received, the ARO rating is applied; and
- when ratings are unavailable then an internal rating is applied.

The following tables present credit quality of fixed maturities, including securities pledged, using ARO ratings as of the dates indicated:

(\$ in millions)

ARO Quality Ratings <sup>(2)</sup>	December 31, 2023					
	AAA	AA	A	BBB	BB and Below	Total Fair Value
U.S. Treasuries	\$ —	\$ 403	\$ —	\$ —	\$ —	\$ 403
U.S. Government agencies and authorities	—	55	—	—	1	56
State, municipalities and political subdivisions	46	447	239	39	—	771
U.S. corporate public securities	25	351	2,209	4,785	296	7,666
U.S. corporate private securities	22	231	1,509	2,546	452	4,760
Foreign corporate public securities and foreign governments <sup>(1)</sup>	8	147	728	1,598	221	2,702
Foreign corporate private securities <sup>(1)</sup>	—	40	216	2,360	196	2,812
Residential mortgage-backed securities	1,157	2,075	31	48	165	3,476
Commercial mortgage-backed securities	249	1,360	770	949	167	3,495
Other asset-backed securities	189	593	1,345	289	54	2,470
Total fixed maturities	\$ 1,696	\$ 5,702	\$ 7,047	\$ 12,614	\$ 1,552	\$ 28,611
% of Fair Value	5.9%	19.9%	24.6%	44.2%	5.4%	100.0%

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> In 2023, Fitch downgraded the United States long-term credit rating from AAA to AA+. As a result, the effective ratings on all Treasury and Agency guaranteed mortgage-backed securities were similarly lowered from AAA to AA+.

(\$ in millions)

ARO Quality Ratings	December 31, 2022					
	AAA	AA	A	BBB	BB and Below	Total Fair Value
U.S. Treasuries	\$ 581	\$ —	\$ —	\$ —	\$ —	\$ 581
U.S. Government agencies and authorities	51	8	—	—	—	59
State, municipalities and political subdivisions	48	503	236	58	—	845
U.S. corporate public securities	29	408	2,320	5,063	381	8,201
U.S. corporate private securities	58	185	1,368	2,728	353	4,692
Foreign corporate public securities and foreign governments <sup>(1)</sup>	8	168	802	1,774	197	2,949
Foreign corporate private securities <sup>(1)</sup>	—	42	297	2,541	154	3,034
Residential mortgage-backed securities	3,089	188	113	206	381	3,977
Commercial mortgage-backed securities	1,304	425	927	1,058	169	3,883
Other asset-backed securities	187	447	1,117	330	55	2,136
Total fixed maturities	\$ 5,355	\$ 2,374	\$ 7,180	\$ 13,758	\$ 1,690	\$ 30,357
% of Fair Value	17.6%	7.8%	23.7%	45.3%	5.6%	100.0%

<sup>(1)</sup> Primarily U.S. dollar denominated.

Fixed maturities rated BB and below may have speculative characteristics and changes in economic conditions or other circumstances that are more likely to lead to a weakened capacity of the issuer to make principal and interest payments than is the case with higher rated fixed maturities.

### ***Unrealized Capital Losses***

As of December 31, 2023 and 2022, we held six and ten fixed maturities with unrealized capital loss in excess of \$10 million, respectively. As of December 31, 2023 and 2022, the unrealized capital losses on these fixed maturities were \$70 million or 2.6% and \$114 million or 3.3% of the total unrealized losses, respectively.

As of December 31, 2023, we held \$2.1 billion of energy sector fixed maturity securities, constituting 7.3% of the total fixed maturities portfolio, with gross unrealized capital losses of \$104 million, including zero energy sector fixed maturity security with unrealized capital losses in excess of \$10 million. As of December 31, 2023, our fixed maturity exposure to the energy sector is comprised of 92.1% investment grade securities.

As of December 31, 2022, we held \$1.9 billion of energy sector fixed maturity securities, constituting 6.1% of the total fixed maturities portfolio, with gross unrealized capital losses of \$160 million, including one energy sector fixed maturity security with unrealized capital losses in excess of \$10 million. The unrealized capital loss on this fixed maturity security equaled \$11 million. As of December 31, 2022, our fixed maturity exposure to the energy sector is comprised of 88% investment grade securities.

See the *Investments (excluding Consolidated Investment Entities)* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on unrealized capital losses.

### ***CMO-B Portfolio***

As part of our broadly diversified investment portfolio, we have a core holding in a proprietary mortgage derivatives strategy known as CMO-B, which invests in a variety of CMO securities in combination with interest rate derivatives in targeting a specific type of exposure to the U.S. residential mortgage market. Because of their relative complexity and generally small natural buyer base, we believe certain types of CMO securities are consistently priced below their intrinsic value, thereby providing a source of potential return for investors in this strategy.

The CMO securities that are part of our CMO-B portfolio are either notional or principal securities, backed by the interest and principal components, respectively, of mortgages secured by single-family residential real estate. There are many variations of these two types of securities including interest only and principal only securities, as well as inverse-floating rate (principal) securities and inverse interest only securities, all of which are part of our CMO-B portfolio. This strategy has been in place for nearly two decades and thus far has been a significant source of investment income while exhibiting relatively low volatility and correlation compared to the other asset types in the investment portfolio, although we cannot predict whether favorable returns will continue in future periods.

To protect against the potential for credit loss associated with financially troubled borrowers, investments in our CMO-B portfolio are primarily in CMO securities backed by one of the government sponsored entities: the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae").

Because the timing of the receipt of the underlying cash flow is highly dependent on the level and direction of interest rates, our CMO-B portfolio also has exposure to both interest rate and convexity risk. The exposure to interest rate risk, the potential for changes in value that results from changes in the general level of interest rates, is managed to a defined target duration using interest rate swaps and interest rate futures. The exposure to convexity risk-the potential for changes in value that result from changes in duration caused by changes in interest rates-is dynamically hedged using interest rate swaps and at times, interest rate swaptions.

Prepayment risk represents the potential for adverse changes in portfolio value resulting from changes in residential mortgage prepayment speed (actual and projected), which in turn depends on a number of factors, including conditions in both credit markets and housing markets. Changes in the prepayment behavior of homeowners represent both a risk and potential source of return for our CMO-B portfolio. As a result, we seek to invest in securities that are broadly diversified by collateral type to take advantage of the uncorrelated prepayment experiences of homeowners with unique characteristics that influence their ability or



desire to prepay their mortgage. We choose collateral types and individual securities based on an in-depth quantitative analysis of prepayment incentives across available borrower types.

The following table presents fixed maturities balances held in the CMO-B portfolio by NAIC quality rating as of the dates indicated:

*(\$ in millions)*

NAIC Quality Designation	December 31, 2023			December 31, 2022		
	Amortized Cost	Fair Value	% Fair Value	Amortized Cost	Fair Value	% Fair Value
1	\$ 1,779	\$ 1,795	97.3 %	\$ 2,267	\$ 2,270	97.9 %
2	33	33	1.8 %	33	32	1.4 %
3	—	1	0.1 %	—	—	— %
4	—	—	— %	—	—	— %
5	4	7	0.4 %	5	7	0.3 %
6	7	8	0.4 %	8	9	0.4 %
Total	<u>\$ 1,823</u>	<u>\$ 1,844</u>	<u>100.0 %</u>	<u>\$ 2,313</u>	<u>\$ 2,318</u>	<u>100.0 %</u>

For CMO securities where we elected the fair value option ("FVO"), amortized cost represents the market values. For details on the NAIC designation methodology, please see "Fixed Maturities Credit Quality-Ratings" above.

The following table presents the notional amounts and fair values of interest rate derivatives not qualifying for hedge accounting and used in our CMO-B portfolio as of the dates indicated:

*(\$ in millions)*

	December 31, 2023			December 31, 2022		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
Interest Rate Contracts	\$ 11,234	\$ 143	\$ 321	\$ 12,414	\$ 215	\$ 350

The Company utilize interest rate futures and interest rate swaps as a part of the CMO-B portfolio to hedge interest rate risk.

The following table presents our CMO-B fixed maturity securities balances and tranche type as of the dates indicated:

*(\$ in millions)*

Tranche Type	December 31, 2023			December 31, 2022		
	Amortized Cost	Fair Value	% Fair Value	Amortized Cost	Fair Value	% Fair Value
Inverse Floater	\$ 72	\$ 78	4.2 %	\$ 70	\$ 79	3.4 %
Interest Only (IO)	965	966	52.5 %	914	915	39.5 %
Inverse IO	519	530	28.7 %	527	528	22.8 %
Principal Only (PO)	65	65	3.5 %	77	79	3.4 %
Floater	5	5	0.3 %	6	6	0.3 %
Agency Credit Risk Transfer	169	172	9.3 %	645	638	27.5 %
Other	28	28	1.5 %	74	73	3.1 %
Total	<u>\$ 1,823</u>	<u>\$ 1,844</u>	<u>100.0 %</u>	<u>\$ 2,313</u>	<u>\$ 2,318</u>	<u>100.0 %</u>

During the year ended December 31, 2023, the market value of our CMO-B securities portfolio was lower on a combination of transactional activity and valuation movements among tranche types. Transactional activity includes participating in tender offers of Agency Credit Risk Transfer securities.

The following table presents the returns of our CMO-B portfolio for the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
<i>(\$ in millions)</i>			
Net investment income	\$ 300	\$ 489	\$ 599
Net gains (losses) <sup>(1)</sup>	(106)	(437)	(642)
Income (loss) from continuing operations before income taxes	\$ 194	\$ 52	\$ (43)

<sup>(1)</sup> Net gains (losses) also include derivatives interest settlements, mark to market adjustments and realized gains (losses) on standalone derivatives contracts that are in the CMO-B portfolio.

In defining the Adjusted operating earnings before income taxes for our CMO-B portfolio (including CMO-B portfolio income (loss) related to businesses to be exited through reinsurance or divestment) certain recharacterizations are recognized. The net coupon settlement on interest rate swaps hedging CMO-B securities that is included in Net gains (losses) is reflected. In addition, the premium amortization and change in fair value for securities designated under the FVO are included in Net gains (losses), whereas the coupon for these securities is included in Net investment income. In order to present the economics of these fair value securities in a similar manner to those of an available for sale security, the premium amortization is reclassified from Net gains (losses).

After adjusting for the two items referenced immediately above, the following table presents a reconciliation of Income (loss) from operations before income taxes from our CMO-B portfolio to Adjusted operating earnings before income taxes from our CMO-B portfolio for the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
<i>(\$ in millions)</i>			
Income (loss) before income taxes	\$ 194	\$ 52	\$ (43)
Realized gains (losses) including impairment	(5)	17	(27)
Fair value adjustments	22	146	239
Total adjustments to income (loss)	18	163	212
Adjusted operating earnings before income taxes	\$ 211	\$ 215	\$ 169

## Structured Securities

### Residential Mortgage-backed Securities

The following tables present our residential mortgage-backed securities as of the dates indicated:

	December 31, 2023				
	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives	Fair Value
<i>(\$ in millions)</i>					
Prime Agency	\$ 1,925	\$ 20	\$ 36	\$ —	\$ 1,909
Prime Non-Agency	1,706	12	218	—	1,500
Alt-A	52	4	1	2	57
Sub-Prime <sup>(1)</sup>	24	1	1	—	24
Total	\$ 3,707	\$ 37	\$ 256	\$ 2	\$ 3,490

<sup>(1)</sup> Includes subprime other asset backed securities.

	December 31, 2022				
	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives	Fair Value
<i>(\$ in millions)</i>					
Prime Agency	\$ 1,957	\$ 19	\$ 50	\$ 1	\$ 1,927
Prime Non-Agency	2,194	10	238	—	1,966
Alt-A	66	5	2	2	71
Sub-Prime <sup>(1)</sup>	30	1	1	—	30
Total	\$ 4,247	\$ 35	\$ 291	\$ 3	\$ 3,994

<sup>(1)</sup> Includes subprime other asset backed securities.

### Commercial Mortgage-backed Securities

The following tables present our commercial mortgage-backed securities as of the dates indicated:

December 31, 2023													
(\$ in millions)	AAA		AA		A		BBB		BB and Below		Total		
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	
2023	\$ —	\$ —	\$ 4	\$ 4	\$ 4	\$ 4	\$ —	\$ —	\$ —	\$ —	\$ 8	\$ 8	
2022	25	24	118	94	135	126	115	107	—	—	393	351	
2021	107	99	209	144	223	198	312	281	18	15	869	737	
2020	41	40	46	36	64	52	152	125	11	8	314	261	
2019	14	12	164	144	95	82	272	208	20	14	565	460	
Prior	85	74	1,085	938	353	308	280	228	195	130	1,998	1,678	
Total	\$ 272	\$ 249	\$ 1,626	\$ 1,360	\$ 874	\$ 770	\$ 1,131	\$ 949	\$ 244	\$ 167	\$ 4,147	\$ 3,495	

December 31, 2022													
(\$ in millions)	AAA		AA		A		BBB		BB and Below		Total		
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	
2022	\$ 105	\$ 89	\$ 58	\$ 53	\$ 178	\$ 166	\$ 115	\$ 102	\$ 43	\$ 43	\$ 499	\$ 453	
2021	238	181	86	77	213	187	324	283	8	8	869	736	
2020	74	66	31	27	74	59	155	125	—	—	334	277	
2019	169	149	38	36	130	115	297	241	8	6	642	547	
2018	110	95	20	18	96	86	40	33	19	15	285	247	
Prior	835	724	228	214	345	314	320	274	109	97	1,837	1,623	
Total	\$ 1,531	\$ 1,304	\$ 461	\$ 425	\$ 1,036	\$ 927	\$ 1,251	\$ 1,058	\$ 187	\$ 169	\$ 4,466	\$ 3,883	

As of December 31, 2023, 82.4% and 13.8% of CMBS investments were designated as NAIC-1 and NAIC-2, respectively. As of December 31, 2022, 83.7% and 13.6% of CMBS investments were designated as NAIC-1 and NAIC-2, respectively.

### Other Asset-backed Securities

The following tables present our other asset-backed securities as of the dates indicated:

December 31, 2023													
(\$ in millions)	AAA		AA		A		BBB		BB and Below		Total		
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	
Collateralized Obligation	\$ 143	\$ 143	\$ 523	\$ 524	\$ 1,201	\$ 1,203	\$ 120	\$ 119	\$ 60	\$ 42	\$ 2,047	\$ 2,031	
Auto-Loans	1	1	—	—	—	—	—	—	—	—	1	1	
Student Loans	4	3	73	66	—	—	—	—	—	—	77	69	
Credit Card loans	1	1	—	—	3	2	—	—	—	—	4	3	
Other Loans	49	41	2	2	151	138	180	166	5	5	387	352	
Total <sup>(1)</sup>	\$ 198	\$ 189	\$ 598	\$ 592	\$ 1,355	\$ 1,343	\$ 300	\$ 285	\$ 65	\$ 47	\$ 2,516	\$ 2,456	

<sup>(1)</sup> Excludes subprime other asset backed securities.

**December 31, 2022**

	AAA		AA		A		BBB		BB and Below		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(\$ in millions)												
Collateralized Obligation	\$ 135	\$ 131	\$ 375	\$ 359	\$ 1,064	\$ 1,001	\$ 121	\$ 112	\$ 60	\$ 42	\$ 1,755	\$ 1,645
Auto-Loans	1	1	8	7	—	—	—	—	—	—	9	8
Student Loans	12	12	86	77	—	—	1	—	—	—	99	89
Credit Card loans	—	—	—	—	3	2	—	—	—	—	3	2
Other Loans	52	43	3	3	129	114	240	215	—	—	424	375
Total <sup>(1)</sup>	\$ 200	\$ 187	\$ 472	\$ 446	\$ 1,196	\$ 1,117	\$ 362	\$ 327	\$ 60	\$ 42	\$ 2,290	\$ 2,119

<sup>(1)</sup> Excludes subprime other asset backed securities.

As of December 31, 2023, 86.7% and 11.6% of Other ABS investments were designated as NAIC-1 and NAIC-2, respectively. As of December 31, 2022, 82.9% and 15.4% of Other ABS investments were designated as NAIC-1 and NAIC-2, respectively.

### **Mortgage Loans on Real Estate**

As of December 31, 2023 and 2022, our mortgage loans on real estate portfolio had a weighted average DSC of 1.94 times and 1.91 times, and a weighted average LTV ratio of 45.0% and 45.4%, respectively. See the *Investments (excluding Consolidated Investment Entities)* Note and *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further information on mortgage loans on real estate.

### **Impairments**

We evaluate available-for-sale fixed maturities for impairment on a regular basis. The assessment of whether impairments have occurred is based on a case-by-case evaluation of the underlying reasons for the decline in estimated fair value. See the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for the policy used to evaluate whether the investments are impaired. Additionally, see the *Investments (excluding Consolidated Investment Entities)* Note in our Consolidated Financial Statements of Part II, Item 8. of this Annual Report on Form 10-K for further information on impairments.

### **Derivatives**

We use derivatives for a variety of hedging purposes. We also have embedded derivatives within fixed maturities instruments and certain product features. See the *Business, Basis of Presentation and Significant Accounting Policies* Note and *Derivative Financial Instruments* Note in our Consolidated Financial Statements in Part II, Item 8. of this [Annual Report on Form 10-K](#) for further information.

### **European Exposures**

We quantify and allocate our exposure to the region by attempting to identify aspects of the region or country risk to which we are exposed. Among the factors we consider are the nationality of the issuer, the nationality of the issuer's ultimate parent, the corporate and economic relationship between the issuer and its parent, as well as the political, legal and economic environment in which each functions. By undertaking this assessment, we believe that we develop a more accurate assessment of the actual geographic risk, with a more integrated understanding of contributing factors to the full risk profile of the issuer.

In the normal course of our ongoing risk and portfolio management process, we closely monitor compliance with a credit limit hierarchy designed to minimize overly concentrated risk exposures by geography, sector and issuer. This framework takes into account various factors such as internal and external ratings, capital efficiency and liquidity and is overseen by a combination of Investment and Corporate Risk Management, as well as insurance portfolio managers focused specifically on managing the investment risk embedded in our portfolio.

While economic conditions in Europe have broadly improved, geopolitical tensions emanating from the Russia-Ukraine conflict remain a notable tail risk. Despite signs of economic improvement in the region, we continue to closely monitor our exposure to the region.

As of December 31, 2023, our total European exposure had an amortized cost and fair value of \$2,714 million and \$2,560 million, respectively. Some of the major country level exposures were in the United Kingdom of \$1,117 million, in The Netherlands of \$247 million, in France of \$249 million, in Germany of \$172 million, in Switzerland of \$107 million, in Ireland of \$133 million, and in Belgium of \$58 million. Our direct exposure in Eastern Europe is comparatively small, with \$1 million of exposure in Russia and none in Ukraine or Belarus.

### **Consolidated and Nonconsolidated Investment Entities**

We use many forms of entities to achieve our business objectives and we have participated in varying degrees in the design and formation of these entities. These entities are considered to be VIEs or VEOs (collectively, "Consolidated Investment Entities"), or nonconsolidated VIEs, and we evaluate our involvement with each entity to determine whether consolidation is required.

We perform a quarterly consolidation analysis to assess if the consolidation of a fund is required. The consolidation process brings on the assets, liabilities, noncontrolling interest and operations of the VIE and/or VEO into our financial statements.

If the fund no longer meets the criteria for consolidation, the assets, liabilities, noncontrolling interest and operations of the fund is removed from our financial statements. This process of consolidation/deconsolidation could have a material impact on total shareholders' equity.

See Consolidation and Noncontrolling Interests and Fair Value Measurement in the *Business, Basis of Presentation and Significant Accounting Policies* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K. Additionally, see the *Consolidated and Nonconsolidated Investment Entities* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for more information.

### **Securitizations**

We invest in various tranches of securitization entities, including RMBS, CMBS and ABS. Refer to the *Consolidated and Nonconsolidated Investment Entities* Note and *Fair Value Measurements (excluding Consolidated Investment Entities)* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for an understanding over the Company's Securitizations. Refer to the *Investments (excluding Consolidated Investment Entities)* Note to our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for details regarding the carrying amounts and classifications of these assets.

### **Guarantors and Issuers of Guaranteed Securities**

Voya Financial, Inc. (the "Parent Issuer") has issued certain notes pursuant to transactions registered under the Securities Act of 1933. As of December 31, 2023, such securities consist of (i) the 5.7% senior notes due 2043, the 3.65% senior notes due 2026, the 4.8% senior notes due 2046, and the 3.976% senior notes due 2025 with an aggregate principal amount of \$1.5 billion (collectively, the "Senior Notes") and (ii) the 4.7% fixed-to-floating rate junior subordinated notes due 2048, with principal amount of \$336 million. As of December 31, 2022 such securities consist of (i) the 5.7% senior notes due 2043, the 3.65% senior notes due 2026, the 4.8% senior notes due 2046, with an aggregate principal amount of \$1.1 billion and (ii) the 5.65% fixed-to-floating rate junior subordinated notes due 2053 and the 4.7% fixed-to-floating rate junior subordinated notes due 2048, with an aggregate principal amount of \$724 million.(collectively, the "Junior Subordinated Notes" and, together with the Senior Notes, the "Registered Notes").

Voya Holdings, Inc. (the "Subsidiary Guarantor"), a wholly owned subsidiary of the Parent Issuer, has guaranteed each of the Registered Notes on a full and unconditional basis. No other subsidiary of the Parent Issuer has guaranteed any of the Registered Notes. The Parent Issuer and the Subsidiary Guarantor are hereby referred to below as the "Obligor Group."

The full and unconditional guarantees require the Subsidiary Guarantor to satisfy the obligations of the guaranteed security immediately, if and when the Parent Issuer has failed to make a scheduled payment thereunder. If the Subsidiary Guarantor does not make such payment, any holder of the guaranteed security may immediately bring suit directly against the Subsidiary Guarantor for payment of amounts due and payable.

Set forth below is summarized financial information of the Obligor Group, as presented on a combined basis. Inter-combination transactions and balances within the Obligor Group have been eliminated. In addition, financial information of any non-issuer or non-guarantor subsidiaries, which would normally be consolidated by either the Parent Issuer or the Subsidiary Guarantor under U.S. generally accepted accounting principles, has been excluded from such presentation.

Refer to the Summarized Financial Information of the Obligor Group for the periods indicated:

	<b>As of and for the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(\$ in millions)</i>		
<b>Summarized Statements of Operations Information:</b>		
Total revenues .....	\$ 133	\$ (21)
Total benefits and expenses .....	216	205
Income (loss), net of tax .....	(59)	346
Net income (loss) before equity in earnings (losses) of unconsolidated affiliates .....	(59)	346
Net income (loss) available to Obligor Group .....	(59)	346
<b>Summarized Balance Sheets Information:</b>		
Total investments .....	32	29
Cash and cash equivalents .....	207	210
Deferred income tax assets .....	875	910
Goodwill .....	94	94
Loans to non-obligated subsidiaries .....	227	89
Due from non-obligated subsidiaries .....	8	15
Total assets .....	1,466	1,359
Short-term debt with non-obligated subsidiaries .....	445	262
Long-term debt .....	2,097	2,094
Total liabilities .....	\$ 2,747	\$ 2,554

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Market risk is the risk that our consolidated financial position and results of operations will be affected by fluctuations in the value of financial instruments. We have significant holdings in financial instruments and are naturally exposed to a variety of market risks. The main market risks we are exposed to include interest rate risk, equity market price risk, and credit risk. We do not have material market risk exposure to "trading" activities in our Consolidated Financial Statements.

### ***Risk Management***

As a financial services company active in retirement, investment management and insurance products and services, taking measured risks is part of our business. As part of our effort to ensure measured risk taking, we have integrated risk management in our daily business activities and strategic planning.

We place a high priority on risk management and risk control. We have comprehensive risk management and control procedures in place at all levels and have established a dedicated risk management function with responsibility for the formulation of our risk appetite, strategies, policies and limits. The risk management function is also responsible for monitoring our overall market risk exposures and provides review, oversight and support functions on risk-related issues.

Our risk appetite is aligned with how our businesses are managed and anticipates future regulatory developments. In particular, our risk appetite is aligned with regulatory capital requirements applicable to our regulated insurance subsidiaries as well as metrics that are aligned with various ratings agency models.

Our risk governance and control systems enable us to identify, control, monitor and aggregate risks and provide assurance that risks are being measured, monitored and reported adequately and effectively. To promote measured risk taking, we have integrated risk management with our business activities and strategic planning.

Each risk that is managed has been mapped for oversight by the Board of Directors or appropriate Board Committees. The Chief Risk Officer ("CRO") reports to the Chief Executive Officer and has direct access to the Board on a regular basis. The Company's Board of Directors and Board Committees are directly involved within the risk framework.

The CRO and the Enterprise Risk Management team are responsible for managing and aggregating risk at a company-wide level. The scope, roles, responsibilities and authorities of the risk management function are described in a Risk Management Policy to which our businesses must adhere. Our Risk Committee discusses and approves all risk policies and reviews and approves risks associated with our activities. This includes volatility (affecting earnings and value), exposure (required capital and market risk) and insurance risks. Each business has a Committee that reviews business specific risks and is governed by the Risk Committee.

We have implemented several limit structures to manage risk. Examples include, but are not limited to, the following:

- At-risk limits on sensitivities of earnings and regulatory capital;
- Duration mismatch limits;
- Credit risk limits;
- Liquidity limits;
- Mortality concentration limits;
- Catastrophe and mortality exposure retention limits for our insurance risk; and
- Investment and derivative guidelines.

We manage our risk appetite based on several key risk metrics, including:

- At-risk metrics on sensitivities of earnings and regulatory capital;
- Stress scenario results: forecasted results under stress events covering the impact of changes in interest rates, equity markets, mortality rates, credit default and spread levels, and combined impacts; and
- Economic capital: the amount of capital required to cover extreme scenarios.

We are also subject to cash flow stress testing pursuant to regulatory requirements. This analysis measures the effect of changes in interest rate assumptions on asset and liability cash flows. The analysis includes the effects of:

- the timing and amount of redemptions and prepayments in our asset portfolio;
- our derivative portfolio;
- death benefits and other claims payable under the terms of our insurance products;
- lapses and surrenders in our insurance products;

- minimum interest guarantees in our insurance products; and
- book value guarantees in our insurance products.

We evaluate any shortfalls that our cash flow testing reveals and if needed increase statutory reserves or adjust portfolio management strategies.

Derivatives are financial instruments whose values are derived from interest rates, foreign currency exchange rates, financial indices, or other prices of securities or commodities. Under U.S. insurance statutes, our insurance subsidiaries may use derivatives to hedge market values or cash flows of assets or liabilities; to replicate cash market instruments; and for certain limited income generating activities. Our insurance subsidiaries are generally prohibited from using derivatives for speculative purposes. References below to hedging and hedge programs refer to our process of reducing exposure to various risks. This does not mean that the process necessarily results in hedge accounting treatment for the respective derivative instruments. See the *Business, Basis of Presentation and Significant Accounting Policies* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information regarding the Company's hedge accounting policies.

### **Market Risk Related to Interest Rates**

We define interest rate risk as the risk of an economic loss due to adverse changes in interest rates. This risk arises from our holdings in interest sensitive assets and liabilities, primarily as a result of investing life insurance premiums, fixed annuity and guaranteed investment contract deposits received in interest-sensitive assets and carrying these funds as interest-sensitive liabilities. We are also subject to interest rate risk on our stable value contracts and secondary guarantee universal life contracts. A sustained decline in interest rates or a prolonged period of low interest rates may subject us to higher cost of guaranteed benefits and increased hedging costs on those products that are being hedged. In a rising interest rate environment, we are exposed to the risk of financial disintermediation through a potential increase in the level of book value withdrawals on certain stable value contracts. Conversely, a steady increase in interest rates would tend to improve financial results due to reduced hedging costs, lower costs of guaranteed benefits and improvement to fixed margins.

We use product design, pricing and ALM strategies to reduce the adverse effects of interest rate movement. Product design and pricing strategies can include the use of surrender charges, withdrawal restrictions and the ability to reset credited interest rates. ALM strategies can include the use of derivatives and duration and convexity mismatch limits. Refer to *The level of interest rates may adversely affect our profitability, particularly during a period of rapidly increasing interest rates or in the event of a recurrence of a low interest rate environment* in Risk Factors, Part I, Item 1A. of this Annual Report on Form 10-K. See the *Derivative Financial Instruments* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for information regarding derivative strategies on our material derivative types.

We assess interest rate exposures for financial assets, liabilities and derivatives using hypothetical test scenarios that assume either increasing or decreasing 100 basis point parallel shifts in the yield curve. In calculating these amounts, we exclude gains and losses on separate account fixed income securities related to products for which the investment risk is borne primarily by the separate account contract holder rather than by us. While the test scenarios are for illustrative purposes only and do not reflect our expectations regarding future interest rates or the performance of fixed income markets, they are a near-term, reasonably possible hypothetical change that illustrates the potential impact of such events. These tests do not measure the change in value that could result from non-parallel shifts in the yield curve. As a result, the actual change in fair value from a 100 basis point change in interest rates could be different from that indicated by these calculations.



The following table summarizes the net estimated potential change in fair value from hypothetical 100 basis point upward and downward shifts in interest rates as of December 31, 2023:

	As of December 31, 2023			
	Notional	Fair Value <sup>(1)</sup>	Hypothetical Change in Fair Value <sup>(2)</sup>	
			+ 100 Basis Points Yield Curve Shift	- 100 Basis Points Yield Curve Shift
<i>(\$ in millions)</i>				
Financial assets with interest rate risk:				
Fixed maturity securities, including securities pledged	\$ —	\$ 28,611	\$ (1,745)	\$ 1,948
Mortgage loans on real estate	—	4,941	(157)	168
Financial liabilities with interest rate risk:				
Investment contracts:				
Funding agreements without fixed maturities and deferred annuities <sup>(3)</sup>	—	34,856	(1,624)	1,934
Funding agreements with fixed maturities	—	1,178	(1)	1
Supplementary contracts and immediate annuities	—	571	(42)	5
Derivatives:				
Interest rate contracts	16,785	84	246	(259)
Long-term debt	—	1,998	(108)	123
Stabilizer and MCGs	—	9	11	12
Embedded derivatives on reinsurance	—	(12)	29	(34)

<sup>(1)</sup> Separate account assets and liabilities which are interest sensitive are not included herein as any interest rate risk is borne by the holder of separate account.

<sup>(2)</sup> (Decreases) in assets or (decreases) in liabilities are presented in parentheses. Increases in assets or increases in liabilities are presented without parentheses.

<sup>(3)</sup> Certain amounts included in Funding agreements without fixed maturities and deferred annuities are also reflected within Stabilizer and MCGs.

### Market Risk Related to Equity Market Prices

We assess equity risk exposures for financial assets, liabilities and derivatives using hypothetical test scenarios that assume either an increase or decrease of 10% in all equity market benchmark levels. In calculating these amounts, we exclude gains and losses on separate account equity securities related to products for which the investment risk is borne primarily by the separate account contract holder rather than by us. While the test scenarios are for illustrative purposes only and do not reflect our expectations regarding the future performance of equity markets, they are near-term, reasonably possible hypothetical changes that illustrate the potential impact of such events. These scenarios consider only the direct effect on fair value of declines in equity benchmark market levels and not changes in asset-based fees recognized as revenue or changes in any other assumptions such as market volatility or mortality, utilization or persistency rates in insurance contracts. In addition, these scenarios do not reflect the effect of basis risk, such as potential differences in the performance of the investment funds underlying the variable annuity products relative to the equity market benchmark we use as a basis for developing our hedging strategy. The impact of basis risk could result in larger differences between the change in fair value of the equity-based derivatives and the related living benefit features, in comparison to the hypothetical test scenarios.

The following table summarizes the net estimated potential change in fair value from an instantaneous increase and decrease in all equity market benchmark levels of 10% as of December 31, 2023:

	As of December 31, 2023			
	Notional	Fair Value	Hypothetical Change in Fair Value <sup>(1)</sup>	
			+ 10% Equity Shock	-10% Equity Shock
(\$ in millions)				
Financial assets with equity market risk:				
Equity securities, at fair value	\$ —	\$ 236	\$ 24	\$ (24)
Limited partnerships/corporations	—	1,621	98	(98)
Derivatives:				
Equity futures and total return swaps	220	1	17	(17)
Equity options	35	1	—	—

<sup>(1)</sup> (Decreases) in assets or (decreases) in liabilities are presented in parentheses. Increases in assets or increases in liabilities are presented without parentheses.

### Market Risk Related to Credit Risk

Credit risk is primarily embedded in the general account portfolio. The carrying value of our fixed maturity, including securities pledged, and equity portfolio totaled \$28.8 billion and \$30.7 billion as of December 31, 2023 and 2022, respectively. Our credit risk materializes primarily as impairment losses and/or credit risk related trading losses. We are exposed to occasional cyclical economic downturns, during which impairment losses may be significantly higher than the long-term historical average. This is offset by years where we expect the actual impairment losses to be substantially lower than the long-term average.

Credit risk in the portfolio can also materialize as increased capital requirements caused by rating down-grades. The effect of rating migration on our capital requirements is also dependent on the economic cycle and increased asset impairment levels may go hand in hand with increased asset related capital requirements.

We manage the risk of default and rating migration by applying disciplined credit evaluation and underwriting standards and prudently limiting allocations to lower quality, higher risk investments. In addition, we diversify our exposure by issuer and country, using rating based issuer and country limits, as well as by industry segment, using specific investment constraints. Limit compliance is monitored on a daily, monthly or quarterly basis. Limit violations are reported to senior management and we are actively involved in decisions around curing such limit violations.

We also have credit risk related to the ability of our derivatives and reinsurance counterparties to honor their obligations to pay the contract amounts under various agreements. In order to minimize the risk of credit loss on such contracts, we diversify our exposures among several counterparties and limit the amount of exposure to each based on credit rating. For most counterparties, we have collateral agreements in place that would substantially limit our credit losses in case of a counterparty default. We also generally limit our selection of counterparties that we do new transactions with to those with an "A-" credit rating or above. When exceptions are made to that principle, we ensure that we obtain collateral to mitigate our risk of loss. For derivatives counterparty risk exposures (which includes reverse repurchase and securities lending transactions), we measure and monitor our risks on a market value basis daily. Refer to the *Derivative Financial Instruments* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K for further details of these items.

In the normal course of business, certain reinsurance recoverables are subject to reviews by the reinsurers. We are not aware of any material disputes arising from these reviews or other communications with the counterparties that would affect collectability, and, therefore, as of December 31, 2023, no allowance for uncollectible amounts was recorded.

The following table summarizes our reinsurance recoverable balances, including collateral received and credit and financial strength ratings for our 10 largest reinsurance recoverable balances as of December 31, 2023:

	<b>Reinsurance Recoverable</b>	<b>% Collateralized<sup>(1)</sup></b>	<b>Financial Strength Rating</b>		<b>Credit Rating</b>	
			<b>S&amp;P</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Moody's</b>
<i>(\$ in millions)</i>						
<b>Parent Company/Principal Reinsurers</b>						
Resolution Life Group Holdings LP	9,241	83%				
Security Life of Denver Insurance Co				Baa1		
Resolution Life Co						
Lincoln National Corp	982	100%			BBB+	Baa2
Lincoln Life & Annuity Co of New York			A+	A2		
Lincoln National Life Insurance Co						
Reinsurance Group of America Inc	936	99%			A	Baa1
RGA Reinsurance Co			AA-	A1		
Sun Life Financial Inc	298	99%			A+	
Sun Life Assurance Co of Canada (US)			AA	Aa3		
Sun Life and Health Insurance Co			AA			
Prudential Public Limited Company	130	0%			A	A2
Jackson National Life Insurance Co						
Enstar Group Limited	81	100%			BBB+	
Fitzwilliam Ins Ltd						
Swiss Re Ltd	36	0%			AA-	Aa3
Swiss Re Life & Health America Inc			AA-	Aa3		
Westport Insurance Corp			AA-	Aa3		
Athene Holding Ltd	27	0%			A-	Baa1
Athene Life Re Ltd			A+	A1		
Cigna Corp	6	0%			A-	Baa1
Connecticut General Life Insurance Co			A	A2		
Scor SE	6	44%			A+	A1
SCOR Global Life US Reinsurance Co Inc			A+			
SCOR Global Life Re Insurance Co of Delaware			A+			

<sup>(1)</sup> Collateral includes LOCs, assets held in trust and funds withheld. Percent collateralized is based on the total of individual contractual exposures aggregated at the reinsurer Parent Company level, which may differ for each individual contractual exposure.

**Item 8. Financial Statements and Supplementary Data**

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Voya Financial, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Voya Financial, Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 23, 2024 expressed an unqualified opinion thereon.

### **Adoption of ASU No. 2018-12**

As discussed in Note 1 to the consolidated financial statements, the Company changed its method for accounting for long-duration contracts in each of the three years in the period ended December 31, 2023 due to the adoption of ASU No. 2018-12, Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long Duration Contracts. Our opinion is not modified with respect to this matter.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### ***Valuation of investments in securities***

#### *Description of the Matter*

A subset of the Company's \$25.4 billion fixed-income securities portfolio exhibits higher estimation uncertainty when determining fair value. The fixed-income securities are classified as available-for sale and, accordingly, are carried at fair value in the consolidated statements of financial position. As discussed in Note 4 of the consolidated financial statements, for certain securities, the Company obtains fair values from independent broker quotes which exhibit higher estimation uncertainty. In addition, the Company uses a matrix-based pricing model that includes several assumptions (i.e., current corporate spreads and credit quality of the issuer) which creates higher estimation uncertainty.

Auditing the fair value of securities that exhibit higher estimation uncertainty was especially challenging because determining the fair value is complex and highly judgmental and involves using inputs and assumptions that are not directly observable in the market.

#### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over management's valuation process for the securities that exhibit higher estimation uncertainty. This included, among others, controls related to the review and approval of fair values obtained from independent broker quotes, and controls over the review and approval of fair values determined using the matrix-based pricing model, including the inputs and assumptions used.

To test the fair value of investments with higher estimation uncertainty priced using either matrix-based pricing model or independent broker quotes, our audit procedures included, among others, utilizing valuation specialists to perform procedures which included independently calculating a reasonable range of fair values for a sample of securities exhibiting higher estimation uncertainty, using a cash flow model with cash flow and yield assumptions based on independently obtained information, or transaction data for similar securities when available. We compared these ranges to management's estimates of fair value for the selected securities.

### ***Realizability of deferred tax assets***

#### *Description of the Matter*

As described in Note 18 to the consolidated financial statements, at December 31, 2023, the Company had total deferred tax assets of \$2.2 billion, net of a \$95 million valuation allowance. As described in Note 1 to the consolidated financial statements, these deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. In evaluating the need for a valuation allowance, the Company considers many factors including the future reversal of existing temporary differences and the identification and use of available tax planning strategies. If those sources are insufficient to support the recoverability of the deferred tax assets, the Company then considers projected future taxable income, which involves significant management judgment.

Auditing management's assessment of the realizability of its deferred tax assets was especially challenging and complex because management's projection of future taxable income includes forward-looking assumptions which are inherently judgmental as they may be affected by future market or other economic conditions.

*How We Addressed the  
Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that relate to the development of the projection of future taxable income supporting the realizability of deferred tax assets. This included, among others, controls related to the review and approval process of future projected taxable income and the assumptions used in the Company's model.

Among other audit procedures performed, we evaluated the assumptions used by the Company to develop projections of future taxable income. We assessed the historical accuracy of management's projections by comparing the projections of future taxable income with the actual results of prior periods. We also evaluated management's consideration of current industry and economic trends and compared the projections of future taxable income with other available financial information prepared by the Company. Additionally, we utilized tax professionals to assist us in our audit procedures, which included, among others, evaluating the methodology utilized within the Company's future taxable income projections model by comparing to the methodology used in prior periods, and testing the calculations within the model.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2001.

