S&P Global Ratings

RatingsDirect®

Teachers Insurance & Annuity Assn. of America

November 13, 2025

This report does not constitute a rating action.

Business risk: **Excellent**

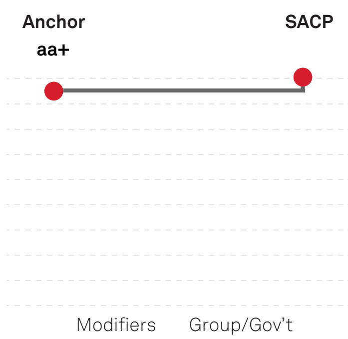
Excellent — Vulnerable

Competitive position: Excellent
IICRA: Low risk

Financial risk: **Excellent**

Excellent — Vulnerable

Capital and earnings: Excellent
Risk exposure: Moderately low
Funding structure: Neutral



Holding company ICR

AA+/Stable/NR

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
Dominant position in the U.S. higher education pension market and strong affinity relationships within the markets it serves, including the higher education institution market.	Significant exposure to a single sector (higher education) leaves the company susceptible to any material sector-related changes.
Salaried sales force and low-cost distribution structure.	Macroeconomic uncertainty, including government spending plans, could pressure the business.
Low-risk product portfolio.	
Excellent capital and earnings.	

We expect TIAA to maintain its dominant market position in the U.S. higher education pension market. We expect TIAA to benefit from its solid reputation of providing quality service and advice, which it has built over many years; a controlled, salaried sales force; a low-cost structure; and good operating performance, adjusting for realized losses. However, given TIAA's concentration in higher education sector, we believe unexpected sector-specific changes could disrupt the overall business.

Noninsurance earnings from the asset management arm, Nuveen Inc., support TIAA's competitive position. The company's core business is complemented by its asset management arm, Nuveen--a diversified investment management company--). We view the non-insurance earnings contributions from Nuveen as a positive to TIAA's overall competitive position. However, if the company's non-insurance segment were to grow faster than the insurance operations, the company might face higher aggregate industry risk.

We anticipate TIAA's capitalization will remain excellent. Capitalization remains redundant at the 99.99% confidence level per our risk-based capital (RBC) model and is a key credit strength. Like the rest of the industry, the company will need to navigate uncertain macroeconomic conditions, but we think TIAA's capital position and organic earnings capability will support its ability to withstand such pressures. We expect TIAA will maintain leverage at about 20% and EBITDA fixed-charge coverage above 4x.

The company's exceptionally strong credit characteristics compare favorably with peers', though our 'AA+' sovereign rating on the U.S. caps our rating on TIAA. TIAA has a nonprofit heritage, and we have a favorable view of the company's long-term focus on sharing profits with its contract holders; its low-risk product portfolio; its earnings stability; and the overall success of the business model. This results in a group credit profile of 'aaa'.

Outlook

The outlook is stable, reflecting our expectation that the group will maintain its excellent competitive position, redundant capitalization at the 99.99% confidence level, and exceptional liquidity. It also reflects our stable outlook on the U.S. long-term sovereign credit rating.

Downside scenario

We could lower the ratings if:

- TIAA's unique competitive position in the U.S. higher education pension market erodes significantly, or challenges emerge within its asset management businesses;
- Its operating performance or capital adequacy deteriorate; or
- We lower our rating on the U.S.

Upside scenario

We do not expect to raise our ratings on TIAA in the next two years, given our current view of the U.S. sovereign's credit quality, which constrains our ratings on insurers.

Assumptions

- Real U.S. GDP growth of 1.9% in 2025 and 1.8% in 2026
- S&P 500 Index at 6,130.0 in 2025 and 6,573.8 in 2026
- Average 10-year Treasury note yield of 4.3% in 2025 and 3.7% in 2026

Source: " Economic Outlook U.S. Q4 2025: Below-Trend Growth Persists Amid A Swirl Of Policy Shifts, Sept. 23, 2025

TIAA--Key metrics

Ratio/metric	2026e	2025e	2024	2023	2022
S&P Global Ratings capital adequacy	AAA	AAA	AAA	AAA	AAA

