MOODY'S RATINGS

CREDIT OPINION
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Update

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Aegon USA Life Group (Cons)

Rating affirmation reflects ongoing focus on less capital-intensive products and a lower risk profile

Summary

Our credit view of the life insurance companies in the Aegon USA Life Group or Transamerica - i.e., Transamerica Life Insurance Company (TLIC, insurance financial strength rating (IFS) A1, stable), and Transamerica Financial Life Insurance Company (TFLIC, IFS A1, stable) is based on its established positions in the US life insurance and asset accumulation businesses including the workplace markets. The rating also reflects the company's utilization of multiple distribution channels, its diversified earnings that benefit from economies of scale, and a strong capital position as evidenced by a consolidated NAIC company-action level risk-based capital (CAL RBC) ratio of 435% at Q3 2024. The stable outlook reflects the continued execution of the business plan focused on providing protection and retirement products and services to the middle market, the expectation for improved capital generation, and consistent profitability in-line with its rating level.

The company's strengths are mitigated by the challenges Transamerica faces in profitably growing its core business in a competitive market, which place downward pressure on profitability, tempered by cost reductions, and investments in growth initiatives that will take time to develop. In addition, financial results could be adversely impacted by the challenges of managing and reducing the risks in the company's run-off businesses that include in-force LTC, ULSG, VA's with significant interest sensitive riders. Aegon US's business priorities and focus on growth in its Strategic Assets will make the company more reliant on highly competitive businesses to generate future sales and profits, albeit with less interest rate risk and related earnings volatility. The execution and implementation of these strategies which includes improving financial results and lowering its risk profile is progressing with the divestiture via reinsurance of 2 ULSG blocks, an improved hedging program on the VA business and premium rate actions on the LTC business.

Exhibit 1

Adjusted statutory income hurt by realized losses related to higher interest rates; underlying earnings lower driven by higher mortality, and lower fee income

Source: Moody's Ratings and company filings

Credit strengths

» Diverse product offering leveraging established positions in the US life insurance and retirement business

» Multiple distribution channels focused on the middle market

» Generally good statutory net capital generation

Credit challenges

» Execution risks associated to the business transformation, in particular maintaining a good pace in terms of capital generation, earnings mix and cost efficiency programs as the US business reallocates its capital to Strategic Assets from Financial Assets

» Volatile statutory earnings

» Managing the volatility in the capital position due the exposure to equity markets, interest rate risk and unhedged credit risks as a result of changing credit spreads

» Use of captives and structured transactions which weaken the quality of reserves and regulatory capital

Outlook

The stable outlook reflects the continued execution of the business plan, and the expectation for improved capital generation, and consistent profitability in-line with its rating level. Items to watch include a reduction in the company's Financial Assets contributing to lower earnings volatility, and improvement in commercial activity leading to improved sales in its Strategic Assets that include Protection Solutions, Distribution, and Savings & Investments businesses.

Factors that could lead to an upgrade

» Return on statutory capital (ROC) of the US operations consistently above 8% with a sustained reduction in volatility

» Improved organic capital generation; and

» Successful execution of the US business plan over the intermediate term, reflected by improving commercial activity leading to improved sales and net inflows, and financial performance in its core businesses

» Material reduction in Financial Asset businesses

Factors that could lead to a downgrade

» ROC of the US operations consistently below 4%

» Combined NAIC CAL RBC ratio of less than 350%, after adjustment for intercompany loans and reinsurance captives or a reduction in capital of more than 10% over a 12 month period

» Earnings coverage consistently below 6x or an adjusted financial leverage consistently above 30% at Aegon group

» Modest success in the implementation of the US business plan over the intermediate term, affecting financial performance, and commercial activity leading to declining or uneven sales growth, and lack of consistent net inflows operations

» Inability to materially reduce Financial Asset exposure

Related to TLIC, the P-1 Short-term IFS rating, is likely to remain unchanged, if the A1 IFS rating of the company were downgraded one notch.