San Antonio, Texas

February 23, 2024

**Voya Financial, Inc.**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**  
(In millions, except share and per share data)

	As of December 31,	
	2023	2022
<b>Assets:</b>		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$27,690 and \$30,202 as of 2023 and 2022, respectively; net of allowance for credit losses of \$17 and \$12 as of 2023 and 2022, respectively) . . . . .	\$ 25,375	\$ 27,044
Fixed maturities, at fair value using the fair value option . . . . .	2,076	2,151
Equity securities, at fair value . . . . .	236	336
Short-term investments . . . . .	213	356
Mortgage loans on real estate (net of allowance for credit losses of \$26 and \$18 as of 2023 and 2022, respectively) . . . . .	5,192	5,427
Policy loans . . . . .	352	363
Limited partnerships/corporations . . . . .	1,621	1,781
Derivatives . . . . .	311	422
Other investments . . . . .	64	68
Securities pledged (amortized cost of \$1,232 and \$1,303 as of 2023 and 2022, respectively) . . . . .	1,160	1,162
<b>Total investments</b> . . . . .	<b>36,600</b>	<b>39,110</b>
Cash and cash equivalents . . . . .	937	919
Short-term investments under securities loan agreements, including collateral delivered . . . . .	1,015	1,179
Accrued investment income . . . . .	411	425
Premium receivable and reinsurance recoverable (net of allowance for credit losses of \$28 and \$32 as of 2023 and 2022, respectively) . . . . .	11,982	12,426
Deferred policy acquisition costs and Value of business acquired . . . . .	2,250	2,363
Deferred income taxes . . . . .	2,160	2,223
Goodwill . . . . .	748	327
Other intangibles, net . . . . .	857	631
Other assets (net of allowance for credit losses of \$1 as of 2023 and 2022) . . . . .	2,372	2,625
Assets related to consolidated investment entities ("CIEs"):		
Limited partnerships/corporations, at fair value . . . . .	2,861	2,802
Cash and cash equivalents . . . . .	181	88
Corporate loans, at fair value using the fair value option . . . . .	1,404	1,293
Other assets . . . . .	174	21
Assets held in separate accounts . . . . .	93,133	80,174
<b>Total assets</b> . . . . .	<b>\$ 157,085</b>	<b>\$ 146,606</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*



**Voya Financial, Inc.**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**  
(In millions, except share and per share data)

	As of December 31,	
	2023	2022
<b>Liabilities:</b>		
Future policy benefits .....	\$ 9,560	\$ 9,719
Contract owner account balances .....	39,174	42,455
Payables under securities loan and repurchase agreements, including collateral held ..	1,121	1,302
Short-term debt .....	1	141
Long-term debt .....	2,097	2,094
Derivatives .....	371	389
Other liabilities .....	2,956	2,901
Liabilities related to CIEs:		
Collateralized loan obligations notes, at fair value using the fair value option .....	1,332	1,234
Other liabilities .....	1,287	1,200
Liabilities related to separate accounts .....	93,133	80,174
<b>Total liabilities .....</b>	<b>\$ 151,032</b>	<b>\$ 141,609</b>
Commitments and Contingencies (Note 20)		
<b>Mezzanine equity:</b>		
Redeemable noncontrolling interest .....	\$ 175	\$ 166
<b>Shareholders' equity:</b>		
Preferred stock (\$0.01 par value per share; \$625 aggregate liquidation preference as of 2023 and 2022) .....	—	—
Common stock (\$0.01 par value per share; 900,000,000 shares authorized; 103,584,699 and 97,789,852 shares issued as of 2023 and 2022, respectively; 102,854,569 and 97,186,970 shares outstanding as of 2023 and 2022, respectively) ...	1	1
Treasury stock (at cost; 730,130 and 602,882 shares as of 2023 and 2022, respectively) .....	(56)	(39)
Additional paid-in capital .....	6,143	6,643
Accumulated other comprehensive income (loss) .....	(2,400)	(3,055)
Retained earnings (deficit):		
Unappropriated .....	505	(201)
<b>Total Voya Financial, Inc. shareholders' equity .....</b>	<b>4,193</b>	<b>3,349</b>
Noncontrolling interest .....	1,685	1,482
<b>Total shareholders' equity .....</b>	<b>5,878</b>	<b>4,831</b>
<b>Total liabilities, mezzanine equity and shareholders' equity .....</b>	<b>\$ 157,085</b>	<b>\$ 146,606</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Financial, Inc.**  
**Consolidated Statements of Operations**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions, except per share data)

	Year ended December 31,		
	2023	2022	2021
<b>Revenues:</b>			
Net investment income	\$ 2,159	\$ 2,281	\$ 2,774
Fee income	1,916	1,742	1,813
Premiums	2,717	2,423	(3,388)
Net gains (losses)	(72)	(686)	1,415
Other revenue	327	148	579
Income (loss) related to CIEs:			
Net investment income	301	22	981
Total revenues	<u>7,348</u>	<u>5,930</u>	<u>4,174</u>
<b>Benefits and expenses:</b>			
Policyholder benefits	1,960	1,566	(3,234)
Interest credited to contract owner account balances	1,076	962	1,046
Operating expenses	3,096	2,542	2,586
Net amortization of Deferred policy acquisition costs and Value of business acquired	230	240	456
Interest expense	132	134	186
Operating expenses related to CIEs:			
Interest expense	166	49	38
Other expense	10	9	11
Total benefits and expenses	<u>6,670</u>	<u>5,502</u>	<u>1,089</u>
Income (loss) from continuing operations before income taxes	678	428	3,085
Income tax expense (benefit)	(51)	(5)	(34)
Income (loss) from continuing operations	729	433	3,119
Income (loss) from discontinued operations, net of tax	—	—	12
Net income (loss)	729	433	3,131
Less: Net income (loss) attributable to noncontrolling interest and redeemable noncontrolling interest	104	(77)	761
Net income (loss) available to Voya Financial, Inc.	625	510	2,370
Less: Preferred stock dividends	36	36	36
Net income (loss) available to Voya Financial, Inc.'s common shareholders	<u>\$ 589</u>	<u>\$ 474</u>	<u>\$ 2,334</u>
Net income (loss) per common share:			
Basic			
Income (loss) from continuing operations available to Voya Financial, Inc.'s common shareholders	\$ 5.74	\$ 4.70	\$ 19.91
Income (loss) available to Voya Financial, Inc.'s common shareholders	<u>\$ 5.74</u>	<u>\$ 4.70</u>	<u>\$ 20.02</u>
Diluted			
Income (loss) from continuing operations available to Voya Financial, Inc.'s common shareholders	\$ 5.42	\$ 4.30	\$ 18.46
Income (loss) available to Voya Financial, Inc.'s common shareholders	<u>\$ 5.42</u>	<u>\$ 4.30</u>	<u>\$ 18.56</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Financial, Inc.**  
**Consolidated Statements of Comprehensive Income**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Year ended December 31,		
	2023	2022	2021
Net income (loss) .....	\$ 729	\$ 433	\$ 3,131
Other comprehensive income (loss), before tax:			
Change in current discount rate .....	(33)	290	202
Unrealized gains (losses) on securities .....	863	(6,445)	(4,153)
Pension and other postretirement benefits liability .....	(1)	—	(2)
Other comprehensive income (loss), before tax .....	829	(6,155)	(3,953)
Income tax expense (benefit) related to items of other comprehensive income (loss) .....	174	(1,293)	(599)
Other comprehensive income (loss), after tax .....	655	(4,862)	(3,354)
Comprehensive income (loss) .....	1,384	(4,429)	(223)
Less: Comprehensive income (loss) attributable to noncontrolling interest and redeemable noncontrolling interest .....	104	(77)	761
Comprehensive income (loss) attributable to Voya Financial, Inc. ....	<u>\$ 1,280</u>	<u>\$ (4,352)</u>	<u>\$ (984)</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Financial, Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity	Mezzanine Equity: Redeemable Noncontrolling Interest
Balance at January 1, 2021	\$ 2	\$ (1,016)	\$ 1,183	\$ 4,898	\$ (4,957)	\$ 10,110	\$ 1,068	\$ 11,178	\$ —
Adjustment for adoption of ASU 2018-12	—	—	—	263	(105)	158	—	158	—
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	2,370	2,370	761	3,131	—
Reversal of Other Comprehensive Income (Loss) due to Individual Life Transaction	—	—	—	(913)	—	(913)	—	(913)	—
Other comprehensive income (loss), after tax	—	—	—	(2,441)	—	(2,441)	—	(2,441)	—
Total comprehensive income (loss)	—	—	—	(984)	—	(984)	761	(223)	—
Net consolidations (deconsolidations) of CIEs	—	—	—	—	—	—	8	8	—
Common stock issuance	—	—	4	—	—	4	—	4	—
Common stock acquired - Share repurchase	—	(1,143)	30	—	—	(1,113)	—	(1,113)	—
Treasury stock retirement	(1)	2,143	(3,664)	—	1,522	—	—	—	—
Dividends on preferred stock	—	—	(36)	—	—	(36)	—	(36)	—
Dividends on common stock	—	—	(80)	—	—	(80)	—	(80)	—
Share-based compensation	—	(64)	105	—	—	41	—	41	—
Contributions from (Distributions to) noncontrolling interest, net	—	—	—	—	—	—	(269)	(269)	—
Balance at December 31, 2021	1	(80)	7,542	1,807	(1,170)	8,100	1,568	9,668	—
Interest in VIM Holdings LLC	—	—	412	—	—	412	—	412	148
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	510	510	(91)	419	14
Other comprehensive income (loss), after tax	—	—	—	(4,862)	—	(4,862)	—	(4,862)	—
Total comprehensive income (loss)	—	—	—	(4,352)	—	(4,352)	(91)	(4,443)	14
Net consolidations (deconsolidations) of CIEs	—	—	—	—	—	—	3	3	—
Common stock issuance	—	—	7	—	—	7	—	7	—
Common stock acquired - Share repurchase	—	(750)	—	—	—	(750)	—	(750)	—
Treasury stock retirement	—	838	(1,297)	—	459	—	—	—	—
Dividends on preferred stock	—	—	(36)	—	—	(36)	—	(36)	—
Dividends on common stock	—	—	(80)	—	—	(80)	—	(80)	—
Share-based compensation	—	(47)	95	—	—	48	—	48	—
Contributions from (Distributions to) noncontrolling interest, net	—	—	—	—	—	—	2	2	4
Balance as of December 31, 2022	1	(39)	6,643	(3,055)	(201)	3,349	1,482	4,831	166
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	625	625	70	695	34
Other comprehensive income (loss), after tax	—	—	—	655	—	655	—	655	—
Total comprehensive income (loss)	—	—	—	655	—	655	70	725	34
Net consolidations (deconsolidations) of CIEs	—	—	—	—	—	—	(7)	(7)	(2)
Common stock acquired - Share repurchase	—	(374)	—	—	—	(374)	—	(374)	—
Treasury stock retirement	—	412	(598)	—	186	—	—	—	—
Dividends on preferred stock	—	—	(18)	—	(18)	(36)	—	(36)	—
Dividends on common stock	—	—	(41)	—	(84)	(125)	—	(125)	—
Share-based compensation	—	—	157	—	(3)	99	—	99	—
Contributions from (Distributions to) noncontrolling interest, net	—	—	—	—	—	—	140	140	(23)
Balance as of December 31, 2023	1	(56)	6,143	(2,400)	505	4,193	1,685	5,878	175

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Voya Financial, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows from Operating Activities:</b>			
Net income (loss)	\$ 729	\$ 433	\$ 3,131
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
(Income) loss from discontinued operations, net of tax	—	—	(12)
Deferred income tax expense (benefit)	(62)	3	410
Net (gains) losses	72	686	(1,415)
Share-based compensation	126	90	88
(Gains) losses on CIEs	(230)	76	(943)
(Gains) losses on limited partnerships/corporations	33	27	(316)
Changes in operating assets and liabilities:			
Deferred policy acquisition costs, value of business acquired and sales inducements, net	113	124	353
Premium receivable and reinsurance recoverable	538	278	(1,514)
Other receivables and asset accruals	31	(211)	80
Contract owner accounts, future policy benefits and claims, net	272	337	827
Other payables and accruals	(95)	(279)	690
(Increase) decrease in cash held by CIEs	(98)	(355)	(753)
Other, net	209	143	(354)
Net cash used in operating activities - discontinued operations	—	—	(250)
Net cash provided by operating activities	<u>1,638</u>	<u>1,352</u>	<u>22</u>
<b>Cash Flows from Investing Activities:</b>			
Proceeds from the sale, maturity, disposal or redemption of:			
Fixed maturities	6,980	7,900	6,684
Equity securities	139	5	312
Mortgage loans on real estate	600	854	816
Limited partnerships/corporations	470	256	790
Acquisition of:			
Fixed maturities	(4,439)	(8,518)	(7,831)
Equity securities	(28)	(76)	(278)
Mortgage loans on real estate	(408)	(669)	(808)
Limited partnerships/corporations	(307)	(353)	(448)
Short-term investments, net	144	(260)	174
Derivatives, net	81	291	2
Sales from CIEs	962	849	1,055
Purchases within CIEs	(1,225)	(2,338)	(2,138)
Collateral received (delivered), net	(19)	54	121
Receipts on deposit asset contracts	253	126	73
Proceeds from sale of business	—	—	274
Payments for business acquisitions, net of cash acquired	(584)	(2)	—
Other, net	(87)	(65)	399
Net cash provided by (used in) investing activities - discontinued operations	—	—	476
Net cash provided by (used in) investing activities	<u>2,532</u>	<u>(1,946)</u>	<u>(327)</u>

	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows from Financing Activities:</b>			
Deposits received for investment contracts	2,501	5,818	5,902
Maturities and withdrawals from investment contracts	(6,355)	(6,354)	(6,245)
Proceeds from issuance of long-term debt	388	—	—
Repayment of debt with maturities of more than three months	(541)	(366)	(482)
Borrowings of CIEs	487	1,628	1,523
Repayments of borrowings of CIEs	(687)	(932)	(1,267)
Contributions from (distributions to) participants in CIEs, net	772	1,166	1,601
Proceeds from issuance of common stock, net	—	7	4
Common stock acquired - Share repurchase	(369)	(750)	(1,113)
Dividends paid on preferred stock	(36)	(36)	(36)
Dividends paid on common stock (including dividend equivalent payments of \$2 and \$3 as of December 31, 2023 and 2022, respectively)	(127)	(83)	(80)
Other, net	(92)	(70)	(72)
Net cash provided by financing activities - discontinued operations	—	—	—
Net cash provided by (used in) financing activities	(4,059)	28	(265)
Net increase (decrease) in cash and cash equivalents, including cash in CIEs	111	(566)	(570)
Cash and cash equivalents, including cash in CIEs, beginning of period	1,007	1,573	2,143
Cash and cash equivalents, including cash in CIEs, end of period	<u>\$ 1,118</u>	<u>\$ 1,007</u>	<u>\$ 1,573</u>
<b>Supplemental disclosure of cash flow information:</b>			
Income taxes paid	\$ 11	\$ 14	\$ 3
Interest paid	113	131	157
<b>Non-cash investing and financing activities:</b>			
Treasury stock retirement	186	458	1,521
		<b>December 31,</b>	<b>December 31,</b>
		<b>2023</b>	<b>2022</b>
Reconciliation of cash and cash equivalents, including cash in CIEs:			
Cash and cash equivalents	\$	937	\$ 919
Cash and cash equivalents in CIEs		181	88
Total cash and cash equivalents, including cash in CIEs	<u>\$</u>	<u>1,118</u>	<u>\$ 1,007</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**1. Business, Basis of Presentation and Significant Accounting Policies**

***Business***

Voya Financial, Inc. and its subsidiaries (collectively the "Company") is a financial services organization that offers a broad range of retirement services, investment management services, mutual funds, group insurance and supplemental health products, primarily in the United States. Products and services are provided by the Company through three segments: Wealth Solutions, Health Solutions and Investment Management. Activities not directly related to the Company's segments and certain run-off activities that are not meaningful to the Company's business strategy are included within Corporate. See the *Segments* Note to these Consolidated Financial Statements.

On July 25, 2022, the Company completed a series of transactions pursuant to a Combination Agreement dated as of June 13, 2022 (the "AllianzGI Agreement") with Voya Investment Management LLC ("Voya IM") and VIM Holdings LLC ("VIM Holdings"), both indirect subsidiaries of the Company, Allianz SE ("Allianz") and Allianz Global Investors U.S. LLC ("AllianzGI"), an indirect subsidiary of Allianz, which combined Voya IM with assets and teams comprising specified transferred strategies managed by AllianzGI. The AllianzGI Agreement was executed for noncash consideration and accounted for under the acquisition method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values as of the closing date. Following the transaction, the Company holds, indirectly, a 76% interest in VIM Holdings and has full operational control of the business, while Allianz holds, indirectly, the remaining 24%. The transaction increased Voya IM's assets under management ("AUM") by approximately 40%. The acquisition has increased Voya IM's international scale and distribution and provides it with new investment strategies that help us meet the needs of a larger and more global client base.

On November 1, 2022, Voya Investment Management Alternative Assets, LLC ("VIMAA"), one of the Company's indirect subsidiaries, acquired all of the issued and outstanding equity interests of Czech Asset Management, L.P., a private credit asset manager dedicated to the U.S. middle market pursuant to a sale and purchase agreement ("SPA") entered into on August 1, 2022, with Czech Management GP, LLC, Czech Holdings, LLC and Stephen J. Czech. The purchase consideration for the acquisition included cash paid upon close and contingent consideration. The contingent consideration is based on revenues that will be earned during the earn out period and capital raised in the underlying funds and is subject to conditions as set forth in the SPA. The acquisition expanded VIMAA's private and leveraged credit business and increased the Company's AUM by approximately \$1.4 billion.

On January 24, 2023, the Company acquired all outstanding shares of Benefitfocus, Inc. ("Benefitfocus"), pursuant to an agreement and plan of merger (the "Merger Agreement") entered into on November 1, 2022. The acquisition expands the Company's capacity to meet the growing demand for comprehensive benefits and savings solutions and increases its ability to deliver innovative solutions for employers and health plans. The total purchase consideration for the acquisition was \$595, of which \$583 was paid in cash (\$558 paid by the Company and \$25 of the cash acquired was used to fund the transaction). Net assets acquired as part of this transaction included cash of \$49, goodwill of \$319, intangible assets of \$275, deferred tax assets of \$45 and assumed lease liabilities of \$91. This represents the best estimate of fair value of net assets acquired at the transaction date and will continue to be revised during the remeasurement period as further information becomes available. Intangible assets primarily include customer relationships of \$190 with a useful life of 15 years, and software of \$70 with a useful life of 5 years. The estimated amortization expense of the acquired intangible assets for the next five years is approximately \$29 annually. The revenues, expenses, assets and liabilities of the business acquired are reported in the Health Solutions segment.

On August 1, 2023, the Company acquired all remaining equity interest in VFI SLK Global Services Private Limited previously held by SLK Software Private Limited ("SLK") and renamed the entity as Voya Global Services Private Limited ("Voya India"). Voya India was a private limited company in India formed pursuant to a joint venture agreement between the Company and SLK on August 1, 2019, with the Company and SLK holding 49% and 51% of ownership shares, respectively. The purpose of Voya India is to provide technology and business operation services to the Company. As a result of the acquisition, Voya India has become a wholly owned subsidiary of the Company and provides the Company with improved strategic and operational flexibility.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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As part of the purchase consideration, an upfront payment of approximately \$53 was made at closing. The Company recorded a gain of \$45 in relation to revaluation of the existing investment in Voya India which was recorded in Net gains (losses) in the Consolidated Statements of Operations for the year ended December 31, 2023. Net assets acquired as part of this transaction included goodwill of \$102. The revenues, expenses, assets and liabilities of the business acquired are reported in Corporate. Intercompany balances between Voya India and other Voya subsidiaries are eliminated in the Consolidated Financial Statements.

***Impairment of Long-lived Assets***

The carrying value of long-lived assets is reviewed for impairment on an annual basis or when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated fair value. The amount of the impairment loss is calculated as the excess of the asset's carrying value over its fair value. During the fourth quarter of 2023, the Company recognized an impairment loss in relation to a management contract rights intangible asset. See the *Goodwill and Other Intangible Assets* Note to these Consolidated Financial Statements for additional details on the impairment.

During the second quarter of 2022, the Company had a triggering event related to a decrease in the market price of one of its office buildings. Consequently, the Company determined its fair value, based on an appraisal, to be lower than its carrying value. As a result, the Company recognized an impairment loss of \$32, which is included in Operating expenses in the Consolidated Statements of Operations for the year ended December 31, 2022.

***Basis of Presentation***

The accompanying Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The Consolidated Financial Statements include the accounts of Voya Financial, Inc. and its subsidiaries, as well as other voting interest entities ("VOEs") and variable interest entities ("VIEs") in which the Company has a controlling financial interest. See the *Consolidated and Nonconsolidated Investment Entities* Note to these Consolidated Financial Statements. Intercompany transactions and balances have been eliminated.

Certain reclassifications have been made to prior-period amounts to conform to current-period reporting classifications. These reclassifications had no impact on Net income (loss) or Total shareholders' equity.

On January 1, 2023, the Company adopted Accounting Standard Update ("ASU") 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts ("ASU 2018-12"), under the modified retrospective adoption method. ASU 2018-12 provided new authoritative guidance impacting the accounting and disclosure requirements for long-duration insurance and investment contracts issued by the Company. The Consolidated Financial Statements are presented under the new guidance for reporting periods beginning January 1, 2021. See "Adoption of New Pronouncements" below for additional information regarding this adoption and the transition impacts recorded as of January 1, 2021. See "Significant Accounting Policies" below for additional details regarding the key policy changes effected by this ASU and updated accounting policies resulting from the adoption of this ASU, including Deferred Policy Acquisition Costs ("DAC") and Value of Business Acquired ("VOBA"), Future Policy Benefits and Reinsurance.

***Significant Accounting Policies******Estimates and Assumptions***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates, and the differences may be material to the Consolidated Financial Statements.



**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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The Company has identified the following accounts and policies as the most significant in that they involve a higher degree of judgment, are subject to a significant degree of variability and/or contain significant accounting estimates:

- Reserves for future policy benefits;
- Valuation of investments and derivatives;
- Investment impairments;
- Goodwill and other intangible assets;
- Income taxes;
- Contingencies; and
- Employee benefit plans.

*Fair Value Measurement*

The Company measures the fair value of its financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset, or nonperformance risk, including the Company's own credit risk. The estimate of fair value is the price that would be received to sell an asset or transfer a liability ("exit price") in an orderly transaction between market participants in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. The Company uses a number of valuation sources to determine the fair values of its financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, industry-standard, vendor-provided software that models the value based on market observable inputs, and other internal modeling techniques based on projected cash flows.

*Investments*

The accounting policies for the Company's principal investments are as follows:

*Fixed Maturities and Equity Securities:* The Company measures its equity securities at fair value and recognizes any changes in fair value in net income.

The Company's fixed maturities are generally designated as available-for-sale. In addition, the Company has fixed maturities accounted for using the fair value option ("FVO"). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income ("AOCI") and presented net of Deferred income taxes. Trading securities are valued at fair value, with the changes in fair value recorded in Net gains (losses) and interest income recorded in Net investment income in the Consolidated Statements of Operations. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

In connection with funds withheld reinsurance treaties, the Company has elected the FVO for certain of its fixed maturities to better match the measurement of those assets and related embedded derivative liabilities in the Consolidated Statements of Operations.

Certain collateralized mortgage obligations ("CMOs"), primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Net gains (losses). Changes in fair value associated with derivatives purchased to hedge CMOs are also recorded in Net gains (losses).

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date. Investment gains and losses on sales of securities are generally determined on a first-in-first-out ("FIFO") basis.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Dividends on equity securities are recorded when declared. Such dividends and interest income are recorded in Net investment income.

Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS"). Amortization of the premium or

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and ABS are estimated by management using inputs obtained from third-party specialists, including broker-dealers, and based on management's knowledge of the current market. For prepayment-sensitive securities such as interest-only and principal-only strips, inverse floaters and credit-sensitive MBS and ABS securities, which represent beneficial interests in securitized financial assets that are not of high credit quality or that have been credit impaired, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

*Short-term Investments:* Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of purchase. These investments are stated at fair value.

*Mortgage Loans on Real Estate:* The Company's mortgage loans on real estate are all commercial mortgage loans, which are reported at amortized cost, net of allowance for credit losses. Amortized cost is the principal balance outstanding, net of deferred loan fees and costs. Accrued interest receivable is reported in Accrued investment income on the Consolidated Balance Sheets.

Mortgage loans are evaluated by the Company's investment professionals, including an appraisal of loan-specific credit quality, property characteristics and market trends. Loan performance is continuously monitored on a loan-specific basis throughout the year. The Company's review includes submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review evaluates whether the properties are performing at a consistent and acceptable level to secure the debt.

Management estimates the credit loss allowance balance using a factor-based method of probability of default and loss given default which incorporates relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Included in the factor-based method are the consideration of debt type, capital market factors, and market vacancy rates, and loan-specific risk characteristics such as debt service coverage ratios ("DSC"), loan-to-value ("LTV"), collateral size, seniority of the loan, segmentation, and property types.

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. The change in the allowance for credit losses is recorded in Net gains (losses). Loans are written off against the allowance when management believes the uncollectability of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously written-off and expected to be written-off.

Mortgages are rated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due.

Commercial mortgage loans are placed on non-accrual status when 90 days in arrears if the Company has concerns regarding the collectability of future payments, or if a loan has matured without being paid off or extended. Factors considered may include conversations with the borrower, loss of major tenant, bankruptcy of borrower or major tenant, decreased property cash flow, number of days past due, or various other circumstances. Based on an assessment as to the collectability of the principal, a determination is made either to apply against the book value or apply according to the contractual terms of the loan. Funds recovered in excess of book value would then be applied to recover expenses, impairments, and then interest. Accrual of interest resumes after factors resulting in doubts about collectability have improved.

For those mortgages that are determined to require foreclosure, expected credit losses are based on the fair value of the underlying collateral, net of estimated costs to obtain and sell at the point of foreclosure. Property obtained from foreclosed mortgage loans is recorded in Other investments on the Consolidated Balance Sheets.

*Policy Loans:* Policy loans are carried at an amount equal to the unpaid balance. Interest income on such loans is recorded as earned in Net investment income using the contractually agreed upon interest rate. Generally, interest is capitalized on the policy's anniversary date. Valuation allowances are not established for policy loans, as these loans are collateralized by the cash

## Voya Financial, Inc.

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

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surrender value of the associated insurance contracts. Any unpaid principal or interest on the loan is deducted from the account value or the death benefit prior to settlement of the policy.

*Limited Partnerships/Corporations:* The Company uses the equity method of accounting for investments in limited partnership interests that are not consolidated, which primarily consist of investments in private equity funds, hedge funds and other VIEs for which the Company is not the primary beneficiary. Generally, the Company records its share of earnings using a lag methodology, relying on the most recent financial information available, typically not to exceed three months. The Company's earnings from limited partnership interests accounted for under the equity method are recorded in Net investment income.

*Other Investments:* Other investments are comprised primarily of Federal Home Loan Bank ("FHLB") stock and property obtained from foreclosed mortgage loans, as well as other miscellaneous investments. The Company is a member of the FHLB system and is required to own a certain amount of FHLB stock based on the level of borrowings and other factors. FHLB stock is carried at cost, classified as a restricted security and periodically evaluated for impairment based on ultimate recovery of par value.

*Securities Pledged:* The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions, through a lending agent, for short periods of time. The Company has the right to approve any institution with whom the lending agent transacts on its behalf. Initial collateral, primarily cash, is required at an agreed-upon percentage of the market value of the loaned securities. The lending agent retains the collateral and invests it in short-term liquid assets on behalf of the Company. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. The lending agent indemnifies the Company against losses resulting from the failure of a counterparty to return securities pledged where collateral is insufficient to cover the loss. See also *Repurchase Agreements* below.

#### *Investment Impairments*

The Company evaluates its available-for-sale investments quarterly to determine whether a decline in fair value below the amortized cost basis has resulted from credit loss or other factors. This evaluation process entails considerable judgment and estimation. Factors considered in this analysis include, but are not limited to, the extent to which the fair value has been less than amortized cost, the issuer's financial condition and near-term prospects, future economic conditions and market forecasts, interest rate changes and changes in ratings of the security. A severe unrealized loss position on a fixed maturity may not have any impact on (a) the ability of the issuer to service all scheduled interest and principal payments and (b) the evaluation of recoverability of all contractual cash flows or the ability to recover an amount at least equal to its amortized cost based on the present value of the expected future cash flows to be collected.

When assessing the Company's intent to sell a security, or if it is more likely than not it will be required to sell a security before recovery of its amortized cost basis, management evaluates facts and circumstances such as, but not limited to, decisions to rebalance the investment portfolio and sales of investments to meet cash flow or capital needs.

When the Company has determined it has the intent to sell, or if it is more likely than not that the Company will be required to sell a security before recovery of its amortized cost basis, and the fair value has declined below amortized cost ("intent impairment"), the individual security is written down from amortized cost to fair value, and a corresponding charge is recorded in Net gains (losses) as impairments in the Consolidated Statements of Operations.

For available-for-sale securities that do not meet the intent impairment criteria but the Company has determined that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss allowance is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in Other comprehensive income (loss).

The Company uses the following methodology and significant inputs in determining whether a credit loss exists:

- When determining collectability and the period over which the value is expected to recover for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company applies the same considerations utilized in its overall impairment evaluation process, which incorporates information

regarding the specific security, the industry and geographic area in which the issuer operates and overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from the Company's best estimates of likely scenario-based outcomes, after giving consideration to a variety of variables that includes, but is not limited to: general payment terms of the security; the likelihood that the issuer can service the scheduled interest and principal payments; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; possible corporate restructurings or asset sales by the issuer; and changes to the rating of the security or the issuer by rating agencies.

- Additional considerations are made when assessing the unique features that apply to certain structured securities, such as subprime, Alt-A, non-agency RMBS, CMBS and ABS. These additional factors for structured securities include, but are not limited to: the quality of underlying collateral; expected prepayment speeds; loan-to-value ratios; debt service coverage ratios; current and forecasted loss severity; consideration of the payment terms of the underlying assets backing a particular security; and the payment priority within the tranche structure of the security.
- When determining the amount of the credit loss for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company considers the estimated fair value as the recovery value when available information does not indicate that another value is more appropriate. When information is identified that indicates a recovery value other than estimated fair value, the Company considers in the determination of recovery value the same considerations utilized in its overall impairment evaluation process, which incorporates available information and the Company's best estimate of scenario-based outcomes regarding the specific security and issuer; possible corporate restructurings or asset sales by the issuer; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; fundamentals of the industry and geographic area in which the security issuer operates; and the overall macroeconomic conditions.
- The Company performs a discounted cash flow analysis comparing the current amortized cost of a security to the present value of future cash flows expected to be received, including estimated defaults and prepayments. The discount rate is generally the effective interest rate of the fixed maturity prior to impairment.

Changes in the allowance for credit losses are recorded in Net gains (losses) as impairments. Losses are charged against the allowance when the Company believes the uncollectability of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale securities is excluded from the estimate of credit losses. The Company evaluates the collectability of accrued interest receivable as part of its quarterly impairment evaluation of available-for-sale investments. Losses are recorded in Net investment income when the Company believes the uncollectability of the accrued interest receivable is confirmed.

#### *Derivatives*

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company's policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement, which provides the Company with the legal right of offset. However, in accordance with the Chicago Mercantile Exchange ("CME") rules related to the variation margin payments, the Company is required to adjust the derivative balances with the variation margin payments related to its cleared derivatives executed through CME.

The Company enters into interest rate, equity market, credit default and currency contracts, including swaps, futures, forwards, caps, floors and options, to reduce and manage various risks associated with changes in value, yield, price, cash flow or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index or pool. The Company also utilizes options and futures on equity indices to reduce and manage risks associated with its universal life-type ("UL-type") and annuity products. Derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives are recorded in Net gains (losses) in the Consolidated Statements of Operations. Gains (losses) and net investment income related to derivatives are reflected as adjustments to reconcile Net cash flows from operating activities, and the net cash activity from derivatives is reflected in Net cash flows from investing activities, in the Consolidated Statements of Cash Flows. Any noncash activity, to

the extent it is material, is excluded and reflected in a noncash supplementary schedule related to investing and financing activities.

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (a) a hedge of the exposure to changes in the estimated fair value of a recognized asset or liability or an identified portion thereof that is attributable to a particular risk ("fair value hedge") or (b) a hedge of a forecasted transaction or of the variability of cash flows that is attributable to interest rate risk to be received or paid related to a recognized asset or liability ("cash flow hedge"). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness and the method that will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

- *Fair Value Hedge:* For derivative instruments that are designated and qualify as a fair value hedge, the entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is recorded in the same line item in the Consolidated Statements of Operations as impacted by the hedged item.
- *Cash Flow Hedge:* For derivative instruments that are designated and qualify as a cash flow hedge, the entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is reported as a component of AOCI. Those amounts are subsequently reclassified to earnings when the hedged item affects earnings, and are reported in the same line item in the Consolidated Statements of Operations as impacted by the hedged item.

Even if a derivative qualifies for hedge accounting treatment, there may be an element of ineffectiveness of the hedge. The ineffective portion of a hedging relationship subject to hedge accounting is recognized in Net gains (losses).

When hedge accounting is discontinued because it is determined that the derivative is no longer expected to be highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with subsequent changes in estimated fair value recognized currently in Net gains (losses). The carrying value of the hedged asset or liability under a fair value hedge is no longer adjusted for changes in its estimated fair value due to the hedged risk, and the cumulative adjustment to its carrying value is amortized into income over the remaining life of the hedged item. Provided the hedged forecasted transaction is still probable of occurrence, the changes in estimated fair value of derivatives recorded in Other comprehensive income (loss) related to discontinued cash flow hedges are released into the Consolidated Statements of Operations when the Company's earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date, or within two months of that date, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with changes in estimated fair value recognized currently in Net gains (losses). Derivative gains and losses recorded in Other comprehensive income (loss) pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in Net gains (losses).

The Company also has investments in certain fixed maturities and has issued certain UL-type and annuity products that contain embedded derivatives for which fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets or credit ratings/spreads. Embedded derivatives within fixed maturities are included with the host contract on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Net gains (losses). Embedded derivatives within certain UL-type and annuity products are included in Future policy benefits on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Net gains (losses).

In addition, the Company has entered into coinsurance with funds withheld and modified coinsurance reinsurance arrangements that contain embedded derivatives, the fair value of which is based on the change in the fair value of the underlying assets held in trust. These embedded derivatives are reported with the host contract in Other liabilities and Premium receivables and reinsurance recoverable, respectively, on the Consolidated Balance Sheets. Changes in the fair value of embedded derivatives are recorded in Policyholder benefits in the Consolidated Statements of Operations.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

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*Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, amounts due from banks and other highly liquid investments, such as money market instruments and debt instruments with maturities of three months or less at the time of purchase. Cash and cash equivalents are stated at fair value. Cash and cash equivalents of VIEs and VOEs are not available for general use by the Company.

*Deferred Policy Acquisition Costs and Value of Business Acquired*

DAC represents policy acquisition costs that have been capitalized and are subject to amortization. Capitalized costs are incremental, direct costs of contract acquisition and certain other costs related directly to successful acquisition activities. Such costs consist principally of commissions, underwriting, sales and contract issuance and processing expenses directly related to the successful acquisition of new and renewal business. Indirect or unsuccessful acquisition costs, maintenance, product development and overhead expenses are charged to expense as incurred. VOBA represents the outstanding value of in-force business acquired and is subject to amortization. The value is based on the present value of estimated net cash flows embedded in the insurance contracts at the time of the acquisition and increased for subsequent deferrable expenses on purchased policies. DAC/VOBA amortization is recorded in Net amortization of Deferred policy acquisition costs and Value of business acquired in the Consolidated Statements of Operations.

Amortization Methodologies

The Company amortizes DAC/VOBA related to certain traditional life insurance contracts, certain accident and health insurance contracts, and deferred annuity contracts on a constant level basis over the expected term of the related contracts. Contracts are grouped for amortization purposes by product or market type and issue year cohort on a basis consistent with those used in estimating the associated liability or other related balance, where applicable.

The principal assumption deemed critical to the DAC/VOBA amortization is the estimated contract term, which incorporates mortality and persistency, and represents management's best estimate of future outcome. The Company periodically reviews this assumption against actual experience and, based on additional information that becomes available, updates the assumption. Changes in contract term estimates are reflected prospectively in amortization expense as of the beginning of the reporting period in which the change is made.

VOBA is subject to recoverability testing; DAC is not. The Company performs testing to assess the recoverability of VOBA on an annual basis, or more frequently if circumstances indicate a potential loss recognition issue exists. If VOBA is not deemed recoverable, charges will be applied against the VOBA balance before an additional reserve is established.

Internal Replacements

Contract owners may periodically exchange one contract for another, or make modifications to an existing contract. These transactions are identified as internal replacements. Internal replacements that are determined to result in substantially unchanged contracts are accounted for as continuations of the replaced contracts. Any costs associated with the issuance of the new contracts are considered maintenance costs and expensed as incurred. Unamortized DAC/VOBA related to the replaced contracts continue to be deferred and amortized in connection with the new contracts. Internal replacements that are determined to result in contracts that are substantially changed are accounted for as extinguishments of the replaced contracts, and any unamortized DAC/VOBA related to the replaced contracts are written off to the same account in which amortization is reported in the Consolidated Statements of Operations.

*Goodwill and Other Intangible Assets*Goodwill

Goodwill arises in connection with business combinations and represents the excess of cost of the acquisition over the fair value of identifiable net assets acquired. Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is assigned to a reporting unit at the date the goodwill is initially recorded and is tested for impairment at that level. A reporting unit is an operating segment, or a unit one level below the operating segment if discrete financial information is prepared and regularly reviewed by management at that

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level. Once goodwill has been assigned to a reporting unit, it is no longer associated with a particular acquisition and all of the activities within the reporting unit, whether acquired or organically grown, are available to support the value of goodwill.

The Company tests goodwill for impairment by either performing a qualitative assessment or a quantitative test. The qualitative impairment assessment is an assessment of relevant events and circumstances to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The Company may elect not to perform the qualitative impairment assessment for some or all of its reporting units and instead perform a quantitative impairment test which involves comparing a reporting unit's fair value to its carrying value, including goodwill. If the carrying value of a reporting unit exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess, limited to the carrying amount of goodwill allocated to the reporting unit. Subsequent reversal of goodwill impairment losses is not permitted. In performing the quantitative impairment test, the Company is required to make significant estimates in determining the fair value of a reporting unit including, but not limited to, projected revenues and operating margins, applicable discount and growth rates, and comparative market multiples.

**Other Intangible Assets**

Intangible assets identified upon the acquisition of a business are recorded at fair value as of the acquisition date. Indefinite-lived intangible assets are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Impairment testing for indefinite-lived intangible assets primarily consists of a qualitative assessment to determine if a quantitative assessment is needed for a comparison of the fair value of the intangible asset with its carrying value. If a quantitative assessment is deemed necessary and the carrying amount of the intangible asset exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess. In performing the quantitative impairment test, the Company is required to make significant estimates in determining the fair value of an indefinite-lived intangible asset including, but not limited to, projected revenues and discount rates.

Finite-lived intangible assets are amortized over their estimated useful lives as related benefits emerge and are reviewed periodically for indicators of change in useful lives or impairment. If facts and circumstances suggest possible impairment, the sum of the estimated undiscounted future cash flows expected to result from the use of the asset is compared to the carrying value of the asset. If the carrying value of the asset exceeds the undiscounted cash flows, the asset is written down to its fair value determined using discounted cash flows.

Impairment losses and amortization of intangible assets are recognized in Operating expenses in the Consolidated Statements of Operations.

***Contract Costs Associated with Certain Revenue Contracts***

Contract cost assets represent costs incurred to obtain or fulfill contracts for non-insurance financial services and software subscriptions and services that are expected to be recovered and, thus, have been capitalized and are subject to amortization. Capitalized contract costs include incremental costs of obtaining a contract and fulfillment costs that relate directly to a contract and generate or enhance resources of the Company that are used to satisfy performance obligations. Capitalized contract costs are amortized on a straight-line basis over the estimated lives of the contracts, which typically range from 5 to 15 years.

Capitalized contract costs are included in Other assets on the Consolidated Balance Sheets, and costs expensed as incurred are included in Operating expenses in the Consolidated Statements of Operations.

As of December 31, 2023 and 2022 contract cost assets were \$98 and \$100, respectively. For the years ended December 31, 2023, 2022 and 2021 amortization expense of \$20, \$21 and \$23, respectively, was recorded in Operating expenses. There was no impairment loss in relation to the contract costs capitalized.

***Future Policy Benefits and Contract Owner Account Balances*****Future Policy Benefits**

The Company establishes and carries actuarially-determined reserves that are calculated to meet its future obligations, including estimates of unpaid claims and claims that the Company believes have been incurred but have not yet been reported as of the balance sheet date.

## Voya Financial, Inc.

### Notes to the Consolidated Financial Statements

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- Reserves for long-duration traditional life insurance contracts (term insurance, participating and non-participating whole life insurance and traditional group life insurance) and accident and health insurance represent the present value of future benefits to be paid to or on behalf of contract owners and related expenses, less the present value of future net premiums.
- Reserves for payout contracts with life contingencies are equal to the present value of future payments.

Principal assumptions used to establish liabilities for future policy benefits include interest rate, mortality, morbidity, policy lapse, contract renewal, payment of subsequent premiums or deposits by the contract owner, retirement, inflation, and benefit utilization. Other than interest rate assumptions, these assumptions are based on Company experience and periodically reviewed against industry standards. The Company reviews these assumptions at least annually and updates them if necessary. In addition to assumption updates, the Company adjusts reserves for actual experience in the period in which the experience occurs. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations. Remeasurements of the reserves as a result of assumption updates and adjustments for actual experience are recognized in Policyholder benefits in the Consolidated Statements of Operations.