TIAA--Key metrics

Ratio/metric	2026e	2025e	2024	2023	2022
EBIT adjusted (mil. $)	>1,500	>1,500	1,753	1,436	2,648
Pre-dividend return on assets (excluding investment gains/losses) (%)	>1.5	>1.5	1.66	1.70	1.78
Return on assets (excluding investment gains/losses) (%)	>0.4	>0.4	0.48	0.39	0.73
EBITDA fixed-charge coverage (x)	>4.0	>4.0	4.9	4.1	7.3
Financial leverage incl. guaranteed Nuveen debt (%)	~20.0	~20.0	18.9	19.4	18.9

e--Estimate. Source: S&P Global Ratings.

Business Risk Profile

TIAA is one of the nation's largest private retirement systems, with total assets of about $1.65 trillion as of Dec. 31, 2024. The company has a No. 1 market position in the niche higher education not-for-profit defined contribution market, with an approximate 74% market share in 2024 however, growth is limited within this market. The company is also No. 1 in the not-for-profit defined contribution market for K-12 institutions, with a 17% market share, and No. 3 in the not-for-profit defined contribution market for health care institutions, with a 10% market share as of year-end 2024

We expect the company's higher education market share will remain steady although susceptible to unexpected macroeconomic and sector-specific changes in the business, including the effects of government spending and intervention in the sector. That said, we believe the diversification coming from K-12 and health care meaningfully contribute to the company’s overall competitive position.

The company has a salary-based, fully employed sales force, giving it a high degree of control over its distribution, which we think benefits its competitive position. The company is focused on retaining and growing institutional clients and providing contract holders with a number of services, including full-service recordkeeping for retirement plans and advice and lifetime income to individuals. Superior crediting rates and a very efficient, low-cost premium contribution system propel TIAA's extremely strong client retention rates, although lapses were elevated in 2024.

TIAA's core products have no living benefit guarantees and are relatively low risk. The company's pension annuities are very different from retail fixed deferred annuities:

- First, TIAA's pension annuities have profit-sharing characteristics, reflected as crediting rates above the minimum guarantees. The majority of in-force deferred annuities have a 3% guaranteed rate, which TIAA no longer offers, and the newer contracts have a floating guaranteed rate that is based on the five-year Treasury rate less 125 basis points, which is within 1%-3%.
- Second, the main annuity product has limited withdrawal options, making it relatively illiquid and therefore carrying limited disintermediation interest rate risk.
- Third, TIAA's products are offered in retirement plans, leading to a more stable block of business with contributions that are almost entirely paycheck deductions or employer distributions.

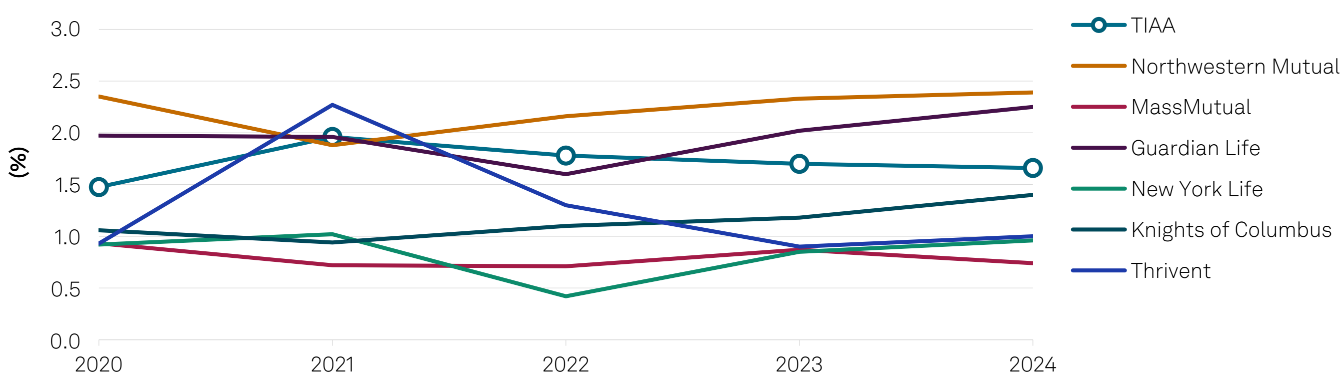
- Fourth, TIAA's product focus is on lifetime income, with higher lifetime income payments for long-term participants through the release of contingency reserves. On the other hand, the focus of retail annuities is growing the account value prior to annuitization.

