Aegon Ltd.

April 6, 2026

This report does not constitute a rating action.

Business risk: **Strong**

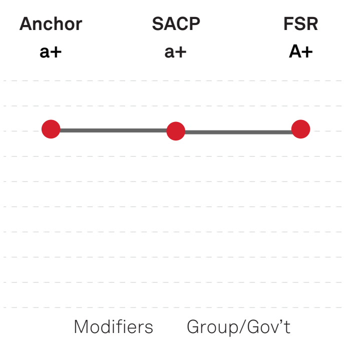
Excellent — Vulnerable

Competitive position: Strong
IICRA: Low risk

Financial risk: **Very strong**

Excellent — Vulnerable

Capital and earnings: Very strong
Risk exposure: Moderately low
Funding structure: Neutral



Financial strength rating
A+/Stable/NR
Holding company ICR
BBB+/Stable/A-2

FSR--Financial strength rating. ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

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Credit Highlights

Overview

Key strengths	Key risks
Strong presence in the U.S. on the back of a well-recognized brand	Historically material difference between the after-tax operating result and the net result due to restructuring costs and one-off items
Ownership of World Financial Group, a robust distribution platform in the U.S. with strong fee generation capabilities	Additional volatility from the equity stake in ASR Nederland N.V. and high reliance on equity-like life reserves and hybrid capital
Very strong capital position under our capital model, accompanied by solid solvency	Macroeconomic uncertainty

Aegon Ltd.'s decision to redomicile its headquarters and legal and regulatory seat to the U.S. and rename itself Transamerica Inc. by 2028 is, in S&P Global Ratings' view, in line with the company's intent to sharpen its focus in the U.S. market. The company holds a top 10 position in the U.S. via the Transamerica brand which produces the majority of the group's earnings. Transamerica offers protection products, retirement solutions, and investments in the U.S. The company's well-entrenched distribution capabilities--because of its partnership and ownership in World Financial Group (WFG)--are key to achieving leading positions in its target markets and product offerings.

In our view, Aegon's sale of most of its Netherlands operations to ASR Nederland N.V. in 2023 weakened its geographic diversity and increased its business risk. It is also undergoing a strategic review of its operations in the U.K., weighing all options including potential divestment. Although a potential sale of its U.K. operations may further reduce the diversity of its earnings, it remains consistent with the company's strategy to sharpen its focus on its U.S. business.

We think volatile operating performance weakens the company's competitiveness. Aegon's reported operating performance over the past few years has remained volatile and weaker than its similarly rated peers. However, the group has made strategic changes and continues to implement restructuring plans and risk management initiatives to improve its operating performance and strengthen its balance sheet. We expect operating expenses to remain elevated over the next few years because of the company's efforts to redomicile.

Aegon maintains very strong capital and earnings. We expect Aegon to maintain its capital redundancy at the 99.99% confidence level of our risk-based capital model. We don't see it adopting an aggressive capital, growth, or investment strategy. Balancing our view of the group's capital strength is the risk of capital volatility associated with its strategic investment in ASR and its subdued operating performance compared with similarly rated peers.

Outlook

The stable outlook reflects our expectation that Aegon will maintain its strong competitive position in the U.S. with a balanced product portfolio, continued business growth, and stable operating capital generation. We also expect it to maintain capital adequacy above the 99.99% confidence level.

Downside scenario

We could lower the ratings over the next 12-24 months if, contrary to our expectations:

- Aegon has a sustained decline in operating performance or a significant loss of market position or brand strength that hurts its competitive edge; or
- The group adopts a more aggressive financial policy, causing capital adequacy to deteriorate to less than our 99.99% confidence threshold.

Upside scenario

Although unlikely, we could raise our ratings on Aegon if the company further diversifies its earnings while demonstrating consistent and material improvement in its profitability in line with its higher-rated peers and maintains its capital adequacy and effective risk management.

Assumptions

- U.S. real GDP growth of 2.2% in 2026 and 2.0% in 2027
- U.S. 10-year government bond yields at 4.0% in 2026 and 3.8% in 2027
- Average unemployment rate of 4.4% in 2026 and 4.6% in 2027
- Consumer Price Index inflation rate of 3.2% in 2026 and 2.4% in 2027

Source: "Economic Outlook U.S. Q2 2026: Curb Your Enthusiasm," March 25, 2026

Aegon Ltd.--Key metrics

	2027f	2026f	2025	2024	2023
Insurance revenue (mil. €)	>11,000	>10,000	9,097	9,841	10,386
Net income (mil. €)	850-1,000	800-900	980	676	(199)
Return on shareholders' equity (%)	>8.0	>8.0	13.0	8.9	(2.4)
S&P Global Rating's capital adequacy	Excellent	Excellent	Excellent*	Excellent	Excellent
Fixed charge coverage (x)	>5.0	>5.0	5.6	3.9	(0.2)
Financial leverage (%)§	<45.0	<45.0	41.3	44.0	42.3

*Expected. §The calculation of the IFRS17 leverage ratio does not include any benefit from the after tax CSM. f--S&P Global Ratings forecast.