Interest rates used in discounting the reserves are based on an upper-medium grade (low-credit-risk) fixed-income instrument yield derived from observable market data. A 30-year forward rate is used for periods beyond the last observable market point. Reserves are remeasured quarterly to reflect changes in the discount rate, with the resulting change recorded in AOCI. Locked-in interest rates used to determine interest accretion on reserves for new contracts sold after January 1, 2021 are based on the upper-medium grade (low-credit-risk) fixed-income instrument yield applicable at the time the business was issued. Locked-in interest accretion rates for contracts in-force as of the January 1, 2021 transition date for ASU 2018-12 are based on the locked-in interest rates in effect for those contracts immediately before the transition date. Interest accretion is recorded in Policyholder benefits.

#### Contract Owner Account Balances

Contract owner account balances relate to UL-type and investment-type contracts, as follows:

- Account balances for funding agreements with fixed maturities are calculated using the amount deposited with the Company, less withdrawals, plus interest accrued to the ending valuation date. Interest on these contracts is accrued by a predetermined index, plus a spread or a fixed rate, established at the issue date of the contract.
- Account balances for UL-type contracts, including variable universal life ("VUL") contracts, are equal to cumulative deposits, less charges, withdrawals and account values released upon death, plus credited interest thereon.
- Account balances for fixed annuities and payout contracts without life contingencies are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon. Credited interest rates vary by product and range up to 5.1%. Account balances for group immediate annuities without life contingent payouts are equal to the discounted value of the payment at the implied break-even rate.

#### Product Guarantees and Additional Reserves

The Company calculates additional reserve liabilities for certain UL-type products, certain variable annuity guaranteed benefits and variable funding products. The Company periodically evaluates its estimates and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations.

*Universal and Variable Universal Life:* The Company establishes additional reserves on universal life ("UL") and VUL contracts, primarily related to secondary guarantees and paid-up guarantees, for the portion of contract assessments received in early years that will be used to compensate the Company for benefits provided in later years. These reserves are calculated by estimating the expected value of benefits payable and recognizing those benefits ratably over the accumulation period based on total expected assessments, using interest rates consistent with the underlying contracts' interest crediting rates. Included are contracts where the Company contractually guaranteed a death benefit even when there is insufficient value to cover monthly mortality and expense charges, whereas otherwise the contract would typically lapse ("no lapse guarantee"), and other provisions that would produce expected gains from the insurance benefit function followed by losses from that function in later years. Additional reserves for UL and VUL contracts are recorded in Future policy benefits on the Consolidated Balance Sheets.



**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

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*Stabilizer and MCG:* Guaranteed credited rates give rise to an embedded derivative in the stabilizer ("Stabilizer") products and a stand-alone derivative for managed custody guarantee products ("MCG"). These derivatives are measured at estimated fair value and recorded in Contract owner account balances. Changes in estimated fair value, that are not related to attributed fees collected or payments made, are reported in Net gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the Stabilizer embedded derivative and MCG stand-alone derivative is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions.

The liabilities for the Stabilizer embedded derivative and the MCG stand-alone derivative include a risk margin to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require to assume these risks.

The discount rate used to determine the fair value of the liabilities for the Stabilizer embedded derivative and the MCG stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk").

*Separate Accounts*

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners or participants who bear the investment risk, subject, in limited cases, to minimum guaranteed rates. Investment income and investment gains and losses generally accrue directly to such contract owners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company.

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contract owner or participant under a contract, in shares of mutual funds that are managed by the Company or in other selected mutual funds not managed by the Company.

The Company reports separately, as assets and liabilities, investments held in the separate accounts and liabilities of separate accounts if:

- Such separate accounts are legally recognized;
- Assets supporting the contract liabilities are legally insulated from the Company's general account liabilities;
- Investments are directed by the contract owner or participant; and
- All investment performance, net of contract fees and assessments, is passed through to the contract owner.

The Company reports separate account assets that meet the above criteria at fair value on the Consolidated Balance Sheets based on the fair value of the underlying investments. The underlying investments include mutual funds, short-term investments, cash and fixed maturities. Separate account liabilities equal separate account assets. Investment income and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations, and the Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

*Short-term and Long-term Debt*

Short-term and long-term debt are carried on the Consolidated Balance Sheets at an amount equal to the unpaid principal balance, net of any remaining unamortized discount or premium and any direct and incremental costs attributable to issuance. Discounts, premiums and direct and incremental costs are amortized as a component of Interest expense in the Consolidated Statements of Operations over the life of the debt using the effective interest method of amortization.

**Voya Financial, Inc.**

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*Repurchase Agreements*

The Company engages in dollar repurchase agreements with MBS ("dollar rolls") and repurchase agreements with other collateral types to increase its return on investments and improve liquidity. Such arrangements meet the requirements to be accounted for as financing arrangements.

The Company enters into dollar roll transactions by selling existing MBS and concurrently entering into an agreement to repurchase similar securities within a short time frame at a lower price. Under repurchase agreements, the Company borrows cash from a counterparty at an agreed upon interest rate for an agreed upon time frame and pledges collateral in the form of securities. At the end of the agreement, the counterparty returns the collateral to the Company, and the Company, in turn, repays the loan amount along with the additional agreed upon interest.

The Company's policy requires that at all times during the term of the dollar roll and repurchase agreements that cash or other collateral types obtained is sufficient to allow the Company to fund substantially all of the cost of purchasing replacement assets. Cash received is generally invested in short-term investments, which are included in Short-term investments under securities loan agreements, including collateral delivered, with the offsetting obligation to repay the loan included within Payables under securities loan and repurchase agreements, including collateral held, on the Consolidated Balance Sheets. The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions is included in Securities pledged on the Consolidated Balance Sheets.

*Recognition of Revenue*

Insurance Revenue and Related Benefits

Premiums related to traditional life insurance contracts and payout contracts with life contingencies are recognized in Premiums in the Consolidated Statements of Operations when due from the contract owner. When premiums are due over a significantly shorter period than the period over which benefits are provided, any gross premium in excess of the net premium (i.e., the portion of the gross premium required to provide for expected future benefits and expenses) is deferred and recognized into revenue in a constant relationship to insurance in force. Benefits are recorded in Policyholder benefits in the Consolidated Statements of Operations when incurred.

Amounts received as payment for investment-type, UL-type, fixed annuities, and payout contracts without life contingencies are reported as deposits to contract owner account balances. Revenues from these contracts consist primarily of fees assessed against the contract owner account balance for mortality and policy administration charges and are reported in Fee income in the Consolidated Statements of Operations. Surrender charges are reported in Other revenue in the Consolidated Statements of Operations. In addition, the Company earns investment income from the investment of contract deposits in the Company's general account portfolio, which is reported in Net investment income in the Consolidated Statements of Operations. Benefits and expenses for these products include claims in excess of related account balances, expenses of contract administration and interest credited to contract owner account balances.

Performance-based Capital Allocations on Private Equity Funds

Under asset management arrangements for certain of its sponsored private equity funds, the Company, as General Partner, is entitled to receive performance-based capital allocations ("carried interest") when the return on assets under management for such funds exceeds prescribed investment return hurdles or other performance targets. Carried interest is accrued quarterly based on measuring cumulative fund performance against the stated performance hurdle, as if the fund was liquidated at its estimated fair value as of the applicable balance sheet date.

Carried interest is subject to adjustment to the extent that subsequent fund performance causes the fund's cumulative investment return to fall below specified investment return hurdles. In such a circumstance, some or all of the previously accrued carried interest is reversed to the extent that the Company is no longer entitled to the performance-based capital allocation and, if such allocations have been distributed to the Company but are subject to recoupment by the fund, a liability is established for the potential repayment obligation.

## Voya Financial, Inc.

### Notes to the Consolidated Financial Statements

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#### Revenue from Contracts with Customers

Revenue for various financial services and software subscriptions and services is measured based on consideration specified in a contract with a customer and is recognized when the Company has satisfied a performance obligation, unless the transaction price includes variable consideration that is constrained; in such case, we recognize revenue when the uncertainty associated with the constrained amount is subsequently resolved.

- Financial Services – For advisory, asset management, and recordkeeping and administration ("R&A") services, the Company recognizes revenue as services are provided, generally over time. The Company provides distribution services at a point in time and recognizes the related revenue as consideration is received. Revenue from shareholder servicing is recognized as services are provided over time. Contract terms are typically less than one year, and consideration is variable. Revenue for financial services is recorded in Fee income and Other revenue in the Consolidated Statements of Operation.
- Software Subscriptions and Services – Software subscriptions and services include access to and usage of cloud-based benefits software for employer and health plan customers, software implementation and support services, and distribution services. Contract terms are typically one to three years, and consideration can be fixed or variable. Revenue for software subscriptions and services is generally recognized over time and recorded in Other revenue in the Consolidated Statements of Operation.

For a description of principal activities by segment from which the Company generates revenue, see the *Segments* Note in these Consolidated Financial Statements for further information. See the *Revenue from Contracts with Customers* Note in these Consolidated Financial Statements for revenue disaggregated by type of service.

#### *Income Taxes*

The Company's provision for income taxes is based on income and expense reported in the financial statements after adjustments for permanent differences between our financial statements and consolidated federal income tax return. Permanent differences include the dividends received deduction, tax credits and non-controlling interest. As a result of permanent differences, the effective tax rate reflected in the financial statements may be different than the actual rate in the income tax return. Current income tax receivable or payable is recognized within Other assets or Other liabilities, respectively, in the Consolidated Balance Sheets.

Temporary differences between the Company's financial statements and income tax return create deferred tax assets and liabilities. Deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards. The Company's deferred tax assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including the nature and character of the deferred tax assets and liabilities, the amount and character of book income or losses in recent years, projected future taxable income and future reversals of temporary differences, tax planning strategies we would employ to avoid a tax benefit from expiring unused, and the length of time carryforwards can be utilized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not to be sustained under examination by the applicable taxing authority. The Company also considers positions that have been reviewed and agreed to as part of an examination by the applicable taxing authority. For items that meet the more-likely-than-not recognition threshold, the Company measures the tax position as the largest amount of benefit that is more than 50% likely to be realized upon ultimate resolution with the applicable tax authority that has full knowledge of all relevant information.

#### *Reinsurance*

The Company utilizes reinsurance agreements in most aspects of its insurance business to reduce its exposure to large losses. Such reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Company as direct insurer of the risks reinsured.

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For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk. The Company reviews contractual features, particularly those that may limit the amount of insurance risk to which the reinsurer is subject or features that delay the timely reimbursement of claims. The assumptions used to account for long-duration reinsurance agreements are consistent with those used for the underlying contracts, with the exception of the interest accretion rate on reinsurance recoverable assets associated with in-force business reinsured. Ceded Future policy benefits and Contract owner account balances are reported gross on the Consolidated Balance Sheets.

For reinsurance of long-duration contracts that transfer significant insurance risk, the difference, if any, between the amounts paid and benefits received related to the underlying contracts is included in the expected net cost of reinsurance, which is recorded in Premiums receivable and reinsurance recoverable or Other liabilities, as appropriate, on the Consolidated Balance Sheets.

If the Company determines that a reinsurance agreement does not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk, the Company records the agreement using the deposit method of accounting. Deposits received are included in Other liabilities, and deposits made are included in Other assets on the Consolidated Balance Sheets. As amounts are paid or received, consistent with the underlying contracts, the deposit assets or liabilities are adjusted.

Accounting for reinsurance requires use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. The Company reviews assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance at least annually and updates them if necessary. In addition to the assumption updates, the Company adjusts these assets or liabilities for actual experience in the period in which the experience occurs. The Company also evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

Reinsurance recoverable and deposit asset balances are reported net of the allowance for credit losses on the Company's Consolidated Balance Sheets. Management estimates the credit loss allowance balance using a factor-based method of probability of default and loss given default which incorporates relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Included in the factor-based method are the consideration of capital market factors, counterparty financial information and ratings, and reinsurance agreement-specific risk characteristics such as collateral type, collateral size, and covenant strength.

The allowance for credit losses is a valuation account that is deducted from the reinsurance recoverable balance to present the net amount expected to be collected on the reinsurance recoverable. The change in the allowance for credit losses is recorded in Policyholder benefits in the Consolidated Statements of Operations.

Current reinsurance recoverable balances deemed probable of recovery and payable balances under reinsurance agreements are included in Premium receivable and reinsurance recoverable and Other liabilities, respectively. Such assets and liabilities relating to reinsurance agreements with the same reinsurer are recorded net on the Consolidated Balance Sheets if a right of offset exists within the reinsurance agreement. Premiums, Fee income and Policyholder benefits are reported net of reinsurance ceded.

The Company has entered into coinsurance funds withheld reinsurance arrangements that contain embedded derivatives for which carrying value is estimated based on the change in the fair value of the assets supporting the funds withheld payable under the agreements.

#### *Employee Benefits Plans*

The Company sponsors and/or administers various plans that provide defined benefit pension and other postretirement benefit plans covering eligible employees, sales representatives and other individuals. The plans are generally funded through payments, determined by periodic actuarial calculations, to trustee-administered funds.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in respect of defined benefit pension plans is the present value of the projected pension benefit obligation ("PBO") at the balance

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sheet date, less the fair value of plan assets, together with adjustments for unrecognized past service costs. This liability is included in Other liabilities on the Consolidated Balance Sheets. The PBO is defined as the actuarially calculated present value of vested and non-vested pension benefits accrued based on future salary levels. The Company recognizes the funded status of the PBO for pension plans and the accumulated postretirement benefit obligation ("APBO") for other postretirement plans on the Consolidated Balance Sheets.

Net periodic benefit cost is determined using management estimates and actuarial assumptions to derive service cost, interest cost and expected return on plan assets for a particular year and is included in Operating expenses in the Consolidated Statements of Operations. The obligations and expenses associated with these plans require use of assumptions, such as discount rate, expected rate of return on plan assets, rate of future compensation increases and healthcare cost trend rates, as well as assumptions regarding participant demographics, such as age of retirements, withdrawal rates and mortality. Management determines these assumptions based on a variety of factors, such as historical performance of the plan and its assets, currently available market and industry data and expected benefit payout streams. Actual results could vary significantly from assumptions based on changes, such as economic and market conditions, demographics of participants in the plans and amendments to benefits provided under the plans. These differences may have a significant effect on the Company's Consolidated Financial Statements and liquidity. Differences between the expected return and the actual return on plan assets and actuarial gains (losses) are immediately recognized in Operating expenses in the Consolidated Statements of Operations.

For postretirement healthcare and other benefits to retirees, the expected costs of these benefits are accrued in Other liabilities over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains (losses) are immediately recognized in Operating expenses in the Consolidated Statements of Operations.

*Share-based Compensation*

The Company grants certain employees and directors share-based compensation awards under various plans. Share-based compensation plans are subject to certain vesting conditions. The Company measures the cost of its share-based awards at their grant date fair value, which in the case of restricted stock units ("RSUs") and performance share units ("PSUs"), is based upon the market value of the Company's common stock on the date of grant. The Company grants certain PSU awards, which are subject to attainment of specified total shareholder return ("TSR") targets relative to a specified peer group. The number of TSR-based PSU awards expected to be earned, based on achievement of the market condition, is factored into the grant date Monte Carlo valuation for the award. Fair value of stock options is determined using a Black-Scholes options valuation methodology. Compensation expense is principally related to the granting of performance share units, restricted stock units and stock options and is recognized in Operating expenses in the Consolidated Statements of Operations over the requisite service period. The majority of awards granted are provided in the first quarter of each year. The Company includes estimated forfeitures in the calculation of share-based compensation expense.

The liability related to cash-settled awards is recorded within Other liabilities on the Consolidated Balance Sheets. Unlike equity-settled awards, which have a fixed grant-date fair value, the fair value of unvested cash-settled awards is remeasured at the end of each reporting period until the awards vest.

All excess tax benefits and tax deficiencies related to share-based compensation are reported in Net income (loss).

*Earnings per Common Share*

Basic earnings per common share ("EPS") is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed assuming the issuance of restricted stock units, stock options, performance share units and warrants using the treasury stock method. Basic and diluted earnings per share are calculated using unrounded, actual amounts. Under the treasury stock method, the Company utilizes the average market price to determine the amount of cash that would be available to repurchase shares if the common shares vested. The net incremental share count issued represents the potential dilutive or anti-dilutive securities.

For any period where a loss from continuing operations available to common shareholders is experienced, shares used in the diluted EPS calculation represent basic shares, as using diluted shares would be anti-dilutive to the calculation.

## Voya Financial, Inc.

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

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#### *Treasury Stock*

All amounts paid to repurchase common stock are recorded as Treasury stock on the Consolidated Balance Sheets. When Treasury stock is retired and the purchase price is greater than par, an excess of purchase price over par is allocated between additional paid-in capital and retained earnings (deficit). Shares that are retired are determined on a FIFO basis.

#### *Consolidation and Noncontrolling Interests*

In the normal course of business, the Company invests in, provides investment management services to, and has transactions with, various CLO entities, private equity funds, real estate funds, funds-of-hedge funds, single strategy hedge funds, insurance entities, securitizations and other investment entities. In certain instances, the Company serves as the investment manager, making day-to-day investment decisions concerning the assets of these entities. These entities are considered to be either VIEs or VOEs, and the consolidation guidance requires an assessment involving judgments and analysis to determine (a) whether an entity in which the Company holds a variable interest is a VIE and (b) whether the Company's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., management and performance related fees), would give it a controlling financial interest.

The Company consolidates entities in which it, directly or indirectly, is determined to have a controlling financial interest. Consolidation conclusions are reviewed quarterly to identify whether any reconsideration events have occurred.

- VIEs: The Company consolidates VIEs for which it is the primary beneficiary at the time it becomes involved with a VIE. An entity is a VIE if it has equity investors who, as a group, lack the characteristics of a controlling financial interest or it does not have sufficient equity at risk to finance its expected activities without additional subordinated financial support from other parties. The primary beneficiary (a) has the power to direct the activities of the entity that most significantly impact the entity's economic performance and (b) has the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity.
- VOEs: For entities determined not to be VIEs, the Company consolidates entities in which it holds greater than 50% of the voting interest, or, for limited partnerships, when the Company owns a majority of the limited partnership's kick-out rights through voting interests.

Noncontrolling interest represents the interests of shareholders, other than the Company, in consolidated entities. In the Consolidated Statements of Operations, Net income (loss) attributable to noncontrolling interest represents such shareholders' interests in the earnings and losses of those entities, or the attribution of results from consolidated VIEs or VOEs to which the Company is not economically entitled.

The Company has a redeemable noncontrolling interest associated with Allianz's 24% economic stake in VIM Holdings, which is reflected within Mezzanine equity on the Consolidated Balance Sheets. This redeemable noncontrolling interest has been classified as Mezzanine equity because in the event of a change in control of the Company, which is not solely within the control of the Company, the redeemable noncontrolling interest could become redeemable for cash or other assets at the option of the holder. A change in control of the Company is not considered probable as of December 31, 2023; therefore, the redeemable noncontrolling interest has not been remeasured to its redemption value.

#### *Contingencies*

A loss contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Examples of loss contingencies include pending or threatened adverse litigation, threat of expropriation of assets and actual or possible claims and assessments. Amounts related to loss contingencies are accrued and recorded in Other liabilities on the Consolidated Balance Sheets if it is probable that a loss has been incurred and the amount can be reasonably estimated, based on the Company's best estimate of the ultimate outcome.

**Adoption of New Pronouncements**

*Long-Duration Contracts*

The following section provides a description of the Company's adoption of ASU 2018-12 issued by the Financial Accounting Standards Board ("FASB") and the impact of the adoption on the Company's financial statements:

This standard, issued in August 2018, changes the measurement and disclosures of insurance liabilities and DAC for long-duration contracts issued by insurers. In addition to expanded disclosures, the standard's requirements include:

- Annual review and, if necessary, update of cash flow assumptions used to measure the liability for future policy benefits for nonparticipating traditional and limited payment insurance contracts, measured on a retrospective catch-up basis and recognized in the period the update is made. The rate used is required to be updated quarterly, with related changes in the liability recorded in AOCI.
- Fair value measurement of contract guarantee features qualifying as Market Risk Benefits ("MRB"), with changes in fair value recognized in the Statements of Operations. Changes in the instrument-specific credit risk will be recorded in AOCI.
- Amortization of DAC on a constant level basis over the expected term of the contracts, without reference to revenue or profitability. An accounting election may be made to apply the DAC requirements to VOBA.
- Insurance entities may make an accounting policy election to exclude contracts from application of the requirements in ASU 2018-12 when those contracts have been derecognized because of a sale or disposal of a legal entity before the effective date of ASU 2018-12.

The Company adopted ASU 2018-12 on January 1, 2023, on a modified retrospective basis for the liability for future policy benefits and DAC and on a full retrospective basis for MRBs. The January 1, 2021 transition impact increased Total shareholders' equity. This increase was primarily driven by the removal of DAC/VOBA and Premium deficiency reserve adjustment balances, and partially offset by the impact of remeasurement of Future policy benefits and Reinsurance recoverable using the discount rate at January 1, 2021. Total shareholders' equity was also impacted by the establishment of MRB liabilities related to guaranteed minimum benefits on certain deferred annuity contracts. The Company elected the option to exclude contracts reported as discontinued operations in 2021.

Disclosures and post-transition comparative information have been restated to conform to the requirements of ASU 2018-12.

The following tables provide additional information related to the transition adjustments:

	DAC		VOBA
	Wealth Solutions Deferred and Individual Annuities	Businesses Exited <sup>(1)</sup>	
Balance, December 31, 2020	\$ 119	\$ 1,186	\$ 70
Adjustment for removal of related balances in AOCI	571	104	635
Balance, January 1, 2021	\$ 690	\$ 1,290	\$ 705

	Liability for Future Policy Benefits		
	Health Solutions Group <sup>(2)</sup>	Health Solutions Voluntary <sup>(3)</sup>	Businesses Exited <sup>(1)</sup>
Balance, December 31, 2020	\$ 822	\$ 188	\$ 5,448
Adjustment for reversal of related balances in AOCI	—	—	(386)
Adjustment for loss contracts under the modified retrospective approach	7	3	3
Effect of remeasurement of liability at current discount rate	118	83	1,362
Balance, January 1, 2021	\$ 947	\$ 274	\$ 6,427

<sup>(1)</sup> Includes long duration retail individual life and annuity business exited via reinsurance

<sup>(2)</sup> Includes long duration employee-sponsored group life and health products

<sup>(3)</sup> Includes long duration employee-paid whole life products

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents information on transition adjustments, net of tax, related to the adoption of ASU 2018-12 for retained earnings and AOCI to arrive at the opening balances as of January 1, 2021:

Total Shareholders' equity December 31, 2020 .....	\$	11,178
<b>AOCI</b>		
Reversal of AOCI adjustments .....		1,328
Effect of remeasurement of liability at current discount rate .....		(1,065)
Total AOCI adjustments .....	\$	<u>263</u>
<b>Retained Earnings</b>		
Establishment of MRBs .....	\$	(132)
Other adjustments .....		27
Total Retained earnings .....	\$	<u>(105)</u>
Total adjustment for the adoption of ASU 2018-12 .....	\$	<u>158</u>
Total Shareholders' equity January 1, 2021 .....	\$	<u>11,336</u>

The following table provides a description of the Company's adoption of other new ASUs issued by the FASB and the impact of adoption on the Company's financial statements:

<b>Standard</b>	<b>Description of Requirements</b>	<b>Effective Date and Method of Adoption</b>	<b>Effect on the Financial Statements or Other Significant Matters</b>
ASU 2022-02, Troubled Debt Restructurings ("TDRs") and Vintage Disclosures	This standard, issued in March 2022, eliminates the accounting guidance on troubled debt restructurings for creditors, requires enhanced disclosures for creditors about loan modifications when a borrower is experiencing financial difficulty, and requires public business entities to include current-period gross write-offs in the vintage disclosure tables.	January 1, 2023 on a prospective basis.	Adoption of the ASU did not have an impact on the Company's financial condition, results of operations, or cash flows.  Required disclosure changes have been included in the <i>Investments (excluding Consolidated Investment Entities)</i> Note to these Consolidated Financial Statements.
ASU 2020-04, Reference Rate Reform	This standard, issued in March 2020, provides temporary optional expedients and exceptions for applying U.S. GAAP principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met.	The amendments were effective as of March 12, 2020, the issuance date of the ASU. An entity may elect to apply the amendments prospectively through December 31, 2024.	Effective December 31, 2023, the Company completed its implementation of ASU 2020-04 and applied the expedient provided for qualifying contract modifications. Adoption of the guidance did not have a material impact on the Company's financial condition, results of operations, or cash flows.



**Future Adoption of Accounting Pronouncements**

The following table provides a description of future adoptions of new accounting standards that may have an impact on the Company's financial statements when adopted:

Standard	Description of Requirements	Effective Date and Transition Provisions	Effect on the Financial Statements or Other Significant Matters
ASU 2023-09, Improvements to Income Tax Disclosures	<p>This standard, issued in December 2023, requires the following disclosures:</p> <ul style="list-style-type: none"> <li>• A tabular rate reconciliation of (1) reported income tax expense/benefit from continuing operations, to (2) the product of the income/loss from continuing operations before income taxes and the statutory federal income tax rate, using specific categories, as well as disclosure of certain reconciling items based on a 5% threshold.</li> <li>• Year-to-date net income taxes paid, disaggregated by federal, state, and foreign, as well as disaggregated information on net income taxes paid to an individual jurisdiction based on a 5% threshold.</li> </ul>	<p>The amendments are effective for annual periods beginning after December 15, 2024, and should be applied prospectively, with retrospective application permitted.</p>	<p>The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2023-09.</p>
ASU 2023-07, Improvements to Reportable Segment Disclosure	<p>This standard, issued in November 2023, requires all current annual disclosures about profit/loss and assets to be reported in interim periods, as well as enhanced disclosures about significant segment expenses, including:</p> <ul style="list-style-type: none"> <li>• Significant expenses regularly provided to the chief operating decision maker (“CODM”) and included within each reported measure of profit/loss</li> <li>• Amount and composition of “other segment items” (difference between revenue less significant expenses disclosed, and each reported measure of segment profit/loss)</li> <li>• May report additional measures of profit/loss if the CODM uses more than one measure; however, at least one should be the measure that is most consistent with the principles used in measuring corresponding financial statement amounts</li> <li>• Title and position of the CODM and how the CODM uses the reported measure(s) in assessing segment performance and resource allocation</li> </ul>	<p>The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024, and are required to be applied retrospectively.</p> <p>Restated prior period disclosures should be based on the significant segment expense categories disclosed in the period of adoption.</p>	<p>The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2023-07.</p>

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(Dollar amounts in millions, unless otherwise stated)

<b>Standard</b>	<b>Description of Requirements</b>	<b>Effective Date and Transition Provisions</b>	<b>Effect on the Financial Statements or Other Significant Matters</b>
ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions	This standard, issued in June 2022, clarifies that contractual restrictions on equity security sales are not considered part of the security unit of account and, therefore, are not considered in measuring fair value. In addition, the restrictions cannot be recognized and measured as separate units of account. Disclosures on such restrictions are also required.	The amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, and are required to be applied prospectively, with any adjustments from the adoption recognized in earnings and disclosed.	The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2022-03; however, the Company does not expect the adoption to have a material impact on the Company's financial condition and results of operations.

**2. Investments (excluding Consolidated Investment Entities)**

*Fixed Maturities*

Available-for-sale and fair value option ("FVO") fixed maturities were as follows as of December 31, 2023:

	<b>Amortized Cost</b>	<b>Gross Unrealized Capital Gains</b>	<b>Gross Unrealized Capital Losses</b>	<b>Embedded Derivatives<sup>(2)</sup></b>	<b>Allowance for credit losses</b>	<b>Fair Value</b>
Fixed maturities:						
U.S. Treasuries	\$ 417	\$ 7	\$ 21	\$ —	\$ —	\$ 403
U.S. Government agencies and authorities	54	3	1	—	—	56
State, municipalities and political subdivisions	871	1	101	—	—	771
U.S. corporate public securities	8,402	168	904	—	—	7,666
U.S. corporate private securities	5,040	44	324	—	—	4,760
Foreign corporate public securities and foreign governments <sup>(1)</sup>	2,928	47	270	—	3	2,702
Foreign corporate private securities <sup>(1)</sup>	2,916	27	129	—	2	2,812
Residential mortgage-backed securities	3,695	36	257	2	—	3,476
Commercial mortgage-backed securities	4,147	1	644	—	9	3,495
Other asset-backed securities	2,528	16	71	—	3	2,470
Total fixed maturities, including securities pledged	30,998	350	2,722	2	17	28,611
Less: Securities pledged	1,232	—	72	—	—	1,160
Total fixed maturities	<u>\$ 29,766</u>	<u>\$ 350</u>	<u>\$ 2,650</u>	<u>\$ 2</u>	<u>\$ 17</u>	<u>\$ 27,451</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Net gains (losses) in the Consolidated Statements of Operations.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Available-for-sale and FVO fixed maturities were as follows as of December 31, 2022:

	<b>Amortized Cost</b>	<b>Gross Unrealized Capital Gains</b>	<b>Gross Unrealized Capital Losses</b>	<b>Embedded Derivatives<sup>(2)</sup></b>	<b>Allowance for credit losses</b>	<b>Fair Value</b>
Fixed maturities:						
U.S. Treasuries	\$ 590	\$ 12	\$ 21	\$ —	\$ —	\$ 581
U.S. Government agencies and authorities	58	3	2	—	—	59
State, municipalities and political subdivisions	978	1	134	—	—	845
U.S. corporate public securities	9,343	97	1,239	—	—	8,201
U.S. corporate private securities	5,087	14	409	—	—	4,692
Foreign corporate public securities and foreign governments <sup>(1)</sup>	3,343	18	403	—	9	2,949
Foreign corporate private securities <sup>(1)</sup>	3,254	7	225	—	2	3,034
Residential mortgage-backed securities	4,230	34	290	3	—	3,977
Commercial mortgage-backed securities	4,466	2	585	—	—	3,883
Other asset-backed securities	2,307	3	173	—	1	2,136
Total fixed maturities, including securities pledged	33,656	191	3,481	3	12	30,357
Less: Securities pledged	1,303	3	144	—	—	1,162
Total fixed maturities	<u>\$ 32,353</u>	<u>\$ 188</u>	<u>\$ 3,337</u>	<u>\$ 3</u>	<u>\$ 12</u>	<u>\$ 29,195</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Net gains (losses) in the Consolidated Statements of Operations.

The amortized cost and fair value of fixed maturities, including securities pledged, as of December 31, 2023, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called or prepaid. Mortgage-backed securities ("MBS") and Other asset-backed securities ("ABS") are shown separately because they are not due at a single maturity date.

	<b>Amortized Cost</b>	<b>Fair Value</b>
Due to mature:		
One year or less	\$ 767	\$ 754
After one year through five years	3,952	3,820
After five years through ten years	3,920	3,805
After ten years	11,989	10,791
Mortgage-backed securities	7,842	6,971
Other asset-backed securities	2,528	2,470
Fixed maturities, including securities pledged	<u>\$ 30,998</u>	<u>\$ 28,611</u>

As of December 31, 2023 and 2022, the Company did not have any investments in a single issuer, other than obligations of the U.S. Government and government agencies, with a carrying value in excess of 10% of the Company's Total shareholders' equity.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Repurchase Agreements and Securities Pledged*

As of December 31, 2023 and 2022, the Company did not have any securities pledged in dollar rolls or reverse repurchase agreements.

The Company engages in securities lending whereby the initial collateral is required at a rate of at least 102% of the market value of the loaned securities. The lending agent retains the collateral and invests it in high quality liquid assets on behalf of the Company. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. The lending agent indemnifies the Company against losses resulting from the failure of a counterparty to return securities pledged where collateral is insufficient to cover the loss.

In the normal course of business, the Company receives cash collateral and non-cash collateral in the form of securities. If cash is received as collateral, the lending agent retains the cash collateral and invests it in short-term liquid assets on behalf of the Company. Securities retained as collateral by the lending agent may not be sold or re-pledged, except in the event of default, and are not reflected on the Company's Consolidated Balance Sheets. This collateral generally consists of U.S. Treasury, U.S. Government agency securities and MBS pools.

The following table presents Securities pledged as of the dates indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Securities pledged/obligations under repurchase agreements <sup>(1)</sup>	\$ 117	\$ 113
Securities loaned to lending agent <sup>(2)</sup>	842	907
Securities pledged as collateral <sup>(2)(3)</sup>	201	142
<b>Total</b>	<b>\$ 1,160</b>	<b>\$ 1,162</b>

<sup>(1)</sup> Comprised of other asset-backed securities and included in Securities pledged and Payables under securities loan and repurchase agreements, including collateral held on the Consolidated Balance Sheets.

<sup>(2)</sup> Included in Securities pledged on the Consolidated Balance Sheets.

<sup>(3)</sup> See *Collateral* within the *Derivatives* Note to these Consolidated Financial Statements for more information.

The following table presents collateral held by asset class pledged under securities lending as of the dates indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
U.S. Treasuries	\$ 14	\$ 53
U.S. corporate public securities	568	604
Short-term investments	55	—
Foreign corporate public securities and foreign governments	238	285
<b>Total<sup>(1)</sup></b>	<b>\$ 875</b>	<b>\$ 942</b>

<sup>(1)</sup> As of December 31, 2023 and 2022, liabilities to return cash collateral were \$660 and \$807, respectively, and included in Payables under securities loan and repurchase agreements, including collateral held on the Consolidated Balance Sheets.

The Company's securities lending activities are conducted on an overnight basis, and all securities loaned can be recalled at any time. The Company does not offset assets and liabilities associated with its securities lending program.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Allowance for credit losses*

The following table presents a rollforward of the allowance for credit losses on available-for-sale fixed maturity securities for the period presented:

	Year Ended December 31, 2023					
	U.S. corporate public securities	Commercial mortgage-backed securities	Foreign corporate securities and foreign governments	Foreign corporate private securities	Other asset-backed securities	Total
Balance as of January 1	\$ —	\$ —	\$ 9	\$ 2	\$ 1	\$ 12
Credit losses on securities for which credit losses were not previously recorded	—	9	—	—	2	11
Reductions for securities sold during the period	—	—	(5)	—	—	(5)
Increase (decrease) on securities with allowance recorded in previous period	—	—	(1)	—	—	(1)
Balance as of December 31	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 17</u>

	Year Ended December 31, 2022				
	Residential mortgage-backed securities	Foreign corporate public securities and foreign governments	Foreign corporate private securities	Other asset-backed securities	Total
Balance as of January 1	\$ 1	\$ —	\$ 56	\$ 1	\$ 58
Credit losses on securities for which credit losses were not previously recorded	—	9	—	—	9
Reductions for securities sold during the period	—	—	(57)	—	(57)
Increase (decrease) on securities with allowance recorded in previous period	(1)	—	3	—	2
Balance as of December 31	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 12</u>

For additional information about the Company's methodology and significant inputs used in determining whether a credit loss exists, see the *Business, Basis of Presentation and Significant Accounting Policies* Note to these Consolidated Financial Statements.

**Voya Financial, Inc.**

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(Dollar amounts in millions, unless otherwise stated)

*Unrealized Capital Losses*

The following table presents available-for-sale fixed maturities, including securities pledged, for which an allowance for credit losses has not been recorded by investment category and duration as of the dates indicated:

	<b>As of December 31, 2023</b>					
	<b>Twelve Months or Less Below Amortized Cost</b>		<b>More Than Twelve Months Below Amortized Cost</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>
U.S. Treasuries .....	\$ 99	\$ 3	\$ 109	\$ 18	\$ 208	\$ 21
U.S. Government agencies and authorities .....	—	—	3	1	3	1
State, municipalities and political subdivisions .....	20	—	731	101	751	101
U.S. corporate public securities	321	17	5,101	887	5,422	904
U.S. corporate private securities .....	176	7	3,365	317	3,541	324
Foreign corporate public securities and foreign governments .....	82	2	1,749	268	1,831	270
Foreign corporate private securities .....	189	5	2,101	124	2,290	129
Residential mortgage-backed	114	3	1,354	254	1,468	257
Commercial mortgage-backed	84	2	3,269	642	3,353	644
Other asset-backed .....	136	3	1,156	68	1,292	71
<b>Total .....</b>	<b>\$ 1,221</b>	<b>\$ 42</b>	<b>\$ 18,938</b>	<b>\$ 2,680</b>	<b>\$ 20,159</b>	<b>\$ 2,722</b>

	<b>As of December 31, 2022</b>					
	<b>Twelve Months or Less Below Amortized Cost</b>		<b>More Than Twelve Months Below Amortized Cost</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>	<b>Fair Value</b>	<b>Unrealized Capital Losses</b>
U.S. Treasuries .....	\$ 197	\$ 19	\$ 9	\$ 2	\$ 206	\$ 21
U.S. Government agencies and authorities .....	21	2	—	—	21	2
State, municipalities and political subdivisions .....	751	121	30	13	781	134
U.S. corporate public securities .....	5,479	792	1,137	447	6,616	1,239
U.S. corporate private securities .....	3,569	322	458	87	4,027	409
Foreign corporate public securities and foreign governments .....	2,050	260	391	143	2,441	403
Foreign corporate private securities .....	2,728	211	65	14	2,793	225
Residential mortgage-backed	1,538	128	562	162	2,100	290
Commercial mortgage-backed	2,628	390	1,133	195	3,761	585
Other asset-backed .....	1,430	104	578	69	2,008	173
<b>Total .....</b>	<b>\$ 20,391</b>	<b>\$ 2,349</b>	<b>\$ 4,363</b>	<b>\$ 1,132</b>	<b>\$ 24,754</b>	<b>\$ 3,481</b>

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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As of December 31, 2023, the average duration of our fixed maturities portfolio, including securities pledged, is between 6.5 and 7 years.

As of December 31, 2023 and 2022, the Company concluded that an allowance for credit losses was not warranted for the securities above because the unrealized losses are interest rate related. The Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases.

*Evaluating Securities for Impairments*

The Company performs a regular evaluation, on a security-by-security basis, of its available-for-sale securities holdings, including fixed maturity securities, in accordance with its impairment policy in order to evaluate whether such investments are impaired.

For the years ended December 31, 2023, 2022 and 2021, intent impairments included in the Consolidated Statements of Operations, but excluding impairments included in Other comprehensive income (loss), were \$27, \$23 and \$2, respectively.

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities. In certain situations, new factors, including changes in the business environment, can change the Company's previous intent to continue holding a security. Accordingly, these factors may lead the Company to record additional intent related capital losses.

*Debt Restructuring*

Upon the adoption of ASU 2022-02 as of January 1, 2023, the Company no longer identifies certain debt modifications as troubled debt restructuring, but instead evaluates all debt modifications to determine whether a modification results in a new loan or a continuation of an existing loan. Disclosures are required for loan modifications with borrowers experiencing financial difficulty. For the year ended December 31, 2023, the Company had no material debt modifications that require such disclosure.

*Mortgage Loans on Real Estate*

The Company diversifies its commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating commercial mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate. Subsequently, the Company continuously evaluates mortgage loans based on relevant current information including a review of loan-specific performance, property characteristics and market trends. Loan performance is monitored on a loan specific basis through the review of submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review ensures properties are performing at a consistent and acceptable level to secure the debt. The components to evaluate debt service coverage are received and reviewed at least annually to determine the level of risk.

Loan-to-value ("LTV") and debt service coverage ("DSC") ratios are measures commonly used to assess the risk and quality of mortgage loans. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. A LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the underlying collateral. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of a property's net income to its debt service payments. A DSC ratio of less than 1.0 indicates that a property's operations do not generate sufficient income to cover debt payments. These ratios are utilized as part of the review process described above.

**Voya Financial, Inc.**

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(Dollar amounts in millions, unless otherwise stated)

The following tables present commercial mortgage loans by year of origination and LTV ratio as of the dates indicated. The information is updated as of December 31, 2023 and 2022, respectively.

As of December 31, 2023						
Loan-to-Value Ratios						
Year of Origination	0% - 50%	>50% - 60%	>60% - 70%	>70% - 80%	>80% and above	Total
2023	\$ 150	\$ 222	\$ —	\$ —	\$ —	\$ 372
2022	252	326	73	—	—	651
2021	244	214	209	—	—	667
2020	168	112	—	10	16	306
2019	238	68	28	—	—	334
Prior	2,586	280	4	—	18	2,888
Total	\$ 3,638	\$ 1,222	\$ 314	\$ 10	\$ 34	\$ 5,218

As of December 31, 2022						
Loan-to-Value Ratios						
Year of Origination	0% - 50%	>50% - 60%	>60% - 70%	>70% - 80%	>80% and above	Total
2022	\$ 250	\$ 320	\$ 65	\$ —	\$ —	\$ 635
2021	240	272	255	10	—	777
2020	119	209	25	10	—	363
2019	227	94	29	—	—	350
2018	163	41	2	—	—	206
Prior	2,606	482	26	—	—	3,114
Total	\$ 3,605	\$ 1,418	\$ 402	\$ 20	\$ —	\$ 5,445

The following tables present commercial mortgage loans by year of origination and DSC ratio as of the dates indicated. The information is updated as of December 31, 2023 and 2022, respectively.