Key indicators

Exhibit 2
Select key indicators for Aegon Ltd. and Aegon USA Life Group

Aegon Ltd. [1]	2023	2022	2021	2020	2019
As Reported (Euro Millions) - Aegon Ltd. [2]					
Total Assets	301,581	380,487	-	-	-
Total Shareholders' Equity	9,554	10,935	-	-	-
Net Income (Loss) Attributable to Common Shareholders	(227)	(1,055)	-	-	-
Total Revenue	19,720	(22,478)	-	-	-
Moody's Adjusted Ratios - Aegon Ltd. [2]					
Goodwill & Intangibles % Shareholders' Equity	39.7%	39.0%	-	-	-
Financial Leverage	28.3%	34.0%	-	-	-
Total Leverage	39.9%	41.1%	-	-	-
Earnings Coverage	-0.1x	-2.1x	-	-	-
Cash Flow Coverage	NA	NA	-	-	-
As Reported (US Dollar Millions) - Aegon USA Life Group (Cons) [3]					
Total Assets	202,161	196,587	238,338	233,783	214,535
Total Shareholders' Equity	6,828	6,511	8,365	9,187	9,807
Net Income (Loss) Attributable to Common Shareholders	920	(2,132)	343	1,370	4,259
Total Revenue	17,635	27,669	24,677	31,443	28,622
High Risk Assets % Shareholders' Equity	124.4%	124.3%	86.9%	87.6%	79.6%
Return on Average Capital (ROC)	4.6%	-23.4%	2.2%	8.9%	26.0%
Shareholders' Equity % Total Assets	3.6%	3.6%	4.3%	4.7%	5.4%
Sharpe Ratio of ROC (5 yr.)	20.7%	8.1%	62.1%	73.0%	55.1%

[1] Information based on IFRS17 financial statements as of the fiscal year ended 31 December; previous years' financial statements were prepared under legacy IFRS 4, which are not comparable to IFRS17 and are not included in the exhibit. [2] Certain items may have been relabeled and/or reclassified for global consistency. [3] Information based on SAP financial statements as of the fiscal year ended 31 December.
Source: Company filings and Moody's Ratings

Aegon Ltd. began reporting under the new insurance accounting regime, IFRS 17, as of 1 January 2023. The application of IFRS 17 has significantly affect the overall presentation of financial statements as well as certain reported amounts, including shareholders' equity, insurance liabilities, revenue and net income. Scorecard metrics whose inputs are affected by the application of IFRS 17 has resulted in values and unadjusted scores that are significantly different from what was reported under the company's legacy reporting.

Profile

Aegon Ltd. (Aegon; senior debt Baa1, stable) is the Bermuda-based holding company of the Aegon group ("Aegon"or "the group"). The group's main operations are based in the US, whose main primary life insurance entities carry an A1 IFS rating, which accounts for around two thirds of the group's operating results (before holding activities). The group also operates in the United Kingdom, Spain, Portugal, China and Brazil and also owns a global asset management business.

Aegon has operated for more than 175 years as a leading provider of life insurance and pension products and services. Aegon transferred its legal domicile to Bermuda from the Netherlands in 2023, and the group's supervision transferred to the Bermuda Monetary Authority or BMA. Aegon is listeded on Euronext Amsterdam and on the New York Stock Exchange (NYSE), and retains its headquarters in the Netherlands. On July 4, 2023, Aegon announced the completion of the combination of its Dutch pension, life and non-life insurance, banking, and mortgage origination activities with a.s.r., along with a multi-year asset management partnership. As part of the transaction, Aegon received EUR 2.2 billion in cash proceeds and a 29.99% strategic shareholding in a.s.r..

Aegon's strategy is aimed at improving the group's operating performance and strengthening its balance sheet. The group has separated its activities into two groups, higher-margin assets (Strategic Assets) and capital-intensive assets (Financial Assets), with the aim of reallocating its capital more efficiently towards Strategic Assets and growth markets (Spain and Portugal, China and Brazil) and its global asset manager.

Aegon US

Transamerica Corporation is the holding company for the US operations and through its operating subsidiaries' conducts business in all 50 states in the U.S., the District of Columbia, Puerto Rico, Guam and US Virgin Islands. It operates through two operating companies, TLIC and TFLIC. As of H1 2024, the US accounted for approximately 73% of the group's operating results and 60% of the group's capital resources.

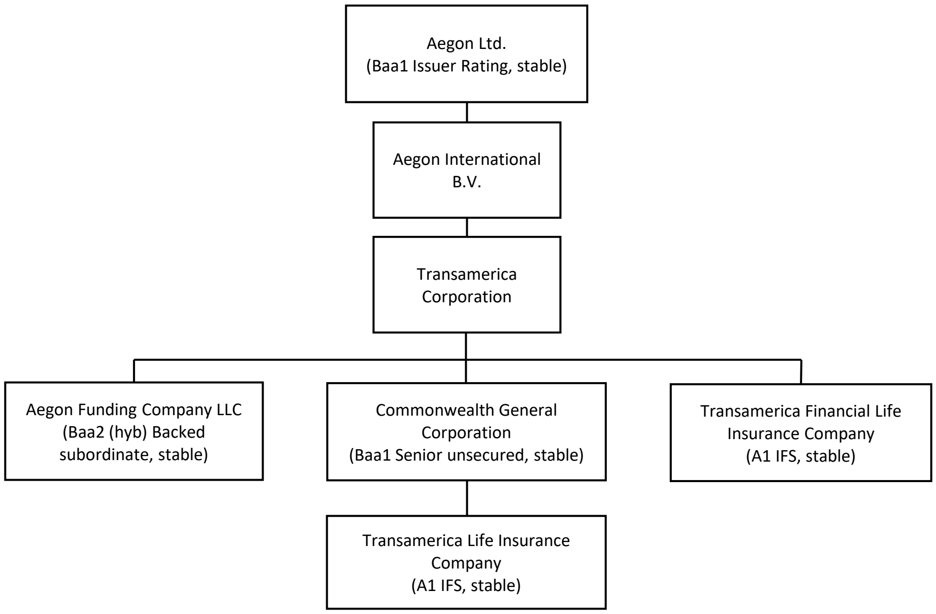
Among the Strategic Assets in the US, Aegon will grow its Savings & Investments businesses that includes Retirement Plans, Mutual Funds, and Stable Value Solutions. This includes recordkeeping and investment services for US defined contribution plans and individual retirement accounts, as well as advice to plan participants. The Retirement Plan business focuses on general account stable value and IRA products, focusing on mid-sized and pooled plans, and managed advice and other products and services. The Protection business includes insurance businesses covering term Life, indexed Universal Life or IUL, final expense and registered index linked annuities or RILA. Transamerica's Distribution business segment consists of World Financial Group or WFG, its wholly-owned life insurance agency, and Transamerica Financial Advisors.