Business Risk Profile

Bermuda-based Aegon Ltd. is one of the world's largest insurance groups--with fully owned operations in the U.S. and U.K. as well as a global asset manager. Its strong market presence in life and pension products serves as a key foundation for its distribution strength. The company also has insurance joint ventures in Spain, Portugal, China, and Brazil.

Aegon's plan--announced in December 2025--to shift its headquarters and regulatory seat to the U.S., rebrand as Transamerica Inc., and complete the transition by Jan. 1, 2028, reflects its strategy to focus on core U.S. businesses and doesn't affect our view of the group's creditworthiness.

In the U.S., Transamerica benefits from its diverse products, wide geographic footprint, and strong distribution capabilities. Its offerings include employee benefits, retirement plans, indexed universal life, term life, and whole life. The company relies on its well-diversified distribution network, which includes career agencies, banking channels, and independent brokers. Its strategic alliance with WFG, an Aegon-owned multilevel marketing organization, has been instrumental in growing its indexed universal life business.

Over the past few years, the company has made investments to improve customer service and competitiveness. This supported an increase in its products' market share at the WFG distribution level, to more than 66% in 2025.

The company also actively manages blocks of its legacy business (closed for new business), which are capital intensive. They include fixed annuities, individual long-term care, and variable annuities with significant interest-rate-sensitive living and death benefit riders. The group classifies all of them as "financial assets."

In 2025, Aegon completed a reinsurance transaction covering a portion of its secondary guarantee universal life portfolio, thereby reducing its exposure to mortality and policyholder-behavior risks. We expect the company to continue implementing measures to lower its exposure to financial-asset volatility while concentrating on its core growth segments.

Aegon Asset Management (AAM) is a global investment management firm serving a diverse client base, including pension plans, public funds, insurance companies (including Aegon's subsidiaries and partners), banks, wealth managers, family offices, and foundations. AAM holds a 49% stake in Aegon-Industrial Fund Management Co. (a Shanghai-based asset manager) and a 25% stake in La Banque Postale Asset Management in France.

Over the past few years, Aegon Ltd. sold noncore businesses and pared down its operating footprint. In 2023, the company completed the sale of its Dutch insurance and banking operations to ASR, as well as the sale of its Central and Eastern European business to Vienna Insurance Group AG. In December 2025, alongside its announcement to redomicile, the company also stated that it would evaluate strategic options for Aegon U.K., including a potential divestment. Given Aegon's increasing focus on its U.S. business, we no longer consider the U.K. operations to be strategic to the group.

Historically, Aegon has not consistently translated its broad market presence into earnings commensurate with its scale. Profitability has been constrained by intense competition, macroeconomic uncertainty, market volatility, and a series of one-off initiatives and costs in recent years. The company's net profit increased to €980 million in 2025 from €676 million in 2024. Nevertheless, we will monitor the sustainability of earnings. We also expect operating expenses to remain elevated over the next few years since the company is executing its U.S. transition and related initiatives.

We expect the group to maintain its strong record of underwriting and pricing discipline in all products. We also expect it to take corrective pricing actions for managing business viability and long-term profitability.

Financial Risk Profile

According to our risk-based capital model for 2024, Aegon's capital adequacy was redundant at the 99.99% confidence level, and we expect the group to maintain capital at this level in 2025-2027 by disciplined management of shareholder distributions and sustained organic capital generation. We will continue to monitor the impact on capital adequacy of any divestitures, acquisitions, deleveraging initiatives, and the ongoing transition of holding company to the U.S.

The potential capital volatility arising from Aegon's equity stake in ASR and Aegon's historically subdued operating performance relative to peers weigh on our assessment of its capital and earnings. As part of its transaction with ASR, Aegon initially acquired a 29.99% strategic stake, which provides incremental dividend cash flows. In the third quarter of 2025, Aegon sold part of this holding, reducing its ownership to 24% of ASR's share capital. While the dividends enhance earnings diversification, the equity interest also introduces potential volatility to Aegon's capital position due to market movements in ASR's share price.

Aegon has managed its investment portfolio conservatively. Sector concentration is balanced, and exposures to individual counterparties are based on the rating on the counterparty. We assess the weighted-average quality of the fixed-income portfolio in the 'A' range.

The group's material obligations under its staff pension scheme, which create the potential for capital volatility, have been substantially reduced. Aegon has extensive interest rate and equity hedge programs to mitigate risks relating to general account products and products outside the general account with guarantees (such as variable annuities in the U.S.). We consider foreign exchange risk to be low and limited to translation risk in the income statement and balance sheet.