These product features, combined with TIAA's market dominance and scale in the higher education market, make for a very sticky liability base that contributes to the company's excellent competitive position.

As of year-end 2024, TIAA's overall revenue increased to $36.9 billion, a 1% increase compared to prior year, driven by increase in premium and net investment income. The increase in net investment income was driven by higher yield positions within the fixed income portfolio. However, the company reported a net loss of $1.1 billion, driven primarily by increases in dividends to policyholders and net operating expenses as well as realized losses on investments. TIAA's adjusted EBIT was about $1.7 billion, which is in line with some other rated mutual companies.

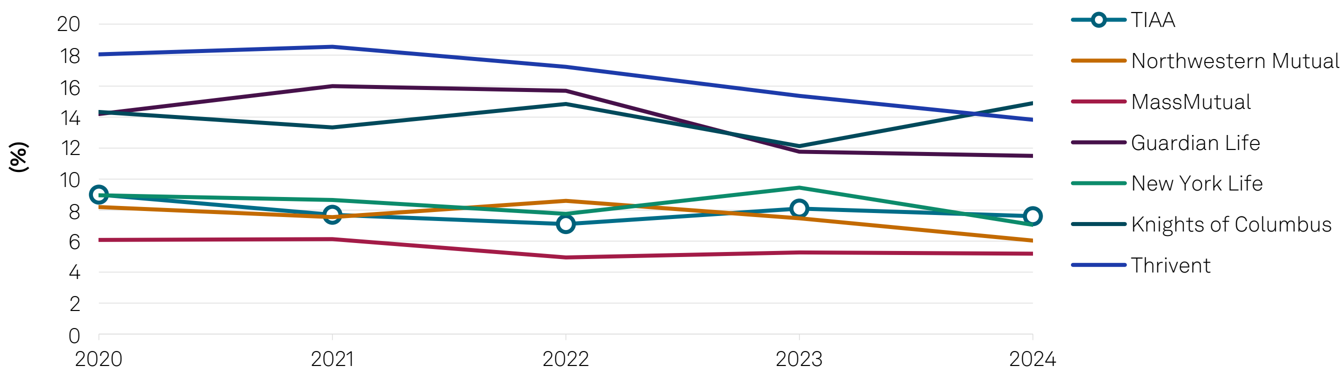
Furthermore, the illiquid structure of the company's main retirement annuity product allows for investments in less liquid, longer-term, and higher-yielding assets, producing returns above the peer average. This allows for crediting rates to policyholders above the guaranteed rates.

TIAA--Pre-dividend return on assets (excluding investment gains/losses)



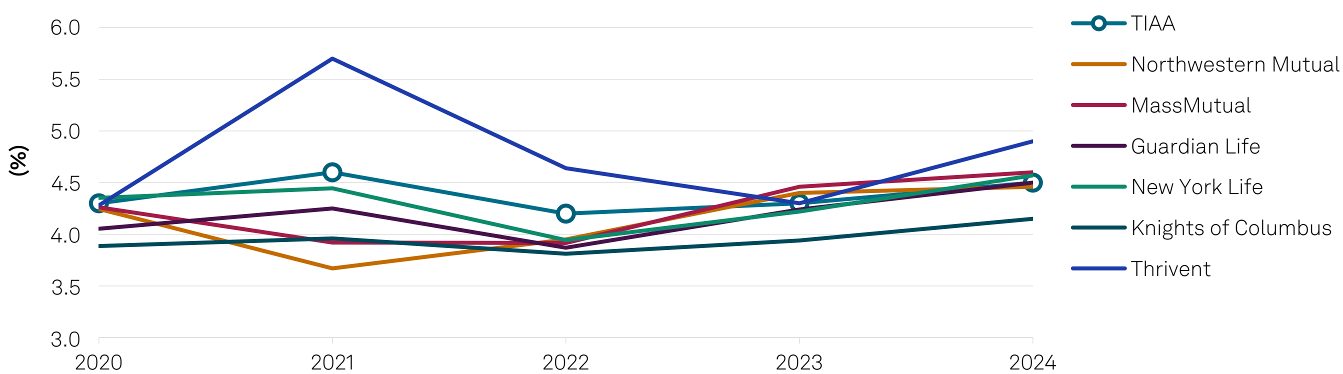
Source: S&P Global Ratings.