As of December 31, 2023						
Debt Service Coverage Ratios						
Year of Origination	>1.5x	>1.25x - 1.5x	>1.0x - 1.25x	<1.0x	Total*	
2023	\$ 189	\$ 116	\$ 67	\$ —	\$ 372	
2022	204	68	192	187	651	
2021	260	14	64	329	667	
2020	211	24	21	50	306	
2019	203	26	84	21	334	
Prior	2,216	264	255	153	2,888	
Total	\$ 3,283	\$ 512	\$ 683	\$ 740	\$ 5,218	

\*No commercial mortgage loans were secured by land or construction loans



**Voya Financial, Inc.**

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As of December 31, 2022					
Year of Origination	Debt Service Coverage Ratios				
	>1.5x	>1.25x - 1.5x	>1.0x - 1.25x	<1.0x	Total*
2022	\$ 331	\$ 100	\$ 181	\$ 23	\$ 635
2021	273	33	269	202	777
2020	259	11	11	82	363
2019	222	54	67	7	350
2018	128	27	51	—	206
Prior	2,172	454	226	262	3,114
Total	<u>\$ 3,385</u>	<u>\$ 679</u>	<u>\$ 805</u>	<u>\$ 576</u>	<u>\$ 5,445</u>

\*No commercial mortgage loans were secured by land or construction loans

The following tables present the commercial mortgage loans by year of origination and U.S. region as of the dates indicated. The information is updated as of December 31, 2023 and 2022, respectively.

As of December 31, 2023										
Year of Origination	U.S. Region									Total
	Pacific	South Atlantic	Middle Atlantic	West South Central	Mountain	East North Central	New England	West North Central	East South Central	
2023	\$ 69	\$ 77	\$ 12	\$ 101	\$ 39	\$ 42	\$ 3	\$ 26	\$ 3	\$ 372
2022	140	132	47	100	113	93	5	1	20	651
2021	96	63	124	148	111	75	9	40	1	667
2020	63	155	17	10	12	26	—	7	16	306
2019	53	100	10	74	45	4	14	13	21	334
Prior	734	605	765	189	214	171	47	144	19	2,888
Total	<u>\$ 1,155</u>	<u>\$ 1,132</u>	<u>\$ 975</u>	<u>\$ 622</u>	<u>\$ 534</u>	<u>\$ 411</u>	<u>\$ 78</u>	<u>\$ 231</u>	<u>\$ 80</u>	<u>\$ 5,218</u>

As of December 31, 2022										
Year of Origination	U.S. Region									Total
	Pacific	South Atlantic	Middle Atlantic	West South Central	Mountain	East North Central	New England	West North Central	East South Central	
2022	\$ 140	\$ 129	\$ 48	\$ 98	\$ 114	\$ 82	\$ 4	\$ 1	\$ 19	\$ 635
2021	99	72	134	143	112	138	9	48	22	777
2020	74	170	18	16	12	39	—	7	27	363
2019	58	106	10	77	46	5	14	13	21	350
2018	50	62	55	10	14	10	—	5	—	206
Prior	777	623	759	248	227	257	49	149	25	3,114
Total	<u>\$ 1,198</u>	<u>\$ 1,162</u>	<u>\$ 1,024</u>	<u>\$ 592</u>	<u>\$ 525</u>	<u>\$ 531</u>	<u>\$ 76</u>	<u>\$ 223</u>	<u>\$ 114</u>	<u>\$ 5,445</u>

**Voya Financial, Inc.**

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(Dollar amounts in millions, unless otherwise stated)

The following tables present the commercial mortgage loans by year of origination and property type as of the dates indicated. The information is updated as of December 31, 2023 and 2022, respectively.

<b>As of December 31, 2023</b>								
<b>Property Type</b>								
<b>Year of Origination</b>	<b>Retail</b>	<b>Industrial</b>	<b>Apartments</b>	<b>Office</b>	<b>Hotel/Motel</b>	<b>Other</b>	<b>Mixed Use</b>	<b>Total</b>
2023 .....	\$ 125	\$ 164	\$ 33	\$ 18	\$ 32	\$ —	\$ —	\$ 372
2022 .....	79	263	255	34	10	10	—	651
2021 .....	36	145	335	123	—	18	10	667
2020 .....	57	49	72	128	—	—	—	306
2019 .....	45	82	160	36	11	—	—	334
Prior .....	780	755	618	463	60	163	49	2,888
<b>Total .....</b>	<b>\$ 1,122</b>	<b>\$ 1,458</b>	<b>\$ 1,473</b>	<b>\$ 802</b>	<b>\$ 113</b>	<b>\$ 191</b>	<b>\$ 59</b>	<b>\$ 5,218</b>

<b>As of December 31, 2022</b>								
<b>Property Type</b>								
<b>Year of Origination</b>	<b>Retail</b>	<b>Industrial</b>	<b>Apartments</b>	<b>Office</b>	<b>Hotel/Motel</b>	<b>Other</b>	<b>Mixed Use</b>	<b>Total</b>
2022 .....	\$ 79	\$ 255	\$ 247	\$ 34	\$ 10	\$ 10	\$ —	\$ 635
2021 .....	37	168	420	125	—	18	9	777
2020 .....	58	61	93	151	—	—	—	363
2019 .....	46	85	165	40	14	—	—	350
2018 .....	37	84	56	12	—	17	—	206
Prior .....	888	757	679	513	69	156	52	3,114
<b>Total .....</b>	<b>\$ 1,145</b>	<b>\$ 1,410</b>	<b>\$ 1,660</b>	<b>\$ 875</b>	<b>\$ 93</b>	<b>\$ 201</b>	<b>\$ 61</b>	<b>\$ 5,445</b>

The following table summarizes the activity in the allowance for losses for commercial mortgage loans for the periods indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Allowance for credit losses, balance at January 1 .....	\$ 18	\$ 15
Credit losses on mortgage loans for which credit losses were not previously recorded .....	2	3
Increase (decrease) on mortgage loans with allowance recorded in previous period .....	9	—
Provision for expected credit losses .....	29	18
Write-offs .....	(3)	—
<b>Allowance for credit losses, end of period .....</b>	<b>\$ 26</b>	<b>\$ 18</b>

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The following table presents past due commercial mortgage loans as of the dates indicated:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>Delinquency:</b>		
Current .....	\$ 5,202	\$ 5,445
30-59 days past due .....	—	—
60-89 days past due .....	—	—
Greater than 90 days past due .....	16	—
Total .....	<u>\$ 5,218</u>	<u>\$ 5,445</u>

Commercial mortgage loans are placed on non-accrual status when 90 days in arrears if the Company has concerns regarding the collectability of future payments, or if a loan has matured without being paid off or extended. As of December 31, 2023, the Company had one loan in non-accrual status, with an LTV ratio of 100%. As of December 31, 2022, the Company had no commercial mortgage loans in non-accrual status. The amount of interest income recognized on loans in non-accrual status for the year ended December 31, 2023 was immaterial. There was no interest income recognized on loans in non-accrual status for the year ended December 31, 2022.

*Net Investment Income*

The following table summarizes Net investment income by investment type for the periods indicated:

	<b>Year Ended December 31,</b>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Fixed maturities .....	\$ 1,766	\$ 1,940	\$ 1,996
Equity securities .....	21	12	20
Mortgage loans on real estate .....	249	237	247
Policy loans .....	20	21	23
Short-term investments and cash equivalents .....	39	13	8
Limited partnerships and other .....	135	118	548
Gross investment income .....	<u>2,230</u>	<u>2,341</u>	<u>2,842</u>
Less: Investment expenses .....	71	60	68
Net investment income .....	<u>\$ 2,159</u>	<u>\$ 2,281</u>	<u>\$ 2,774</u>

For the years ended December 31, 2023 and 2022, the Company had \$10 and \$11, respectively, of investments in fixed maturities that did not produce net investment income. Fixed maturities are moved to a non-accrual status when the investment defaults.

*Net Gains (Losses)*

Net gains (losses) comprise the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to the credit-related and intent-related impairment of investments. Net gains (losses) are also primarily generated from changes in fair value of embedded derivatives within products and fixed maturities, changes in fair value of fixed maturities recorded at FVO and changes in fair value including accruals on derivative instruments, except for effective cash flow hedges. Net gains (losses) also include changes in fair value of trading debt securities and changes in fair value of equity securities. The cost of the investments on disposal is generally determined based on first-in-first-out ("FIFO") methodology.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

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Net gains (losses) were as follows for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Fixed maturities, available-for-sale, including securities pledged	\$ (31)	\$ (30)	\$ 1,791
Fixed maturities, at fair value option	(100)	(920)	(717)
Equity securities, at fair value	3	(39)	9
Derivatives	29	305	19
Embedded derivatives - fixed maturities	(1)	(9)	(8)
Other derivatives	—	—	1
Standalone derivatives	—	(12)	2
Managed custody guarantees	(2)	(5)	3
Stabilizer	(1)	19	30
Mortgage loans	(12)	—	182
Other investments	43	5	103
Net gains (losses)	<u>\$ (72)</u>	<u>\$ (686)</u>	<u>\$ 1,415</u>

The Company recorded a gain of \$45 in relation to its revaluation of the existing investment in Voya India which was recorded in Net gains (losses) in the Consolidated Statements of Operations for the year ended December 31, 2023.

Proceeds from the sale of fixed maturities, available-for-sale, and equity securities and the related gross realized gains and losses, before tax, were as follows for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Proceeds on sales	\$ 5,393	\$ 5,448	\$ 12,198
Gross gains	69	100	1,769
Gross losses	78	109	9

**3. Derivative Financial Instruments**

The Company primarily enters into the following types of derivatives:

*Interest rate swaps:* Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and/or liabilities. Interest rate swaps are also used to hedge the interest rate risk associated with the value of assets it owns or in an anticipation of acquiring them. Using interest rate swaps, the Company agrees with another party to exchange, at specified intervals, the difference between fixed rate and floating rate interest payments, calculated by reference to an agreed upon notional principal amount. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made to/from the counterparty at each due date. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

*Foreign exchange swaps:* The Company uses foreign exchange or currency swaps to reduce the risk of change in the value, yield or cash flows associated with certain foreign denominated invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows against U.S. dollar cash flows at regular periods, typically quarterly or semi-annually. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

*Total return swaps:* The Company uses total return swaps as a hedge of interest related risks within various Legacy Annuity and Retirement products. Total return swaps are also used as a hedge of other corporate liabilities. Using total return swaps, the Company agrees with another party to exchange, at specified intervals, the difference between the economic performance of

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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assets or a market index and a fixed or variable funding multiplied by reference to an agreed upon notional amount. No cash is exchanged at the onset of the contracts. Cash is paid and received over the life of the contract based upon the terms of the swaps. The Company utilizes these contracts in non-qualifying hedging relationships.

*Futures:* Futures contracts are used to hedge against a decrease in certain equity indices. Such decreases may correlate to a decrease in variable annuity account values which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. The Company also uses interest rate futures contracts to hedge its exposure to market risks due to changes in interest rates. The Company enters into exchange traded futures with regulated futures commissions that are members of the exchange. The Company also posts initial and variation margins, with the exchange, on a daily basis. The Company utilizes exchange-traded futures in non-qualifying hedging relationships. The Company may also use futures contracts as a hedge against an increase in certain equity indices.

*Embedded derivatives:* The Company also invests in certain fixed maturity instruments and has issued certain products that contain embedded derivatives for which market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity rates or credit ratings/spreads. In addition, the Company has entered into coinsurance with funds withheld arrangements, which contain embedded derivatives.

The Company utilizes derivative contracts mainly to hedge exposure to variability in cash flows, interest rate risk, credit risk, foreign exchange risk and equity market risk. The majority of derivatives used by the Company are designated as product hedges, which hedge the exposure arising from insurance liabilities or guarantees embedded in the contracts the Company offers through various product lines. The Company also uses derivatives contracts to hedge its exposure to various risks associated with the investment portfolio. The Company also uses credit default swaps coupled with other investments in order to produce the investment characteristics of otherwise permissible investments. Based on the notional amounts, a substantial portion of the Company's derivative positions was not designated or did not qualify for hedge accounting as part of a hedging relationship as outlined in ASC Topic 815 as of December 31, 2023 and 2022.

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The notional amounts and fair values of derivatives were as follows as of the dates indicated:

	December 31, 2023			December 31, 2022		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
<b>Derivatives: Qualifying for hedge accounting<sup>(1)</sup></b>						
Fair value hedges:						
Foreign exchange contracts	\$ 98	\$ —	\$ 4	\$ 81	\$ —	\$ 6
Cash flow hedges:						
Interest rate contracts	12	—	—	22	—	—
Foreign exchange contracts	718	33	7	718	71	2
<b>Derivatives: Non-qualifying for hedge accounting<sup>(1)</sup></b>						
Interest rate contracts	16,773	270	354	18,304	341	376
Foreign exchange contracts	183	4	2	160	9	2
Equity contracts	255	4	2	248	1	1
Credit contracts	137	—	2	174	—	2
<b>Embedded derivatives and Managed custody guarantees:</b>						
Within fixed maturity investments <sup>(2)</sup>	N/A	2	—	N/A	3	—
Within reinsurance agreements <sup>(4)</sup>	N/A	61	49	N/A	95	46
Managed custody guarantees <sup>(3)</sup>	N/A	—	8	N/A	—	6
Stabilizers <sup>(3)</sup>	N/A	—	1	N/A	—	—
Total		<u>\$ 374</u>	<u>\$ 429</u>		<u>\$ 520</u>	<u>\$ 441</u>

<sup>(1)</sup> Open derivative contracts are reported as Derivatives assets or liabilities at fair value on the Consolidated Balance Sheets.

<sup>(2)</sup> Included in Fixed maturities, available-for-sale, at fair value on the Consolidated Balance Sheets.

<sup>(3)</sup> Included in Contract owner account balances on the Consolidated Balance Sheets.

<sup>(4)</sup> Included in Other liabilities, Other assets, and Premium receivable and reinsurance recoverable on the Consolidated Balance Sheets.

N/A - Not applicable

The Company does not offset any derivative assets and liabilities in the Consolidated Balance Sheets. The disclosures set out in the table below include the fair values of Over-The-Counter (“OTC”) and cleared derivatives excluding exchange traded contracts subject to master netting agreements or similar agreements as of the dates indicated:

	Gross Amount Recognized <sup>(1)</sup>	Counterparty Netting <sup>(2)</sup>	Cash Collateral Netting <sup>(2)</sup>	Securities Collateral Netting <sup>(2)</sup>	Net receivables/payables
<b>December 31, 2023</b>					
Derivative assets	\$ 311	\$ (216)	\$ (76)	\$ (8)	11
Derivative liabilities	370	(216)	(150)	(3)	1
<b>December 31, 2022</b>					
Derivative assets	420	(295)	(64)	(6)	55
Derivative liabilities	389	(295)	(88)	(1)	5

<sup>(1)</sup> As of December 31, 2023, gross amounts exclude asset and liability exchange traded contracts of \$0 and \$1, respectively. As of December 31, 2022, gross amounts exclude asset and liability exchange traded contracts of \$2 and \$0, respectively.

<sup>(2)</sup> Represents the netting of receivable with payable balances, net of collateral, for the same counterparty under eligible netting agreements.

**Voya Financial, Inc.**

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*Collateral*

Under the terms of the OTC Derivative International Swaps and Derivatives Association, Inc. ("ISDA") agreements, the Company may receive from, or deliver to, counterparties collateral to assure that terms of the ISDA agreements will be met with regard to the Credit Support Annex ("CSA"). The terms of the CSA call for the Company to pay interest on any cash received equal to the Federal Funds rate. To the extent cash collateral is received and delivered, it is included in Payables under securities loan and repurchase agreements, including collateral held and Short-term investments under securities loan agreements, including collateral delivered, respectively, on the Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the CSA to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets.

As of December 31, 2023, the Company held \$84 and pledged \$147 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. As of December 31, 2022, the Company held \$56 and \$79 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. In addition, as of December 31, 2023, the Company delivered \$201 of securities and held \$11 of securities as collateral. As of December 31, 2022, the Company delivered \$142 of securities and held \$7 securities as collateral.

The location and effect of derivatives qualifying for hedge accounting on the Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income are as follows for the periods indicated:

	<b>Year Ended December 31,</b>					
	<b>2023</b>		<b>2022</b>		<b>2021</b>	
	<b>Interest Rate Contracts</b>	<b>Foreign Exchange Contracts</b>	<b>Interest Rate Contracts</b>	<b>Foreign Exchange Contracts</b>	<b>Interest Rate Contracts</b>	<b>Foreign Exchange Contracts</b>
Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Net investment income	Net investment income and Net gains (losses)	Net investment income	Net investment income and Net gains (losses)	Net investment income	Net investment income and Net gains (losses)
Amount of Gain or (Loss) Recognized in Other Comprehensive Income . . . . .	\$ —	\$ (43)	\$ (2)	\$ 70	\$ (1)	\$ 39
Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income . . . . .	—	10	—	11	—	4

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

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The location and amount of gain (loss) recognized in the Consolidated Statements of Operations for derivatives qualifying for hedge accounting are as follows for the periods indicated:

	<b>Year Ended December 31,</b>					
	<b>2023</b>		<b>2022</b>		<b>2021</b>	
	<b>Net investment Income</b>	<b>Net gains (losses)</b>	<b>Net investment Income</b>	<b>Net gains (losses)</b>	<b>Net investment Income</b>	<b>Net gains (losses)</b>
Total amounts of line items presented in the statements of operations in which the effects of fair value or cash flow hedges are recorded	\$ 2,159	\$ (72)	\$ 2,281	\$ (686)	\$ 2,774	\$ 1,415
Fair value hedges:						
Foreign exchange contracts:						
Hedged items	—	3	—	(6)	—	(5)
Derivatives designated as hedging instruments <sup>(1)</sup>	—	(1)	—	7	—	5
Cash flow hedges:						
Foreign exchange contracts:						
Gain (loss) reclassified from accumulated other comprehensive income into income	10	—	11	—	9	(5)

<sup>(1)</sup> For the years ended December 31, 2023 and 2022, \$2 and \$1, respectively, of the change in derivative instruments designated and qualifying as fair value hedges were excluded from the assessment of hedge effectiveness and recognized currently in earning. An immaterial portion of the change in derivative instruments designated and qualifying as fair value hedges was excluded from the assessment of hedge effectiveness and recognized currently in earnings for the year ended December 31, 2021.

The location and effect of derivatives not designated as hedging instruments on the Consolidated Statements of Operations are as follows for the periods indicated:

	<b>Location of Gain (Loss) Recognized on Derivative</b>	<b>Year Ended December 31,</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Derivatives: Non-qualifying for hedge accounting</b>				
Interest rate contracts	Net gains (losses)	\$ 15	\$ 334	\$ 4
Foreign exchange contracts	Net gains (losses)	—	(1)	(4)
Equity contracts	Net gains (losses)	14	(32)	17
Credit contracts	Net gains (losses)	1	(3)	2
<b>Embedded derivatives and Managed custody guarantees:</b>				
Within fixed maturity investments	Net gains (losses)	(1)	(9)	(8)
Within reinsurance agreements <sup>(1)</sup>	Policyholder benefits	(37)	217	77
Managed custody guarantees	Net gains (losses)	(2)	(5)	3
Stabilizers	Net gains (losses)	(1)	19	30
Total		<u>\$ (11)</u>	<u>\$ 520</u>	<u>\$ 121</u>

<sup>(1)</sup> For the years ended December 31, 2023, 2022, and 2021, the amount excludes gains (losses) from standalone derivatives of \$0, \$(12), and \$2, respectively, recognized in Net gains (losses).



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**Notes to the Consolidated Financial Statements**

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**4. Fair Value Measurements (excluding Consolidated Investment Entities)**

*Fair Value Measurement*

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Fixed maturities, including securities pledged:				
U.S. Treasuries .....	\$ 346	\$ 57	\$ —	\$ 403
U.S. Government agencies and authorities .....	—	55	1	56
State, municipalities and political subdivisions .....	—	771	—	771
U.S. corporate public securities .....	—	7,648	18	7,666
U.S. corporate private securities .....	—	3,234	1,526	4,760
Foreign corporate public securities and foreign governments <sup>(1)</sup> .....	—	2,702	—	2,702
Foreign corporate private securities <sup>(1)</sup> .....	—	2,376	436	2,812
Residential mortgage-backed securities .....	—	3,419	57	3,476
Commercial mortgage-backed securities .....	—	3,495	—	3,495
Other asset-backed securities .....	—	2,418	52	2,470
Total fixed maturities, including securities pledged .....	<u>346</u>	<u>26,175</u>	<u>2,090</u>	<u>28,611</u>
Equity securities .....	140	—	96	236
Derivatives:				
Interest rate contracts .....	7	263	—	270
Foreign exchange contracts .....	—	37	—	37
Equity contracts .....	—	4	—	4
Embedded derivative on reinsurance .....	—	61	—	61
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements .....	2,148	17	—	2,165
Assets held in separate accounts .....	87,180	5,605	348	93,133
Total assets .....	<u>\$ 89,821</u>	<u>\$ 32,162</u>	<u>\$ 2,534</u>	<u>\$ 124,517</u>
Liabilities:				
Contingent consideration .....	\$ —	\$ —	\$ 51	\$ 51
Stabilizer and MCGs .....	—	—	9	9
Derivatives:				
Interest rate contracts .....	—	354	—	354
Foreign exchange contracts .....	—	13	—	13
Equity contracts .....	—	2	—	2
Credit contracts .....	—	2	—	2
Embedded derivative on reinsurance .....	—	(9) <sup>(2)</sup>	58 <sup>(3)</sup>	49
Total liabilities .....	<u>\$ —</u>	<u>\$ 362</u>	<u>\$ 118</u>	<u>\$ 480</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> The Company classifies the embedded derivative within liabilities given the underlying nature of the balance and the right-of-offset.

<sup>(3)</sup> Represents the standalone derivative.

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(Dollar amounts in millions, unless otherwise stated)

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
Fixed maturities, including securities pledged:				
U.S. Treasuries .....	\$ 433	\$ 148	\$ —	\$ 581
U.S. Government agencies and authorities .....	—	58	1	59
State, municipalities and political subdivisions .....	—	845	—	845
U.S. corporate public securities .....	—	8,181	20	8,201
U.S. corporate private securities .....	—	2,891	1,801	4,692
Foreign corporate public securities and foreign governments <sup>(1)</sup> .....	—	2,946	3	2,949
Foreign corporate private securities <sup>(1)</sup> .....	—	2,602	432	3,034
Residential mortgage-backed securities .....	—	3,949	28	3,977
Commercial mortgage-backed securities .....	—	3,883	—	3,883
Other asset-backed securities .....	—	2,072	64	2,136
Total fixed maturities, including securities pledged .....	433	27,575	2,349	30,357
Equity securities .....	140	—	196	336
<b>Derivatives:</b>				
Interest rate contracts .....	2	339	—	341
Foreign exchange contracts .....	—	80	—	80
Equity contracts .....	—	1	—	1
Embedded derivative on reinsurance .....	—	95	—	95
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements .....	2,430	24	—	2,454
Assets held in separate accounts .....	74,600	5,227	347	80,174
Total assets .....	<u>\$ 77,605</u>	<u>\$ 33,341</u>	<u>\$ 2,892</u>	<u>\$ 113,838</u>
<b>Liabilities:</b>				
Contingent consideration .....	\$ —	\$ —	\$ 112	\$ 112
Stabilizer and MCGs .....	—	—	6	6
<b>Derivatives:</b>				
Interest rate contracts .....	3	373	—	376
Foreign exchange contracts .....	—	10	—	10
Equity contracts .....	—	1	—	1
Credit contracts .....	—	2	—	2
Embedded derivative on reinsurance .....	—	(12) <sup>(2)</sup>	58 <sup>(3)</sup>	46
Total liabilities .....	<u>\$ 3</u>	<u>\$ 374</u>	<u>\$ 176</u>	<u>\$ 553</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> The Company classifies the embedded derivative within liabilities given the underlying nature of the balance and the right-of-offset.

<sup>(3)</sup> Represents the standalone derivative.

*Valuation of Financial Assets and Liabilities at Fair Value*

Certain assets and liabilities are measured at estimated fair value on the Company's Consolidated Balance Sheets. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The exit price and the transaction (or entry) price will be the same at initial recognition in many circumstances. However, in certain cases, the transaction price may not represent fair value. The fair value of a liability is based on the amount that would be paid to transfer a liability to a third-party with an equal credit standing. Fair value is required to be a market-based measurement that is determined based on a hypothetical transaction at the measurement date, from a market participant's perspective. The Company considers three broad valuation approaches when a quoted price is unavailable: (i) the market approach, (ii) the income approach and (iii) the cost approach. The Company determines the most appropriate valuation technique to use, given the instrument being measured and the availability of sufficient inputs. The Company prioritizes the inputs to fair valuation approaches and allows for the use of unobservable inputs to the extent that observable inputs are not available.

The Company utilizes a number of valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of exit price and the fair value hierarchy as prescribed in ASC Topic 820. Valuations are obtained from third-party commercial pricing services, brokers and industry-standard, vendor-provided software that models the value based on market observable inputs. The valuations obtained from third-party commercial pricing services are non-binding. The Company reviews the assumptions and inputs used by third-party commercial pricing services for each reporting period in order to determine an appropriate fair value hierarchy level. The documentation and analysis obtained from third-party commercial pricing services are reviewed by the Company, including in-depth validation procedures confirming the observability of inputs. The valuations are reviewed and validated monthly through the internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes.

When available, the fair value of the Company's financial assets and liabilities are based on quoted prices of identical assets in active markets and therefore, reflected in Level 1. The valuation approaches and key inputs for each category of assets or liabilities that are classified within Level 2 and Level 3 of the fair value hierarchy are presented below.

For fixed maturities classified as Level 2 assets, fair values are determined using a matrix-based market approach, based on prices obtained from third-party commercial pricing services and the Company's matrix and analytics-based pricing models, which in each case incorporate a variety of market observable information as valuation inputs. The market observable inputs used for these fair value measurements, by fixed maturity asset class, are as follows:

*U.S. Treasuries:* Fair value is determined using third-party commercial pricing services, with the primary inputs being stripped interest and principal U.S. Treasury yield curves that represent a U.S. Treasury zero-coupon curve.

*U.S. government agencies and authorities, State, municipalities and political subdivisions:* Fair value is determined using third-party commercial pricing services, with the primary inputs being U.S. Treasury yield curves, trades of comparable securities, credit spreads off benchmark yields and issuer ratings.

*U.S. corporate public securities, Foreign corporate public securities and foreign governments:* Fair value is determined using third-party commercial pricing services, with the primary inputs being benchmark yields, trades of comparable securities, issuer ratings, bids and credit spreads off benchmark yields.

*U.S. corporate private securities and Foreign corporate private securities:* Fair values are determined using a matrix and analytics-based pricing model. The model incorporates the current level of risk-free interest rates, current corporate credit spreads, credit quality of the issuer and cash flow characteristics of the security. The model also considers a liquidity spread, the value of any collateral, the capital structure of the issuer, the presence of guarantees, and prices and quotes for comparably rated publicly traded securities.

*RMBS, CMBS and ABS:* Fair value is determined using third-party commercial pricing services, with the primary inputs being credit spreads off benchmark yields, prepayment speed assumptions, current and forecasted loss severity, debt service coverage ratios, collateral type, payment priority within tranche and the vintage of the loans underlying the security.

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Generally, the Company does not obtain more than one vendor price from pricing services per instrument. The Company uses a hierarchy process in which prices are obtained from a primary vendor and, if that vendor is unable to provide the price, the next vendor in the hierarchy is contacted until a price is obtained or it is determined that a price cannot be obtained from a commercial pricing service. When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3.

Fair values of privately placed bonds are determined primarily using a matrix-based pricing model and are generally classified as Level 2 assets. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees and the Company's evaluation of the borrower's ability to compete in its relevant market. Using this data, the model generates estimated market values, which the Company considers reflective of the fair value of each privately placed bond.

*Equity securities:* Level 2 and Level 3 equity securities, typically private equities or equity securities not traded on an exchange, are valued by other sources such as analytics or brokers.

*Derivatives:* Derivatives are carried at fair value, which is determined using the Company's derivative accounting system in conjunction with observable key financial data from third-party sources, such as yield curves, exchange rates, S&P 500 Index prices, London Interbank Offered Rates ("LIBOR"), Overnight Index Swap ("OIS") rates, and Secured Overnight Financing Rate ("SOFR"). The Company uses SOFR discounting for valuations of interest rate derivatives; however, certain legacy positions may continue to be discounted on OIS. The Company uses OIS for valuations of collateralized interest rate derivatives, which are obtained from third-party sources. For those derivatives that are unable to be valued by the accounting system, the Company typically utilizes values established by third-party brokers. Counterparty credit risk is considered and incorporated in the Company's valuation process through counterparty credit rating requirements and monitoring of overall exposure. It is the Company's policy to transact only with investment grade counterparties with a credit rating of A- or better. The Company's nonperformance risk is also considered and incorporated in the Company's valuation process. The Company also has certain credit default swaps and options that are priced by third party vendors or by using models that primarily use market observable inputs, but contain inputs that are not observable to market participants, which have been classified as Level 3. The remaining derivative instruments are valued based on market observable inputs and are classified as Level 2.

*Contingent consideration:* The fair value of the contingent consideration liability associated with the Company's acquisitions uses unobservable inputs and as such are reported as Level 3. Unobservable inputs include projected revenues, duration of earnouts and other metrics as well as discount rate. Changes in the fair value of the contingent consideration are recorded in Operating expenses in the Company's Consolidated Statements of Operations.

*Stabilizer and MCGs:* The Company records reserves for Stabilizer and MCG contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The estimated fair value is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions. These derivatives are classified as Level 3 liabilities.

The discount rate used to determine the fair value of the Company's Stabilizer embedded derivative liabilities and MCG stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk"). The nonperformance risk adjustment incorporates a blend of observable, similarly rated peer holding company credit spreads, adjusted to reflect the credit quality of the individual insurance subsidiary that issued the guarantee, as well as an adjustment to reflect the non-default spreads and the priority and recovery rates of policyholder claims.

*Embedded derivatives on reinsurance:* The carrying value of embedded derivatives is estimated based upon the change in the fair value of the assets supporting the funds withheld payable under reinsurance agreements. The fair value of the embedded derivative is based on market observable inputs and is classified as Level 2. The remaining derivative instruments are classified as Level 3 and are estimated using the income approach. The fair value is calculated by estimating future cash flows for a

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certain discrete projection period, estimating the terminal value, if appropriate, and discounting these amounts to present value at a rate of return that considers the relative risk of the cash flows and the time value of money.

*Level 3 Financial Instruments*

The fair values of certain assets and liabilities are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (i.e., Level 3 as defined by ASC Topic 820), including but not limited to liquidity spreads for investments within markets deemed not currently active. These valuations, whether derived internally or obtained from a third-party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability. In addition, the Company has determined, for certain financial instruments, an active market is such a significant input to determine fair value that the presence of an inactive market may lead to classification in Level 3. In light of the methodologies employed to obtain the fair values of financial assets and liabilities classified as Level 3, additional information is presented below.

*Significant Unobservable Inputs*

The Company's Level 3 fair value measurements of its fixed maturities, equity securities and equity and credit derivative contracts are primarily based on broker quotes for which the quantitative detail of the unobservable inputs is neither provided nor reasonably corroborated, thus negating the ability to perform a sensitivity analysis. The Company performs a review of broker quotes by performing a monthly price variance comparison and back tests broker quotes to recent trade prices.

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The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities and transfers in and out of Level 3 for the period indicated:

	Year Ended December 31, 2023											
	Fair Value as of January 1	Net Income	OCI	Purchases	Issuances	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Fair Value as of December 31	Change In Unrealized Gains (Losses) Included in Earnings <sup>(3)</sup>	Change In Unrealized Gains (Losses) Included in OCI <sup>(3)</sup>
Fixed maturities, including securities pledged:												
U.S. Government agencies and authorities	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ —
U.S. corporate public securities	20	1	—	—	—	—	—	—	(3)	18	—	—
U.S. corporate private securities	1,801	1	22	142	—	(4)	(219)	79	(296)	1,526	1	19
Foreign corporate public securities and foreign governments <sup>(1)</sup>	3	—	—	—	—	—	—	—	(3)	—	—	—
Foreign corporate private securities <sup>(1)</sup>	432	3	9	129	—	(14)	(167)	51	(7)	436	3	8
Residential mortgage-backed securities	28	(4)	—	31	—	—	—	2	—	57	(3)	—
Other asset-backed securities	64	—	1	15	—	(2)	(4)	—	(22)	52	—	—
Total fixed maturities including securities pledged	2,349	1	32	317	—	(20)	(390)	132	(331)	2,090	1	27
Equity securities, at fair value	196	(3)	—	3	—	—	(100)	—	—	96	(3)	—
Contingent consideration	(112)	61 <sup>(5)</sup>	—	—	—	—	—	—	—	(51)	—	—
Stabilizer and MCGs <sup>(2)</sup>	(6)	(1)	—	—	(2)	—	—	—	—	(9)	—	—
Embedded derivatives on reinsurance	(58)	—	—	—	—	—	—	—	—	(58)	—	—
Assets held in separate accounts <sup>(4)</sup>	347	1	—	8	—	(21)	—	14	(1)	348	—	—

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Net gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> For financial instruments still held as of December 31 amounts are included in Net investment income and Net gains (losses) in the Consolidated Statements of Operations or Unrealized gains (losses) on securities in the Consolidated Statements of Comprehensive Income.

<sup>(4)</sup> The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

<sup>(5)</sup> Represents the reduction in expected earn out associated with a prior acquisition within the Investment Management segment. This change is included within Operating expenses in the Consolidated Statements of Operations.

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Year Ended December 31, 2022											
	Fair Value as of January 1	Realized/Unrealized Gains (Losses) Included in:			Settlements	Sales	Transfers into Level 3	Transfers out of Level 3	Fair Value as of December 31	Change In Unrealized Gains (Losses) Included in Earnings <sup>(3)</sup>	Change In Unrealized Gains (Losses) Included in OCI <sup>(5)</sup>
		Net Income	OCI	Purchases							
Fixed maturities, including securities pledged:											
U.S. Government agencies and authorities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ —	\$ —
U.S. corporate public securities	16	(1)	11	—	—	—	(6)	20	—	—	(1)
U.S. corporate private securities	1,910	(3)	342	—	(219)	145	(10)	1,801	(3)	(361)	(361)
Foreign corporate public securities and foreign governments <sup>(1)</sup>	—	—	3	—	—	—	—	3	—	—	—
Foreign corporate private securities <sup>(1)</sup>	353	(23)	158	—	(50)	148	(114)	432	(4)	(40)	(40)
Residential mortgage-backed securities	43	(20)	7	—	—	—	(2)	28	(20)	—	—
Other asset-backed securities	44	(1)	62	—	(29)	—	—	64	(1)	(4)	(4)
Total fixed maturities including securities pledged	2,366	(47)	583	—	(277)	294	(132)	2,349	(28)	(406)	(406)
Equity securities, at fair value	203	(34)	27	—	—	—	—	196	(34)	—	—
Contingent consideration	(11)	(2)	—	(99)	—	—	—	(112)	—	—	—
Stabilizer and MCGs <sup>(2)</sup>	(20)	16	—	(2)	—	—	—	(6)	—	—	—
Embedded derivatives on reinsurance	(87)	(12)	—	—	41	—	—	(58)	—	—	—
Assets held in separate accounts <sup>(4)</sup>	316	(35)	191	—	(27)	6	(104)	347	—	—	—

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Net gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> For financial instruments still held as of December 31, amounts are included in Net investment income and Net gains (losses) in the Consolidated Statements of Operations or Unrealized gains (losses) on securities in the Consolidated Statements of Comprehensive Income.

<sup>(4)</sup> The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

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For the years ended December 31, 2023 and 2022, the transfers in and out of Level 3 for fixed maturities were due to the variation in inputs relied upon for valuation each quarter. Securities that are primarily valued using independent broker quotes when prices are not available from one of the commercial pricing services are reflected as transfers into Level 3. When securities are valued using more widely available information, the securities are transferred out of Level 3 and into Level 1 or 2, as appropriate.

*Other Financial Instruments*

The following disclosures are made in accordance with the requirements of ASC Topic 825 which requires disclosure of fair value information about financial instruments, whether or not recognized at fair value on the Consolidated Balance Sheets. ASC Topic 825 excludes certain financial instruments, including insurance contracts and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The carrying values and estimated fair values of the Company's financial instruments as of the dates indicated:

	December 31, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets:</b>				
Fixed maturities, including securities pledged	\$ 28,611	\$ 28,611	\$ 30,357	\$ 30,357
Equity securities	236	236	336	336
Mortgage loans on real estate	5,218	4,941	5,445	5,149
Policy loans	352	352	363	363
Cash, cash equivalents, short-term investments and short-term investments under securities loan agreements	2,165	2,165	2,454	2,454
Derivatives	311	311	422	422
Embedded derivatives on reinsurance	61	61	95	95
Other investments	64	64	68	68
Assets held in separate accounts	93,133	93,133	80,174	80,174
<b>Liabilities:</b>				
Investment contract liabilities:				
Funding agreements without fixed maturities and deferred annuities <sup>(1)</sup>	\$ 32,848	\$ 34,856	\$ 35,707	\$ 36,385
Funding agreements with fixed maturities	1,175	1,178	1,285	1,281
Supplementary contracts, immediate annuities and other	628	571	727	636
Stabilizer and MCGs	9	9	6	6
Derivatives	371	371	389	389
Embedded derivatives on reinsurance	49	49	46	46
Short-term debt	1	1	141	142
Long-term debt	2,097	1,998	2,094	1,935

<sup>(1)</sup> Certain amounts included in Funding agreements without fixed maturities and deferred annuities are also reflected within the Stabilizer and MCGs section of the table above.



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The following table presents the classification of financial instruments which are not carried at fair value on the Consolidated Balance Sheets:

<b>Financial Instrument</b>	<b>Classification</b>
Mortgage loans on real estate .....	Level 3
Policy loans .....	Level 2
Other investments .....	Level 2
Funding agreements without fixed maturities and deferred annuities .....	Level 3
Funding agreements with fixed maturities .....	Level 2
Supplementary contracts and immediate annuities .....	Level 3
Short-term debt and Long-term debt .....	Level 2

**5. Deferred Policy Acquisition Costs and Value of Business Acquired**

The following tables present a rollforward of DAC and VOBA for the periods indicated:

	<b>DAC</b>		<b>VOBA</b>
	<b>Wealth Solutions Deferred and Individual Annuities</b>		
		<b>Businesses exited</b>	
Balance as of January 1, 2021 .....	\$ 690	\$ 1,290	\$ 705
Deferrals of commissions and expenses .....	61	1	6
Amortization expense .....	(60)	(133)	(238)
Balance as of December 31, 2021 .....	\$ 691	\$ 1,158	\$ 473
Deferrals of commissions and expenses .....	59	—	5
Amortization expense .....	(59)	(115)	(39)
Balance as of December 31, 2022 .....	\$ 691	\$ 1,043	\$ 439
Deferrals of commissions and expenses .....	59	—	4
Amortization expense .....	(55)	(105)	(37)
Balance as of December 31, 2023 .....	\$ 695	\$ 938	\$ 406

The following table shows a reconciliation of DAC and VOBA balances to the Consolidated Balance Sheets for the periods indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
DAC:		
Wealth Solutions Deferred and Individual Annuities .....	\$ 695	\$ 691
Businesses exited .....	938	1,043
Other <sup>(1)</sup> .....	211	190
VOBA .....	406	439
Total .....	\$ 2,250	\$ 2,363

<sup>(1)</sup>Substantially all of this balance is comprised of the Health Solutions segment.

There was no loss recognition for VOBA during 2023 and 2022. During 2021, the Company recorded loss recognition of \$179 for VOBA, recorded in Net amortization of DAC/VOBA.

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The estimated amount of VOBA amortization expense, net of interest, during the next five years is presented in the following table. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results and/or changes in best estimates of future results.