The group has gradually reduced its financial leverage over the past few years, consistent with its target. We think the group's financial leverage (based on reported shareholders' equity) will stay close to 40% in 2026-2028, and we expect its fixed-charge coverage to stay at 6x-8x.

Our view of the group's funding structure, with stable operating cash flow and proven access to capital markets, is neutral to our rating.

Other Credit Considerations

Governance

We think the group's governance results in well-constructed financial policies and clear strategic priorities. Aegon has comprehensive financial standards and wide-ranging, sophisticated risk-appetite statements. The granular operating plan implemented in 2020, 2023, and 2025 reflects the group's efforts to address the volatility and capital intensiveness of some of its products.

We continue to monitor the execution and implementation of the strategy, as well as the achievement of the consequent financial and strategic goals.

Liquidity

The group manages its liquidity well by applying severe stress tests. Aegon also operates with a large cash balance and highly liquid Treasuries and agency securities in the U.S. to meet its liability requirements. In addition, Aegon maintains backup liquidity in the form of committed credit lines.

Factors specific to the holding company

Our issuer credit rating on Aegon Ltd. is three notches below the 'A+' financial strength rating on the group's core operating entities. This reflects the holding company's structural subordination to policyholders and the holding company's dependence on dividends from its U.S.-based operating subsidiaries to meet its financial obligations.

We generally see a high likelihood of regulatory restrictions in the U.S. We don't see a significant diversity of dividend sources from Aegon's subsidiaries, and we don't expect a widespread contribution from different geographies globally, which would be a consideration for narrower holding-company notching.

We do not include Aegon's senior unsecured debt in group capital since senior bonds receive no credit in the company's (current) regulatory risk-based capital ratios. Although we view upstream distributions from operating companies to Aegon as subject to material regulatory constraints, we don't assign capital credit to this instrument class. We will continue to monitor Aegon's efforts to redomicile to the U.S. and the transition to U.S. GAAP and reassess the admissibility of senior debt within our capital framework--subject to our tolerance for debt-funded capital--and any resulting impact on the capital position.

Accounting considerations

We base our analysis primarily on audited financial data prepared in accordance with the International Financial Reporting Standards.

Rating Component Scores	
Business Risk Profile	**Strong**
Competitive position	Strong
IICRA	Low risk
Financial Risk Profile	**Very Strong**
Capital and earnings	Very strong
Risk exposure	Moderately low
Funding structure	Neutral
Anchor	**a+**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A+/Stable/A-1+
Local currency issuer credit rating (Holdco)	BBB+/Stable/A-2

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers 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

- Scottish Equitable PLC Ratings Lowered To 'A-' On Strategic Review by Aegon; Outlook Developing, March 4, 2026
- It Is Too Early To Determine The Credit Impact Of Aegon Ltd.'s Announced Potential Relocation To The U.S., Aug. 22, 2025

Appendix

Ratio/Metric	2025	2024	2023
S&P Global Ratings capital adequacy	Excellent*	Excellent	Excellent
Total invested assets	292,078	301,810	274,792
Total shareholder equity §	7,619	7,436	7,678
Insurance revenue	9,097	9,841	10,386

EBIT	1,338	959	(124)
Net income (attributable to all shareholders)	980	676	(199)
Return on revenue (%)	13.9	9.7	(1.2)
Return on assets (including investment gains/losses) (%)	0.4	0.3	(0.0)
Return on shareholders' equity (reported) (%)	13.0	8.9	(2.4)
EBITDA fixed-charge coverage (x)	5.6	3.9	(0.2)
Financial obligations / EBITDA adjusted (x)	3.7	5.5	(106.6)
Financial leverage including pension deficit as debt (%)	41.3	44.0	42.3
Net investment yield (%)	0.5	0.2	(0.2)

*S&P Global Ratings' estimate. §Excludes hybrids included in equity.

Ratings Detail (as of March 23, 2026)*	
Aegon Ltd.	
Issuer Credit Rating	BBB+/Stable/A-2
Junior Subordinated	BB+
Junior Subordinated	BBB-
Senior Unsecured	BBB+
Subordinated	BBB-
Related Entities	
Scottish Equitable PLC	
Financial Strength Rating	
Local Currency	A-/Developing/--
Transamerica Financial Life Insurance Co.	
Financial Strength Rating	
Local Currency	A+/Stable/NR
Issuer Credit Rating	
Local Currency	A+/Stable/NR
Transamerica Life (Bermuda) Ltd.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Transamerica Life Insurance Co.	
Financial Strength Rating	
Local Currency	A+/Stable/NR
Issuer Credit Rating	
Local Currency	A+/Stable/A-1+
Domicile	Bermuda

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.