



EQUITABLE
HOLDINGS

Equitable Holdings Second Quarter 2020 Earnings Results

August 5, 2020



Note Regarding Forward-Looking and Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “intends,” “seeks,” “aims,” “plans,” “assumes,” “estimates,” “projects,” “should,” “would,” “could,” “may,” “will,” “shall” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Equitable Holdings, Inc. (“Holdings”) and its consolidated subsidiaries. “We,” “us” and “our” refer to Holdings and its consolidated subsidiaries, unless the context refers only to Holdings as a corporate entity. There can be no assurance that future developments affecting Holdings will be those anticipated by management. Forward-looking statements include, without limitation, all matters that are not historical facts.

These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (i) conditions in the financial markets and economy, including equity market declines and volatility, interest rate fluctuations, impacts on our goodwill and changes in liquidity, access to and cost of capital and the impact of COVID-19 and related economic conditions; (ii) operational factors, including reliance on the payment of dividends to Holdings by its subsidiaries, remediation of our material weakness, indebtedness, protection of confidential customer information or proprietary business information, information systems failing or being compromised, strong industry competition and catastrophic events, such as the outbreak of pandemic diseases including COVID-19; (iii) credit, counterparties and investments, including counterparty default on derivative contracts, failure of financial institutions, defaults, errors or omissions by third parties and affiliates and gross unrealized losses on fixed maturity and equity securities; (iv) our reinsurance and hedging programs; (v) our products, structure and product distribution, including variable annuity guaranteed benefits features within certain of our products, complex regulation and administration of our products, variations in statutory capital requirements, financial strength and claims-paying ratings and key product distribution relationships; (vi) estimates, assumptions and valuations, including risk management policies and procedures, potential inadequacy of reserves, actual mortality, longevity, morbidity and lapse experience differing from pricing expectations or reserves, amortization of deferred acquisition costs and financial models; (vii) our Investment Management and Research segment, including fluctuations in assets under management, the industry-wide shift from actively-managed investment services to passive services and potential termination of investment advisory agreements; (viii) legal and regulatory risks, including federal and state legislation affecting financial institutions, insurance regulation and tax reform; (ix) risks related to separation from, and continuing relationship with, AXA, including costs associated with separation and rebranding; and (x) risks related to our common stock and future offerings, including the market price for our common stock being volatile and potential stock price declines due to future sales of shares by existing stockholders.

Forward-looking statements should be read in conjunction with the other cautionary statements, risks, uncertainties and other factors identified in Holdings’ Annual Report on Form 10-K for the year ended December 31, 2019 and in Holdings’ subsequent filings with the Securities and Exchange Commission. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

This presentation and certain of the remarks made orally contain non-GAAP financial measures. Non-GAAP financial measures include Non-GAAP Operating Earnings, Non-GAAP Operating EPS, Non-GAAP Operating ROC by segment, and Non-GAAP Operating ROE. Information regarding these and other non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in our quarterly earnings press releases and in our quarterly financial supplements, which are available on our Investor Relations website at ir.equitableholdings.com.

Second Quarter 2020 Highlights

Leading with our values

- Prioritizing the health and well-being of our people, clients and communities
 - Accelerating actions to advance racial equity
-

Results demonstrating business model resilience

- Non-GAAP operating earnings¹ of \$459m, or \$1.00 per common share
 - AUM up 10% from the first quarter to \$711bn, supported by strong firmwide net flows
-

Impacts of COVID manageable

- Excess claims during COVID-19 period net of reinsurance and reserves c. \$60m in the quarter, below prior guidance
 - New business activity remains at c. 70% of normal levels; step-function change in digital adoption and engagement
-

Risk culture protecting balance sheet and cash flows

- Combined RBC ratio of c. 415% following \$1.2bn distribution from Equitable Financial in May
- Opportunistically allocating investment portfolio to capitalize on market dislocation and reduce risk