Aegon will consider as Financial Assets several of its US products, among them the Variable Annuity (VA) business with interest rate sensitive living and death benefit riders, Universal Life with Secondary Guarantees (ULSG) the standalone long-term care (LTC) and the fixed annuities which have been closed for new business and actively managed in run-off. Transamerica is taking in-force management actions on Financial Assets that are expected to reduce the capital employed together with the organic run-off of the portfolio to around USD 2.2 billion by YE 2027.

Aegon UK

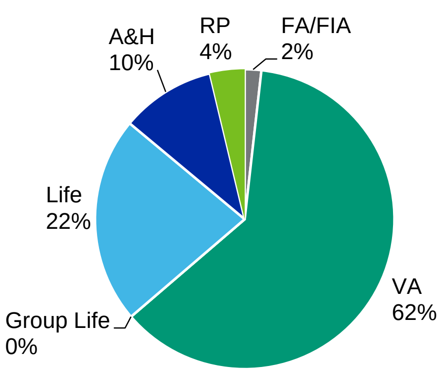
Aegon is present in the UK pensions and savings market and has become the leader in the UK platform segment, following the acquisition of BlackRock's UK defined contribution business and more importantly the acquisition of Cofunds, which has significantly increased the scale of Aegon's platform business. Aegon UK managed £203 billion of assets under administration as of year-end 2023. The company primarily focuses on Retail (through the Adviser platform) and Workplace savings. Aegon UK's profitability largely depends on the level of assets under administration that it retains on its platform and the fees it charges its customers. Recent growth in assets under administration has been driven by good sales levels and strong markets in the Workplace platform, while the Adviser platform continues to report outflows. Aegon continues to focus on increasing the interconnected business model of Aegon UK with three growth franchises: the Workplace platform, the Adviser platform (formerly known as Retail), and the Advice franchise.

Exhibit 3
Simplified Organizational Chart



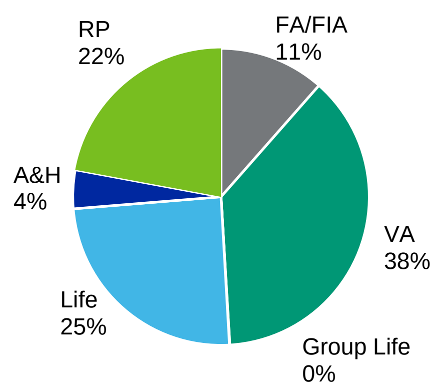
Source: Moody's Ratings and company filings

Exhibit 4
Majority of US premiums from variable annuities, year-end 2023



[1] RP represents business attributable to Retirement Plans.
[2] Information based on SAP financial statements as of the fiscal year ended 31 December.
Source: Moody's Ratings and company filings

Exhibit 5
Majority of US reserves derived from variable annuities, year-end 2023



[1] RP represents business attributable to Retirement Plans.
[2] Information based on SAP financial statements as of the fiscal year ended 31 December.
Source: Moody's Ratings and company filings

Detailed credit considerations

Moody's rates the life insurance subsidiaries of Aegon USA A1 for insurance financial strength, which is in line with the adjusted scorecard-indicated outcome from Moody's insurance financial strength rating scorecard.

Insurance financial strength rating

The key factors currently influencing the rating and outlook are:

Market position and brand: A - Strategic shift to become leading middle-market life and retirement company, continued run-off in select lines of business

Aegon utilizes its Transamerica brand in the US, and maintains strong market positions in its major pension and life insurance business lines focused on building its middle market presence. The company ranked among the top 10 in life insurance, as measured by overall life sales and among the top 10 for VA assets with approximately $65.9 billion of account value on an IFRS basis as of December 31, 2023. Transamerica's strategic initiatives include being a leading middle-market life insurance and retirement company through its Strategic Asset business.