Year	Amount
2024	\$ 32
2025	30
2026	27
2027	25
2028	23

**6. Reserves for Future Policy Benefits and Contract Owner Account Balances**

Health Solutions Group products include long duration supplemental term life, accidental death and dismemberment insurance, as well as long term and short term disability benefits. Health Solutions Voluntary products include long duration whole life insurance, critical illness, and accident insurance. The balances and changes in the liability for future policy benefits for Health Solutions Group, Health Solutions Voluntary and Businesses Exited are presented in the tables below as of December 31, 2023 and 2022:

	Health Solutions Group		Health Solutions Voluntary		Businesses Exited	
	2023	2022	2023	2022	2023	2022
<b>Present Value of Expected Net Premiums:</b>						
Balance at January 1	\$ 77	\$ 93	\$ 97	\$ 105	\$ 4,244	\$ 5,634
Beginning balance at original discount rate	84	85	100	92	4,128	4,226
Effect of change in cash flow assumptions	(6)	(7)	6	—	(921)	(69)
Effect of actual variances from expected experience	11	23	8	20	(91)	86
Adjusted balance at January 1	89	101	114	112	3,116	4,243
Interest accrual	2	2	4	4	196	230
Net premiums collected <sup>(1)</sup>	(20)	(19)	(16)	(16)	(320)	(345)
Ending balance at original discount rate	71	84	102	100	2,992	4,128
Effects of changes in discount rate assumptions	(3)	(7)	(1)	(3)	153	116
Balance at end of period	<u>\$ 68</u>	<u>\$ 77</u>	<u>\$ 101</u>	<u>\$ 97</u>	<u>\$ 3,145</u>	<u>\$ 4,244</u>

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**Present Value of Expected Future Policy Benefits:**

Balance at January 1	\$ 881	\$ 1,048	\$ 285	\$ 359	\$ 8,639	\$ 11,444
Beginning balance at original discount rate	913	952	294	290	8,644	9,079
Effect of change in cash flow assumptions	(8)	(43)	13	(2)	(805)	(77)
Effect of actual variances from expected experience	(16)	(27)	9	11	(123)	(52)
Adjusted balance at January 1	889	882	316	299	7,716	8,950
Issuances	136	139	—	—	17	13
Interest accrual	24	25	14	14	412	458
Benefit payments	(131)	(133)	(23)	(19)	(741)	(777)
Ending balance at original discount rate	918	913	307	294	7,404	8,644
Effects of changes in discount rate assumptions	(19)	(32)	—	(9)	134	(5)
Balance at end of period	<u>\$ 899</u>	<u>\$ 881</u>	<u>\$ 307</u>	<u>\$ 285</u>	<u>\$ 7,538</u>	<u>\$ 8,639</u>
Net liability for future policy benefits	\$ 831	\$ 804	\$ 206	\$ 188	\$ 4,392	\$ 4,395
Less: Reinsurance recoverable	315	283	—	—	4,342	4,411
Net liability for future policy benefits, after reinsurance recoverable	<u>\$ 516</u>	<u>\$ 521</u>	<u>\$ 206</u>	<u>\$ 188</u>	<u>\$ 50</u>	<u>\$ (16)</u>

<sup>(1)</sup> Net Premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected benefit payments.

The reconciliation of the net liability for future policy benefits to the liability for future policy benefits in the Consolidated Balance Sheets is presented below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Health Solutions Group	\$ 831	\$ 804
Health Solutions Voluntary	206	188
Businesses Exited - Future policy benefits	4,392	4,395
Businesses Exited – Additional liability	2,001	2,107
Other	2,130	2,225
Total	<u>\$ 9,560</u>	<u>\$ 9,719</u>

The amount of undiscounted expected gross premiums and future benefit payments is presented in the table below:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Undiscounted</u>	<u>Discounted</u>	<u>Undiscounted</u>	<u>Discounted</u>
<b>Health Solutions Group</b>				
Expected future benefit payments	\$ 1,144	\$ 918	\$ 1,141	\$ 913
Expected future gross premiums	271	214	286	231
<b>Health Solutions Voluntary</b>				
Expected future benefit payments	668	307	588	294
Expected future gross premiums	341	213	307	205

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents a rollforward of the additional reserve liability for Businesses exited for the periods indicated:

	<b>Businesses exited</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Balance at beginning of period	\$ 2,107	\$ 1,715
Effect of change in cash flow assumptions	(44)	540
Effect of actual variances from expected experience	(100)	15
Adjusted balance at January 1	1,963	2,270
Interest accrual	84	80
Excess Benefits	(417)	(427)
Assessments	371	184
Balance at end of period	2,001	2,107
Less: Reinsurance recoverable	1,950	2,054
Net additional liability, after reinsurance recoverable	<u>\$ 51</u>	<u>\$ 53</u>

The following table presents the weighted average duration of the liability for future policy benefits and the weighted average interest rates for the periods indicated:

	<b>Health Solutions Group</b>		<b>Health Solutions Voluntary</b>		<b>Businesses Exited</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Weighted average duration (in years) <sup>(1)</sup>	7	7	14	14	8	8
Interest accretion rate	4.0 %	4.1 %	5.2 %	5.3 %	4.9 %	5.0 %
Current discount rate	4.9 %	5.2 %	5.1 %	5.4 %	5.1 %	5.7 %

<sup>(1)</sup> Weighted average duration (in years) for Businesses Exited includes additional liability.

The weighted average interest rates for the additional liability related to businesses exited were 4.2% and 4.3% for the periods ended December 31, 2023 and 2022, respectively.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents a rollforward of Contract owner account balances for the periods indicated:

	<b>Wealth Solutions Deferred Group and Individual Annuity</b>		<b>Businesses Exited</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Balance at January 1 .....	\$ 33,622	\$ 33,044	\$ 5,146	\$ 5,532
Deposits .....	2,309	2,962	288	310
Fee income .....	(9)	(8)	(373)	(384)
Surrenders, withdrawals and benefits .....	(5,663)	(4,424)	(577)	(462)
Net transfers (from) to the general account <sup>(2)</sup> .....	(5)	1,174	10	—
Interest credited .....	885	874	141	150
Ending Balance .....	<u>\$ 31,139</u>	<u>\$ 33,622</u>	<u>\$ 4,635</u>	<u>\$ 5,146</u>
Weighted-average crediting rate .....	2.8 %	2.6 %	2.5 %	2.5 %
Net amount at risk <sup>(1)</sup> .....	\$ 123	\$ 199	\$ 734	\$ 900
Cash surrender value .....	\$ 30,676	\$ 33,125	\$ 1,491	\$ 1,824

<sup>(1)</sup> For those guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date and is calculated at a contract level. When a contract has both a living benefit and a death benefit, the Company calculates NAR at a contract level and aggregates the higher of the two values together.

<sup>(2)</sup> Net transfers (from) to the general account for Wealth Solutions includes transfers of \$(523) and \$(801) for 2023 and 2022, respectively related to Voya-managed institutional/mutual fund plan assets in trust that are not reflected on the Consolidated Balance Sheets.

The following table shows a reconciliation of the Contract owner account balances to the Consolidated Balance Sheets for the periods indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Wealth Solutions Deferred group and individual annuity .....	\$ 31,139	\$ 33,622
Businesses exited .....	4,635	5,146
Other .....	3,400	3,687
Total .....	<u>\$ 39,174</u>	<u>\$ 42,455</u>

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes detail on the differences between the interest rate being credited to contract holders as of the periods indicated, and the respective guaranteed minimum interest rates ("GMIRs"):

	Account Value <sup>(1)</sup>						Total
	Excess of crediting rate over GMIR						
	At GMIR	Up to .50% Above GMIR	0.51% - 1.00% Above GMIR	1.01% - 1.50% Above GMIR	1.51% - 2.00% Above GMIR	More than 2.00% Above GMIR	
<b>As of December 31, 2023</b>							
Up to 1.00% .....	\$ 120	\$ 5,070	\$ 3,460	\$ 2,215	\$ 863	\$ 800	\$ 12,528
1.01% - 2.00% .....	527	131	50	8	3	6	725
2.01% - 3.00% .....	11,225	93	63	108	—	3	11,492
3.01% - 4.00% .....	8,873	152	—	6	—	—	9,031
4.01% and Above .....	1,566	83	—	—	—	—	1,649
Renewable beyond 12 months (MYGA) <sup>(2)</sup> .....	428	—	—	—	3	—	431
Total discretionary rate setting products .....	<u>\$ 22,739</u>	<u>\$ 5,529</u>	<u>\$ 3,573</u>	<u>\$ 2,337</u>	<u>\$ 869</u>	<u>\$ 809</u>	<u>\$ 35,856</u>
<b>As of December 31, 2022</b>							
Up to 1.00% .....	\$ 5,848	\$ 2,967	\$ 1,907	\$ 1,112	\$ 1,462	\$ 102	\$ 13,398
1.01% - 2.00% .....	707	51	35	2	2	7	804
2.01% - 3.00% .....	12,677	56	47	109	—	3	12,892
3.01% - 4.00% .....	9,448	153	—	—	—	—	9,601
4.01% and Above .....	1,643	87	—	—	—	—	1,730
Renewable beyond 12 months (MYGA) <sup>(2)</sup> .....	402	—	—	—	3	—	405
Total discretionary rate setting products .....	<u>\$ 30,725</u>	<u>\$ 3,314</u>	<u>\$ 1,989</u>	<u>\$ 1,223</u>	<u>\$ 1,467</u>	<u>\$ 112</u>	<u>\$ 38,830</u>

<sup>(1)</sup> Includes only the account values for investment spread products with GMIRs and discretionary crediting rates, net of policy loans. Excludes Stabilizer products, which are fee based.

<sup>(2)</sup> Represents multi year guaranteed annuity ("MYGA") contracts with renewal dates after December 31, 2023 and 2022 on which we are required to credit interest above the contractual GMIR for at least the next twelve months.

**7. Reinsurance**

The Company reinsures its business through a diversified group of reinsurers. However, the Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements. The Company monitors trends in arbitration and any litigation outcomes with its reinsurers. Collectability of reinsurance balances are evaluated by monitoring ratings and evaluating the financial strength of its reinsurers. Large reinsurance recoverable balances with offshore or other non-accredited reinsurers are secured through various forms of collateral, including secured trusts, funds withheld accounts and irrevocable letters of credit ("LOC").

**Voya Financial, Inc.**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

Information regarding the effect of reinsurance on the Consolidated Balance Sheets is as follows as of the periods indicated:

	<b>December 31, 2023</b>			
	<b>Direct</b>	<b>Assumed</b>	<b>Ceded</b>	<b>Total, Net of Reinsurance</b>
<b>Assets</b>				
Premiums receivable .....	\$ 193	\$ 9	\$ (219)	\$ (17)
Reinsurance recoverable, net of allowance for credit losses ..	—	—	11,999	11,999
<b>Total</b> .....	<b>\$ 193</b>	<b>\$ 9</b>	<b>\$ 11,780</b>	<b>\$ 11,982</b>
<b>Liabilities</b>				
Future policy benefits and contract owner account balances ..	\$ 47,781	\$ 953	—	\$ 48,734
Liability for funds withheld under reinsurance agreements ..	103	—	—	103
<b>Total</b> .....	<b>\$ 47,884</b>	<b>\$ 953</b>	<b>\$ —</b>	<b>\$ 48,837</b>
<b>December 31, 2022</b>				
	<b>Direct</b>	<b>Assumed</b>	<b>Ceded</b>	<b>Total, Net of Reinsurance</b>
<b>Assets</b>				
Premiums receivable .....	\$ 172	\$ 11	\$ (212)	\$ (29)
Reinsurance recoverable, net of allowance for credit losses ..	—	—	12,455	12,455
<b>Total</b> .....	<b>\$ 172</b>	<b>\$ 11</b>	<b>\$ 12,243</b>	<b>\$ 12,426</b>
<b>Liabilities</b>				
Future policy benefits and contract owner account balances ..	\$ 51,137	\$ 1,037	\$ —	\$ 52,174
Liability for funds withheld under reinsurance agreements ..	104	—	—	104
<b>Total</b> .....	<b>\$ 51,241</b>	<b>\$ 1,037</b>	<b>\$ —</b>	<b>\$ 52,278</b>

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Information regarding the effect of reinsurance on the Consolidated Statements of Operations is as follows for the periods indicated:

	Year ended December 31,		
	2023	2022	2021
<b>Premiums:</b>			
Direct premiums .....	\$ 3,599	\$ 3,257	\$ 3,007
Reinsurance assumed .....	26	25	26
Reinsurance ceded .....	(908)	(859)	(6,421)
Net premiums .....	<u>\$ 2,717</u>	<u>\$ 2,423</u>	<u>\$ (3,388)</u>
<b>Fee income:</b>			
Gross fee income .....	\$ 2,303	\$ 2,137	\$ 2,215
Reinsurance assumed .....	17	18	18
Reinsurance ceded .....	(404)	(413)	(420)
Net fee income .....	<u>\$ 1,916</u>	<u>\$ 1,742</u>	<u>\$ 1,813</u>
<b>Interest credited and other benefits to contract owners / policyholders:</b>			
Direct interest credited and other benefits to contract owners / policyholders .....	\$ 4,322	\$ 4,448	\$ 4,847
Reinsurance assumed .....	64	50	72
Reinsurance ceded .....	(1,350)	(1,970)	(7,107)
Net interest credited and other benefits to contract owners / policyholders .....	<u>\$ 3,036</u>	<u>\$ 2,528</u>	<u>\$ (2,188)</u>

The Company has indemnity coinsurance and modified coinsurance arrangements with Security Life of Denver Company ("SLD") pursuant to a series of transactions entered into in 2021. Under these agreements, SLD contractually assumed individual life and annuity policyholder liabilities and obligations, although the Company remains obligated to contract owners. Reinsurance recoverable related to these agreements was \$9.2 billion and \$9.5 billion as of December 31, 2023 and 2022, respectively, on the Consolidated Balance Sheets. The revenues and net results of the Individual Life and Annuities businesses that are disposed of via reinsurance are reported in businesses exited through reinsurance or divestment which is an adjustment to the Company's U.S. GAAP revenues and earnings measures to calculate Adjusted operating revenues and Adjusted operating earnings before income taxes, respectively.

The Company has an indemnity reinsurance arrangement with a subsidiary of Lincoln National Corporation ("Lincoln") related to a block of its individual life insurance business. Under the agreement, Lincoln contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contract owners. Reinsurance recoverable related to this reinsurance agreement was \$1 billion as of December 31, 2023 and 2022 on the Consolidated Balance Sheets.

If the Company determines that a reinsurance agreement does not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk, the Company records the agreement using the deposit method of accounting. As of December 31, 2023 and December 31, 2022, the Company had a deposit asset net of the allowance for credit losses of \$1.2 billion and \$1.5 billion, respectively, which is reported in Other assets on the Consolidated Balance Sheets.



**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

**8. Separate Accounts**

The following tables present a rollforward of Separate account liabilities for the Wealth Solutions stabilizer and deferred annuity business, including a reconciliation to the Consolidated Balance Sheets, for the periods indicated:

	December 31, 2023			December 31, 2022		
	Wealth Solutions Stabilizer	Wealth Solutions Deferred Annuity	Total	Wealth Solutions Stabilizer	Wealth Solutions Deferred Annuity	Total
Balance at January 1	\$ 7,196	\$ 69,152	\$ 76,348	\$ 8,091	\$ 86,927	\$ 95,018
Premiums and deposits	940	10,052	10,992	957	9,177	10,134
Fee income	(34)	(426)	(460)	(34)	(423)	(457)
Surrenders, withdrawals and benefits	(1,342)	(9,631)	(10,973)	(1,025)	(8,470)	(9,495)
Net transfers (from) to the separate account	—	(518)	(518)	—	(2,015)	(2,015)
Investment performance	415	13,681	14,096	(793)	(16,044)	(16,837)
Balance at end of period	<u>\$ 7,175</u>	<u>\$ 82,310</u>	<u>\$ 89,485</u>	<u>\$ 7,196</u>	<u>\$ 69,152</u>	<u>\$ 76,348</u>
Reconciliation to Consolidated Balance Sheets:						
Other			3,648			3,826
Total Separate Account liabilities			<u>\$ 93,133</u>			<u>\$ 80,174</u>

Stabilizer products allow the contract holder to select either the market value of the accounts or the book value of the account at termination. The book value of the account is equal to deposits plus interest, less any withdrawals. The fair value is estimated using the income approach.

Cash surrender value represents the amount of the contract holders' account balances distributable at the balance sheet date, less certain surrender charges. The cash surrender value for Wealth Solutions deferred annuity products was \$82,286 and \$69,121, as of December 31, 2023 and 2022, respectively.

The aggregate fair value of assets, by major investment asset category, supporting separate accounts were as follows for the periods indicated:

	December 31, 2023	December 31, 2022
US Treasury securities and obligations of US government corporations and agencies	\$ 1,015	\$ 1,586
Corporate and foreign debt securities	2,528	2,307
Mortgage-backed securities	3,231	3,434
Equity securities (including mutual funds)	85,916	72,309
Cash, cash equivalents and short-term investments	399	311
Receivable for securities and accruals	44	227
Total	<u>\$ 93,133</u>	<u>\$ 80,174</u>

## 9. Segments

The Company provides its principal products and services through three segments: Wealth Solutions, Health Solutions and Investment Management. The Company's chief operating decision maker views and manages the business through these three segments.

The Wealth Solutions segment provides tax-deferred, employer-sponsored retirement plans and administrative services to corporate, education, healthcare, other non-profit and government entities, and stable value products to institutional clients where the Company may or may not be providing defined contribution products and services, as well as individual retirement accounts ("IRAs"), other retail financial products and comprehensive financial services to individual customers.

The Health Solutions segment provides stop loss, group life, voluntary employee-paid and disability products to mid-sized and large businesses as well as benefit administration software solutions to employers and health plans. On January 24, 2023, the Company completed its acquisition of Benefitfocus. The financial results of Benefitfocus are reported in the Health Solutions segment for periods after the acquisition.

The Investment Management segment provides investment products and retirement solutions across a broad range of geographies, market sectors, investment styles and capitalization spectrums. Products and services are offered to institutional clients, including public, corporate and union retirement plans, endowments and foundations and insurance companies, as well as individual investors and general accounts of the Company's insurance subsidiaries and are distributed through the Company's direct sales force, consultant channel and intermediary partners (such as banks, broker-dealers and independent financial advisers).

The Company includes in Corporate the following corporate and business activities:

- corporate operations, corporate level assets and financial obligations, financing and interest expenses, dividend payments made to preferred shareholders, and other items not allocated or directly related to the Company's segments, including items such as expenses related to organizational restructurings, certain expenses and liabilities of employee benefit plans, certain adjustments to short-term and long-term incentive accruals and intercompany eliminations; and
- investment income on assets backing surplus in excess of amounts held at the segment level.

### ***Measurement***

Effective the first quarter of 2023, the Company excludes from Adjusted operating earnings before income taxes the amortization of acquisition-related intangible assets. In addition, the Company excludes the expected return on plan assets net of interest costs associated with our qualified defined benefit pension plan, which are influenced by economic and market conditions and not indicative of normal operations. Adjusted operating earnings before income taxes in Corporate still includes the service costs related to the Company's qualified defined benefit pension plan and service and interest costs related to non-qualified defined benefit pension plans. Historical periods have been recast to conform with this change.

*Adjusted operating earnings before income taxes* is a meaningful measure used by management to evaluate its business and segment performance. This measure enhances the understanding of the Company's financial results by focusing on the operating performance and trends of the underlying core business segments by excluding items that tend to be highly variable from period to period based on capital market conditions or other factors. The Company uses the same accounting policies and procedures to measure segment Adjusted operating earnings before income taxes as it does for the directly comparable U.S. GAAP measure Income (loss) before income taxes. Adjusted operating earnings before income taxes does not replace Income (loss) before income taxes as the U.S. GAAP measure of the Company's consolidated results of operations. Therefore, the Company believes that it is useful to evaluate both measures when reviewing the Company's financial and operating performance. Each segment's Adjusted operating earnings before income taxes is calculated by adjusting Income (loss) before income taxes for the following items:

- Net investment gains (losses), which are significantly influenced by economic and market conditions, including interest rates and credit spreads, and are not indicative of normal operations. Net investment gains (losses) include gains (losses) on the sale of securities, impairments, changes in the fair value of investments using the fair value option unrelated to the implied loan-backed security income recognition for certain mortgage-backed obligations, and changes in the fair value of derivative instruments, excluding gains (losses) associated with swap settlements and

accrued interest. It also includes changes in the fair value of derivatives related to managed custody guarantees, net of related reserve increases (decreases), less the estimated cost of these benefits, changes in nonperformance spread, and changes in market risk benefits;

- Income (loss) related to businesses exited or to be exited through reinsurance or divestment, which includes gains and (losses) associated with transactions to exit blocks of business, amortization of intangible assets and residual run-off activity. Excluding this activity better reveals trends in the Company's core business and more closely aligns Adjusted operating earnings before income taxes with how the Company manages its segments;
- Income (loss) attributable to noncontrolling interests to which the Company is not economically entitled, such as Allianz's stake in the results of VIM Holdings LLC (referred to as redeemable noncontrolling interest or Allianz noncontrolling interest) or the attribution of results from consolidated VIEs or VOEs;
- Dividend payments made to preferred shareholders are included as reductions to reflect the Adjusted operating earnings before income taxes that are available to common shareholders;
- Other adjustments may include the following items:
  - Income (loss) related to early extinguishment of debt since the outcome of decisions to restructure debt are not indicative of normal operations;
  - Impairment of goodwill and intangible assets as these represent losses related to infrequent events and do not reflect normal, cash-settled expenses;
  - Amortization of acquisition-related intangible assets as well as contingent consideration fair value adjustments incurred in connection with certain acquisitions which are not indicative of current Operating expense fundamentals;
  - Expected return on plan assets net of interest costs associated with the Company's qualified defined benefit pension plan and immediate recognition of net actuarial gains (losses) related to all of the Company's pension and other postretirement benefit obligations and gains (losses) from plan amendments and curtailments. These amounts do not reflect cash-settled expenses, and are not indicative of current Operating expense fundamentals; and
  - Other items not indicative of normal operations or performance of the Company's segments or that may be related to events such as capital or organizational restructurings, including certain costs related to debt and equity offerings, acquisition / merger integration expenses, severance and other third-party expenses associated with such activities, and expenses attributable to vacant real estate. These items vary widely in timing, scope and frequency between periods as well as among companies to which the Company is compared. Accordingly, the Company adjusts for these items as management believes that these items distort the ability to make a meaningful evaluation of the current and future performance of the Company's segments.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The summary below reconciles Adjusted operating earnings before income taxes for the segments to Income (loss) before income taxes for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Adjusted operating earnings before income taxes by segment:			
Wealth Solutions .....	\$ 632	\$ 697	\$ 1,106
Health Solutions .....	315	304	204
Investment Management .....	225	186	239
Corporate .....	<u>(208)</u>	<u>(253)</u>	<u>(325)</u>
Total including Allianz noncontrolling interest .....	964	934	1,225
Less: Earnings (loss) attributable to Allianz noncontrolling interest .....	48	26	—
Total .....	<u>\$ 916</u>	<u>\$ 908</u>	<u>\$ 1,225</u>
Adjustments:			
Net investment gains (losses) .....	(15)	(190)	(29)
Income (loss) related to businesses exited or to be exited through reinsurance or divestment .....	(182)	(138)	1,133
Income (loss) attributable to noncontrolling interests .....	104	(77)	761
Dividend payments made to preferred shareholders .....	36	36	36
Other adjustments .....	<u>(180)</u>	<u>(111)</u>	<u>(39)</u>
Total adjustments to income (loss) before income taxes .....	(237)	(480)	1,861
Income (loss) from continuing operations before income taxes .....	<u>\$ 678</u>	<u>\$ 428</u>	<u>\$ 3,085</u>

*Adjusted operating revenues* is a measure of the Company's segment revenues. Each segment's Adjusted operating revenues are calculated by adjusting Total revenues to exclude the following items:

- Net investment gains (losses);
- Revenues related to businesses exited or to be exited through reinsurance or divestment;
- Revenues attributable to noncontrolling interests, which represents the attribution of results from consolidated VIEs or VOEs; and
- Other adjustments that primarily reflect fee income earned by the Company's broker-dealers for sales of non-proprietary products, which are reflected net of commission expense in the Company's segments' operating revenues, other items where the income is passed on to third parties and the elimination of intercompany investment expenses included in Adjusted operating revenues.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The summary below reconciles Adjusted operating revenues for the segments to Total revenues for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Adjusted operating revenues by segment:			
Wealth Solutions .....	\$ 2,776	\$ 2,778	\$ 3,236
Health Solutions .....	3,082	2,582	2,394
Investment Management .....	916	756	783
Corporate .....	48	67	100
<b>Total .....</b>	<b>\$ 6,822</b>	<b>\$ 6,183</b>	<b>\$ 6,513</b>
Adjustments:			
Net investment gains (losses) .....	(44)	(215)	(140)
Revenues related to businesses exited or to be exited through reinsurance or divestment .....	113	(123)	(3,424)
Revenues attributable to noncontrolling interests .....	247	(33)	809
Other adjustments .....	211	121	413
<b>Total adjustments to revenues .....</b>	<b>527</b>	<b>(250)</b>	<b>(2,342)</b>
<b>Total revenues .....</b>	<b>\$ 7,348</b>	<b>\$ 5,930</b>	<b>\$ 4,174</b>

**Other Segment Information**

The Investment Management segment revenues include the following intersegment revenues, primarily consisting of asset-based management and administration fees for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Investment management intersegment revenues .....	\$ 85	\$ 91	\$ 92

The summary below presents Total assets for the Company's segments as of the dates indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Wealth Solutions .....	\$ 122,318	\$ 111,701
Health Solutions .....	3,336	2,668
Investment Management .....	1,600	1,611
Corporate .....	25,527	26,712
<b>Total assets, before consolidation<sup>(1)</sup> .....</b>	<b>152,781</b>	<b>142,692</b>
Consolidation of investment entities .....	4,304	3,914
<b>Total assets .....</b>	<b>\$ 157,085</b>	<b>\$ 146,606</b>

<sup>(1)</sup>Total assets, before consolidation includes the Company's direct investments in CIEs prior to consolidation, which are accounted for using the equity method or fair value option.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

**10. Goodwill and Other Intangible Assets***Goodwill*

The changes in the carrying amount of goodwill reported in the Company's operating segments were as follows:

	<b>Wealth Solutions</b>	<b>Health Solutions</b>	<b>Investment Management</b>	<b>Corporate <sup>(1)</sup></b>	<b>Consolidated</b>
<b>Balance as of January 1, 2022</b>	\$ 17	\$ 24	\$ 31	\$ —	\$ 72
Additions from business combinations	—	—	255	—	255
<b>Balance as of December 31, 2022</b>	<b>\$ 17</b>	<b>\$ 24</b>	<b>\$ 286</b>	<b>\$ —</b>	<b>\$ 327</b>
Additions from business combinations <sup>(2)</sup>	—	319	—	102	421
<b>Balance as of December 31, 2023</b>	<b>\$ 17</b>	<b>\$ 343</b>	<b>\$ 286</b>	<b>\$ 102</b>	<b>\$ 748</b>

<sup>(1)</sup> Corporate includes goodwill that was acquired by the parent company and not pushed to a subsidiary within the Company's reportable segments. The carrying value of goodwill within Corporate is allocated to Wealth Solutions, Health Solutions, and Investment Management reporting units as \$72, \$20 and \$10, respectively

<sup>(2)</sup> See the *Business, Basis of Presentation and Significant Accounting Policies* Note for information on recent business combinations.

Based on qualitative assessments performed during 2023, the Company concluded there was no requirement for goodwill impairment. As of December 31, 2023 and 2022, there is no accumulated impairment associated with goodwill.

*Other Intangible Assets*

The Company's indefinite-lived intangible assets relate primarily to the right to manage client assets acquired in connection with the AllianzGI Transaction during 2022. This intangible asset was valued using the multi-period excess earnings method, a form of the income approach, which relied upon significant assumptions, including projected revenues and discount rate. The right to manage client assets was determined to have an indefinite life based on the open-ended nature of the right to manage and the ability to continue to manage the assets with no specific termination date.

During the fourth quarter of 2023, the Company re-evaluated projected cash flows associated with management contract rights of a prior acquisition within the Investment Management segment and determined the carrying value was no longer fully recoverable. As of December 31, 2023, the fair value was \$22 which was determined using a discounted cash flow approach. Key assumptions used in the fair value assessment included projected cash flows and discount rate. As a result of changes to projected cash flows, the Company recognized an impairment loss of \$33, which is included in Operating expenses in the Consolidated Statements of Operations for the year ended December 31, 2023.

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The following table presents other intangible assets as of the dates indicated:

	Weighted Average Amortization Lives	December 31, 2023			December 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Indefinite-life intangibles:</b> .....							
Right to manage client assets .....	N/A	\$ 345	\$ —	\$ 345	\$ 345	\$ —	\$ 345
Management contract rights .....	N/A	5	—	5	5	—	5
Total indefinite-life intangibles .....		\$ 350	\$ —	\$ 350	\$ 350	\$ —	\$ 350
<b>Finite-life intangibles:</b> .....							
Management contract rights <sup>(1)</sup> ..	15 years	\$ 153	\$ 11	\$ 142	\$ 741	\$ 554	\$ 187
Customer relationship lists ..	17 years	325	128	197	135	111	24
Trademarks .....	8 years	15	2	13	—	—	—
Computer software	4 years	501	346	155	502	432	70
<b>Total intangible assets</b> .....		<u>\$ 1,344</u>	<u>\$ 487</u>	<u>\$ 857</u>	<u>\$ 1,728</u>	<u>\$ 1,097</u>	<u>\$ 631</u>

<sup>(1)</sup> The table reflects the new cost basis and revised useful life of the impaired management contract rights as of December 31, 2023.

Amortization expense related to intangible assets were \$85, \$36 and \$46 for the years ended December 31, 2023, 2022 and 2021, respectively. Fully amortized Management contract rights and Software of \$550 and \$107, respectively were written off during the year ending December 31, 2023.

The estimated amortization of intangible assets are as follows:

Year	Amount
2024 .....	\$ 82
2025 .....	72
2026 .....	57
2027 .....	47
2028 .....	33

## 11. Share-based Incentive Compensation Plans

### *Omnibus Incentive Plans*

The Company offers equity-based compensation awards to its employees and non-employee directors under various employee and non-employee incentive plans (together, the "Omnibus Plan"). As of December 31, 2023, common stock reserved and available for issuance under the Omnibus Plans was 8,922,727 shares.

The Omnibus Plans permit the granting of a wide range of equity-based awards, including RSUs, which represent the right to receive a number of shares of Company common stock upon vesting; restricted stock, which are shares of Company stock that are issued subject to sale and transfer restrictions until the vesting conditions are met; PSUs, which are RSUs subject to certain performance-based vesting conditions, and under which the number of shares of common stock delivered upon vesting varies

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

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with the level of achievement of performance criteria; and stock options. Grants of equity-based awards under the Omnibus Plans are approved in advance by the Compensation and Benefits Committee (the "Committee") of the Board of Directors of the Company, and are subject to such terms and conditions as the Committee may determine, including in respect of vesting and forfeiture, subject to certain limitations provided in the Omnibus Plans. Equity-based awards under the Omnibus Plans may carry dividend equivalent rights, pursuant to which notional dividends accumulate on unvested equity awards and are paid, in cash, upon vesting. Except for stock option awards made during 2015 and 2019, awards made under the Omnibus Plans, to date, have included dividend equivalent rights. Dividend equivalents are credited to the recipient and are paid only to the extent the applicable performance criteria and service conditions are met.

During each of the years ended December 31, 2023, 2022 and 2021 the Company awarded RSUs and PSUs to its employees under the Omnibus Plans. The PSU awards entitle recipients to receive, upon vesting, a number of shares of common stock that ranges from 0% to 150% of the number of PSUs awarded, depending on the level of achievement of the specified performance conditions. The establishment and the achievement of performance objectives are determined and approved by the Committee. Except under certain termination conditions, RSUs and PSUs generally vest no earlier than one year from the date of the award and no later than three years from the date of the award. In the case of retirement (eligibility for which is based on the employee's age and years of service as provided in the relevant award agreement), awards vest in full, but subject to the satisfaction of any applicable performance criteria.

In December 2015 and February 2019, the Company also awarded contingent stock options ("2015 Stock Options" and "2019 Stock Options," respectively) under the Omnibus Plans. All outstanding 2015 and 2019 Stock Options are vested as the necessary performance conditions were satisfied.

If an award under the Omnibus Plans is forfeited, expired, terminated or otherwise lapses, the shares of Company common stock underlying that award will become available for issuance. Shares withheld by the Company to pay employee taxes, or which are withheld by or tendered to the Company to pay the exercise price of stock options (or are repurchased from an option holder by the Company with proceeds from the exercise of stock options) are not available for reissuance.

*Compensation Cost*

The fair value of stock options was estimated using the Black-Scholes option pricing model. The following is a summary of the assumptions used in this model for the stock options granted in 2015 and 2019:

	2015 Stock Options	2019 Stock Options
Expected volatility .....	28.6 %	26.5 %
Expected term (in years) .....	6.02	5.99
Strike price .....	\$ 37.60	\$ 50.03
Risk-free interest rate .....	2.1 %	2.7 %
Expected dividend yield .....	0.11 %	1.00 %
Weighted average estimated fair value .....	\$ 11.89	\$ 13.78

For the 2015 Stock Options, the Company utilized the simplified method for the expected term calculations. At the time of grant, the Company did not have historical exercises on which to base its own estimate. Additionally, exercise data relating to employees of comparable companies was not easily obtainable. Furthermore, because the Company did not have historical stock prices for a period at least equal to the expected term, the Company estimated expected volatilities were based on the Company's life-to-date historical volatility using a weighted-average consisting 70% of historical peer group volatility and 30% of the historical volatility of the Company common stock. The contractual term for exercising the options is ten years.

The vesting of the 2019 Stock Options was contingent on the satisfaction of performance conditions on or before December 31, 2020; the Company assumed for purposes of the award's fair value that such conditions would be met in full on or prior to such date. The Company utilized the simplified method for the expected term calculations. At the time of grant, the Company did not have historical exercises on which to base its own estimate. Additionally, exercise data relating to employees of comparable companies was not easily obtainable. Expected volatilities were based on the Company's life-to-date historical volatility. The contractual term for exercising the options is ten years.



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The fair value of the TSR component of the PSU awards was estimated using a Monte Carlo simulation. The following is a summary of the significant assumptions used to calculate the fair value of the TSR component of the PSU awards granted during the periods indicated:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expected volatility of the Company's common stock .....	30.43 %	34.37 %	34.54 %
Average expected volatility of peer companies .....	41.53 %	49.41 %	45.24 %
Expected term (in years) .....	2.85	2.85	2.87
Risk-free interest rate .....	4.42 %	1.71 %	0.20 %
Expected dividend yield .....	— %	— %	— %
Average correlation coefficient of peer companies .....	65.80 %	71.50 %	78.00 %

The following table summarizes share-based compensation expense, which includes expenses related to awards granted under the Omnibus Plans for the periods indicated:

	<u>Year Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
RSUs .....	\$ 81	\$ 45	\$ 41
PSU awards .....	48	45	46
Stock options .....	—	—	1
Total .....	<u>129</u>	<u>90</u>	<u>88</u>
Income tax benefit .....	31	24	22
Share-based compensation .....	<u>\$ 98</u>	<u>\$ 66</u>	<u>\$ 66</u>

The following table summarizes the unrecognized compensation cost and expected remaining weighted-average period of expense recognition as of December 31, 2023:

	<u>RSU Awards</u>	<u>PSU Awards</u>
Unrecognized compensation cost .....	\$ 40	\$ 39
Expected remaining weighted-average period of expense recognition (in years) .....	1.00	1.26

*Awards Outstanding*

The following table summarizes RSU and PSU awards activity under the Omnibus Plans and Director Plan for the periods indicated:

	<u>RSU Awards</u>		<u>PSU Awards</u>	
	<u>Number of Awards</u>	<u>Weighted Average Grant Date Fair Value</u>	<u>Number of Awards</u>	<u>Weighted Average Grant Date Fair Value</u>
<i>(awards in millions)</i>				
Outstanding at January 1, 2023 .....	1.5	\$ 60.91	2.1	\$ 55.68
Adjusted for PSU performance factor .....	—	—	(0.1)	61.50
Granted .....	1.7	70.51	0.8	66.10
Vested .....	(1.1)	63.75	(0.5)	62.86
Forfeited .....	(0.1)	66.09	(0.1)	65.98
Outstanding at December 31, 2023 .....	<u>2.0</u>	<u>\$ 67.06</u>	<u>2.2</u>	<u>\$ 61.17</u>
Awards expected to vest as of December 31, 2023 .....	2.0	\$ 67.06	2.2	\$ 61.17

The weighted-average grant date fair value for RSU awards granted during the year ended December 31, 2023, 2022 and 2021 was \$70.51, \$65.33 and \$56.88, respectively. The weighted-average grant date fair value for PSU awards granted during the

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years ended December 31, 2023, 2022 and 2021 was \$66.10, \$56.67 and \$49.88, respectively. The total fair value of shares vested for the years ended December 31, 2023, 2022, and 2021 was \$118, \$104 and \$110, respectively.

The following table summarizes the number of options under the Omnibus Plans for the periods indicated:

	<b>Stock Options</b>			
	<b>Number of Awards</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Contractual Term (Years)</b>	<b>Aggregate Intrinsic Value</b>
<i>(awards in millions)</i>				
Outstanding as of January 1, 2023	1.6	\$ 43.05	4.4	\$ 30.20
Granted	—	—		
Exercised	(0.4)	38.62		
Forfeited	—	50.03		
Outstanding as of December 31, 2023	<u>1.2</u>	\$ 44.79	3.1	\$ 34.30
Vested, exercisable, as of December 31, 2023	<u>1.2</u>	44.79	3.1	34.30

The total intrinsic value of options exercised during the years ended December 31, 2023, 2022 and 2021 was \$16, \$5 and \$13.

**12. Shareholders' Equity**

*Common Shares*

The following table presents the rollforward of common shares used in calculating the weighted average shares utilized in the basic earnings per common share calculation for the periods indicated:

	<b>Common Shares</b>		
	<b>Issued</b>	<b>Held in Treasury</b>	<b>Outstanding</b>
<i>(shares in millions)</i>			
<b>Balance, January 1, 2021</b>	143.3	19.1	124.2
Common Shares issued	0.1	—	0.1
Common Shares acquired - share repurchase	—	17.9	(17.9)
Share-based compensation programs	2.4	1.0	1.4
Treasury Stock retirement	(36.8)	(36.8)	—
<b>Balance, December 31, 2021</b>	<u>109.0</u>	<u>1.2</u>	<u>107.8</u>
Common Shares issued	0.1	—	0.1
Common Shares acquired - share repurchase	—	11.7	(11.7)
Share-based compensation programs	1.7	0.7	1.0
Treasury Stock retirement	(13.0)	(13.0)	—
<b>Balance, December 31, 2022</b>	<u>97.8</u>	<u>0.6</u>	<u>97.2</u>
Common Shares issued	9.7	—	9.7
Common Shares acquired - share repurchase	—	5.4	(5.4)
Share-based compensation programs	2.1	0.7	1.4
Treasury Stock retirement	(6.0)	(6.0)	—
<b>Balance, December 31, 2023</b>	<u>103.6</u>	<u>0.7</u>	<u>102.9</u>

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Dividends declared per share of Common Stock were as follows for the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
Dividends declared per share of Common Stock . . . . \$	1.200	\$ 0.800	\$ 0.695

*Share Repurchase Program*

From time to time, the Company's Board of Directors authorizes the Company to repurchase shares of its common stock. These authorizations permit stock repurchases up to a prescribed dollar amount and generally may be accomplished through various means, including, without limitation, open market transactions, privately negotiated transactions, forward, derivative, or accelerated repurchase, or automatic repurchase transactions, including 10b5-1 plans, or tender offers. Share repurchase authorizations typically expire if unused by a prescribed date.

As of December 31, 2023, the aggregate amount remaining under the Company's share repurchase authorization is \$397. This share repurchase authorization expires on September 30, 2024 (unless extended), and does not obligate the Company to purchase any shares. The authorization for the share repurchase program may be terminated, increased or decreased by the Board of Directors at any time.

Subsequent to December 31, 2023, the Company repurchased approximately 1.5 million shares pursuant to 10b5-1 plans and through open market repurchases for an aggregate purchase price of \$107.

The following table presents repurchases of the Company's common stock through share repurchase agreements with third-party financial institutions for the years ended December 31, 2022 and 2021.