TIAA--General expense ratio



Source: S&P Global Ratings.

TIAA--Net investment yield



Source: S&P Global Ratings.

Financial Risk Profile

TIAA has a strong RBC ratio of 485% and capital redundancy at the 99.99% level per S&P Global Ratings' capital model as of year-end 2024. TIAA's reported capital and surplus was $48.4 billion in 2024, lower when compared to $50.2 billion in 2023, mainly due to strategic investing in riskier asset classes. However, we expect the company to rebuild its capital position and to maintain its capital strength in the next few years. TIAA's capital position benefits from the organic earnings capabilities in its operating entities.

TIAA's risk exposure is moderately low, reflecting sufficient risk controls compared with its liability profile. The investment portfolio is high quality, reasonably diversified, and has consistently generated superior returns compared with most other large mutual insurers, although it has faced strain from low interest rates in the past.

Yields to policyholders benefit from the low liquidity demands of TIAA's nonsurrenderable products, which permit TIAA to invest in less liquid, longer-term, and high-yielding investments, such as real estate and alternatives. While real estate and alternative assets diversify the portfolio, we consider them to be high risk. We will monitor the investment risk related to these asset classes but believe it to be offset by the noncashable nature of the company's liabilities and its large capital base.

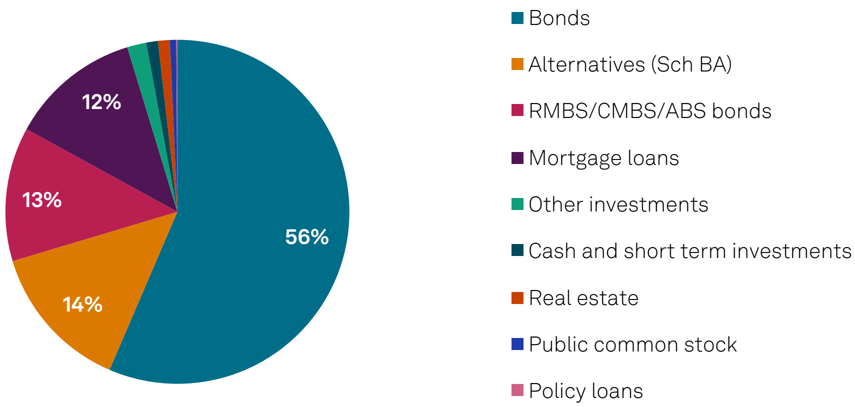
TIAA's $296.4 billion of general account consists of 47% public fixed income, 36% private fixed income, and 17% in non-fixed income--which includes real estate and private equity. In 2024, the company experienced elevated impairments, primarily from mortgages, loans, and bonds.

We expect TIAA's leverage to be about 20% over the next two years, with coverage above 4x. TIAA has about $5.95 billion in surplus notes outstanding, with maturities spread over 31 years, the earliest of which is in 2039. The company has guaranteed payment of Nuveen's $1 billion of senior notes due 2028.

TIAA's leverage and coverage remain in line with our expectations. Including Nuveen's $1 billion of senior debt, TIAA's leverage was 18.8% for year-end 2024.

TIAA--Portfolio composition

As a percentage of general account invested assets



RMBS--Residential mortgage-backed securities. CMBS--Commercial mortgage-backed securities. ABS--Asset-backed securitiesSource: S&P Global Ratings.

Other Credit Considerations

Governance

TIAA has appropriate strategic planning and comprehensive financial and operational standards. The company has robust risk governance processes, reflecting a risk-focused culture throughout the organization. Risk appetite statements use qualitative and quantitative measures and look at tolerances from mark-to-market and statutory accounting perspectives to support appropriate risk-taking that aligns with strategic planning.