Transamerica continues to focus on Individual Life Insurance, evident by the increase in new individual life sales in 2023. New individual life sales remained flat at $112 million as of Q3 2024 as WFG agents shift focus to third party annuity products. The company's VA with significant interest rate sensitive living and death benefits riders, stand-alone LTC, and fixed annuity businesses are now de-emphasized and closed for new business since the H1 2021. As of Q3 2024, year-to-date (YTD) net deposits in mid-sized retirement plans decreased to $0.8 billion from $1.2 billion at YTD Q3 2023 driven largely by higher withdrawals from an increase in equity markets and contract discontinuances.

We expect the Strategic Asset businesses to provide higher commercial activity in the coming years, despite downward pressure from the company's narrower and more focused business profile. We expect downward pressure on its market position over the intermediate term. We believe Aegon USA's factor score remains adequately positioned at the A level on an unadjusted and adjusted basis.

Distribution: A - Continued focus in WFG expansion through investments in agent count and productivity

Aegon USA has good distribution diversity, consistent with A-rated peers on both an unadjusted and adjusted scorecard basis. The company's key channels include independent and captive agents, direct marketing, and worksite marketing, and the group's multiplicity of channels has helped it extend its distribution reach. In 2023, life sales among its Protection Solutions were higher by 11% or $56 million, and up around 1% year over year as of Q3 2024 driven by the company's ability to leverage its flagship IUL product. Transamerica's market share in World Financial Group (WFG), its affiliated distribution network, in the US has held steady between 63-64% in 2023 and 2024. The company continues to invest in WFG which currently has more than 82,000 independent agents through Q3 2024. By 2027, Transamerica intends to grow the number of agents to 110,000 while improving agent productivity. All things considered, we see the group's profile for this factor being consistent with A-rated peers on an unadjusted and adjusted scorecard basis.

Product focus and diversification: A - Reinsurance transaction with Wilton Re helps to reduce continued liability risk, seeking additional LTC premium rate-increases

Aegon USA maintains strong product line diversification within the U.S. life insurance and retirement sector. Its key principal product lines are individual life, individual VA's, 403(b), 401(k) and accident & health products (supplemental health insurance and disability insurance). The company has shifted focus away from its capital intensive and interest sensitive products. Aegon USA still manages sizable blocks of inforce legacy business at December 31, 2023 on an IFRS basis, including VA with significant interest sensitive riders, fixed annuities ($6.9 billion), UL ($19.3 billion) and LTC ($10.3 billion). The LTC block is vulnerable to potential reserve increases if claims experience worsens or in case of sustained low interest rates, particularly if the performance deviates from actuarial projections and modeling, though the company has additional reserves set up to help manage this experience. The company continues to intentionally reduce its exposure to Financial Assets. In July 2023, Transamerica agreed to reinsure $1.4 billion of statutory reserves of the SGUL portfolio to Wilton Re, reducing its mortality risk exposure. The transaction generated $240 million of capital which the company has been using to buy back up to 40% of the face value of its UL policies owned by institutional investors. In LTC, the company set up a new rate-increase program seeking approvals for $700 million of premium rate increases, associated with the removal of its mortality improvement assumption and market aligned increase in its inflation assumption.

The company's record keeping business provides significant scale in pension administration, contributing to increased pension sales in its Workplace platform. Though the business has experienced net outflows in recent years from contract discontinuances and surrenders, we believe this will transition to net inflows prospectively.

Overall, Aegon USA remains consistent on this factor with A-rated peers, in terms of both the unadjusted and adjusted metrics.

Asset quality: A - Some exposure to commercial mortgage loans in portfolio

Aegon USA's high risk assets are composed largely of below-investment-grade bonds, equities, and alternative investments, placing the high risk assets sub-factor score in the Baa-range, on an unadjusted scorecard basis.

The company has significant exposure to higher risk assets such as alternatives, subprime, RMBS, CMBS, CML and bank hybrid securities that are not included in the simple scorecard metric. As of June 30, 2024, Aegon USA's general account portfolio consists largely of investment grade corporate bonds, approximately 47%, and commercial mortgage loans, 15%. 63% of the CMBS exposure is rated AAA and 94% rated A or above.

As of December 31, 2023 about 96% of Aegon USA's long term bond portfolio is rated NAIC class 2C and above, equivalent to Baa3, which could weaken asset quality under a rating migration event. Moody's projects global speculative grade defaults to gradually decline to around 4.3% by year-end 2024 in the baseline scenario (if realized, would be around the historical long-term average of 4%), 5.9% in a moderately pessimistic scenario and 9.6% in a severely pessimistic scenario by October 2025. We believe Aegon USA's stress investment losses to be manageable compared to its peers as a percentage of general account investments, and the impact to be more of an earnings than a capital event.