2022					
Execution Date	Payment	Initial Shares Delivered	Closing Date	Additional Shares Delivered	Total Shares Repurchased
June 21, 2022	\$ 250	3,382,950	September 20, 2022	819,566	4,202,516
March 17, 2022	\$ 275	3,305,786	May 11, 2022	890,112	4,195,898
2021					
Execution Date	Payment	Initial Shares Delivered	Closing Date	Additional Shares Delivered	Total Shares Repurchased
June 30, 2021 . . . . .	\$ 400	5,203,252	September 16, 2021	1,081,552	6,284,804
February 11, 2021 . . . . .	\$ 250	3,617,291	May 14, 2021	330,852	3,948,143

The following table presents repurchases of our common stock pursuant to 10b5-1 plans and through open market repurchases for the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
Shares of common stock . . . . .	5,365,303	3,295,800	7,118,829
Payment . . . . . \$	374	\$ 225	\$ 463

*Warrants*

On May 7, 2013, the Company issued warrants to purchase up to 26,050,846 shares of the Company's common stock equal in the aggregate to 9.99% of the issued and outstanding shares of common stock at that date. On May 10, 2023, the warrants were net share settled in accordance with their terms, resulting in the issuance of 9.6 million common shares. No warrants remain outstanding as of December 31, 2023.

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*Preferred Stock*

On June 11, 2019, the Company issued 300,000 shares of 5.35% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B ("the Series B preferred stock"), with a \$0.01 par value per share and a liquidation preference of \$1,000 per share, for aggregate net proceeds of \$293. The Company deposited the Series B preferred stock under a deposit agreement with a depository, which issued interests in fractional shares of the Series B preferred stock in the form of depository shares ("Depository Shares") evidenced by depository receipts; each Depository Share representing 1/40th interest in a share of the Series B preferred stock. On September 12, 2018, the Company issued 325,000 shares of 6.125% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series A, with a \$0.01 par value per share and a liquidation preference of \$1,000 per share, for aggregate net proceeds of \$319. On September 15, 2023, the rate on the Non-cumulative Preferred Stock, Series A was reset from 6.125% to 7.758% in accordance with the terms of the preferred stock and applies for the next five years.

The ability of the Company to declare or pay dividends on, or purchase, redeem or otherwise acquire, shares of its common stock will be substantially restricted in the event that the Company does not declare and pay (or set aside) dividends on the Series A and Series B Preferred Stock for the last preceding dividend period.

The Series A and Series B preferred stock are not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or similar provisions. The Company may, at its option, redeem the Series A preferred stock, (a) in whole but not in part, at any time, within 90 days after the occurrence of a "rating agency event," at a redemption price equal to \$1,020 per share, plus an amount equal to any dividends per share of preferred stock that have accrued but not been declared and paid for the then-current dividend period to, but excluding, the redemption date and (b) (i) in whole but not in part, at any time within 90 days after the occurrence of a "regulatory capital event" or (ii) in whole or in part, from time to time, on September 15, 2023 or any subsequent "reset date," in each case, at a redemption price equal to \$1,000 per share of preferred stock, plus an amount equal to any dividends per share of preferred stock that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date. The Company may, at its option, redeem the Series B preferred stock, (a) in whole but not in part, at any time, within 90 days after the occurrence of a "rating agency event," at a redemption price equal to \$1,020 per share (equivalent to \$25.50 per Depository Share), plus an amount equal to any accrued and unpaid dividends per share that have accrued but not been declared and paid for the then-current dividend period, but excluding, such redemption date and (b) (i) in whole but not in part, at any time, within 90 days after the occurrence of a "regulatory capital event," or (ii) in whole or in part, from time to time, on September 15, 2029 or any reset date, in each case, at a redemption price equal to \$1,000 per share of the Series B preferred stock (equivalent to \$25.00 per Depository Share), plus an amount equal to any accrued and unpaid dividends per share that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date.

A "rating agency event" means that any nationally recognized statistical rating organization that then publishes a rating for the Company amends, clarifies or changes the criteria it uses to assign equity credit to securities like the preferred stock, which results in the lowering of the equity credit assigned to the preferred stock, as applicable, or shortens the length of time that the preferred stock is assigned a particular level of equity credit.

A "regulatory capital event" means that the Company becomes subject to capital adequacy supervision by a capital regulator and the capital adequacy guidelines that apply to the Company as a result of being so subject set forth criteria pursuant to which the preferred stock would not qualify as capital under such capital adequacy guidelines, as the Company may determine at any time, in its sole discretion.

As of December 31, 2023 and December 31, 2022, there were 100,000,000 shares of preferred stock authorized. Preferred stock issued and outstanding are as follows:

<b>Series</b>	<b>Year Ended December 31, 2023</b>		<b>Year Ended December 31, 2022</b>	
	<b>Issued</b>	<b>Outstanding</b>	<b>Issued</b>	<b>Outstanding</b>
7.758% Non-cumulative Preferred Stock, Series A	325,000	325,000	325,000	325,000
5.35% Non-cumulative Preferred Stock, Series B	300,000	300,000	300,000	300,000
Total	625,000	625,000	625,000	625,000

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**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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The declaration of dividends on preferred stock per share and in the aggregate were as follows for the periods indicated:

<b>Year Ended:</b>	<b>Series A</b>		<b>Series B</b>	
	<b>Per Share</b>	<b>Aggregate</b>	<b>Per Share</b>	<b>Aggregate</b>
December 31, 2023 .....	\$ 61.25	\$ 20	\$ 53.50	\$ 16
December 31, 2022 .....	61.25	20	53.50	16
December 31, 2021 .....	61.25	20	53.50	16

As of December 31, 2023, there were no preferred stock dividends in arrears.

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**13. Earnings per Common Share**

The following table presents a reconciliation of Net income (loss) and shares used in calculating basic and diluted net income (loss) per common share for the periods indicated:

<i>(in millions, except for per share data)</i>	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<i>Earnings</i>			
Net income (loss) available to common shareholders			
Income (loss) from continuing operations	\$ 729	\$ 433	\$ 3,119
Less: Preferred stock dividends	36	36	36
Less: Net income (loss) attributable to noncontrolling interest and redeemable noncontrolling interest	104	(77)	761
Income (loss) from continuing operations available to common shareholders	589	474	2,322
Income (loss) from discontinued operations, net of tax	—	—	12
Net income (loss) available to common shareholders	<u>\$ 589</u>	<u>\$ 474</u>	<u>\$ 2,334</u>
<i>Weighted-average common shares outstanding</i>			
Basic	102.7	100.7	116.7
Dilutive Effects:			
Warrants <sup>(1)</sup>	3.3	7.2	6.7
RSUs	1.2	0.9	1.0
PSUs	1.1	0.8	0.7
Stock Options	0.5	0.6	0.7
Diluted	<u>108.8</u>	<u>110.2</u>	<u>125.8</u>
<i>Basic<sup>(2)</sup></i>			
Income (loss) from continuing operations available to Voya Financial, Inc.'s common shareholders	\$ 5.74	\$ 4.70	\$ 19.91
Income (loss) from discontinued operations, net of taxes available to Voya Financial, Inc.'s common shareholders	\$ —	\$ —	\$ 0.10
Income (loss) available to Voya Financial, Inc.'s common shareholders	\$ 5.74	\$ 4.70	\$ 20.02
<i>Diluted<sup>(2)</sup></i>			
Income (loss) from continuing operations available to Voya Financial, Inc.'s common shareholders	\$ 5.42	\$ 4.30	\$ 18.46
Income (loss) from discontinued operations, net of taxes available to Voya Financial, Inc.'s common shareholders	\$ —	\$ —	\$ 0.10
Income (loss) available to Voya Financial, Inc.'s common shareholders	\$ 5.42	\$ 4.30	\$ 18.56

<sup>(1)</sup> See the *Shareholders' Equity* Note to these Consolidated Financial Statements for additional information on warrants.

<sup>(2)</sup> Basic and diluted earnings per share are calculated using unrounded, actual amounts. Therefore, the components of earnings per share may not sum to its corresponding total.

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**14. Insurance Subsidiaries***Principal Insurance Subsidiaries Statutory Equity and Income*

Each of Voya Financial, Inc.'s two principal insurance subsidiaries (the "Principal Insurance Subsidiaries") is subject to minimum risk-based capital ("RBC") requirements established by the insurance departments of their respective states of domicile. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk. Regulatory compliance is determined by a ratio of total adjusted capital ("TAC"), as defined by the National Association of Insurance Commissioners ("NAIC"), to authorized control level RBC, as defined by the NAIC. Each of the Company's Principal Insurance Subsidiaries exceeded the minimum RBC requirements that would require any regulatory or corrective action for all periods presented herein.

The Company's Principal Insurance Subsidiaries are each required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the insurance department of its respective state of domicile. Such statutory accounting practices primarily differ from U.S. GAAP by charging policy acquisition costs to expense as incurred, establishing future policy benefit liabilities and contract owner account balances using different actuarial assumptions as well as valuing investments and certain assets and accounting for deferred taxes on a different basis. Certain assets that are not admitted under statutory accounting principles are charged directly to surplus. Depending on the regulations of the insurance department of an insurance company's state of domicile, the entire amount or a portion of an insurance company's asset balance can be non-admitted based on the specific rules regarding admissibility. For the years ended December 31, 2023, 2022 and 2021, the Principal Insurance Subsidiaries have no prescribed or permitted practices that materially impact total capital and surplus.

Statutory Net income (loss) for the years ended December 31, 2023, 2022 and 2021 and statutory capital and surplus as of December 31, 2023 and 2022 of the Company's Principal Insurance Subsidiaries are as follows:

	Statutory Net Income (Loss)			Statutory Capital and Surplus	
	2023	2022	2021	2023	2022
<b><u>Subsidiary Name (State of Domicile):</u></b>					
Voya Retirement Insurance and Annuity Company ("VRIAC") (CT) .....	\$ 577	\$ 549	\$ 794	\$ 1,955	\$ 1,842
ReliaStar Life Insurance Company ("RLI") (MN) .....	401	418	(1,211)	1,447	1,784

All of the Company's Principal Insurance Subsidiaries have capital and surplus levels that exceed their respective regulatory minimum requirements.

*Insurance Subsidiaries Dividend Restrictions*

The states in which the insurance subsidiaries of Voya Financial, Inc. are domiciled impose certain restrictions on the subsidiaries' ability to pay dividends to their parent. These restrictions are based in part on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends in larger amounts, or "extraordinary" dividends, are subject to approval by the insurance commissioner of the state of domicile of the insurance subsidiary proposing to pay the dividend.

Under the insurance laws applicable to Voya Financial, Inc.'s insurance subsidiaries domiciled in Connecticut and Minnesota, an "extraordinary" dividend or distribution is defined as a dividend or distribution that, together with other dividends and distributions made within the preceding twelve months, exceeds the greater of (i) 10% of the insurer's policyholder surplus as of the preceding December 31, or (ii) the insurer's net gain from operations for the twelve-month period ending the preceding December 31, in each case determined in accordance with statutory accounting principles. In addition, under the insurance laws of Connecticut and Minnesota, no dividend or other distribution exceeding an amount equal to a domestic insurance company's earned surplus may be paid without the domiciliary insurance regulator's prior approval.

The Company's Principal Insurance Subsidiaries domiciled in Connecticut and Minnesota have both created ordinary dividend capacity in 2023. Any extraordinary dividend payment would be subject to domiciliary insurance regulatory approval, which can be granted or withheld at the discretion of the regulator.

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*Principal Insurance Subsidiaries - Dividends and Return of Capital*

The following table summarizes dividends permitted to be paid by the Company's Principal Insurance Subsidiaries to Voya Financial, Inc. or Voya Holdings without the need for insurance regulatory approval and dividends and extraordinary distributions paid by each of the Company's Principal Insurance Subsidiaries to its parent for the periods indicated:

<u>Subsidiary Name (State of domicile):</u>	<u>Dividends Permitted without Approval</u>		<u>Dividends Paid</u>		<u>Extraordinary Distributions Paid</u>	
			<u>Year Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Voya Retirement Insurance and Annuity Company (CT) .....	\$ 473	\$ 363	\$ 310	\$ 48	\$ —	\$ 809
ReliaStar Life Insurance Company (MN) .....	403	428	—	—	747	329

**15. Employee Benefit Arrangements***Pension, Other Postretirement Benefit Plans and Other Benefit Plans*

Voya Financial, Inc.'s subsidiaries maintain both qualified and non-qualified defined benefit pension plans (the "Plans"). The Plans generally cover all employees and certain sales representatives who meet specified eligibility requirements. Pension benefits are based on a formula using compensation and length of service. Annual contributions are paid to the Plans at a rate necessary to adequately fund the accrued liabilities of the Plans calculated in accordance with legal requirements. The Plans comply with applicable regulations concerning investments and funding levels.

The Voya Retirement Plan (the "Retirement Plan") is a tax qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation ("PBGC"). Beginning January 1, 2012, the Retirement Plan adopted a cash balance pension formula instead of a final average pay ("FAP") formula, allowing all eligible employees to participate in the Retirement Plan. Participants earn an annual credit equal to 4% of eligible compensation. Interest is credited monthly based on a 30-year U.S. Treasury securities bond rate published by the Internal Revenue Service in the preceding August of each year. The accrued vested cash pension balance benefit is portable; participants can take it if they leave the Company.

The Company also provides certain supplemental retirement benefits to eligible employees, non-qualified pension plans for insurance sales representatives who have entered into a career agent agreement and certain other individuals. These plans are non-qualified defined benefit plans, which means all benefits are payable from the general assets of the sponsoring company.

The Company also offers deferred compensation plans for employees, including career agents and certain other individuals who meet the eligibility criteria. The Company's deferred compensation commitment for employees is recorded on the Consolidated Balance Sheets in Other liabilities and totaled \$302 and \$275 as of December 31, 2023 and 2022, respectively.

Voya Financial, Inc.'s subsidiaries also provide other postretirement and post-employment benefits to certain employees. These are primarily postretirement healthcare and life insurance benefits to retired employees and other eligible dependents and post-employment/pre-retirement plans provided to employees and former employees. The Company's other postretirement benefit obligation and unfunded status totaled \$9 and \$11 as of December 31, 2023 and 2022, respectively. Additionally, net periodic benefit for other postretirement benefits totaled \$1, \$2 and \$3 for the years ended December 31, 2023, 2022 and 2021, respectively.

*Obligations, Funded Status and Net Periodic Benefit Costs*

The Company's Retirement Plan was fully funded in compliance with Employee Retirement Income Security Act ("ERISA") guidelines as of December 31, 2022, which is tested annually subsequent to this filing.



**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following tables summarize a reconciliation of beginning and ending balances of the benefit obligation and fair value of plan assets for the years ended December 31, 2023 and 2022 and the discount rate and interest credit rate used in determining pension benefit obligations as of December 31, 2023 and 2022 as well as the funded status of the Company's Plans as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Change in benefit obligation:</b>		
Benefit obligations, January 1	\$ 1,943	\$ 2,496
Service cost	24	28
Interest cost	103	72
Net actuarial (gains) losses <sup>(1)</sup>	44	(541)
Benefits paid	(115)	(112)
Benefit obligations, December 31 <sup>(2)</sup>	<u>1,999</u>	<u>1,943</u>
Discount rate	5.28 %	5.47 %
Interest credit rate	3.75 %	3.00 %
<b>Change in plan assets:</b>		
Fair value of plan net assets, January 1	1,770	2,283
Actual return on plan assets	149	(427)
Employer contributions	27	26
Benefits paid	(115)	(112)
Fair value of plan net assets, December 31 <sup>(3)</sup>	<u>1,831</u>	<u>1,770</u>
<b>Unfunded status at end of year <sup>(4)</sup></b>	<u>\$ (168)</u>	<u>\$ (173)</u>

<sup>(1)</sup> Includes actuarial loss of \$37 and \$(571) due to change in discount rate for the year ended December 31, 2023 and 2022, respectively. The discount rate decreased 0.19% during 2023 driven by a decrease in corporate AA yields. The discount rate increased 2.47% during 2022 driven by an increase in the 30-year Treasury and corporate AA yields.

<sup>(2)</sup> Includes Retirement Plan benefit obligations of \$1,649 and \$1,597 as of December 31, 2023 and 2022, respectively, and non-qualified plan benefit obligations of \$350 and \$346 as of December 31, 2023 and 2022, respectively.

<sup>(3)</sup> Represents Retirement Plan Assets.

<sup>(4)</sup> Funded status is not indicative of the Company's ability to pay ongoing pension benefits or of its obligation to fund retirement trusts. Required pension funding for qualified plans is determined in accordance with ERISA regulations.

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries including discounted cash flow analyses of the Company's pension and general movements in the current market environment. The discount rate modeling process involves selecting a portfolio of high quality, noncallable bonds that will match the cash flows of the pension plans.

The following table summarizes amounts related to the Plans recognized on the Consolidated Balance Sheets as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Amounts recognized in the Consolidated Balance Sheets consist of: <sup>(1)</sup></b>		
Prepaid benefit cost <sup>(2)</sup>	\$ 182	\$ 173
Accrued benefit cost <sup>(2)</sup>	(350)	(346)
<b>Net amount recognized</b>	<u>\$ (168)</u>	<u>\$ (173)</u>

<sup>(1)</sup> Excludes other postretirement benefit obligations of \$9 and \$11 as of December 31, 2023 and 2022, respectively.

<sup>(2)</sup> Prepaid benefit cost is included in Other assets on the Consolidated Balance Sheets. Accrued benefit cost is included in Other liabilities on the Consolidated Balance Sheets.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

There were no amounts related to the Plans recognized in accumulated other comprehensive income as of December 31, 2023 and 2022.

The following table summarizes information for the Plans with a projected benefit obligation and an accumulated benefit obligation in excess of plan assets as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Projected benefit obligation .....	\$ 350	\$ 346
Accumulated benefit obligation .....	348	345
Fair value of plan assets .....	—	—

*Components of Net Periodic Benefit Cost*

The components of net periodic benefit costs recognized in Operating expenses in the Consolidated Statements of Operations, weighted-average assumptions used in determining net benefit cost of the Plans and other changes in plan assets and benefit obligations recognized in Other comprehensive income (loss) related to the Plans were as follows for the years ended December 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Net Periodic (Benefit) Costs Recognized in Consolidated Statements of Operations:</b>			
Service cost .....	\$ 24	\$ 28	\$ 27
Interest cost .....	103	72	68
Expected return on plan assets .....	(100)	(108)	(126)
(Gain) loss recognized due to curtailment .....	—	—	(1)
Net (gain) loss recognition .....	(4)	(6)	(32)
Net periodic (benefit) costs .....	<u>\$ 23</u>	<u>\$ (14)</u>	<u>\$ (64)</u>
Discount rate .....	5.47 %	3.00 %	2.67 %
Expected rate of return on plan assets .....	5.82 %	4.85 %	5.60 %
Interest credit rate .....	3.00 %	2.80 %	2.80 %

The expected return on plan assets is updated at least annually using the calculated value approach, taking into consideration the Retirement Plan's asset allocation, historical returns on the types of assets held in the Retirement Plan's portfolio of assets ("the Fund") and the current economic environment. Based on these factors, it is expected that the Fund's assets will earn an average percentage per year over the long term. This estimation is based on an active return on a compound basis, with a reduction for administrative expenses and non-Voya investment manager fees paid from the Fund. For estimation purposes, it is assumed the long-term asset mix will be consistent with the current mix. Changes in the asset mix could impact the amount of recorded pension income or expense, the funded status of the Plan, and the need for future cash contributions.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Plan Assets*

The Retirement Plan is the only defined benefit plan with plan assets in a trust. The primary financial objective of the Retirement Plan is to secure participant retirement benefits. As such, the key objective in the Retirement Plan's financial management is to promote funded status (i.e., the ratio of market value of assets to liabilities) stability, while maintaining the funded status surplus. The investment strategy for the Fund balances the requirement to generate returns with the need to control risk. The asset mix is recognized as the primary mechanism to influence the reward and risk structure of the Fund in an effort to accomplish the Retirement Plan's funding objectives. Desirable target allocations amongst identified asset classes are set and, within each asset class, careful consideration is given to balancing the portfolio among industry sectors, geographies, interest rate sensitivity, economic growth, currency and other factors affecting investment returns. The assets are managed by professional investment firms. They are bound by mandates and are measured against benchmarks. Consideration is given to balancing security concentration, investment style and reliance on particular active investment strategies, among other factors. The Company reviews its asset mix of the Fund on a regular basis. Generally, the pension committee of the Company will rebalance the Fund's asset mix to the target mix as individual portfolios approach their minimum or maximum levels. However, the Company has the discretion to deviate from these ranges or to manage investment performance using different criteria.

Derivative contracts may be used for hedging purposes to reduce the Retirement Plan's exposure to interest rate risk. Treasury futures are used to manage the interest rate risk in the Retirement Plan's fixed maturity portfolio. The derivatives do not qualify for hedge accounting.

The following table summarizes the Company's pension plan's target allocation range and actual asset allocation by asset category as of December 31, 2023 and 2022:

	<b>Actual Asset Allocation</b>	
	<b>2023</b>	<b>2022</b>
<b>Equity securities:</b>		
<i>Target allocation range</i> .....	7%-12%	7%-12%
Large-cap domestic .....	3.7 %	3.1 %
Small/Mid-cap domestic .....	0.8 %	0.8 %
International commingled funds .....	3.2 %	2.7 %
Limited Partnerships .....	0.5 %	0.6 %
Total equity securities .....	<u>8.2 %</u>	<u>7.2 %</u>
<b>Fixed maturities:</b>		
<i>Target allocation range</i> .....	83%-87%	83%-87%
U.S. Treasuries, short term investments, cash and futures .....	3.0 %	2.9 %
U.S. Government agencies and authorities .....	0.3 %	0.3 %
U.S. corporate, state and municipalities .....	71.3 %	72.0 %
Foreign securities .....	9.8 %	9.5 %
Total fixed maturities .....	<u>84.4 %</u>	<u>84.7 %</u>
<b>Other investments:</b>		
<i>Target allocation range</i> .....	4%-8%	4%-8%
Hedge funds .....	4.1 %	3.8 %
Real estate .....	3.3 %	4.3 %
Total other investments .....	<u>7.4 %</u>	<u>8.1 %</u>
Total .....	<u><u>100.0 %</u></u>	<u><u>100.0 %</u></u>

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the fair values of the pension plan assets by asset class as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
<b>Assets</b>					
Fixed maturities, short-term investments and cash:					
Cash and cash equivalents	\$ 8	\$ 1	\$ —	\$ —	\$ 9
Short-term investments	—	—	—	—	—
Short-term investment fund <sup>(1)</sup>	—	—	—	21	21
U.S. Government securities	128	—	—	—	128
U.S. corporate, state and municipalities	10	1,121	65	—	1,196
Foreign securities	—	170	20	—	190
<b>Total fixed maturities</b>	<b>146</b>	<b>1,292</b>	<b>85</b>	<b>21</b>	<b>1,544</b>
Equity securities:					
<b>Total equity securities<sup>(2)</sup></b>	<b>15</b>	<b>68</b>	<b>—</b>	<b>68</b>	<b>151</b>
Other investments:					
<b>Total other investments<sup>(3)</sup></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>136</b>	<b>136</b>
<b>Total Assets</b>	<b>\$ 161</b>	<b>\$ 1,360</b>	<b>\$ 85</b>	<b>\$ 225</b>	<b>\$ 1,831</b>

<sup>(1)</sup> This category includes common collective trust funds a short-term investment fund, which invests in a full range of high-quality, short-term money market securities. Participant's redemptions are processed by the following day.

<sup>(2)</sup> Equity securities include two assets that use NAV to calculate fair value. Baillie Gifford Funds has a balance of \$25 and uses a bottom up approach to stock picking. In determining the potential of a company, the fund manager analyzes industry background, competitive advantage, management attitudes and financial strength and valuation. There are no redemption restrictions in the Baillie Gifford Funds. Silchester has a fund balance of \$33 that has an investment objective to achieve long-term growth primarily by investing in a diversified portfolio of equity securities of companies located in any country other than the United States. Contributions and redemptions are conducted on a monthly basis as of the last business day of each month with notice required. at least six business days before the month-end. Baillie Gifford and Silchester, as a normal course of business, enter into contracts (commitments) that contain indemnifications or warranties. The funds' maximum exposure under these arrangements is unknown, as this would involve future claims that have not yet occurred. Baillie Gifford and Silchester have no unfunded commitments.

<sup>(3)</sup> Other investments that use NAV to calculate fair value includes a real estate fund has a balance of \$61 and is an actively managed core portfolio of equity real estate, whose performance objective is to outperform the National Council of Real Estate investment Fiduciaries Open-End Diversified Core ("NFI\_ODCE") index and to achieve at least a 5.0% real rate of return (i.e., inflation-adjusted return), before advisory fees, over any given three-to-five-year period. Redemptions of all or a portion of an investor's units may be redeemed as of the end of a calendar quarter with at least 60 days notice. Other investments also includes a limited partnership with a balance of \$75 and is designed to realize appreciation in value primarily through the allocation of capital directly and indirectly among investment funds and accounts. There are significant redemption restrictions in the limited partnership fund.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the fair values of the pension plan assets by asset class as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
<b>Assets</b>					
Fixed maturities, short term investments and cash:					
Cash and cash equivalents .....	\$ 32	\$ 26	\$ —	\$ —	\$ 58
Short-term investments .....	—	—	—	—	—
Short-term investment fund <sup>(1)</sup> .....	—	—	—	18	18
U.S. Government securities .....	199	—	—	—	199
U.S. corporate, state and municipalities .....	10	996	51	—	1,057
Foreign securities .....	—	157	11	—	168
Total fixed maturities .....	<u>241</u>	<u>1,179</u>	<u>62</u>	<u>18</u>	<u>1,500</u>
Equity securities:					
Total equity securities <sup>(2)</sup> .....	<u>13</u>	<u>54</u>	<u>—</u>	<u>59</u>	<u>126</u>
Other investments:					
Total other investments <sup>(3)</sup> .....	<u>—</u>	<u>—</u>	<u>—</u>	<u>144</u>	<u>144</u>
Total assets .....	<u>\$ 254</u>	<u>\$ 1,233</u>	<u>\$ 62</u>	<u>\$ 221</u>	<u>\$ 1,770</u>

<sup>(1)</sup> See footnote 1 to previous table.

<sup>(2)</sup> Equity securities include two assets that use NAV to calculate fair value. Baillie Gifford Funds has a balance of \$21 and Silchester has a fund balance of \$27. See footnote 2 to previous table for further information.

<sup>(3)</sup> Other investments that use NAV to calculate fair value includes a real estate fund has a balance of \$75 and a limited partnership with a balance of \$69. See footnote 3 to previous table for further information.

Pension plan assets are categorized into a three-level fair value hierarchy based upon the inputs available in evaluating each of the assets. Certain investments are measured at fair value using the NAV per share as a practical expedient and have not been classified in the fair value hierarchy. The leveling hierarchy is applied to the pension plans assets as follows:

- *Cash and cash equivalents*: The carrying amounts for cash and cash equivalents reflect the assets' fair value. The fair values for cash and cash equivalents are determined based on quoted market prices and are classified as Level 1.
- *Short-term Investment Funds*: Short term investment funds are estimated at NAV. See footnote (1) in fair value hierarchy table above for a description of the fund's redemption policies.
- *U.S. Government securities, corporate bonds and notes and foreign securities*: Fair values for actively traded marketable bonds are determined based upon quoted market prices and are classified as Level 1 assets. Corporate bonds, ABS, U.S. agency bonds, and foreign securities use observable pricing method such as matrix pricing, market corroborated pricing or inputs such as yield curves and indices. These investments are classified as Level 2.
- *Equity securities*: Fair values for actively traded equity securities are based upon a quoted market price determined in an active market and are included in Level 1. Collective trust use observable pricing method such as matrix pricing, market corroborated pricing or inputs such as yield curves and indices. These investments are classified as Level 2. Commingled funds are estimated at NAV per share. See footnote (2) in fair value hierarchy table above for a description of the fund's redemption policies.
- *Other investments*: Other investments are estimated at NAV. See footnote (3) in fair value hierarchy table above for more information.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Expected Future Contributions and Benefit Payments*

The following table summarizes the expected benefit payments for the Company's pension plans to be paid for the years indicated:

2024 .....	\$	124
2025 .....		130
2026 .....		134
2027 .....		138
2028 .....		141
2029-2033 .....		750

The Company expects that it will make a cash contribution of approximately \$27 to the Plans in 2024.

*Defined Contribution Plans*

Certain of the Company's subsidiaries sponsor defined contribution plans. The largest defined contribution plan is the Voya 401(k) Savings Plan (the "Savings Plan"). The assets of the Savings Plan are held in independently administered funds. Substantially all employees of the Company are eligible to participate, other than the Company's agents. The Savings Plan is a tax qualified defined contribution plan. Savings Plan benefits are not guaranteed by the PBGC. The Savings Plan allows eligible participants to defer into the Savings Plan a specified percentage of eligible compensation on a pretax basis. The Company matches such pretax contributions, up to a maximum of 6% of eligible compensation, subject to IRS limits. Matching contributions are subject to a 4-year graded vesting schedule. Contributions made to the Savings Plan are subject to certain limits imposed by applicable law. These plans do not give rise to balance sheet provisions, other than relating to short-term timing differences included in Other liabilities. The amount of cost recognized for the defined contribution pension plans for the years ended December 31, 2023, 2022 and 2021 was \$44, \$36 and \$36, respectively, and is recorded in Operating expenses in the Consolidated Statements of Operations.

**16. Accumulated Other Comprehensive Income (Loss)**

Shareholders' equity included the following components of AOCI as of the dates indicated:

	<b>December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021<sup>(2)</sup></b>
Fixed maturities, net of impairment .....	\$ (2,370)	\$ (3,294)	\$ 3,196
Derivatives <sup>(1)</sup> .....	64	125	79
Change in current discount rate .....	(890)	(858)	(1,147)
Deferred income tax asset (liability) .....	794	969	(324)
Total .....	(2,402)	(3,058)	1,804
Pension and other postretirement benefits liability, net of tax .....	2	3	3
AOCI .....	<u>\$ (2,400)</u>	<u>\$ (3,055)</u>	<u>\$ 1,807</u>

<sup>(1)</sup> Gains and losses reported in AOCI from hedge transactions that resulted in the acquisition of an identified asset are reclassified into earnings in the same period or periods during which the asset acquired affects earnings. As of December 31, 2023, the portion of the AOCI that is expected to be reclassified into earnings within the next 12 months is \$15.

<sup>(2)</sup> Upon adoption of ASU 2018-12 on January 1, 2023, the DAC/VOBA adjustments on available-for-sale securities were reversed as of the January 1, 2021 transition date and in subsequent periods.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Changes in AOCI, including the reclassification adjustments recognized in the Consolidated Statements of Operations were as follows for the periods indicated:

	<b>December 31, 2023</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax (Benefit)</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities	\$ 899	\$ (189)	\$ 710
Adjustments for amounts recognized in Net gains (losses) in the Consolidated Statements of Operations	25	(5)	20
Change in unrealized gains (losses) on available-for-sale securities	924	(194)	730
Derivatives:			
Derivatives	(43) <sup>(1)</sup>	9	(34)
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations	(18)	4	(14)
Change in unrealized gains (losses) on derivatives	(61)	13	(48)
Change in current discount rate	(33)	7	(26)
Pension and other postretirement benefits liability:			
Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations	(1) <sup>(2)</sup>	—	(1)
Change in pension and other postretirement benefits liability	(1)	—	(1)
Change in Accumulated other comprehensive income (loss)	<u>\$ 829</u>	<u>\$ (174)</u>	<u>\$ 655</u>

<sup>(1)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

<sup>(2)</sup> See the *Employee Benefit Arrangements* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

	<b>December 31, 2022</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax (Benefit)</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities	\$ (6,569)	\$ 1,380	\$ (5,189)
Adjustments for amounts recognized in Net gains (losses) in the Consolidated Statements of Operations	78	(16)	62
Change in unrealized gains (losses) on available-for-sale securities	(6,491)	1,364	(5,127)
Derivatives:			
Derivatives	66 <sup>(1)</sup>	(14)	52
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations	(20)	4	(16)
Change in unrealized gains (losses) on derivatives	46	(10)	36
Change in current discount rate	290	(61)	229
Change in Accumulated other comprehensive income (loss)	<u>\$ (6,155)</u>	<u>\$ 1,293</u>	<u>\$ (4,862)</u>

<sup>(1)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

	<b>December 31, 2021</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax (Benefit)</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities .....	\$ (3,595)	\$ 525 <sup>(3)</sup>	\$ (3,070)
Other .....	(3)	1	(2)
Adjustments for amounts recognized in Net gains (losses) in the Consolidated Statements of Operations .....	(1,823)	383	(1,440)
DAC and Other intangibles related to discontinued operations	830	(175)	655
Other intangibles not subjected to ASU 2018-12 .....	435	(92)	343
Change in unrealized gains (losses) on available-for-sale securities .....	<u>(4,156)</u>	<u>642</u>	<u>(3,514)</u>
Derivatives:			
Derivatives .....	24 <sup>(1)</sup>	(5)	19
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations .....	(21)	4	(17)
Change in unrealized gains (losses) on derivatives .....	<u>3</u>	<u>(1)</u>	<u>2</u>
Change in current discount rate .....	202	(42)	160
Pension and other postretirement benefits liability:			
Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations .....	(2) <sup>(2)</sup>	—	(2)
Change in pension and other postretirement benefits liability	<u>(2)</u>	<u>—</u>	<u>(2)</u>
Change in Accumulated other comprehensive income (loss) . . .	<u>\$ (3,953)</u>	<u>\$ 599</u>	<u>\$ (3,354)</u>

<sup>(1)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

<sup>(2)</sup> See the *Employee Benefit Arrangements* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

<sup>(3)</sup> The tax effect of \$756 is offset by a \$(231) stranded tax benefit release from AOCI to continuing operations.



**Voya Financial, Inc.**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

**17. Revenue from Contracts with Customers**

Financial services and software subscriptions and services revenue is disaggregated by type of service in the following table:

	Year Ended December 31,		
	2023	2022	2021
<b>Wealth Solutions</b>			
Advisory and R&A .....	\$ 497	\$ 525	\$ 650
Distribution and shareholder servicing .....	121	116	207
<b>Investment Management</b>			
Advisory, asset management and R&A .....	924	826	834
Distribution and shareholder servicing .....	146	145	183
<b>Health Solutions</b>			
R&A .....	18	17	16
Software subscriptions and services .....	205	—	—
<b>Corporate</b>			
R&A .....	28	62	94
<b>Total financial services and software subscriptions and services revenue</b> .....	<b>1,939</b>	<b>1,691</b>	<b>1,984</b>
Revenue from other sources <sup>(1)</sup> .....	304	199	408
<b>Total Fee income and Other revenue</b> .....	<b>\$ 2,243</b>	<b>\$ 1,890</b>	<b>\$ 2,392</b>

<sup>(1)</sup>Primarily consists of revenue from insurance contracts and financial instruments.

Net receivables of \$339 and \$299 are included in Other assets on the Consolidated Balance Sheets as of December 31, 2023 and 2022, respectively.

**18. Income Taxes**

Income tax expense (benefit) consisted of the following for the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
Current tax expense (benefit):			
Federal .....	\$ 6	\$ (5)	\$ (463)
State .....	5	(3)	19
Total current tax expense (benefit) .....	11	(8)	(444)
Deferred tax expense (benefit):			
Federal .....	(50)	8	457
State .....	(12)	(5)	(47)
Total deferred tax expense (benefit) .....	(62)	3	410
Total income tax expense (benefit) .....	<b>\$ (51)</b>	<b>\$ (5)</b>	<b>\$ (34)</b>

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Income taxes were different from the amount computed by applying the federal income tax rate to Income (loss) before income taxes for the following reasons for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Income (loss) before income taxes .....	\$ 678	\$ 428	\$ 3,085
Tax Rate .....	21.0 %	21.0 %	21.0 %
Income tax expense (benefit) at federal statutory rate .....	142	90	648
Tax effect of:			
Valuation allowance .....	(1)	7	(521)
Dividends received deduction .....	(38)	(44)	(34)
State tax expense (benefit) .....	(6)	(16)	37
Noncontrolling interest .....	(22)	16	(161)
Tax credits .....	(17)	(63)	(14)
Nondeductible expenses .....	6	7	5
Security Life of Denver Company capital loss carryback <sup>(1)</sup> .....	(92)	—	—
Non-taxable Voya India gain <sup>(1)</sup> .....	(10)	—	—
Other .....	(13)	(2)	6
Income tax expense (benefit) .....	<u>\$ (51)</u>	<u>\$ (5)</u>	<u>\$ (34)</u>
Effective tax rate .....	<u>(7.5)%</u>	<u>(1.2)%</u>	<u>(1.1)%</u>

<sup>(1)</sup> See *Other Tax Matters* section below

***Current Income Tax***

The Company had a current income tax receivable/(payable) of \$12 and \$5 as of December 31, 2023 and 2022, respectively.

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**Temporary Differences**

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities were as follows as of the dates indicated:

	December 31,	
	2023	2022
<b>Deferred tax assets</b>		
Federal and state loss carryforwards	\$ 1,489	\$ 1,523
Net unrealized investment losses	484	666
Compensation and benefits	190	179
Current discount rate <sup>(1)</sup>	187	180
Tax credits	131	110
Insurance Reserves	9	—
Investments	5	30
Other assets	165	82
Total gross assets before valuation allowance	2,660	2,770
Less: Valuation allowance	95	70
Assets, net of valuation allowance	2,565	2,700
<b>Deferred tax liabilities</b>		
Deferred policy acquisition costs	(358)	(392)
Insurance reserves	—	(85)
Other liabilities	(47)	—
Total gross liabilities	(405)	(477)
Net deferred income tax asset (liability) <sup>(2)</sup>	\$ 2,160	\$ 2,223

<sup>(1)</sup> Current discount rate is a result of the adoption of ASU 2018-12. See the *Business, Basis of Presentation and Significant Accounting Policies* Note to these Consolidated Financial Statements for additional information

<sup>(2)</sup> \$45 of net deferred tax assets, including a \$26 valuation allowance, were a result of the Benefitfocus acquisition

The following table sets forth the federal, state and credit carryforwards for tax purposes as of the dates indicated:

	December 31,	
	2023	2022
Federal net operating loss carryforward	\$ 6,667 <sup>(1)</sup>	\$ 6,816
State net operating loss carryforward	2,454 <sup>(2)</sup>	2,069
Credit carryforward	131 <sup>(3)</sup>	110

<sup>(1)</sup> Approximately \$3,617 of the net operating losses carryforwards ("NOL") not subject to expiration. \$3,050 of the NOLs expire between 2025 and 2037

<sup>(2)</sup> Approximately \$829 of the NOLs not subject to expiration. \$1,625 of the NOLs expire between 2024 and 2043

<sup>(3)</sup> Expires between 2032 and 2042

As a result of the Benefitfocus acquisition, the Company acquired \$62 of federal net operating losses ("NOL"), subject to a section 382 limitation. The Company expects to fully realize these NOLs prior to expiration.

Valuation allowances are provided when it is considered more likely than not that some portion or all of the deferred tax assets ("DTA") will not be realized. As of December 31, 2023 and 2022, the Company had a total valuation allowance of \$95 and \$70, respectively. As of December 31, 2023 and 2022, \$218 and \$193, respectively, of this valuation allowance was allocated to continuing operations and \$(123) and \$(123) allocated to Other comprehensive income (loss) related to realized and unrealized capital losses, respectively. The increase in the valuation allowance was a result of the Benefitfocus acquisition.

Significant judgment is required to evaluate the need for a valuation allowance against DTAs. The Company reviews all available positive and negative evidence to determine if a valuation allowance is recorded, including historical and projected

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pre-tax book income, tax planning strategies and reversals of temporary differences. As of December 31, 2023, the Company had year-to-date gains primarily on securities of \$863 in Other comprehensive income, decreasing the related DTA. Additionally, operating income remained positive for the period and was largely consistent with the 2022 year-end valuation allowance analysis. After evaluating the positive and negative evidence, the Company did not change its judgment regarding the realization of DTAs in 2023.

The valuation allowance as of December 31, 2023 of \$95 was against certain historic state net operating losses and state tax credits that were below more likely than not to be utilized. The Company will continue to assess all available evidence during future periods to evaluate any changes to the realization of these DTAs.

**Other Tax Matters**

On January 4, 2021, the Company completed a series of transactions pursuant to a Master Transaction Agreement ("MTA") with Resolution Life U.S. Holdings Inc. ("Resolution Life US"). As a part of these transactions, Resolution Life US acquired the Company's wholly owned subsidiary, Security Life of Denver Company ("SLD"). SLD generated capital losses in the 2022 tax year, which were included in a carryback claim for the Company in accordance with the MTA and resulted in a \$92 tax benefit and decrease to the effective tax rate (the "Security Life of Denver Company capital loss carryback") for the Company.

On August 1, 2023, the Company acquired all remaining equity interest in Voya India. The transaction resulted in a GAAP-to-tax outside basis difference of \$45. The Company has asserted that its investment in India as of the August 1, 2023 acquisition date is permanently reinvested; therefore, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made in the Company's current year consolidated financial statements related to the acquisition.