Liquidity

TIAA's liquidity ratio was about 606% as of year-end 2024, per our calculations. TIAA has sufficient liquid resources and lower liquidity requirements due to the non-cashable structure of the company's main annuity products.

Comparable ratings analysis

We apply a positive one-notch adjustment to our rating to capture TIAA's large nonprofit heritage and focus on its contract holders, stability of earnings, and overall success of the business model.

Group support

We consider Nuveen to be strategically important to the group. Strategically important entities are typically rated three notches above their stand-alone credit profiles (SACPs); however, we believe TIAA would provide Nuveen with somewhat more support than is typical of a strategically important entity. We therefore apply an additional positive one-notch adjustment to raise our issuer credit rating on Nuveen to be four notches above its SACP.

This assessment considers TIAA's public statements of support and the importance of asset management to the group's long-term strategy, as well as its guarantee of half of Nuveen's debt and assumption of all of Nuveen's operating lease obligations. In addition, Nuveen is integrated with the group and provides substantial asset management services to TIAA's general account.

We currently view TIAA-CREF Life Insurance Co. (TIAA Life) as a core subsidiary of the group. However, in October 2025, the company announced that TIAA Life will be merged with the parent, TIAA. The merger will be effective at the close of business on Dec. 31, 2025, pending regulatory approval.

Environmental, social, and governance

We view TIAA's environmental, social, and governance exposure as in line with that of the broader life insurance sector. TIAA faces social risk factors, such as trends in the U.S. retirement market, an aging population, and, to a lesser extent, societal shifts in the education sector. We believe these risks are well-reflected in our ratings.

Rating Component Scores	
Business Risk Profile	**Excellent**
Competitive position	Excellent
IICRA	Low risk
Financial Risk Profile	**Excellent**
Capital and earnings	Excellent
Risk exposure	Moderately low
Funding structure	Neutral
Anchor	**aa+**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	1
Current Credit Rating	
Local currency financial strength rating	AA+/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	AA+/Stable/NR
Foreign currency issuer credit rating	--

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: Principles Of Credit Ratings, Feb. 16, 2011

Appendix

TIAA--Credit metrics history

Ratio/metric	2024	2023	2022	2021	2020
S&P Global Ratings capital adequacy	Excellent	Excellent	Excellent	Excellent	Excellent
Gross premiums written	18,433	17,592	15,715	14,308	17,705
Pre-dividend return on assets (excluding investment gains/losses) (%)	1.66	1.70	1.78	1.96	1.48
Return on assets (excluding investment gains/losses) (%)	0.48	0.39	0.73	1.27	0.60
Return on revenue (%)	4.74	3.92	8.11	14.64	6.01
Capital and surplus	41,053	42,111	42,722	42,973	40,001
Return on capital and surplus (%)	-2.8	-1.4	-0.6	9.6	2.3
Total invested assets	309,508	306,453	306,499	299,349	288,820

TIAA--Credit metrics history

Ratio/metric	2024	2023	2022	2021	2020
EBIT adjusted	1,753	1,436	2,648	4,442	1,992
Net income (attributable to all shareholders)	-1,154	-613	-261	3,994	915
Expense ratio (%)	7.61	8.09	7.07	7.69	8.94
Net investment yield (%)	4.5	4.3	4.2	4.6	4.3
Financial leverage (%)*	18.85	19.37	18.90	18.25	19.60
EBITDA fixed-charge coverage (x)	4.9	4.1	7.3	12.6	6.8

*Includes the $ 1 billion of guaranteed debt at Nuveen in the numerator since the debt proceeds were used for Nuveen's general corporpate purposes.

Ratings Detail (as of November 13, 2025)*	
Operating Companies Covered By This Report	
Teachers Insurance & Annuity Association of America	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/NR
Subordinated	AA-
Nuveen LLC	
Issuer Credit Rating	A/Stable/--
Senior Unsecured	A
TIAA-CREF Life Insurance Co.	
Financial Strength Rating	
Local Currency	AA+/Stable/--
Issuer Credit Rating	
Local Currency	AA+/Stable/--
Domicile	New York

*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.