Demonstrating business resilience

Managing through headwinds

- **Strong firmwide net flows:** AB net flows excluding expected AXA redemptions of \$4.6bn¹ and retirement net inflows of \$163m²
- **Affiliated distribution providing stability:** experienced Equitable Advisors maintaining productivity; 100+ advisors onboarded remotely
- **Magnifying client outreach:** virtual client meetings up c. 7x vs. prior year period; client engagement activities up 9% YOY
- **Pivoting processes to meet client needs:** enhanced digital experience for educators, supporting record contribution increases

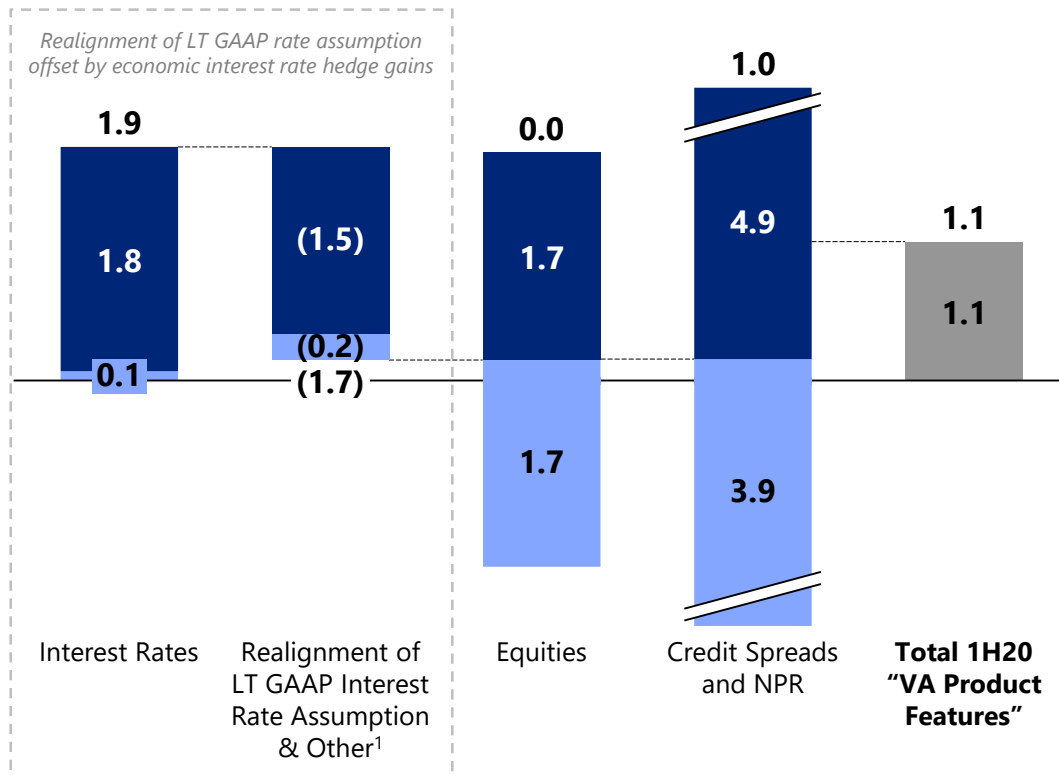
Adapting for the future

- **Market leader in product innovation:** SCS sales up 7% in retail channel YOY; introducing Dual Direction and in-demand client solutions
- **Productivity initiatives ahead of plan:** \$75m net savings target on track, additional uplift from COVID-related savings (e.g. T&E)
- **Upgrading IT capabilities post-AXA:** 80% of apps migrating to cloud; data lake driving enhanced insights and efficiency
- **Accelerating digital adoption:** over 90% of retail applications submitted electronically, including 100% in Individual Retirement