Consolidated goodwill and other intangibles represent approximately 40% of Aegon Ltd's shareholders' equity. Most of Aegon's intangibles are in the form of deferred acquisition costs (DAC) and now accounted for in the IFRS 17 liabilities. DAC intangibles are generally substantial for life companies and more readily realized into real equity than goodwill.

As a result, we adjust the company's adjusted factor score to A from its Baa unadjusted factor score.

Capital adequacy: A - RBC ratio above internal targets; net capital generation benefiting from management actions on Financial Assets

Aegon USA's unadjusted scorecard metric of capital-to-total assets aligns with a Ba rating, depressed primarily because of the asset-intensive liabilities the company writes. However, we believe that the NAIC risk-based capital (RBC) ratio is a better indicator of the group's capitalization. The NAIC RBC ratio increased in 2023 to 432% at YE 2023 and slightly higher to around 435% as of September 30, 2024, and above the target level of 400% and minimum dividend payment level of 350%. A level below this minimum would place downward pressure on Aegon's US ratings. During 2023, market movements had a positive impact on the RBC ratio, mainly from tightening credit spreads and interest rates movements. One-time items and management actions had a negative impact which included the set-up of a Bermuda affiliated reinsurance entity – required capital funded by TLIC, and the subsequent reinsurance of a block of Fixed Deferred Annuities. The negative impacts was partly offset by the recognition of the statutory available and required capital of two captive insurance companies in TLIC's capital position. Operating capital generation contributed favorably to the US RBC ratio and more than offset the dividends to the holdco.

As of September 30, 2024, Aegon US's intermediate holding company remitted EUR 282 million in dividends to the Group and in-line with expectations. In 2023, EUR 514 million in dividends were remitted and we expect similar levels of remittances to the Group from the US in 2024 & 2025. TLIC and TFLIC can dividend up to $2,728 million and $201 million respectively to the holding company without regulatory approval.

With regard to group capitalization, consolidated solvency ratio (still calculated under the Solvency II principles until a transition period ending at YE 2027) remained strong at 193% as at YE 2023 and around 190% as of June 30, 2024. The group maintains a disciplined capital strategy in its main operating companies.

Aegon US's holding companies have no debt outstanding, since debt is issued by Aegon; however, bank letters of credit do support certain of its captive XXX and AXXX transactions. Capital adequacy in the US benefits from Reg. XXX term life and Guideline AXXX universal life captive and structured insurance transactions. These transactions diminish the quality of the group's consolidated regulatory capital. The non-recognition of reserve credit for these transactions, which are only partially included in the consolidated RBC ratio would cause the RBC ratio to drop significantly, if regulatory changes or a stress situation precipitated the denial of credit for the guarantee or the recapture of the underlying business. In 2023, $7.4 billion and $4.3 billion of reserve credit was taken for XXX and AXXX, respectively mainly through the use of an excess of loss reinsurance and to a lesser extent note-for-note transactions with third parties. Overall, we believe Aegon USA's score for this factor remains more consistent with low A-rated than Ba-rated peers.

Profitability: A - Operating results pressured by management actions in 2023

Aegon USA's statutory profitability continues to support the dividends that have been paid; however, accounting volatility between net income and direct to surplus adjustments due to interest rate volatility, VA hedging, reserve strengthening and other one-time items skews its profitability.

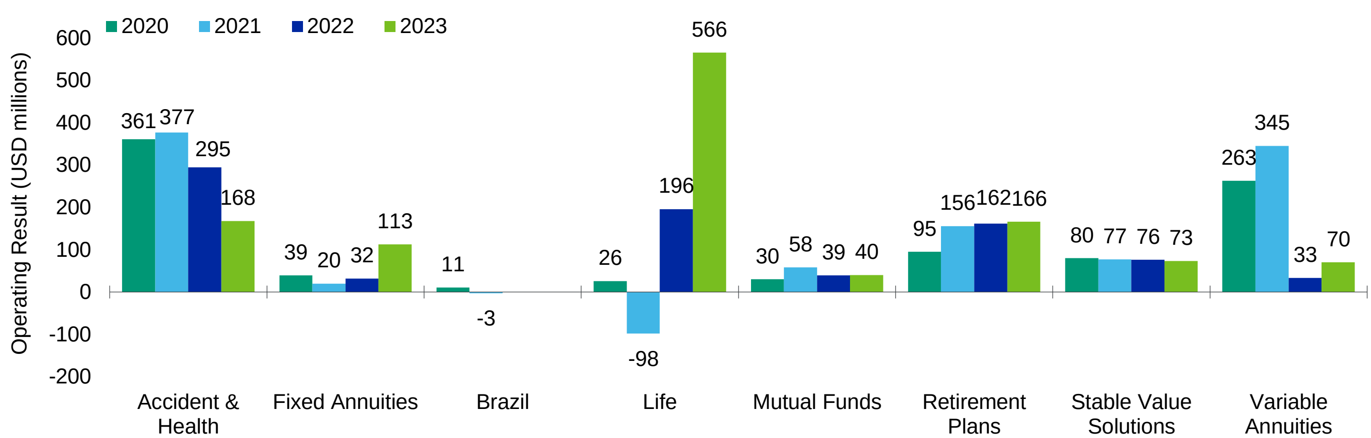
Aegon Group's 2023 operating results were stable at EUR 1.5 billion though down from the prior year. This was driven by multiple management actions in 2023 and the omission of one-time benefits that drove up results in 2022. The US is the group's biggest earnings contributor and main business it relies upon to achieve internal capital generation. The US IFRS operating earnings declined from EUR 1.4 billion in 2022 to EUR 1.1 billion in 2023, but lower in local currency. This was primarily driven by a few management actions, including the reinsurance transaction with Wilton Re. The company reduced its mortality risk through its reinsurance transaction with Wilton Re and has since purchased approximately 40% of the $7 billion face value of institutionally owned UL policies that were in-force at the end of 2021.