**Unrecognized Tax Benefits**

Reconciliations of the change in the unrecognized income tax benefits were as follows for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Balance at beginning of period	\$ 33	\$ 34	\$ 33
Additions (reductions) for tax positions related to current year	—	—	1
Additions (reductions) for tax positions related to prior years	(6)	(1)	—
Balance at end of period	<u>\$ 27</u>	<u>\$ 33</u>	<u>\$ 34</u>

The Company had \$1, \$1, and \$1 of unrecognized tax benefits as of December 31, 2023, 2022 and 2021, respectively, which would affect the Company's effective rate if recognized.

**Interest and Penalties**

The Company recognizes interest expense and penalties, if applicable, related to unrecognized tax benefits in tax expense net of federal income tax. The total amounts of gross accrued interest and penalties on the Company's Consolidated Balance Sheets as of December 31, 2023 and 2022 were immaterial. The Company recognized no gross interest (benefit) related to unrecognized tax in its Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021.

The timing of the payment of the remaining accrued interest and penalties cannot be reasonably estimated.

**Tax Regulatory Matters**

For the tax years 2021 through 2023, the Company participated in the Internal Revenue Service ("IRS") Compliance Assurance Process ("CAP"), which is a continuous audit program provided by the IRS. For the 2023 tax year, the Company was in the Compliance Maintenance Bridge ("Bridge") phase of CAP. In the Bridge phase, the IRS did not conduct any review or provide any letters of assurance for that tax year.

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***Tax Legislative Matters***

In August 2022, the Inflation Reduction Act was signed into law creating the corporate alternative minimum tax ("CAMT"). The IRS has only issued limited guidance on the CAMT, and uncertainty remains regarding the application of and potential adjustments to the CAMT. The Company is not subject to the CAMT based on this guidance and will continue to evaluate the applicability as more guidance is provided.

**19. Financing Agreements*****Short-term Debt***

As of December 31, 2023 and 2022, the Company had \$1 and \$141, respectively, of short-term borrowings outstanding consisting entirely of the current portion of long-term debt.

***Long-term Debt***

The following table summarizes the carrying value of the Company's debt issued or borrowed and outstanding as of December 31, 2023 and 2022:

	<b>Issuer</b>	<b>Maturity</b>	<b>2023</b>	<b>2022</b>
3.976% Senior Notes, due 2025 <sup>(2)(3)</sup>	Voya Financial, Inc.	02/15/2025	\$ 390	\$ —
3.65% Senior Notes, due 2026 <sup>(2)(3)</sup>	Voya Financial, Inc.	06/15/2026	446	445
5.7% Senior Notes, due 2043 <sup>(2)(3)</sup>	Voya Financial, Inc.	07/15/2043	396	396
4.8% Senior Notes, due 2046 <sup>(2)(3)</sup>	Voya Financial, Inc.	06/15/2046	297	297
4.7% Fixed-to-Floating Rate Junior Subordinated Notes, due 2048 <sup>(4)</sup>	Voya Financial, Inc.	01/23/2048	336	336
5.65% Fixed-to-Floating Rate Junior Subordinated Notes, due 2053 <sup>(4)</sup>	Voya Financial, Inc.	05/15/2053	—	388
7.25% Voya Holdings Inc. debentures, due 2023 <sup>(1)</sup>	Voya Holdings Inc.	08/15/2023	—	140
7.63% Voya Holdings Inc. debentures, due 2026 <sup>(1)</sup>	Voya Holdings Inc.	08/15/2026	139	139
6.97% Voya Holdings Inc. debentures, due 2036 <sup>(1)</sup>	Voya Holdings Inc.	08/15/2036	79	79
8.42% Equitable of Iowa Companies Capital Trust II Notes, due 2027	Equitable of Iowa Capital Trust II	04/01/2027	13	13
1.00% Windsor Property Loan	Voya Retirement Insurance and Annuity Company	06/14/2027	2	2
Subtotal			<u>2,098</u>	<u>2,235</u>
Less: Current portion of long-term debt			<u>1</u>	<u>141</u>
Total			<u><u>\$ 2,097</u></u>	<u><u>\$ 2,094</u></u>

<sup>(1)</sup> Guaranteed by ING Group.

<sup>(2)</sup> Interest is paid semi-annually in arrears.

<sup>(3)</sup> Guaranteed by Voya Holdings.

<sup>(4)</sup> See the Junior Subordinated Notes section below.

Unsecured senior debt, which consists of senior fixed rate notes and guarantees of fixed rate notes, ranks highest in priority, followed by subordinated debt, which consists of junior subordinated debt securities.

The aggregate amounts of future principal payments of long-term debt issued by the Company at December 31, 2023 for the next five years and thereafter are \$1 in 2024, \$401 in 2025, \$587 in 2026, \$12 in 2027, \$0 in 2028 and \$1,119 thereafter.

The aggregate amounts of future principal payments of long-term debt issued by Voya Financial, Inc. at December 31, 2023 for the next five years and thereafter are \$0 in 2024, \$400 in 2025, \$447 in 2026, \$0 in 2027, \$0 in 2028 and \$1,040 thereafter.

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As of December 31, 2023, the Company was in compliance with its debt covenants.

*Loss on Debt Extinguishment*

The Company incurred a loss on debt extinguishment of \$5, \$3 and \$31 for the years ended December 31, 2023, 2022 and 2021, respectively, which was recorded in Interest expense in the Consolidated Statements of Operations. See *Senior Notes* and *Junior Subordinated Notes* below for additional detail on debt extinguishment.

*Senior Notes*

During the year ended December 31, 2021, the Company repurchased \$23 and \$53 par value of its 3.125% Senior Notes, due 2024 (the "2024 Notes") and 3.65% Senior Notes, due 2026, respectively, for \$25 and \$60, respectively, on the open market.

During the year ended December 31, 2021, the Company completed the redemption of the remaining \$377 aggregate principal amount of the 2024 Notes for \$401.

*Junior Subordinated Notes*

Outstanding junior subordinated notes were as follows as of December 31, 2023:

<b>Issuer</b>	<b>Issue Date</b>	<b>Interest Rate<sup>(1)</sup></b>	<b>Scheduled Redemption Date</b>	<b>Interest Rate Subsequent to Scheduled Redemption Date<sup>(2)</sup></b>	<b>Final Maturity Date</b>	<b>Face Value</b>
Voya Financial, Inc.	01/23/2018	4.70%	01/23/2028	LIBOR + 2.084%	01/23/2048 <sup>(3)</sup>	\$ 340

<sup>(1)</sup> Prior to the scheduled redemption date, interest is paid semi-annually, in arrears.

<sup>(2)</sup> In the event the securities are not redeemed on or before the scheduled redemption date, interest will accrue after such date at an annual rate of three month LIBOR plus the indicated margin, payable quarterly in arrears. In the event that LIBOR is unavailable, the calculation agent will determine a fallback rate at the time the calculations need to be performed.

<sup>(3)</sup> The 4.70% Fixed-to-Floating Rate Junior Subordinated Notes due 2048 (the "2048 Notes") are guaranteed on an unsecured, junior subordinated basis by Voya Holdings.

During the year ended December 31, 2023, the Company completed the redemption of all of outstanding principal amount of its 5.65% Fixed-to-Floating Rate Junior Subordinated Note, due 2053 at par.

During the year ended December 31, 2022, the Company repurchased \$357 and \$10 par value of its 5.65% Fixed-to-Floating Rate Junior Subordinated Note, due 2053 and 4.7% Fixed-to-Floating Rate Junior Subordinated Note, due 2048, respectively, on the open market.

The Company has the right to defer interest payments on the Junior Subordinated Notes for one or more consecutive interest periods for up to five years, without resulting in a default, during which time interest will be compounded. On or after the optional redemption dates, Voya Financial, Inc. may redeem the Junior Subordinated Notes in whole or in part for the principal amount being redeemed plus accrued and unpaid interest. Prior to the optional redemption dates, the Company may elect to redeem the Junior Subordinated Notes for the principal amount being redeemed upon the occurrence of certain events as defined in the indentures governing the Junior Subordinated Notes, plus accrued and unpaid interest.

At any time following notice of the Company's plan to defer interest and during the period interest is deferred, the Company and its subsidiaries generally, with certain exceptions, may not make payments on or redeem or purchase any shares of the Company's common or preferred stock or any of the debt securities or guarantees that rank in liquidation on a parity with or are junior to the Junior Subordinated Notes.

*Aetna Notes*

ING Group guarantees various debentures of Voya Holdings that were assumed by Voya Holdings in connection with the Company's acquisition of Aetna's life insurance and related businesses in 2000 (the "Aetna Notes"). Concurrent with the completion of the Company's IPO, the Company entered into a shareholder agreement with ING Group that governs certain aspects of the Company's continuing relationship. Pursuant to that agreement, the Company was obligated to reduce the

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aggregate outstanding principal amount of Aetna Notes to no more than zero as of December 31, 2019 or otherwise to make provision for ING Group's guarantee of any outstanding Aetna Notes in excess of such amounts.

The Company's obligation to ING Group with respect to the Aetna Notes can be met, at the Company's option, through redemptions, repurchases or by posting collateral with a third-party collateral agent, for the benefit of ING Group.

If the Company fails to meet these obligations to ING Group, the Company has agreed to pay a prescribed quarterly fee of 1.25% per quarter to ING Group based on the outstanding principal amount of Aetna Notes for which provision has not been made, in excess of the limits set forth above.

As of December 31, 2023 and 2022, the outstanding principal amount of the Aetna Notes was \$218 and \$358, respectively. As of December 31, 2023 and 2022, the amount of collateral required to avoid the payment of a fee to ING Group was \$218 and \$358 respectively. As of December 31, 2023 and 2022, the collateral balance was \$227 and \$367, respectively.

*Put Option Agreement for Senior Debt Issuance*

During 2015, the Company entered into an off-balance sheet 10-year put option agreement with a Delaware trust formed by the Company, in connection with the sale by the trust of pre-capitalized trust securities ("P-Caps"), that provides Voya Financial, Inc. the right, at any time over a 10-year period, to issue up to \$500 principal amount of its 3.976% Senior Notes due 2025 ("3.976% Senior Notes") to the trust and receive in exchange a corresponding principal amount of U.S. Treasury securities that are held by the trust. The 3.976% Senior Notes will not be issued unless and until the put option is exercised. In return, the Company pays a semi-annual put premium to the trust at a rate of 1.875% per annum applied to the unexercised portion of the put option, and reimburses the trust for its expenses. The put premium and expense reimbursements are recorded in Operating expenses in the Consolidated Statements of Operations. If and when issued, the 3.976% Senior Notes will be guaranteed by Voya Holdings.

Upon an event of default, the put option will be exercised automatically in full. The Company has a one-time right to unwind a prior voluntary exercise of the put option by repurchasing all of the 3.976% Senior Notes then held by the trust for U.S. Treasury securities. If the put option has been fully exercised, the 3.976% Senior Notes issued may be redeemed by the Company prior to their maturity at par or, if greater, at a make-whole redemption price, in each case plus accrued and unpaid interest to the date of redemption. The P-Caps are to be redeemed by the trust on February 15, 2025 or upon any early redemption of the 3.976% Senior Notes.

On May 1, 2023, pursuant to the put option agreement, the Company exercised the put option to require the trust to purchase \$400 aggregate principal amount of 3.976% Senior Notes in exchange for a corresponding amount of U.S. Treasury securities held by the trust. On May 3, 2023, the Company issued \$400 aggregate principal amount of 3.976% Senior Notes to the trust and the Company received approximately \$400 of U.S. Treasury securities. The proceeds from the sale of the U.S. Treasury securities were used to redeem the 5.650% Fixed-to-Floating Rate Junior Subordinated Notes due 2053 on May 15, 2023 (the "2053 Notes"). See *Junior Subordinated Notes* above.

*Credit Facilities*

The Company uses credit facilities as part of its capital management practices. Total fees associated with credit facilities for the years ended 2023, 2022 and 2021 were \$1, \$2 and \$2, respectively.

The following table outlines the Company's credit facilities as of December 31, 2023:

<b>Obligor / Applicant</b>	<b>Secured/ Unsecured</b>	<b>Committed/ Uncommitted</b>	<b>Expiration</b>	<b>Capacity</b>	<b>Utilization</b>	<b>Unused Commitment</b>
Voya Financial, Inc. ....	Unsecured	Committed	05/01/2028	\$ 500	\$ —	\$ 500
Voya Financial, Inc. ....	Unsecured	Committed	04/07/2025	200	12	188
Total .....				<u>\$ 700</u>	<u>\$ 12</u>	<u>\$ 688</u>

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*Senior Unsecured Credit Facility*

As of December 31, 2023, the Company had a \$500 senior unsecured credit facility with a syndicate of banks which expires May 1, 2028. The facility provides \$500 of committed capacity for revolving loan borrowings and letters of credit issuances, including a sublimit for swingline (short-term) loans in an aggregate amount of up to \$25. As of December 31, 2023, there were no amounts outstanding as revolving credit borrowings, no amounts of LOCs outstanding, and no amounts of swingline loans outstanding under the senior unsecured credit facility. Under the terms of the facility, the Company is required to maintain a minimum net worth of \$4.998 billion, which may increase upon any future equity issuances by the Company.

**20. Commitments and Contingencies***Leases*

The Company leases its office space and certain equipment under operating leases, the longest term of which expires in 2032. The Company also currently has finance leases related to office space and service contracts.

During the years ended December 31, 2023 and 2022, the Company recorded an impairment of \$14 and \$5, respectively, on its right-of-use assets associated with leased office space, which is included in Operating expenses in the Consolidated Statements of Operations.

The following table presents the lease costs and payments related to operating and finance leases for the years ended December 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating lease costs	\$ 22	\$ 21	\$ 28
Finance lease costs	9	19	21
Amortization of the right of use assets <sup>(1)</sup>	5	19	20
Payments for finance lease liabilities	20	21	21
Payments for operating lease liabilities	26	18	24

<sup>(1)</sup>Included in the finance lease costs

The future net minimum payments under non-cancelable leases are as follows as of December 31, 2023:

	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 29	\$ 12
2025	19	12
2026	13	12
2027	11	12
2028	8	13
Thereafter	10	40
Total undiscounted lease payments	90	101
Less: Imputed interest	5	19
Total Lease liabilities	<u>\$ 85</u>	<u>\$ 82</u>

*Commitments*

Through the normal course of investment operations, the Company commits to either purchase or sell securities, mortgage loans, or money market instruments, at a specified future date and at a specified price or yield. The inability of counterparties to honor these commitments may result in either a higher or lower replacement cost. Also, there is likely to be a change in the value of the securities underlying the commitments.



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As of December 31, 2023, the Company had off-balance sheet commitments to acquire mortgage loans of \$70 and purchase limited partnerships and private placement investments of \$1,026, of which \$338 related to consolidated investment entities.

***Insurance Company Guaranty Fund Assessments***

The Company accrues the cost of future guaranty fund assessments based on estimates of insurance company insolvencies provided by the National Organization of Life and Health Insurance Guaranty Associations and the amount of premiums written in each state. The Company has estimated this undiscounted liability, which is included in Other liabilities on the Consolidated Balance Sheets, to be less than \$1 as of December 31, 2023 and 2022. The Company has also recorded an asset, in Other assets on the Consolidated Balance Sheets of \$10 and \$11 as of December 31, 2023 and 2022, respectively, for future credits to premium taxes. The Company estimates its liabilities for future assessments under state insurance guaranty association laws. The Company believes the reserves established are adequate for future assessments relating to insurance companies that are currently subject to insolvency proceedings.

***Restricted Assets***

The Company is required to maintain assets on deposit with various regulatory authorities to support its insurance operations. The Company may also post collateral in connection with certain securities lending, repurchase agreements, funding agreements, credit facilities and derivative transactions. The fair value of restricted assets were as follows as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Fixed maturity collateral pledged to FHLB <sup>(1)</sup> .....	\$ 1,956	\$ 1,791
FHLB restricted stock <sup>(2)</sup> .....	64	67
Other fixed maturities-state deposits .....	37	38
Cash and cash equivalents .....	25	27
Securities pledged <sup>(3)</sup> .....	1,160	1,162
Total restricted assets .....	<u>\$ 3,242</u>	<u>\$ 3,085</u>

<sup>(1)</sup>Included in Fixed maturities, available-for-sale, at fair value on the Consolidated Balance Sheets.

<sup>(2)</sup>Included in Other investments on the Consolidated Balance Sheets.

<sup>(3)</sup>Includes the fair value of loaned securities of \$842 and \$907 as of December 31, 2023 and 2022, respectively. In addition, as of December 31, 2023 and 2022, the Company delivered securities as collateral of \$201 and \$142 and repurchase agreements of \$117 and \$113, respectively. Loaned securities and securities delivered as collateral are included in Securities pledged on the Consolidated Balance Sheets.

***Federal Home Loan Bank Funding Agreements***

The Company is a member of the FHLB of Des Moines and the FHLB of Boston, and is required to pledge collateral to back funding agreements issued to the FHLB. As of December 31, 2023 and 2022, the Company had \$1,175 and \$1,279, respectively, in non-putable funding agreements, which are included in Contract owner account balances on the Consolidated Balance Sheets. As of December 31, 2023 and 2022, assets with a market value of approximately \$1,956 and \$1,791, respectively, collateralized the FHLB funding agreements. Assets pledged to the FHLB are included in Fixed maturities, available-for-sale, at fair value on the Consolidated Balance Sheets.

***Litigation, Regulatory Matters and Loss Contingencies***

Litigation, regulatory and other loss contingencies arise in connection with the Company's activities as a diversified financial services firm. The Company is a defendant in a number of litigation matters, arising from the conduct of its business, both in the ordinary course and otherwise. In some of these matters, claimants seek to recover very large or indeterminate amounts, including compensatory, punitive, treble and exemplary damages. The variability in pleading requirements and past experience demonstrates that the monetary and other relief that may be requested in a lawsuit or claim often bears little relevance to the merits or potential value of a claim.

As with other financial services companies, the Company periodically receives informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and

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investigations of the products and practices of the Company or the financial services industry. For example, the Company is cooperating with a publicly reported, industry-wide investigation by the SEC regarding compliance with certain record-keeping requirements for business-related electronic communications on unapproved channels. It is the practice of the Company to cooperate fully in these matters.

While it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known, management believes that neither the outcome of pending litigation and regulatory matters nor potential liabilities associated with other loss contingencies, are likely to have such an effect. However, given the large and indeterminate amounts sought in certain litigation and the inherent unpredictability of all such matters, it is possible that an adverse outcome in certain of the Company's litigation or regulatory matters, or liabilities arising from other loss contingencies, could, from time to time, have a material adverse effect upon the Company's results of operations or cash flows in a particular quarterly or annual period.

For some matters, the Company is able to estimate a possible range of loss. For such matters in which a loss is probable, an accrual has been made. For matters where the Company, however, believes a loss is reasonably possible, but not probable, no accrual is required. For matters for which an accrual has been made, but there remains a reasonably possible range of loss in excess of the amounts accrued or for matters where no accrual is required, the Company develops an estimate of the unaccrued amounts of the reasonably possible range of losses. As of December 31, 2023, the Company estimates the aggregate range of reasonably possible losses, in excess of any amounts accrued for these matters as of such date, to be up to approximately \$25.

For other matters, the Company is currently not able to estimate the reasonably possible loss or range of loss. The Company is often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantification of a damage demand from plaintiffs, discovery from plaintiffs and other parties, investigation of factual allegations, rulings by a court on motions or appeals, analysis by experts and the progress of settlement discussions. On a quarterly and annual basis, the Company reviews relevant information with respect to litigation and regulatory contingencies and updates the Company's accruals, disclosures and reasonably possible losses or ranges of loss based on such reviews.

Litigation also includes *Ravarino, et al. v. Voya Financial, Inc., et al.* (USDC District of Connecticut, No. 3:21-cv-01658)(filed December 14, 2021). In this putative class action, the plaintiffs allege that the named defendants breached their fiduciary duties of prudence and loyalty in the administration of the Voya 401(k) Savings Plan. The plaintiffs claim that the named defendants did not exercise proper prudence in their management of allegedly poorly performing investment options, including proprietary funds, and passed excessive investment-management and other administrative fees for proprietary and non-proprietary funds onto plan participants. The plaintiffs also allege that the defendants engaged in self-dealing through the inclusion of the Voya Stable Value Option into the plan offerings and by setting the "crediting rate" for participants' investment in the Stable Value Fund artificially low in relation to Voya's general account investment returns in order to maximize the spread and Voya's profits at the participants' expense. The complaint seeks disgorgement of unjust profits as well as costs incurred. On June 13, 2023, the Court issued a ruling granting in part and denying in part Voya's motion to dismiss. The court largely dismissed the claims for breach of fiduciary duty. The remaining claims concern allegations of breaches of the ERISA prohibited transactions rule and a claim for failure to monitor the Voya Small Cap Growth fund. The Company continues to deny the allegations, which it believes are without merit, and intends to defend the case vigorously.

Litigation formerly included *Henkel of America v. ReliaStar Life Insurance Company, et al.* (USDC District of Connecticut, No. 1:18-cv-00965)(filed June 8, 2018). The parties reached a settlement, and the district court dismissed the lawsuit this quarter.

Finally, litigation for the Company formerly included *Advance Trust & Life Escrow Services, LTA v. ReliaStar Life Insurance Company* (USDC District of Minnesota, No. 1:18-cv-02863)(filed October 5, 2018). The district court granted final approval of the settlement and formally dismissed the lawsuit this quarter.

***Contingencies related to Performance-based Capital Allocations on Private Equity Funds***

Certain performance-based capital allocations related to sponsored private equity funds ("carried interest") are not final until the conclusion of an investment term specified in the relevant asset management contract. As a result, such carried interest, if accrued or paid to the Company during such term, is subject to later adjustment based on subsequent fund performance. If the fund's cumulative investment return falls below specified investment return hurdles, some or all of the previously accrued carried interest is reversed to the extent that the Company is no longer entitled to the performance-based capital allocation. Should the fund's cumulative investment return subsequently increase above specified investment return hurdles in future periods, previous reversals could be fully or partially recovered.

As of December 31, 2023, approximately \$91 of previously accrued carried interest would be subject to full or partial reversal in future periods if cumulative fund performance hurdles are not maintained throughout the remaining life of the affected funds.

**21. Consolidated and Nonconsolidated Investment Entities**

The Company holds variable interests in certain investment entities in the form of debt or equity investments, as well as the right to receive management fees, performance fees, and carried interest. The Company consolidates certain entities under the VIE guidance when it is determined that the Company is the primary beneficiary. Alternatively, certain entities are consolidated under the VOE guidance when control is obtained through voting rights. Refer to the Consolidated Balance Sheets for the assets and liabilities of the Company's consolidated investment entities.

The Company has no right to the benefits from, nor does it bear the risks associated with consolidated investment entities beyond the Company's direct equity and debt investments in and management fees generated from these entities. Such direct investments amounted to approximately \$316 and \$288 as of December 31, 2023 and 2022, respectively. If the Company were to liquidate, the assets held by consolidated investment entities would not be available to the general creditors of the Company as a result of the liquidation.

***Consolidated VIEs and VOEs***

***Collateral Loan Obligations Entities ("CLOs")***

The Company is involved in the design, creation, and the ongoing management of CLOs. These entities are created for the purpose of acquiring diversified portfolios of senior secured floating rate leveraged loans, and securitizing these assets by issuing multiple tranches of collateralized debt; thereby providing investors with a broad array of risk and return profiles. Also known as collateralized financing entities under Topic 810, CLOs are variable interest entities by definition.

In return for providing collateral management services, the Company earns investment management fees and contingent performance fees. In addition to earning fee income, the Company often invests in the subordinated debt of entities formed to be the issuers of CLO offerings during their warehouse periods. The Company's investments in these CLOs are repaid when the CLOs' warehouse periods are closed and the CLO offerings are issued. The Company performs ongoing monitoring of the consolidation assessment for CLOs during and after their warehouse periods to determine if Voya remains the primary beneficiary of the CLOs. The fee income earned and investments held are included in the Company's ongoing consolidation assessment for each CLO. The Company was the primary beneficiary of 5 and 7 CLOs as of December 31, 2023 and 2022, respectively.

***Limited Partnerships ("LPs")***

The Company invests in and manages various limited partnerships, including private equity funds and hedge funds. The LPs generally have a ten-year life and a specified period during which investors can subscribe for limited partnership interests. Once the investors are admitted as limited partners, the investors are required to contribute capital when called by the general partners. The purpose of the LPs is to obtain subscriptions from limited partners and maximize the return to their partners by assembling a diversified portfolio of investments in private equity funds and other securities or assets with similar risk and return characteristics primarily through secondary market purchases. The majority of the investors in the LPs are unrelated

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

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parties to the Company. In return for subscriptions, each partner receives an equity interest in the LPs in proportion to its respective investment. These entities have been evaluated by the Company and are determined to be VIEs due to the equity holders, as a group, lacking the characteristics of a controlling financial interest.

In return for serving as the general partner of and providing investment management services to these entities, the Company earns management fees and carried interest in the normal course of business. Additionally, the Company often holds an investment in each limited partnership it manages, generally in the form of general partner and limited partner interests. The fee income, carried interest, and investments held are included in the Company's ongoing consolidation analysis for each limited partnership. The Company consolidated 11 and 10 partnerships, as of December 31, 2023 and 2022, respectively.

The noncontrolling interest related to these partnerships increased from \$1,482 at December 31, 2022 to \$1,685 at December 31, 2023. Changes in market value, consolidations, deconsolidations, contributions and distributions related to these investments in partnerships directly impacts the noncontrolling interest component of Shareholders' Equity on the Company's Consolidated Balance Sheets. The change in noncontrolling interest was primarily driven by an increase in net contributions and favorable market appreciation in limited partnership and equity security investments. The Company records the noncontrolling interest using a lag methodology relying on the most recent financial information available.

*Registered Investment Companies*

The Company did not consolidate any sponsored investment funds accounted for as VOEs as of December 31, 2023 and 2022.

*Fair Value Measurement*

Upon consolidation, the Company elected to apply the FVO for financial assets and financial liabilities held by CLOs and continued to measure these assets (primarily corporate loans) and liabilities (debt obligations issued by CLOs) at fair value in subsequent periods. The Company has elected the FVO to more closely align its accounting with the economics of its transactions and allows the Company to more effectively align changes in the fair value of CLO assets with a commensurate change in the fair value of CLO liabilities.

Investments held by consolidated private equity funds are measured and reported at fair value in the Company's Consolidated Financial Statements. Changes in the fair value of consolidated investment entities are recorded as a separate line item within Income (loss) related to consolidated investment entities in the Company's Consolidated Statements of Operations.

The methodology for measuring the fair value of financial assets and liabilities of consolidated investment entities, and the classification of these measurements in the fair value hierarchy is consistent with the methodology and classification applied by the Company to its investment portfolio, as discussed within the *Fair Value Measurements (excluding Consolidated Investment Entities)* Note to these Consolidated Financial Statements.

As discussed in more detail below, the Company utilizes valuations obtained from third-party commercial pricing services, brokers and investment sponsors or third-party administrators that supply NAV (or its equivalent) per share used as a practical expedient. The valuations obtained from brokers and third-party commercial pricing services are non-binding. These valuations are reviewed on a monthly or quarterly basis depending on the entity and its underlying investments. Procedures include, but are not limited to, a review of underlying fund investor reports, review of top and worst performing funds requiring further scrutiny, review of variance from prior periods and review of variance from benchmarks, where applicable. In addition, the Company considers both macro and fund specific events that may impact the latest NAV supplied and determines if further adjustments of value should be made. Such changes, if any, are subject to senior management review.

When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3. Broker quotes and prices obtained from pricing services are reviewed and validated through an internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes.

### *Cash and Cash Equivalents*

The carrying amounts for cash reflect the assets' fair values. The fair value for cash equivalents is determined based on quoted market prices. These assets are classified as Level 1.

### *CLOs*

*Corporate loans:* Corporate loan investments, which comprise the majority of consolidated CLO portfolio collateral, are senior secured corporate loans maturing at various dates between 2024 and 2031, paying interest at LIBOR, SOFR, EURIBOR or PRIME plus a spread of up to 8.5%. As of December 31, 2023 and 2022, the unpaid principal balance exceeded the fair value of the corporate loans by approximately \$46 and \$85, respectively. Less than 1.0% of the collateral assets were in default as of December 31, 2023 and 2022.

The fair values for corporate loans are determined using independent commercial pricing services. Fair value measurement based on pricing services may be classified in Level 2 or Level 3 depending on the type, complexity, observability and liquidity of the asset being measured. The inputs used by independent commercial pricing services, such as benchmark yields and credit risk adjustments, are those that are derived principally from or corroborated by observable market data. Hence, the fair value measurement of corporate loans priced by independent pricing service providers is classified within Level 2 of the fair value hierarchy. In addition, there are assets held with CLO portfolios that represent senior level debt of other third party CLOs. These CLO investments are classified within Level 3 of the fair value hierarchy. See description of fair value process for CLO notes below.

*CLO notes:* The CLO notes are backed by a diversified loan portfolios consisting primarily of senior secured floating rate leveraged loans. Repayment risk is segmented into tranches with credit ratings of these tranches reflecting both the credit quality of underlying collateral as well as how much protection a given tranche is afforded by tranches that are subordinate to it. The most subordinated tranche bears the first loss and receives the residual payments, if any. The interest rates are generally variable rates based on LIBOR, SOFR or EURIBOR plus a pre-defined spread, which varies from 1.0% for the more senior tranches to 9.6% for the more subordinated tranches. CLO notes mature between 2034 and 2037, and have a weighted average maturity of 12 years as of December 31, 2023. The investors in this debt are not affiliated with the Company and have no recourse to the general credit of the Company for this debt.

The fair values of the CLO notes are measured based on the fair value of the CLO's corporate loans, as the Company uses the measurement alternative available under ASU 2014-13 and determined that the inputs for measuring financial assets are more observable. The CLO notes are classified within Level 2 of the fair value hierarchy, consistent with the classification of the majority of the CLO financial assets.

The Company reviews the detailed prices including comparisons to prior periods for reasonableness. The Company utilizes a formal pricing challenge process to request a review of any price during which time the vendor examines its assumptions and relevant market inputs to determine if a price change is warranted.

The following narrative indicates the sensitivity of inputs:

- **Default Rate:** An increase (decrease) in the expected default rate would likely increase (decrease) the discount margin (increase risk premium) used to value the CLO investments and CLO notes and, as a result, would potentially decrease the value of the CLO investments and CLO notes.
- **Recovery Rate:** A decrease (increase) in the expected recovery of defaulted assets would potentially decrease (increase) the valuation of CLO investments and CLO notes.
- **Prepayment Rate:** A decrease (increase) in the expected rate of collateral prepayments would potentially decrease (increase) the valuation of CLO investments and CLO notes as the expected weighted average life ("WAL") would increase (decrease).
- **Discount Margin (spread over LIBOR/SOFR):** An increase (decrease) in the discount margin used to value the CLO investments and CLO notes would decrease (increase) the value of the CLO investments and CLO notes.

**Voya Financial, Inc.****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Private Equity Funds*

As prescribed in ASC Topic 820, the unit of account for these investments is the interest in the investee fund. The Company owns an undivided interest in the fund portfolio and does not have the ability to dispose of individual assets and liabilities in the fund portfolio. Rather, the Company would be required to redeem or dispose of its entire interest in the investee fund. There is no current active market for interests in underlying private equity funds.

Valuation is generally based on the valuations provided by the fund's general partner or investment manager. The valuations typically reflect the fair value of the Company's capital account balance of each fund investment, including unrealized capital gains (losses), as reported in the financial statements of the respective investee fund as of the respective year end or the latest available date. In circumstances where fair values are not provided, the Company seeks to determine the fair value of fund investments based upon other information provided by the fund's general partner or investment manager or from other sources.

The fair value of securities received in-kind from fund investments is determined based on the restrictions around the securities.

- Unrestricted, publicly traded securities are valued at the closing public market price on the reporting date;
- Restricted, publicly traded securities may be valued at a discount from the closing public market price on the reporting date, depending on the circumstances; and
- Privately held securities are valued by the directors/general partner of the investee fund, based on a variety of factors, including the price of recent transactions in the company's securities and the company's earnings, revenue and book value.

In the case of direct investments or co-investments in private equity companies, the Company initially recognizes investments at cost and subsequently adjusts investments to fair value. On a quarterly basis, the Company reviews the general partner or lead investor's valuation of the investee company, taking into account other available information, such as indications of a market value through subsequent issues of capital or transactions between third parties, performance of the investee company during the period and public, comparable companies' analysis, where appropriate.

Investments in these funds typically may not be fully redeemed at net asset value ("NAV") within 90 days because of inherent restriction on near term redemptions.

As of December 31, 2023 and 2022, certain private equity funds maintained term loans and revolving lines of credit of \$1,330 and \$1,366, respectively. The term loans mature in seven to nineteen months, and the revolving lines of credit are eligible for renewal every three years; all loans bear interest at LIBOR/EURIBOR/SOFR plus 185 - 200 bps. The lines of credit are used for funding transactions before capital is called from investors, as well as for the financing of certain purchases. As of December 31, 2023 and 2022, outstanding borrowings amount to \$1,198 and \$1,143, respectively. The borrowings are reflected in Liabilities related to consolidated investment entities - other liabilities on the Company's Consolidated Balance Sheets. The borrowings are carried at an amount equal to the unpaid principal balance.

The following table summarizes the fair value hierarchy levels of consolidated investment entities as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
<b>Assets</b>					
VIEs					
Cash and cash equivalents .....	\$ 181	\$ —	\$ —	\$ —	\$ 181
Corporate loans .....	—	1,404	—	—	1,404
Limited partnerships/corporations .....	—	—	—	2,861	2,861
Total assets .....	<u>\$ 181</u>	<u>\$ 1,404</u>	<u>\$ —</u>	<u>\$ 2,861</u>	<u>\$ 4,446</u>
<b>Liabilities</b>					
VIEs					
CLO notes .....	\$ —	\$ 1,332	\$ —	\$ —	\$ 1,332
Total liabilities .....	<u>\$ —</u>	<u>\$ 1,332</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,332</u>

**Voya Financial, Inc.**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the fair value hierarchy levels of consolidated investment entities as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
<b>Assets</b>					
VIEs					
Cash and cash equivalents .....	\$ 88	\$ —	\$ —	\$ —	\$ 88
Corporate loans .....	—	1,293	—	—	1,293
Limited partnerships/corporations .....	—	—	—	2,802	2,802
Total assets .....	<u>\$ 88</u>	<u>\$ 1,293</u>	<u>\$ —</u>	<u>\$ 2,802</u>	<u>\$ 4,183</u>
<b>Liabilities</b>					
VIEs					
CLO notes .....	\$ —	\$ 1,234	\$ —	\$ —	\$ 1,234
Total liabilities .....	<u>\$ —</u>	<u>\$ 1,234</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,234</u>

Transfers of investments out of Level 3 and into Level 2 or Level 1, if any, are recorded as of the beginning of the period in which the transfer occurred. For the years ended December 31, 2023 and 2022, there were no transfers in or out of Level 3 or transfers between Level 1 and Level 2.

***Deconsolidation of Certain Investment Entities***

Certain investment entities that have historically been consolidated in the financial statements may require deconsolidation as of the reporting period because: (a) such funds have been liquidated or dissolved; or (b) the Company is no longer deemed to be the primary beneficiary of the VIEs/VOEs as it no longer has a controlling financial interest.

The change in CLO's consolidation status due to the close of the warehouse and the launch of the CLO do not meet the criteria described above as this transaction represents normal business operations of the entity. Refer to the CLO life cycle described above.

The Company had two deconsolidations for the year ended December 31, 2023, one as a result of CLO notes redemption, and the other due to no longer being the majority investor in the fund. As such, the Company no longer has a controlling financial interest in either investment entity. The Company had two deconsolidations for the year ended December 31, 2022 as a result of funds liquidation. For deconsolidated investment entities, the Company continues to serve as the general partner and/or investment manager until such entities are fully liquidated.

***Nonconsolidated VIEs***

The Company also holds variable interest in certain CLOs and LPs that are not consolidated as it has been determined that the Company is not the primary beneficiary.

*CLOs*

As of December 31, 2023 and December 31, 2022, the Company held \$383 and \$364 ownership interests, respectively, in unconsolidated CLOs, which also represent the Company's maximum exposure to loss.

*LPs*

As of December 31, 2023 and December 31, 2022, the Company held \$1,621 and \$1,781 ownership interests, respectively, in unconsolidated limited partnerships, which also represent the Company's maximum exposure to loss.

***Securitizations***

The Company invests in various tranches of securitization entities, including RMBS, CMBS and ABS. Through its investments, the Company is not obligated to provide any financial or other support to these entities. Each of the RMBS, CMBS and ABS entities are thinly capitalized by design and considered VIEs. The Company's involvement with these entities is limited to that of a passive investor. The Company has no unilateral right to appoint or remove the servicer, special servicer or investment manager, which are generally viewed to have the power to direct the activities that most significantly impact the securitization entities' economic performance, in any of these entities, nor does the Company function in any of these roles. The Company, through its investments or other arrangements, does not have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity. Therefore, the Company is not the primary beneficiary and does not consolidate any of the RMBS, CMBS and ABS entities in which it holds investments. These investments are accounted for as investments available-for-sale as described in the *Fair Value Measurements (excluding Consolidated Investment Entities)* Note to these Consolidated Financial Statements and unrealized capital gains (losses) on these securities are recorded directly in AOCI, except for certain RMBS which are accounted for under the FVO whose change in fair value is reflected in Net gains (losses) in the Consolidated Statements of Operations. The Company's maximum exposure to loss on these structured investments is limited to the amount of its investment. Refer to the *Investments (excluding Consolidated Investment Entities)* Note to these Consolidated Financial Statements for details regarding the carrying amounts and classifications of these assets.