Prudent and robust risk management practices

Under GAAP, GMxB hedge gains net positive through 1H20

YTD below-the-line adjustments to VA Product Features (\$bn) ■ Q1 ■ Q2



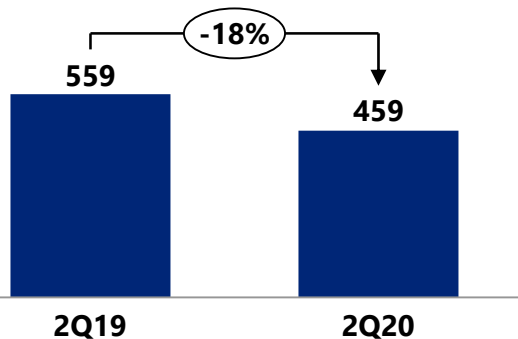
Fully hedged to economic liabilities

- ▶ Economic framework uses forward curve and risk-neutral scenarios (incl. negative rates): **EQH is not reliant on interest rates rising**
- ▶ Long-term interest rate **assumption under GAAP framework most conservative in industry** (2.25% over 10 years)
- ▶ **Hedging strategy magnifies uneconomic nature of GAAP:** full implementation of economic model and adoption of VA Reform increases accounting asymmetry and thus net income sensitivity

Second Quarter Consolidated Results Summary

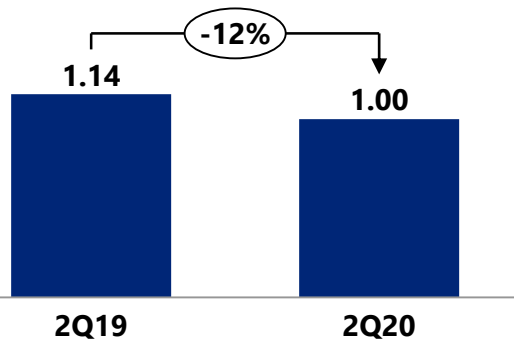
Non-GAAP Operating Earnings

\$m



Non-GAAP Operating EPS

\$



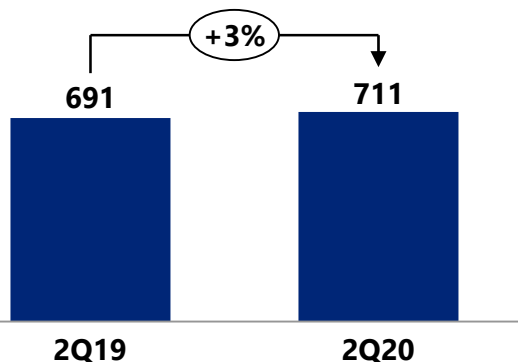
Financial Highlights

Non-GAAP operating EPS of \$1.00 decreased 12% from the prior year period, driven primarily by:

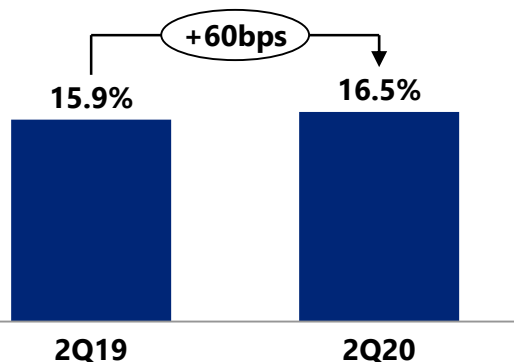
- Lower fee-type revenue on lower average account values
- Lower net investment income due to losses on alternative investments
- Excess claims related to COVID-19 of c. \$60m or \$0.13 per share
- Partially offset by productivity improvements and 8% decrease in shares outstanding

Assets Under Management

\$bn



Non-GAAP Operating ROE¹

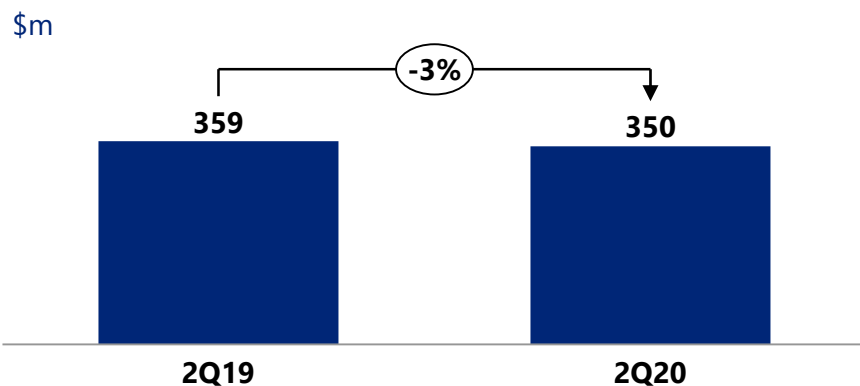


U.S. GAAP net loss of \$4bn includes noneconomic market impacts including a reversal of first quarter hedge gains and the impact of nonperformance risk and credit spreads tightening