The US business continues to face profitability headwinds from the reallocation of capital towards its less capital intensive businesses. Historically, the US performance on an IFRS and statutory basis has been volatile and lower than expected, due partly lower than expected mortality experience, and the volatility of the VA and cost and complexity of its hedging. We also remain concerned about older age mortality and the performance of the LTC block of business, which is sensitive to changes in assumptions regarding morbidity experience, model updates and adverse claims.

Overall, we believe Aegon USA's profitability is still in the low A range on an adjusted basis from the Baa unadjusted score. The lower than expected profitability for its rating level is driven by the company's broad product base, expense efficiency initiatives, divestitures and exiting of non-core businesses and continuing shift toward lower risk products and fee income. However, the continued volatility in profitability will lead to downward pressure on the score for this factor.

Exhibit 6

IFRS operating result by line of business



[1] The YE 2023 financials used above are before restatements. Aegon began reporting under the new insurance accounting regime, IFRS 17, as of 1 January 2023. The application of IFRS 17 may significantly affect the overall presentation of financial statements as well as certain reported amounts, including shareholders' equity, insurance liabilities, revenue and net income. [2] The YE 2020, 2021 and 2022 financials used above are based on IFRS 4.

Source: Moody's Ratings and company filings

Liquidity and asset/liability management (ALM): Aa - Liquidity levels consistent despite risk challenges in VA/UL liabilities

Aegon USA's unadjusted score on this factor is consistent with Aa-rated peers. However, we note that the group's ALM is complicated by its closed VA product with significant interest sensitive riders, and term and no-lapse universal life insurance guarantees. Some of these structures include provisions that would require Aegon USA to provide liquidity to the counterparty under certain stress conditions. Lastly, the mergers of legal entities in recent years into 2 operating companies, TFLIC and TLIC and the collapsing of captives have provided additional margin for cash flow testing results and capital adequacy ratios. Despite these additional liquidity and ALM risks, we believe Aegon's liquidity and ALM is still in the low Aa range on an adjusted basis, in line with its unadjusted score.

Financial flexibility: A - Driven by parent Aegon Ltd.

Aegon's consolidated group equity decreased to EUR 8.6 billion at June 30, 2024 from EUR 9.6 billion at YE 2023 driven mainly by the share buybacks and dividends.

