

Research Update:

Scottish Equitable PLC Ratings Lowered To 'A' And Placed On CreditWatch With Negative Implications

December 10, 2025

Overview

- Aegon Ltd. today announced it will initiate a strategic review of its U.K.-based subsidiary Scottish Equitable PLC (SEPLC) to assess future options, including potential divestment.
- We no longer consider SEPLC a core subsidiary of Aegon Ltd.
- As a result, we lowered our financial strength rating on SEPLC to 'A' and placed our ratings on CreditWatch with negative implications.
- We will resolve the CreditWatch listing once we analyze SEPLC's strategic alignment with the parent under our group rating methodology on a forward-looking basis.

Rating Action

On Dec. 10, 2025, S&P Global Ratings lowered its financial strength rating on the U.K.-domiciled subsidiary of the Aegon group, Scottish Equitable PLC (SEPLC), to 'A' from 'A+' and placed them on CreditWatch with negative implications.

Rationale

On Dec. 10, 2025, Aegon announced its intent to evaluate future strategic options for SEPLC, including divestment. In the U.K., SEPLC has a leading investment platform, offering a diverse array of investment and retirement solutions for individuals, advisers, and employers. The company serves its clients through a blend of workplace and retail financial advisers.

Aegon Ltd. has invested heavily to transform its market position in the U.K. to that of a digital-solutions provider, and we expected the earnings contribution from the business to increase. However, this decision weakens our view of the level of support expected for SEPLC's business going forward, and we no longer view it as core to the group. Therefore, we lowered our ratings on SEPLC.

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The CreditWatch placement reflects the uncertainty around SEPLC's prospective status within the group. We aim to develop a clearer assessment during the 90-day CreditWatch period.

Concurrent to this announcement, Aegon also announced its intent to redomicile headquarters and its legal and regulatory seat to the U.S. and rename itself as Transamerica Inc. We expect the move to be completed by Jan. 1, 2028. It also entered a transaction with an unnamed global reinsurer to divest a portion of its secondary guarantee universal life block. These actions are in line with the company's intent to sharpen its focus in the U.S. market around businesses that it deems strategic, and we view these as neutral to our view of the group's business and capital strengths.

Our issuer credit rating on Aegon remains three notches below the 'A+' financial strength rating on the Aegon group's core operating entities. This reflects the holding company's high structural subordination to policyholders and the holding company's dependence on dividends from its U.S.-based operating subsidiaries to meet its financial obligations. There isn't a significant diversity of dividend sources from Aegon's subsidiaries, and we do not see a widespread contribution from different geographies globally, which would be a consideration for narrower holding-company notching.

CreditWatch

The CreditWatch negative placement indicates that we may lower our ratings on SEPLC within the next 90 days or more, based on a detailed evaluation of its stand-alone profile and our view of Aegon's prospective support to the business.

We could lower our ratings on SEPLC if:

- We view it as moderately strategic or nonstrategic to Aegon Ltd.;
- Its stand-alone capitalization is deficient at the 99.50% confidence level, per our risk-based capital model, and we view the risk management framework as weaker or management's risk tolerances as aggressive; or
- Its business strength diminishes as a result of volatile operating performance.

While unlikely, we may affirm the ratings and remove them from CreditWatch if the prospective business and financial risk characteristics, along with our view of the group support from parent, support the current ratings.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [It Is Too Early To Determine The Credit Impact Of Aegon Ltd.'s Announced Potential Relocation To The U.S.](#), Aug. 22, 2025
- [Aegon Ltd.](#), March 28, 2025

Ratings List

Ratings List

Downgraded; CreditWatch Action		
	To	From
Scottish Equitable PLC		
Financial Strength Rating		
Local Currency	A/Watch Neg/--	A+/Stable/--

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