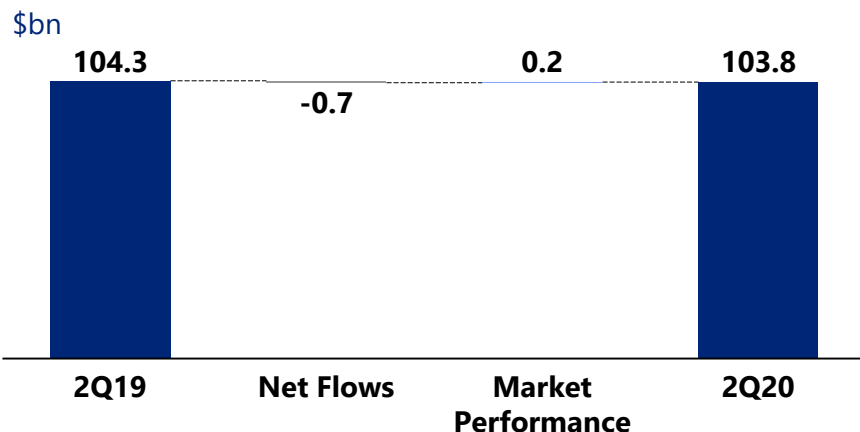
Total AUM improved 3% driven by market performance and net inflows over the prior twelve months

Individual Retirement

Operating Earnings



Account Value (AV) and Trailing 12 Month Net Flows



Highlights

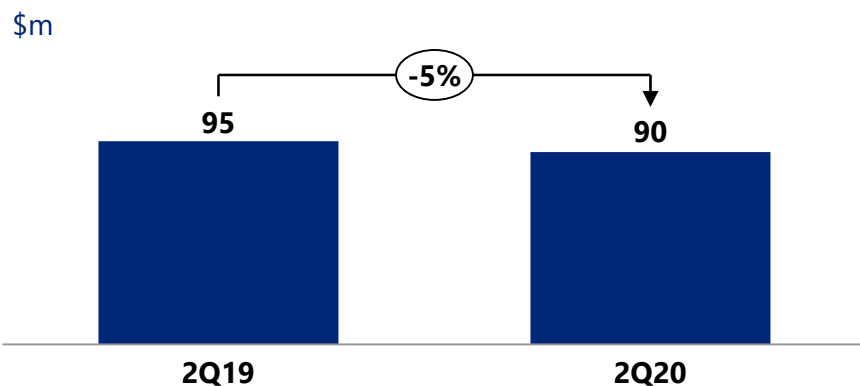
- Operating earnings decline driven by lower fee type revenue on lower average account values and lower net investment income on alternatives performance
- Improved net flows driven by greater retention, partially offset by lower first year premiums
- Launched new features to Structured Capital Strategies in May to meet evolving consumer needs

Key Metrics

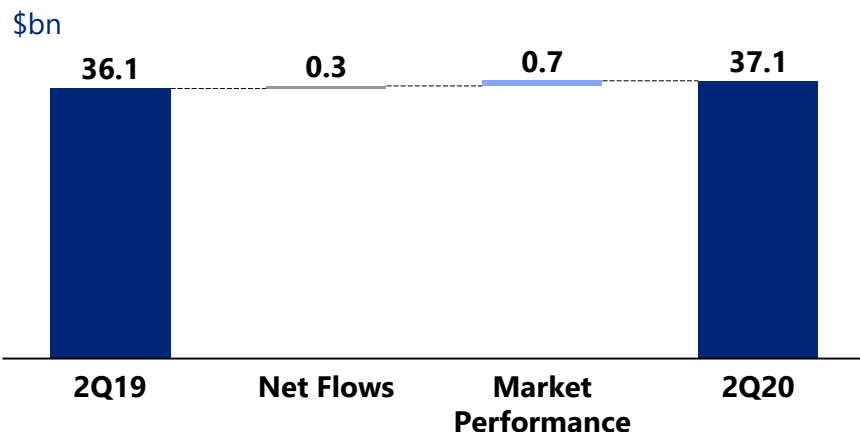
\$m	2Q19	2Q20
Net Flows	(92)	(53)
<i>Current Product Offering¹</i>	845	656
<i>Fixed Rate (Pre-2011)²</i>	(937)	(709)
First Year Premiums	2,093	1,631
Non-GAAP Operating ROC³	21.8%	22.4%