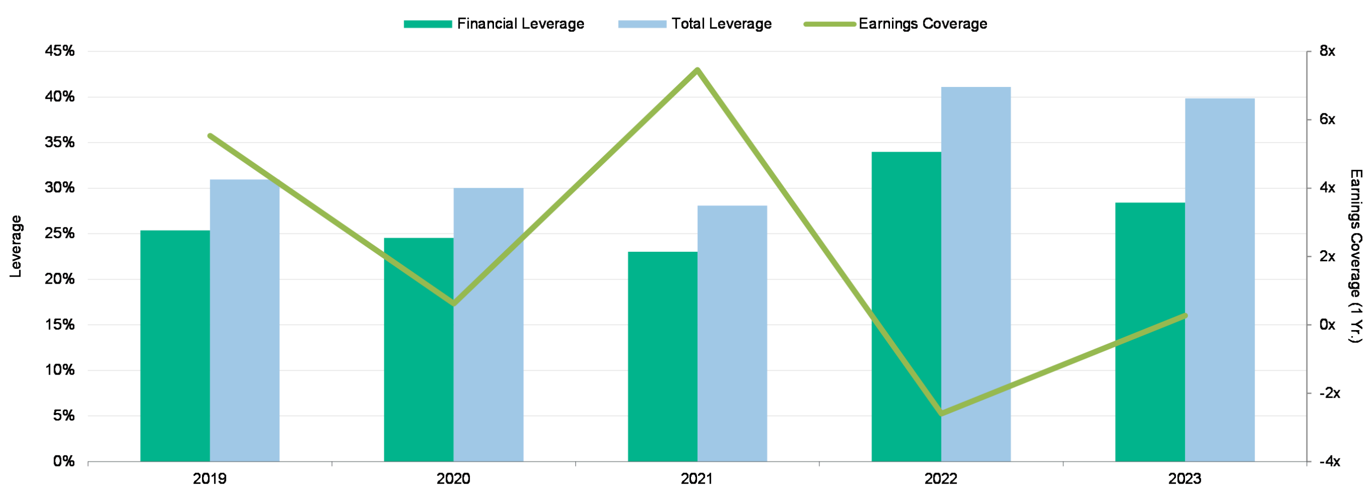
At year-end 2023, Aegon reported around EUR 6.6 billion of financial debt outstanding, of which EUR 2.4 billion were senior debt and Federal Home Loan Bank (FHLB) borrowings, and EUR 4.2 billion were subordinated debt. The group's capital funding borrowings are directly attributable to or guaranteed by Aegon Ltd. Aegon's leverage includes borrowings from the FHLB, drawn by some of Aegon's subsidiaries in the US, which Aegon uses primarily to purchase long-term assets and increase the duration of its assets in its US life subsidiaries. As of year-end 2023, FHLB borrowings accounted for EUR 1.6 billion a decrease of EUR 1.2 billion from the level reported at year-end 2022.

At year-end 2023 adjusted financial leverage stood at around 28%, lower than at year-end 2022 as Aegon used part of the proceeds received for the completion of the a.s.r transaction to redeem EUR 500 million of maturing senior debt, while the level of FHLB borrowings decreased significantly. Gross financial leverage remained stable in H1 2024 with financial debt around EUR 5.1 billion. The redemption of a EUR 700 million subordinated bond that matured in April 2024 was refinanced by a USD 760 million senior bond during the same month. Earnings coverage is low reflecting weak profitability of the group (including for example changes in assumptions in the US and restructuring charges), exacerbated by realized capital losses in 2023 to preserve tax benefits. Weak profitability remains a key credit weakness for the group.

The deterioration in leverage and earnings coverage metrics mostly reflect accounting mismatches or non-cash items and we do not consider that they reflect a deterioration in the group's financial flexibility. As a result, we view Aegon's financial flexibility adjusted factor score at single A despite a raw score of Ba.

Exhibit 7

Good financial flexibility resulting from the group's deleveraging strategy



Source: Moody's Ratings and company filings

Liquidity analysis

Aegon maintains a disciplined capital strategy in its operating companies, while good liquidity - EUR 1.5 billion and EUR 2.4 billion of cash capital as of September 30, 2024 and YE 2023 respectively at Holding (excluding collateral received from counterparties and liquidity managed on behalf of affiliated investment funds). The reduced holding company liquidity is mainly due to share buybacks as the company targets a mid-point of the EUR 0.5 – 1.5 billion range for cash capital at Holding by the end of 2026. The liquidity position benefited from EUR 715 million in free cash flow during 2023, as Aegon has improved its operational performance and risk profile. Divestments brought proceeds of EUR 2.2 billion largely driven by the transaction with a.s.r.. Management actions aiming at reducing the group's risk profile, including for example the additional hedging of its variable annuity business in the US, has also strengthened the group's economic capitalization.

Following the divestment of the Dutch operations, the holding company relies more heavily on its US operations' dividends (EUR 514 million remittance in 2023, out of EUR 894 million remittances from all the operations) as well as, to a lesser extent, those from the UK (EUR 121 million remittance in 2023), asset management (EUR 155 million) and other businesses. Nevertheless the loss of cash flows from the Dutch business has been partly offset by the dividends that Aegon receives from a.s.r. (EUR 68 million in the second half of 2023 and EUR 114 million in H1 2024). Aegon is a strategic shareholder in a.s.r.. But there is no obligation for Aegon to maintain its stake in the enlarged Dutch insurance company.

Aegon also maintains a number of backup facilities in the form of bilateral and syndicated committed credit facilities. The main arrangements include a $1.375 billion syndicated revolving credit facility maturing in 2029 and a $750 million LOC facility maturing in 2026. No drawdowns had been made on these syndicated revolving credit facilities.

Environmental, social, and governance considerations

Environmental

An increased focus on environmental risks by life insurers is net credit positive for the industry. A responsible investing approach encourages insurers to think long term, diversify their portfolios, manage regulatory trends, and consider more broadly the material risks and opportunities across all asset classes.