**Voya Financial, Inc.**  
**Schedule I**

**Summary of Investments Other than Investments in Affiliates**  
**As of December 31, 2023**  
(In millions)

<b>Type of Investments</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Amount Shown on Consolidated Balance Sheet</b>
Fixed maturities:			
U.S. Treasuries .....	\$ 417	\$ 403	\$ 403
U.S. Government agencies and authorities .....	54	56	56
State, municipalities, and political subdivisions .....	871	771	771
U.S. corporate public securities .....	8,402	7,666	7,666
U.S. corporate private securities .....	5,040	4,760	4,760
Foreign corporate public securities and foreign governments <sup>(1)</sup> ..	2,928	2,702	2,702
Foreign corporate private securities <sup>(1)</sup> .....	2,916	2,812	2,812
Residential mortgage-backed securities .....	3,695	3,476	3,476
Commercial mortgage-backed securities .....	4,147	3,495	3,495
Other asset-backed securities .....	2,528	2,470	2,470
Total fixed maturities, including securities pledged .....	30,998	28,611	28,611
Equity securities .....	236	236	236
Short-term investments .....	213	213	213
Mortgage loans on real estate .....	5,218	4,941	5,192
Policy loans .....	352	352	352
Limited partnerships/corporations .....	1,621	1,621	1,621
Derivatives .....	43	311	311
Other investments .....	64	64	64
Total investments .....	<u>\$ 38,745</u>	<u>\$ 36,349</u>	<u>\$ 36,600</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

**Voya Financial, Inc.**  
**Schedule II**  
**Condensed Financial Information of Parent**  
**Balance Sheets**  
**December 31, 2023 and 2022**  
(In millions, except share and per share data)

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$6 as of 2023 and 2022) . . .	\$ 6	\$ 6
Equity securities, at fair value . . . . .	3	—
Short-term investments . . . . .	13	—
Limited partnerships/corporations . . . . .	—	9
Derivatives . . . . .	10	14
Investments in subsidiaries . . . . .	5,250	4,331
Total investments . . . . .	5,282	4,360
Cash and cash equivalents . . . . .	206	209
Short-term investments under securities loan agreements, including collateral delivered . . . . .	1	6
Loans to subsidiaries and affiliates . . . . .	293	89
Due from subsidiaries and affiliates . . . . .	8	15
Deferred income taxes . . . . .	856	911
Other assets . . . . .	7	12
Total assets . . . . .	\$ 6,653	\$ 5,602
<b>Liabilities:</b>		
Payables under securities loan and repurchase agreements, including collateral held . . . . .	\$ 10	\$ —
Short-term debt . . . . .	445	195
Long-term debt . . . . .	1,865	1,862
Derivatives . . . . .	9	14
Other liabilities . . . . .	131	125
Total liabilities . . . . .	\$ 2,460	\$ 2,196
<b>Shareholders' equity:</b>		
Preferred stock (\$0.01 par value per share; \$625 aggregate liquidation preference as of 2023 and 2022) . . . . .	—	—
Common stock (\$0.01 par value per share; 900,000,000 shares authorized; 103,584,699 and 97,789,852 shares issued as of 2023 and 2022, respectively; 102,854,569 and 97,186,970 shares outstanding as of 2023 and 2022, respectively) . . . . .	1	1
Treasury stock (at cost; 730,130 and 602,882 shares as of 2023 and 2022, respectively) . . . . .	(56)	(39)
Additional paid-in capital . . . . .	6,143	6,643
Accumulated other comprehensive income (loss) . . . . .	(2,400)	(3,055)
Retained earnings (deficit):		
Unappropriated . . . . .	505	(144)
Total Voya Financial, Inc. shareholders' equity . . . . .	4,193	3,406
Total liabilities and shareholders' equity . . . . .	\$ 6,653	\$ 5,602

*The accompanying notes are an integral part of this Condensed Financial Information.*

**Voya Financial, Inc.**  
**Schedule II**

**Condensed Financial Information of Parent**  
**Statements of Operations**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Year Ended December 31,		
	2023	2022	2021
<b>Revenues:</b>			
Net investment income .....	\$ 38	\$ 12	\$ 5
Net gains (losses) .....	65	(52)	29
Other revenue .....	27	18	—
Total revenues .....	<u>130</u>	<u>(22)</u>	<u>34</u>
<b>Expenses:</b>			
Interest expense .....	130	114	159
Operating expenses .....	35	30	5
Total expenses .....	<u>165</u>	<u>144</u>	<u>164</u>
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries .....	(35)	(166)	(130)
Income tax expense (benefit) .....	<u>(18)</u>	<u>(86)</u>	<u>(717)</u>
Net income (loss) before equity in earnings (losses) of subsidiaries .....	(17)	(80)	587
Equity in earnings (losses) of subsidiaries, net of tax .....	642	590	1,783
Net income (loss) available to Voya Financial, Inc. ....	625	510	2,370
Less: Preferred stock dividends .....	36	36	36
Net income (loss) available to Voya Financial, Inc.'s common shareholders	<u>\$ 589</u>	<u>\$ 474</u>	<u>\$ 2,334</u>

*The accompanying notes are an integral part of this Condensed Financial Information.*

**Condensed Financial Information of Parent**  
**Statements of Comprehensive Income**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Year Ended December 31,		
	2023	2022	2021
Net income (loss) available to Voya Financial, Inc. ....	\$ 625	\$ 510	\$ 2,370
Other comprehensive income (loss), after tax .....	655	(4,862)	(3,354)
Comprehensive income (loss) attributable to Voya Financial, Inc. ...	<u>\$ 1,280</u>	<u>\$ (4,352)</u>	<u>\$ (984)</u>

*The accompanying notes are an integral part of this Condensed Financial Information.*

**Voya Financial, Inc.**  
**Schedule II**

**Condensed Financial Information of Parent**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows from Operating Activities:</b>			
Net income (loss) available to Voya Financial, Inc. ....	\$ 625	\$ 510	\$ 2,370
Adjustments to reconcile Net income (loss) available to Voya Financial, Inc. to Net cash used in operating activities:			
Equity in (earnings) losses of subsidiaries .....	(642)	(590)	(1,783)
Dividends from subsidiaries .....	1,057	502	198
Deferred income tax expense (benefit) .....	54	(35)	(515)
Loss related to early extinguishment of debt .....	—	—	31
Net gains (losses) .....	(65)	52	(29)
Change in:			
Other receivables and asset accruals .....	5	(21)	8
Due from subsidiaries and affiliates .....	108	46	(42)
Other payables and accruals .....	—	(10)	(295)
Other, net .....	(7)	29	13
<b>Net cash provided/(used) in operating activities</b> .....	<b>1,135</b>	<b>483</b>	<b>(44)</b>
<b>Cash Flows from Investing Activities:</b>			
Proceeds from Resolution sale .....	—	—	694
Proceeds from sale of interest in wholly owned subsidiary .....	—	—	80
Proceeds from the sale, maturity, disposal or redemption of limited partnerships/corporations .....	53	—	—
Proceeds from the sale, maturity, disposal or redemption of fixed maturities .....	—	22	38
Acquisition of:			
Fixed maturities .....	—	(16)	(45)
Equity securities .....	(3)	—	—
Short-term investments, net .....	(13)	18	(18)
Derivatives, net .....	19	(37)	26
Maturity (issuance) of short-term intercompany loans, net .....	(203)	34	56
Return of capital contributions and dividends from subsidiaries .....	—	708	1,435
Capital contributions to subsidiaries .....	(8)	—	(49)
Payments for business acquisitions, net of cash acquired .....	(584)	—	—
Collateral received (delivered), net .....	15	(5)	10
Other, net .....	(94)	—	81
<b>Net cash provided/(used) in investing activities</b> .....	<b>(818)</b>	<b>724</b>	<b>2,308</b>

*The accompanying notes are an integral part of this Condensed Financial Information.*

**Voya Financial, Inc.**  
**Schedule II**

**Condensed Financial Information of Parent**  
**Statements of Cash Flows (Continued)**  
**For the Year Ended December 31, 2023, 2022 and 2021**  
(In millions)

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of debt with maturities of more than three months	400	—	—
Repayment of debt with maturities of more than three months	(393)	(366)	(482)
Net proceeds from (repayments of) short-term loans to subsidiaries	250	65	(523)
Proceeds from issuance of common stock, net	—	7	4
Share-based compensation	(47)	(40)	(44)
Common stock acquired - Share repurchase	(369)	(750)	(1,113)
Dividends paid on common stock	(125)	(80)	(80)
Dividends paid on preferred stock	(36)	(36)	(36)
<b>Net cash used in financing activities</b>	<b>(320)</b>	<b>(1,200)</b>	<b>(2,274)</b>
Net increase (decrease) in cash and cash equivalents	(3)	7	(10)
Cash and cash equivalents, beginning of period	209	202	212
Cash and cash equivalents, end of period	<u>\$ 206</u>	<u>\$ 209</u>	<u>\$ 202</u>

**Supplemental cash flow information:**

Income taxes paid (received), net	\$ 4	\$ 14	\$ —
Interest paid	111	111	130

*The accompanying notes are an integral part of this Condensed Financial Information.*

**Voya Financial, Inc.**  
**Schedule II**  
**Notes to Condensed Financial Information of Parent**  
(Dollar amounts in millions, unless otherwise stated)

**1. Business and Basis of Presentation**

The condensed financial information of Voya Financial, Inc. should be read in conjunction with the consolidated financial statements of Voya Financial, Inc. and its subsidiaries (collectively the "Company") and the notes thereto (the "Consolidated Financial Statements").

The accompanying financial information reflects the results of operations, financial position and cash flows for Voya Financial, Inc. The financial information is in conformity with accounting principles generally accepted in the United States, which require management to adopt accounting policies and make certain estimates and assumptions. Investments in subsidiaries are accounted for using the equity method of accounting.

**2. Loans to Subsidiaries**

Voya Financial, Inc. maintains reciprocal loan agreements with subsidiaries to facilitate unanticipated short-term cash requirements that arise in the ordinary course of business.

The following table summarizes the carrying value of Voya Financial, Inc.'s loans to subsidiaries for the periods indicated:

Subsidiaries	Rate	Maturity Date	As of December 31,	
			2023	2022
Voya Institutional Plan Services, LLC .....	3.83%	01/03/2023	\$ —	\$ 31
Voya Institutional Plan Services, LLC .....	5.44%	01/02/2024	31	—
Voya Investment Management, LLC .....	4.46%	01/13/2023	—	11
Voya Services Company .....	5.44%	01/02/2024	185	—
Voya Payroll Management, Inc. ....	5.44%	01/02/2024	11	—
Voya Holdings Inc. ....	5.53%	01/18/2024	44	—
Voya Holdings Inc. ....	5.51%	01/12/2024	22	—
Voya Services Company .....	3.83%	01/03/2023	—	47
Total .....			<u>\$ 293</u>	<u>\$ 89</u>

Interest income earned on loans to subsidiaries was \$18, \$5 and \$3 for the years ended December 31, 2023, 2022 and 2021, respectively. Interest income is included in Net investment income in the Condensed Statements of Operations.

**3. Financing Agreements**

**Debt Securities**

The following table summarizes Voya Financial, Inc.'s short-term debt borrowings for the periods indicated:

	As of December 31,	
	2023	2022
Intercompany financing - Subsidiaries .....	\$ 445	\$ 195
Total .....	<u>\$ 445</u>	<u>\$ 195</u>

*Intercompany financing*

Under the reciprocal loan agreements with subsidiaries, interest is charged at the prevailing market interest rate for similar third-party borrowings for securities.

As of December 31, 2023 and 2022, Voya Financial, Inc. was in compliance with its debt covenants. See *Financing Agreements* Note to the Consolidated Financial Statements for further information regarding long-term debt and the five-year maturities of long-term debt.

**Voya Financial, Inc.**  
**Schedule II**  
**Notes to Condensed Financial Information of Parent**  
(Dollar amounts in millions, unless otherwise stated)

***Credit Facilities***

Voya Financial, Inc. uses credit facilities for contingent liquidity to be used as needed for general business purposes. As of December 31, 2023, unsecured and committed facilities totaled \$700. Of the aggregate \$700 capacity available, Voya Financial, Inc. utilized \$12 in credit facilities outstanding as of December 31, 2023. Total fees associated with credit facilities in 2023, 2022 and 2021 totaled \$1, \$2 and \$2, respectively.

***Guarantees***

In the normal course of business, Voya Financial, Inc. enters into indemnification agreements with financial institutions that issue surety bonds on behalf of Voya Financial, Inc. or its subsidiaries in connection with litigation matters.

In addition, Voya Financial, Inc. provides guarantees to certain of its subsidiaries to support various business requirements:

- Voya Financial, Inc. guarantees the obligations of Voya Holdings under the \$13 principal amount of 8.42% Series B Capital Securities due April 1, 2027 (the "Equitable Notes"), and provides a back-to-back guarantee to ING Group in respect of its guarantee of \$218 combined principal amount of Aetna Notes.
- Voya Financial, Inc. and Voya Holdings provide a guarantee of payment of obligations to certain subsidiaries under certain surplus notes held by those subsidiaries.

There were no assets or liabilities recognized by Voya Financial, Inc. as of December 31, 2023 and 2022 in relation to these intercompany indemnifications, guarantees or support agreements. As of December 31, 2023 and 2022, no guarantees existed in which Voya Financial, Inc. was required to currently perform under these arrangements.

**4. Returns of Capital and Dividends**

Voya Financial, Inc. received returns of capital and dividends from the following subsidiaries for the periods indicated:

	<b>Years Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Voya Holdings Inc. ....	\$ 1,057	\$ 1,210	\$ 1,659
Security Life of Denver Insurance Company .....	—	—	54
Voya Financial Holdings I, LLC .....	—	—	16
Voya Special Investments, Inc. ....	—	—	125
Total <sup>(1)</sup> .....	<u>\$ 1,057</u>	<u>\$ 1,210</u>	<u>\$ 1,854</u>

<sup>(1)</sup> The year ended December 31, 2021 included \$221 of non-cash activities.

**5. Income Taxes**

As of December 31, 2023 and 2022, Voya Financial, Inc. held deferred tax assets related to loss and credit carryforwards, some of which have not been realized by its subsidiaries but have been reimbursed to the subsidiaries by Voya Financial, Inc. pursuant to the intercompany tax sharing agreement. The total deferred tax assets were primarily comprised of federal net operating loss, state net operating loss and credit carryforwards.

Valuation allowances have been applied to a portion of the state deferred tax assets as of December 31, 2023 and 2022. Character, amount and estimated expiration date of the carryforwards and the related allowances are disclosed in the *Income Taxes* Note to the Consolidated Financial Statements.

As of December 31, 2023 and 2022, Voya Financial, Inc. has recognized deferred tax assets of \$856 and \$911, respectively, primarily related to federal net operating loss carryforwards.

As of December 31, 2023 and 2022, Voya Financial, Inc. had a current income tax receivable/(payable) of \$5 and \$9, respectively.

**Voya Financial, Inc.**

**Schedule II**

**Notes to Condensed Financial Information of Parent**

(Dollar amounts in millions, unless otherwise stated)

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***Tax Sharing Agreement***

Voya Financial, Inc. has entered into a federal tax sharing agreement with members of an affiliated group as defined in Section 1504 of the Internal Revenue Code of 1986, as amended. The agreement provides for the manner of calculation and the amounts/timing of the payments between the parties as well as other related matters in connection with the filing of consolidated federal income tax returns. The federal tax sharing agreement provides that Voya Financial, Inc. will pay its subsidiaries for the tax benefits of ordinary and capital losses only in the event that the consolidated tax group actually uses the tax benefit of losses generated.

Voya Financial, Inc. has also entered into a state tax sharing agreement with each of the specific subsidiaries that are parties to the agreement. The state tax agreement applies to situations in which Voya Financial, Inc. and all or some of the subsidiaries join in the filing of a state or local franchise, income tax, or other tax return on a consolidated, combined or unitary basis.



**Voya Financial, Inc.**  
**Schedule III**

**Supplementary Insurance Information**  
**As of December 31, 2023 and 2022**  
(In millions)

Segment	DAC and VOBA	Future Policy Benefits and Contract Owner Account Balances	Unearned Premiums <sup>(1)</sup>
<b>2023</b>			
Wealth Solutions	\$ 1,064	\$ 31,653	\$ —
Health Solutions	211	2,268	— *
Investment Management	—	—	—
Corporate	975	14,813	—
Total	<u>\$ 2,250</u>	<u>\$ 48,734</u>	<u>\$ —</u>
<b>2022</b>			
Wealth Solutions	\$ 1,088	\$ 34,215	\$ —
Health Solutions	190	2,234	— *
Investment Management	—	—	—
Corporate	1,085	15,725	—
Total	<u>\$ 2,363</u>	<u>\$ 52,174</u>	<u>\$ —</u>

<sup>(1)</sup> Represents unearned premiums associated with short-duration products of the Company's accident and health business.

\*Less than \$1

**Supplementary Insurance Information**  
**Years Ended December 31, 2023, 2022 and 2021**  
(In millions)

Segment	Net Investment Income <sup>(1)(2)</sup>	Premiums and Fee Income <sup>(1)(2)</sup>	Interest Credited and Other Benefits to Contract Owners	Amortization of DAC and VOBA	Other Operating Expenses <sup>(1)(2)</sup>	Premiums Written (Excluding Life)
<b>2023</b>						
Wealth Solutions	\$ 1,807	\$ 1,007	\$ 872	\$ 88	\$ 1,242	\$ —
Health Solutions	135	2,748	1,895	33	903	2,120
Investment Management	26	903	—	—	855	—
Corporate	191	(25)	269	109	96	—
Total	<u>\$ 2,159</u>	<u>\$ 4,633</u>	<u>\$ 3,036</u>	<u>\$ 230</u>	<u>\$ 3,096</u>	<u>\$ 2,120</u>
<b>2022</b>						
Wealth Solutions	\$ 2,006	\$ 992	\$ 868	\$ 93	\$ 1,192	\$ —
Health Solutions	134	2,454	1,680	29	577	1,849
Investment Management	9	745	—	—	689	—
Corporate	132	(26)	(20)	118	84	—
Total	<u>\$ 2,281</u>	<u>\$ 4,165</u>	<u>\$ 2,528</u>	<u>\$ 240</u>	<u>\$ 2,542</u>	<u>\$ 1,849</u>
<b>2021</b>						
Wealth Solutions	\$ 2,517	\$ 1,094	\$ 880	\$ 95	\$ 1,379	\$ —
Health Solutions	165	2,236	1,674	24	496	1,695
Investment Management	(19)	703	—	—	632	—
Corporate	111	(5,608)	(4,742)	337	79	—
Total	<u>\$ 2,774</u>	<u>\$ (1,575)</u>	<u>\$ (2,188)</u>	<u>\$ 456</u>	<u>\$ 2,586</u>	<u>\$ 1,695</u>

<sup>(1)</sup> Includes the elimination of certain intersegment revenues and expenses, primarily consisting of asset-based management and administration fees, which have been charged by Investment Management and eliminated in Corporate.

<sup>(2)</sup> Includes the elimination of intercompany transactions between the Company and its consolidated investment entities, primarily the elimination of the Company's management fees expensed by the funds, recorded as operating revenues before the Company's consolidation of its consolidated investment entities and eliminated in the Investment Management segment.

**Voya Financial, Inc.**  
**Schedule IV**

**Reinsurance**  
**Years Ended December 31, 2023, 2022 and 2021**  
(In millions)

	<u>Gross</u>	<u>Ceded</u>	<u>Assumed</u>	<u>Net</u>	<u>Percentage of Assumed to Net</u>
<b><u>2023</u></b>					
Life insurance in force .....	\$ 596,806	\$ 346,714	\$ 4,963	\$ 255,055	1.9 %
Premiums:					
Life insurance .....	\$ 1,188	\$ 571	\$ 25	\$ 642	3.9 %
Accident and health insurance .....	2,359	323	—	2,036	— %
Annuity contracts .....	52	14	1	39	2.6 %
Total premiums .....	<u>\$ 3,599</u>	<u>\$ 908</u>	<u>\$ 26</u>	<u>\$ 2,717</u>	1.0 %
<b><u>2022</u></b>					
Life insurance in force .....	\$ 610,227	\$ 368,598	\$ 5,644	\$ 247,273	2.3 %
Premiums:					
Life insurance .....	\$ 1,198	\$ 589	\$ 24	\$ 633	3.8 %
Accident and health insurance .....	2,018	255	—	1,763	— %
Annuity contracts .....	41	15	1	27	3.7 %
Total premiums .....	<u>\$ 3,257</u>	<u>\$ 859</u>	<u>\$ 25</u>	<u>\$ 2,423</u>	1.0 %
<b><u>2021</u></b>					
Life insurance in force .....	\$ 605,845	\$ 392,412	\$ 6,587	\$ 220,020	3.0 %
Premiums:					
Life insurance .....	\$ 1,179	\$ 3,651	\$ 26	\$ (2,446)	(1.1)%
Accident and health insurance .....	1,803	202	—	1,601	— %
Annuity contracts .....	25	2,568	—	(2,543)	— %
Total premiums .....	<u>\$ 3,007</u>	<u>\$ 6,421</u>	<u>\$ 26</u>	<u>\$ (3,388)</u>	(0.8)%

**Voya Financial, Inc.**  
**Schedule V**

**Valuation and Qualifying Accounts**  
**Years Ended December 31, 2023, 2022 and 2021**  
(In millions)

	<u>Balance at January 1,</u>	<u>Charged to Costs and Expenses</u>	<u>Write-offs/ Payments/ Other</u>	<u>Balance at December 31,</u>
<b><u>2023</u></b>				
Valuation allowance on deferred tax assets <sup>(1)</sup> . . . . .	\$ 70	\$ (1)	\$ 26	\$ 95
Allowance for credit losses on mortgage loans on real estate <sup>(2)</sup> . . . . .	18	11	(3)	26
Allowance for credit losses on available-for-sale fixed maturity securities <sup>(2)</sup> . . . . .	12	10	(5)	17
Allowance for credit losses on reinsurance recoverable . . . . .	32	(4)	—	28
Allowance for credit losses on deposit asset . . . . .	1	—	—	1
<b><u>2022</u></b>				
Valuation allowance on deferred tax assets <sup>(1)</sup> . . . . .	\$ 63	\$ 7	\$ —	\$ 70
Allowance for credit losses on mortgage loans on real estate <sup>(2)</sup> . . . . .	15	3	—	18
Allowance for credit losses on available-for-sale fixed maturity securities <sup>(2)</sup> . . . . .	58	11	\$ (57)	12
Allowance for credit losses on reinsurance recoverable . . . . .	24	8	—	32
Allowance for credit losses on deposit asset . . . . .	—	1	—	1
<b><u>2021</u></b>				
Valuation allowance on deferred tax assets . . . . .	\$ 353	\$ (521)	\$ 231	\$ 63
Allowance for credit losses on mortgage loans on real estate . . . . .	89	(60)	(14)	15
Allowance for credit losses on available-for-sale fixed maturity securities . . . . .	26	33	(1)	58
Allowance for credit losses on reinsurance recoverable . . . . .	18	6	—	24

<sup>(1)</sup> Refer to the *Income Taxes* Note to the accompanying Consolidated Financial Statements for more information.

<sup>(2)</sup> Refer to the *Investments (excluding Consolidated Investment Entities)* Note to the accompanying Consolidated Financial Statements for more information.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### ***Evaluation of Disclosure Controls and Procedures***

The Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are effective in ensuring that material information relating to the Company required to be disclosed in the Company's periodic filings with the Securities and Exchange Commission ("SEC") is made known to them in a timely manner.

### ***Management's Annual Report on Internal Control Over Financial Reporting***

Management of Voya Financial, Inc. and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the Company. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements of the Company in accordance with U.S. generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 pertaining to financial reporting in accordance with the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In the opinion of management, Voya Financial, Inc. has maintained effective internal control over financial reporting as of December 31, 2023.

### ***Attestation Report of the Company's Registered Public Accounting Firm***

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued their attestation report on management's internal control over financial reporting which is set forth below.

### ***Changes in Internal Control Over Financial Reporting***

There were no changes to the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Voya Financial, Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited Voya Financial, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Voya Financial, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Voya Financial, Inc. as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and schedules and our report dated February 23, 2024 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP  
San Antonio, Texas  
February 23, 2024

## Item 9B. Other Information

During the three months ended December 31, 2023, none of the Company's directors and officers (as defined in Rule 16a-1(f)) adopted or terminated any trading plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

## PART III

### Item 10. Directors, Executive Officers, and Corporate Governance

The information required by this Item is omitted pursuant to General Instruction G to Form 10-K. Such information is incorporated by reference from the definitive Proxy Statement relating to the Company's 2024 Annual Meeting of Shareholders, which will be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### Item 11. Executive Compensation

The information required by this Item is omitted pursuant to General Instruction G to Form 10-K. Such information is incorporated by reference from the definitive Proxy Statement relating to the Company's 2024 Annual Meeting of Shareholders, which will be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table provides information as of December 31, 2023, regarding securities authorized for issuance under our equity compensation plans. All outstanding awards relate to our Common Stock. For additional information about our equity compensation plans, see the *Share-based Incentive Compensation Plans* Note in our Consolidated Financial Statements in Part II, Item 8. of this Annual Report on Form 10-K.

<i>(shares in millions)</i>	<u>2019 Omnibus Plan<sup>(2)</sup></u>	<u>2014 Omnibus Plan</u>
Authorized for issuance .....	12.6	17.4
Issued and reserved for issuance of outstanding:		
RSUs .....	3.6	5.8
PSU awards <sup>(1)</sup> .....	2.8	5.2
Stock options .....	—	3.7
Shares available for issuance .....	<u>6.2</u>	<u>2.7</u>

<sup>(1)</sup> PSUs awarded under the Omnibus Plans entitle recipients to receive, upon vesting, a number of shares of common stock that ranges from 0% to 150% of the number of PSUs awarded, depending on the level of achievement of the specified performance conditions.

<sup>(2)</sup> The 2019 Omnibus Plan provides for 12,606,853 shares of common stock to be available for issuance as equity-based compensation awards, subject to other provisions of the plan for replacement of shares and adjustments. Under the plan, if any award or any award outstanding as of May 23, 2019 that was granted under the Voya Financial, Inc. 2014 Omnibus Plan is forfeited, expires, terminates or lapses, then the shares will be available for grant under the 2019 Omnibus Plan.

The information required by this Item is omitted pursuant to General Instruction G to Form 10-K. Such information is incorporated by reference to the definitive Proxy Statement relating to the Company's 2024 Annual Meeting of Shareholders, which will be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is omitted pursuant to General Instruction G to Form 10-K. Such information is incorporated by reference from the definitive Proxy Statement relating to the Company's 2024 Annual Meeting of Shareholders, which will be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### Item 14. Principal Accounting Fees and Services

The information required by this Item is omitted pursuant to General Instruction G to Form 10-K. Such information is incorporated by reference from the definitive Proxy Statement relating to the Company's 2024 Annual Meeting of Shareholders, which will be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

## Part IV

### Item 15. Exhibits, Financial Statement Schedules

#### a. Documents filed as part of this report

##### 1. Financial Statements (See Item 8. Financial Statements and Supplementary Data)

- Consolidated Balance Sheets
- Consolidated Statements of Operations
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Shareholders' Equity
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm

##### 2. Schedule I - Summary of Investments Other than Investments in Affiliates

- Schedule II - Condensed Financial Information of Parent

- Schedule III - Supplementary Insurance Information

- Schedule IV - Reinsurance

- Schedule V - Valuation and Qualifying Accounts

All other provisions for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

##### 3. Exhibits

## Voya Financial, Inc.

### Exhibit Index

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
2.1	Combination Agreement by and among Voya Financial, Inc., Voya Investment Management LLC, Allianz SE, Allianz Global Investors U.S. LLC, and VIM Holdings LLC, dated as of June 13, 2022 (incorporated by reference to exhibit 2.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on August 4, 2022)
2.2	Amended and Restated Agreement and Plan of Merger entered into by and among Benefitfocus, Inc., Voya Financial, Inc. and Origami Squirrel Acquisition Corp dated as of December 19, 2022 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on December 19, 2022)
3.1	Amended and Restated Certificate of Incorporation of Voya Financial, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-3 (File No. 333-196883) filed on June 18, 2014)
3.2	Amended and Restated By-Laws of Voya Financial, Inc. effective October 27, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on October 27, 2022)
3.3	Certificate of Designations with respect to the Series A Preferred Stock of the Company, dated September 12, 2018 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on September 12, 2018)
3.4	Certificate of Designations with respect to the Series B Preferred Stock of the Company, dated June 17, 2019 (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form 8-A (File No. 001-35897) filed June 17, 2019)
4.01	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.2 to Amendment No. 4 to the Company's Registration Statement on Form S-1 (File No. 333-184847), filed on April 16, 2013)
4.02	Indenture, dated as of July 13, 2012, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.1 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
4.03	First Supplemental Indenture, dated as of July 13, 2012, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.2 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
4.04	Second Supplemental Indenture, dated as of February 11, 2013, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.74 to the Company's Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-184847) filed on March 19, 2013)
4.05	Third Supplemental Indenture, dated as of July 26, 2013, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.01 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on July 26, 2013)
4.06	Fourth Supplemental Indenture, dated as of March 17, 2015, among Voya Financial, Inc., Voya Holdings Inc., and U.S. Bank National Association (the predecessor to U.S. Bank Trust Company, National Association), as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 4, 2023)
4.07	Fifth Supplemental Indenture, dated as of June 13, 2016, among Voya Financial, Inc., Voya Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on June 14, 2016)
4.08	Sixth Supplemental Indenture, dated as of June 13, 2016, among Voya Financial, Inc., Voya Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on June 14, 2016)
4.09	Seventh Supplemental Indenture, dated as of July 5, 2017, by and among Voya Financial, Inc., Voya Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on July 5, 2017)
4.10	Junior Subordinated Indenture, dated as of May 16, 2013, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 23, 2013)
4.11	First Supplemental Indenture, dated as of May 16, 2013, among ING U.S., Inc., Lion Connecticut Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 23, 2013)



<b>Exhibit No.</b>	<b>Description of Exhibit</b>
4.12	Second Supplemental Indenture, dated as of January 23, 2018, among Voya Financial, Inc., Voya Holdings Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on January 23, 2018)
4.13	Description of Securities of the Registrant (incorporated by reference to Exhibit 4.12 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 21, 2020)
10.01	Indenture, dated as of August 1, 1993, between Aetna Life and Casualty Company and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.4 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.02	First Indenture Supplement, dated as of August 1, 1996 between Aetna Services, Inc. (F/K/A Aetna Life and Casualty Company) and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.5 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.03	Second Indenture Supplement, dated as of October 30, 2000, among Aetna Services, Inc. (F/K/A Aetna Life and Casualty Company), Aetna Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.6 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.04	Third Indenture Supplement, dated as of December 13, 2000, among Aetna, Inc., ING Groep N.V. and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.7 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.05	Indenture, dated as of July 1, 1996, among Aetna Life and Casualty Company, Aetna, Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.8 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.06	First Indenture Supplement dated as of October 30, 2000 among Aetna Services, Inc. (F/K/A Aetna Life and Casualty Company), Aetna Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.9 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.07	Second Indenture Supplement dated as of December 13, 2000, between Lion Connecticut Holdings, Inc. (as successor to Aetna, Inc., Aetna Services, Inc. and Aetna Life and Casualty Company) and State Street Bank and Trust Company of Connecticut, National Association, as trustee (incorporated by reference to Exhibit 10.10 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333- 184847) filed on January 23, 2013)
10.08	Fourth Amended and Restated Revolving Credit Agreement dated as of May 1, 2023, among Voya Financial, Inc., Bank of America, N.A. and the other parties thereto (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 4, 2023)
10.09	Account Control Agreement, dated as of February 8, 2018, by and between Voya Retirement Insurance and Annuity Company, Federal Home Loan Bank of Boston, and The Bank of New York Mellon (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2018 (File No. 001-35897) filed on May 2, 2018)
10.10	Advances, Collateral Pledge and Security Agreement, dated as of February 8, 2018, by and between Voya Retirement Insurance and Annuity Company and the Federal Home Loan Bank of Boston (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2018 (File No. 001-35897) filed on May 2, 2018)
10.11	Coinsurance Agreement, dated as of October 1, 1998, between Aetna Life Insurance and Annuity Company and The Lincoln National Life Insurance Company (incorporated by reference to Exhibit 10.24 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.12	Modified Coinsurance Agreement, dated as of October 1, 1998, between Aetna Life Insurance and Annuity Company and The Lincoln National Life Insurance Company (incorporated by reference to Exhibit 10.25 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.13	Coinsurance Agreement, dated as of October 1, 1998, between Aetna Life Insurance and Annuity Company and Lincoln Life & Annuity Company of New York (incorporated by reference to Exhibit 10.26 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
10.14	Amendment No. 1 to Coinsurance Agreement, effective March 1, 2007 between ING Life Insurance and Annuity Company (F/K/A Aetna Life Insurance and Annuity Company) and Lincoln Life & Annuity Company of New York (incorporated by reference to Exhibit 10.27 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.15	Modified Coinsurance Agreement, dated as of October 1, 1998, between Aetna Life Insurance and Annuity Company and Lincoln Life & Annuity Company of New York (incorporated by reference to Exhibit 10.28 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.16	Tax Sharing Agreement by and between ING America Insurance Holdings, Inc. and various subsidiaries with respect to federal taxes (incorporated by reference to Exhibit 10.30 to the Company's Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-184847) filed on March 19, 2013)
10.17	Tax Sharing Agreement by and between ING America Insurance Holdings, Inc. and various subsidiaries with respect to state taxes (incorporated by reference to Exhibit 10.31 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.18	Equity Administration Agreement between ING U.S., Inc. and ING Groep N.V. dated as of May 7, 2013 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-35897) filed on May 7, 2013)
10.19	Master Claim Agreement, dated April 17, 2012, between ING Groep N.V., ING America Insurance Holdings, Inc. and ING Insurance Eurasia N.V. (incorporated by reference to Exhibit 10.35 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-184847) filed on January 23, 2013)
10.20	Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.37 to the Company's Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-184847) filed on April 5, 2013)
10.21+	Amended and Restated Voya Retirement Plan, effective January 1, 2018 (incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 22, 2019)
10.22+	Voya Deferred Compensation Savings Plan, Amended and Restated Effective as of January 1, 2020 (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 21, 2020)
10.23+	Voya Severance Pay Plan, as amended and restated effective as of January 4, 2021 (incorporated by reference to Exhibit 10.44 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on March 1, 2021)
10.24+	Form of Voya Financial, Inc. Severance Plan for Senior Managers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 5, 2016)
10.25+	Voya Financial, Inc. Amended and Restated 2013 Omnibus Non-Employee Director Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on August 7, 2014)
10.26+	Form of Award Agreement under the Voya Financial, Inc. Amended and Restated 2013 Omnibus Non-Employee Director Incentive Plan (incorporated by reference to Exhibit 10.57 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 21, 2020)
10.27+	Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on August 9, 2019)
10.28+	Offer Letter of Christine Hartsellers, dated September 24, 2004 (incorporated by reference to Exhibit 10.98 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 23, 2017)
10.29+	Promotion and Compensation Memorandum of Christine Hartsellers, dated February 12, 2009 (incorporated by reference to Exhibit 10.99 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 23, 2017)
10.30**	Master Agreement for Outsourced Services between Voya Services Company and Cognizant Worldwide Limited dated as of July 31, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on November 1, 2017)
10.31+	Form of Chief Executive Officer 2020 Award Agreement under the Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed May 6, 2020)
10.32+	Form of Executive Officer 2020 Award Agreement under the Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed May 6, 2020)
10.33+	Form of 2020 Award Agreement under the Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed May 6, 2020)
10.34	Amended and Restated Limited Liability Company Agreement of VIM Holdings LLC dated as of July 25, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed August 4, 2022)

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
10.35+	Offer Letter to Heather Lavallee, dated December 21, 2022 (incorporated by reference to Exhibit 10.60 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 24, 2023)
10.36+	Amended and Restated Employment Agreement of Rodney O. Martin, Jr. dated as of July 6, 2022 (incorporated by reference to Exhibit 10.61 to the Company's Annual Report on Form 10-K (File No. 001-35897) filed on February 24, 2023)
10.37+	Form of Executive Chairman 2023 Award Agreement under the Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 4, 2023)
10.38+	Form of Executive Officer 2023 Award Agreement under the Voya Financial, Inc. 2019 Omnibus Employee Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-35897) filed on May 4, 2023)
10.39+*	Separation Agreement between Voya Investment Management and Christine Hurtsellers, dated January 9, 2024
19.1*	Voya Financial Personal Trading Policy
21.1*	List of Subsidiaries of Voya Financial, Inc.
23.1*	Consent of Ernst & Young LLP
24.1	Power of Attorney (included on signature pages)
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Heather H. Lavallee, Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Donald C. Templin, Chief Financial Officer
32.1*	Section 1350 Certification of Heather H. Lavallee, Chief Executive Officer
32.2*	Section 1350 Certification of Donald C. Templin, Chief Financial Officer
97*	Voya Financial Compensation Recoupment Policy
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

\* Filed herewith.

+ This exhibit is a management contract or compensatory plan or arrangement

\*\* Confidential portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 23, 2024

(Date)

Voya Financial, Inc.

(Registrant)

By: /s/

Donald C. Templin

Donald C. Templin

Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

## **POWER OF ATTORNEY**

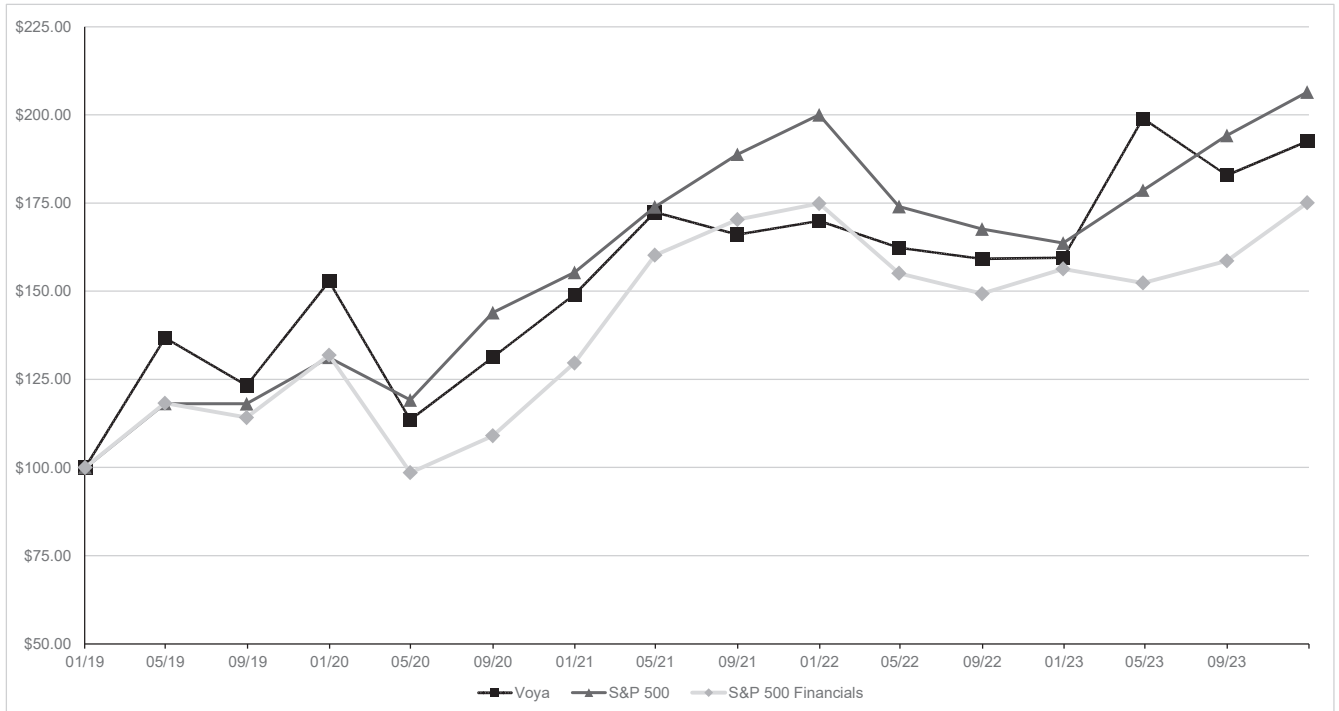
KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature below constitutes and appoints Heather H. Lavallee, Donald C. Templin, and My Chi To as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Annual Report on Form 10-K, and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
By: /s/ <u>Heather H. Lavallee</u> Heather H. Lavallee	Director and Chief Executive Officer <i>(Principal Executive Officer)</i>	February 23, 2024
By: /s/ <u>Rodney O. Martin, Jr.</u> Rodney O. Martin, Jr.	Executive Chairman	February 23, 2024
By: /s/ <u>Lynne Biggar</u> Lynne Biggar	Director	February 23, 2024
By: /s/ <u>Stephen Bowman</u> Stephen Bowman	Director	February 23, 2024
By: /s/ <u>Yvette Butler</u> Yvette Butler	Director	February 23, 2024
By: /s/ <u>Jane P. Chwick</u> Jane P. Chwick	Director	February 23, 2024
By: /s/ <u>Kathleen DeRose</u> Kathleen DeRose	Director	February 23, 2024
By: /s/ <u>Hikmet Ersek</u> Hikmet Ersek	Director	February 23, 2024
By: /s/ <u>Ruth Ann M. Gillis</u> Ruth Ann M. Gillis	Director	February 23, 2024
By: /s/ <u>Rob Leary</u> Rob Leary	Director	February 23, 2024
By: /s/ <u>Aylwin Lewis</u> Aylwin Lewis	Director	February 23, 2024
By: /s/ <u>Joseph V. Tripodi</u> Joseph V. Tripodi	Director	February 23, 2024
By: /s/ <u>David Zwiener</u> David Zwiener	Director	February 23, 2024
By: /s/ <u>Donald. C. Templin</u> Donald. C. Templin	Chief Financial Officer <i>(Principal Financial Officer)</i>	February 23, 2024
By: /s/ <u>Tony D. Oh</u> Tony D. Oh	Chief Accounting Officer and Corporate Controller <i>(Principal Accounting Officer)</i>	February 23, 2024

## Performance Graph

The following graph compares an investment in the Company's common stock from January 1, 2019 through December 31, 2023, against (i) an investment in the S&P 500 index and (ii) an investment in the S&P 500 Financials Index. The graph assumes \$100 was invested on January 1, 2019 in the Company's common stock, the S&P 500 index, and the S&P 500 financials index, as applicable, and that dividends were reinvested on the date of payment without deduction of any commissions. The performance shown in the graph represents past performance and should not be considered an indication of future performance.



## Availability of Further Information

Voya Financial, Inc. will provide, without charge, a copy of its 2023 Annual Report on Form 10-K upon the written request of any shareholder. Such requests shall be directed to the Office of the Corporate Secretary, Voya Financial, Inc., 230 Park Avenue, New York, New York 10169.

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## Forward-Looking and Other Cautionary Statements

This annual report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The company does not assume any obligation to revise or update these statements to reflect new information, subsequent events or changes in strategy. 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) global market risks, including general economic conditions, our ability to manage such risks and interest rates; (ii) liquidity and credit risks, including financial strength or credit ratings downgrades, requirements to post collateral, and availability of funds through dividends from our subsidiaries or lending programs; (iii) strategic and business risks, including our ability to maintain market share, achieve desired results from our acquisitions and dispositions, or otherwise manage our third-party relationships; (iv) investment risks, including the ability to achieve desired returns or liquidate certain assets; (v) operational risks, including cybersecurity and privacy failures and our dependence on third parties; and (vi) tax, regulatory and legal risks, including limits on our ability to use deferred tax assets, changes in law, regulation or accounting standards, and our ability to comply with regulations. 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 (“MD&A”) – Trends and Uncertainties” in our Annual Report on Form 10-K for the year ended Dec. 31, 2023, filed with the SEC on Feb. 23, 2024.

Voya Financial  
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New York, NY 10169  
voya.com