Group Retirement

Operating Earnings



Account Value (AV) and Trailing 12 Month Net Flows



Highlights

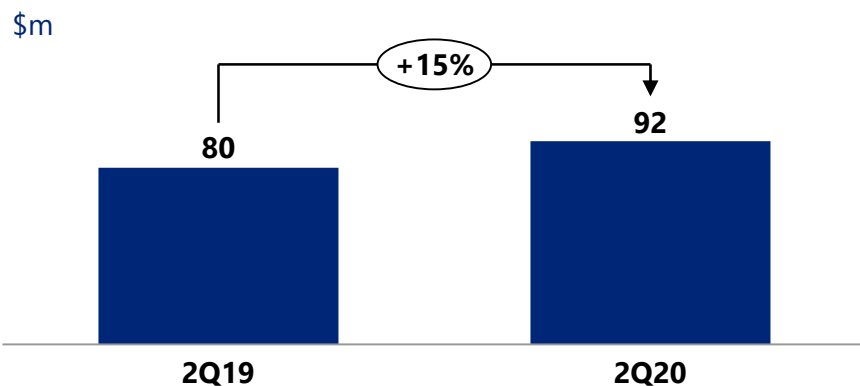
- Operating earnings decrease driven primarily by lower net investment income on alternatives performance
- Net flows increased \$52m to \$216m driven by strong renewal contributions and improved retention
- Increase in renewal contributions driven by 7% growth in tax-exempt markets, benefitting from higher engagement and contribution increase programs

Key Metrics

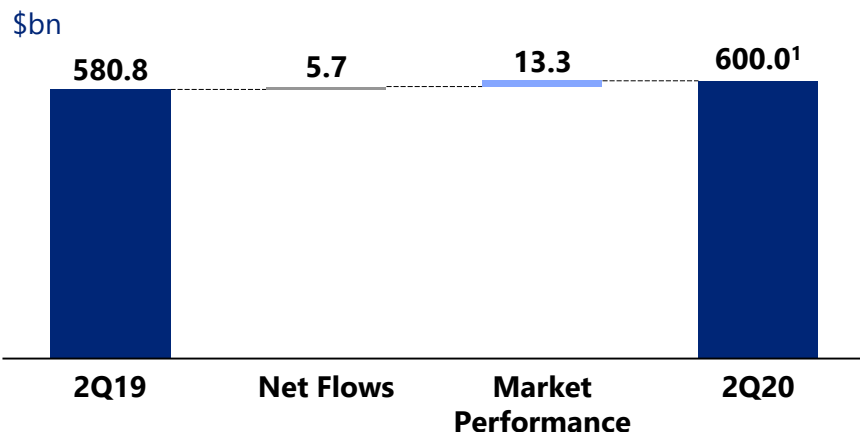
\$m	2Q19	2Q20
Net Flows	164	216
Gross Premiums	910	796
Non-GAAP Operating ROC¹	32.1%	34.1%

Investment Management and Research (AB)

Operating Earnings



AUM and Trailing 12 Month Net Flows



Highlights

- Operating earnings growth driven primarily by lower operating expenses
- Net inflows of \$4.6bn excluding expected low-fee AXA redemptions, representing 3% annualized organic growth
- Gross sales of \$31.8bn up 16% year-over-year led by retail gross sales of \$19.6bn
- Adjusted operating margin² expanded by 280 basis points driven by lower operating expenses