Social

Life insurers have a moderate overall exposure to social risks. Given this sector's reliance on handling customer data and privacy, customer relations are important. Regulatory, demographic and societal trends related to regulatory rules and practices, taxation of products, people living longer and an aging population will affect products that are sold for retirement and estate planning, and the ability of insurers to effectively distribute and price these products. Societal trends could also limit the ability of Aegon USA Life Group to share adverse experience through higher premium rate actions on policyholders of life and long-term care insurance.

Governance

Corporate governance is highly relevant to life insurers and is important to creditors because governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit a company's credit profile. The governance considerations most relevant to our credit analysis are (1) management credibility & track record, (2) ownership structure (e.g. privately held, publicly traded, or mutual), (3) growth and financing strategy, (4) risk management, and (5) Board oversight.

Other considerations

Aegon US benefits from the ownership and support of its parent, Aegon and its financial flexibility. The Group’s strategy is to refocus its insurance operations on a larger global scale in 2 core markets – US, and UK, and its asset management business. Aegon US still accounts for at least half of Aegon's global operations, by a variety of measures. Aegon's Baa1 senior debt rating will continue to be primarily driven by its U.S. operations, and we do not believe that Aegon US stand-alone A1 rating should be uplifted due to the ownership by Aegon.

Support and structural considerations

Aegon has historically been subject to the European Union (EU) Solvency II group regulation and a college of supervisors, headed by the Dutch regulator, has overseen Aegon's group activities. Given this enhanced supervision at a group-wide level, which includes also the holding company, we used to rate the holding company of Aegon two notches below the A1 IFS rating of its US operations. However, the group has redomiciled to Bermuda and the lead supervisor is now the BMA. The Bermuda solvency regime is also a group-wide regulation which includes group-wide regulatory capital requirements. Nonetheless, Moody's believes that the predominant weight of the US operations relative to the entirety of Aegon group, as well as the low weight of the Bermuda and EU activities, will diminish the effectiveness of the holding supervision. For this reason, Moody's now applies to Aegon the notching that it typically applies to groups operating in the US, i.e. jurisdictions where little or no group regulation applies (three notches difference between the senior unsecured debt rating and the principal operating companies' IFS rating).

The spread between the A1 IFS rating (stable) on the US operating subsidiaries and the Baa1 senior unsecured debt rating at Aegon USA's ultimate parent company, Aegon is three notches, which is the typical three-notch spread between a holding company and the composite IFS rating of its operating subsidiaries. The three-notch differential reflects the reduced geographic diversification of the holding company's cash flows, with a larger proportion originating from the US following the disposal of the Dutch business to a.s.r..

Rating methodology and scorecard factors

Exhibit 8

Rating Factors

Financial Strength Rating Scorecard [1][2]	Aaa	Aa	A	Baa	Ba	B	Caa	Score	Adj Score
Business Profile								A	A
Market Position and Brand (15%)								A	A
-Relative Market Share Ratio			X						
Distribution (10%)								A	A
-Distribution Control			X						
-Diversity of Distribution			X						
Product Focus and Diversification (10%)								A	A
-Product Risk			X						
-Life Insurance Product Diversification			X						
Financial Profile								Baa	A
Asset Quality (10%)								Baa	A
-High Risk Assets % Shareholders' Equity				124.4%					
-Goodwill & Intangibles % Shareholders' Equity[3]			39.7%						
Capital Adequacy (15%)								Ba	A
-Shareholders' Equity % Total Assets					3.6%				
Profitability (15%)								Baa	A
-Return on Capital (5 yr. avg.)				3.7%					
-Sharpe Ratio of ROC (5 yr.)					20.7%				
Liquidity and Asset/Liability Management (10%)								Aa	Aa
-Liquid Assets % Liquid Liabilities		X							
Financial Flexibility (15%)								Ba	A
-Financial Leverage[3]			28.3%						
-Total Leverage[3]				39.9%					
-Earnings Coverage (5 yr. avg.)[3]						-1.1x			
-Cash Flow Coverage (5 yr. avg.)[3]									
Operating Environment								Aaa - A	Aaa - A
Preliminary Standalone Outcome								Baa1	A1

[1] Information based on SAP financial statements as of fiscal year ended December 31, 2023. [2] The Scorecard rating is an important component of the company's published rating, reflecting the standalone financial strength before other considerations (discussed above) are incorporated into the analysis. [3] Information based on IFRS17 financial statements of Aegon Ltd. as of fiscal year ended December 31, 2023.

Source: Moody's Ratings

Ratings

Exhibit 9

Category	Moody's Rating
AEGON LTD.	
Rating Outlook	STA
Senior Unsecured	Baa1
Senior Unsecured MTN	Baa1
LT Issuer Rating	Baa1
Subordinate	Baa2 (hyb)
Junior subordinate	Baa2 (hyb)
Preferred stock non-cumulative	Baa3 (hyb)
TRANSAMERICA LIFE INSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	A1
ST Insurance Financial Strength	P-1
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	A1

Source: Moody's Ratings

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454