Key Metrics

\$bn	2Q19	2Q20
Net Flows	9.5	(3.3)
AUM	580.8	600.0
Adj. Operating Margin²	25.1%	27.9%

Protection Solutions

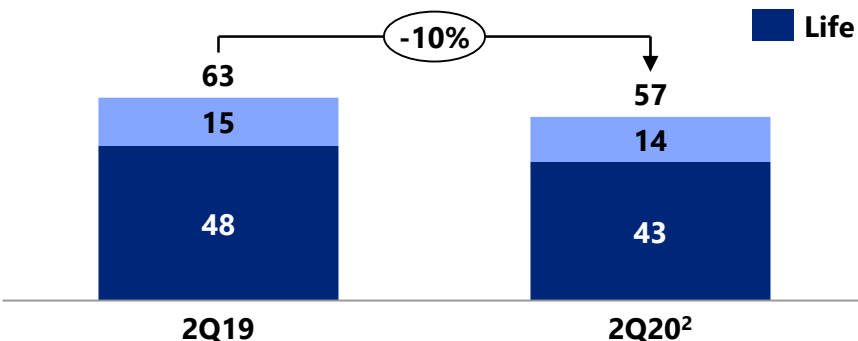
Operating Earnings

\$m



Annualized Premiums

\$m



Highlights

- Operating earnings decline driven primarily by excess claims related to COVID-19 (c. \$60m impact in current quarter) and lower net investment income on alternatives performance
- Ongoing earnings volatility expected due to LRT
- Decrease in gross written premiums driven by Life business, partially offset by solid momentum and strong persistency in Employee Benefits

Key Metrics

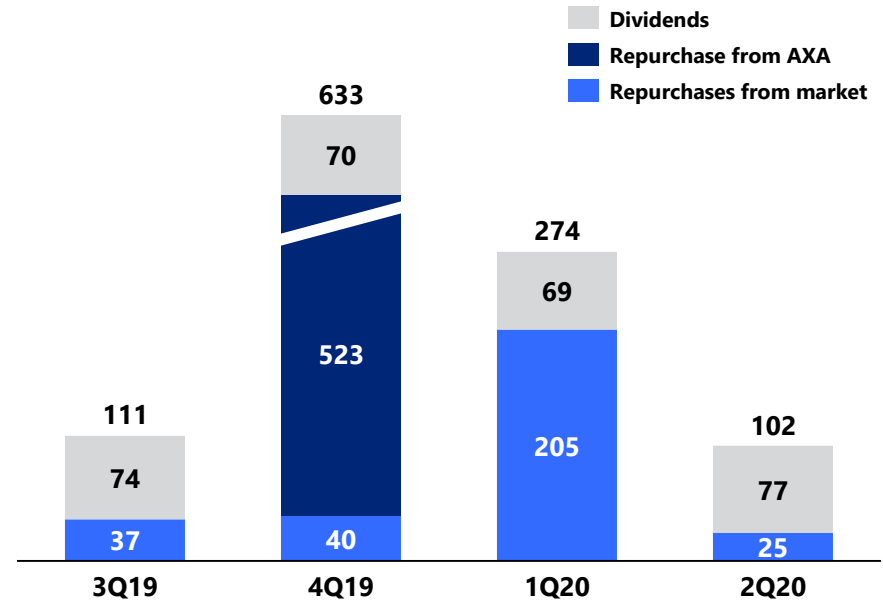
\$m	2Q19	2Q20
Gross Written Premiums	746	693
Benefit Ratio¹	64.8%	81.8%
Non-GAAP Operating ROC²	11.5%	10.0%

Strong capitalization and liquidity enabling capital return

Robust capitalization and liquidity

- **RBC ratio of c. 415%** reflects early adoption of NAIC VA reform and impact of Equitable Financial dividend
- **Upstreamed \$1.2bn** from Equitable Financial to Equitable Holdings in May
- Cash & liquid assets of **\$2.1bn at Holdings** net of tax payable
- Cash & liquid assets of **\$3.6bn at Equitable Financial** supporting hedging program
- **Debt-to-capital ratio of 23.1%**

Continuing to deliver on 50-60% payout ratio



Over \$1.1 billion returned to shareholders over the trailing twelve months

Investments: responding to volatility with speed and discipline

Taking action...

Improving risk-adjusted outcomes

- 1 Capitalizing on market dislocations:** \$2.5 billion rebalance from U.S. Treasuries to Corporates and other high quality investments

 - ✓ Executed on window of opportunity with elevated spreads: **picked up additional c. 120bps**
 - ✓ **Maintained high quality:** A2 average rating of purchases consistent with portfolio strategy
- 2 Reducing risk and exposure to impacted sectors:** Completed sale of \$500m of potential fallen angels

 - ✓ **Improved quality, avoided potential ratings migrations**
 - ✓ Net realized capital **gain of \$0.5m**
 - ✓ **Reinvested at higher book yields**, improving risk/return
- 3 Proactively executing on additional opportunities**

 - ✓ **Additional de-risking initiatives** underway
 - ✓ **Successful negotiation and execution of forbearance agreements** reducing risk of default
 - ✓ **Executed inaugural FABN offering of \$650m** yielding a net spread of c. 140bps

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Appendix

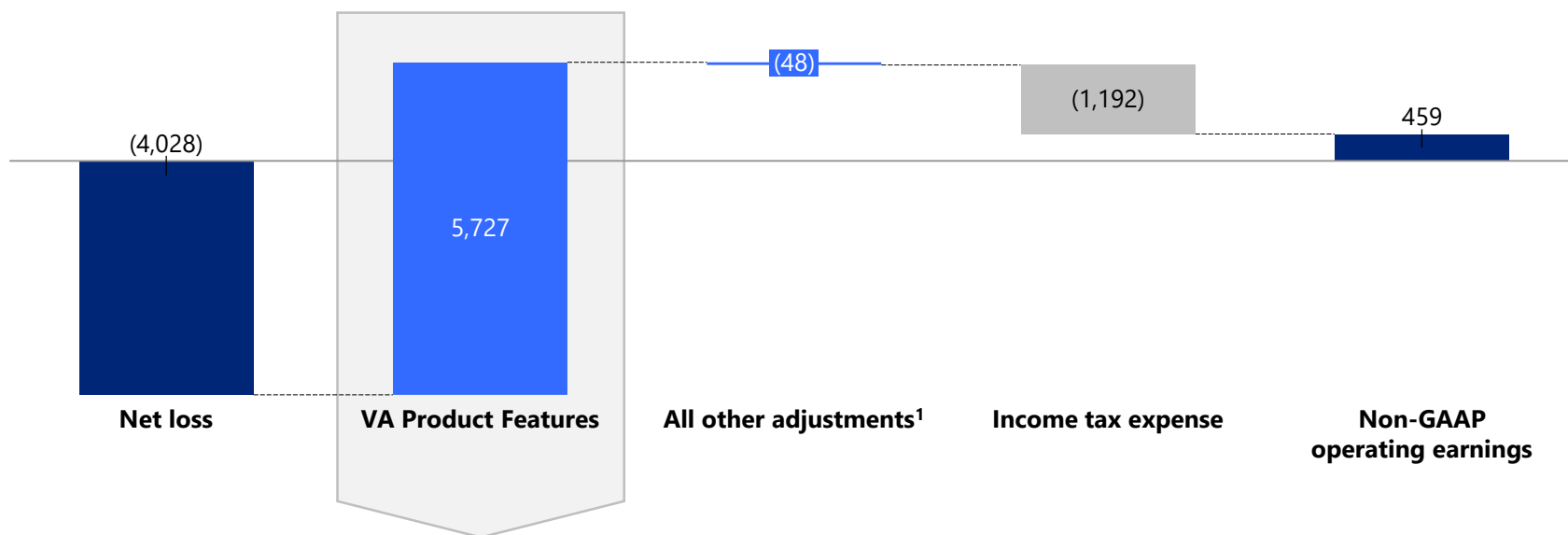
Equitable Holdings

Second Quarter 2020 Earnings Results



Net Income to Non-GAAP Operating Earnings, 2Q20

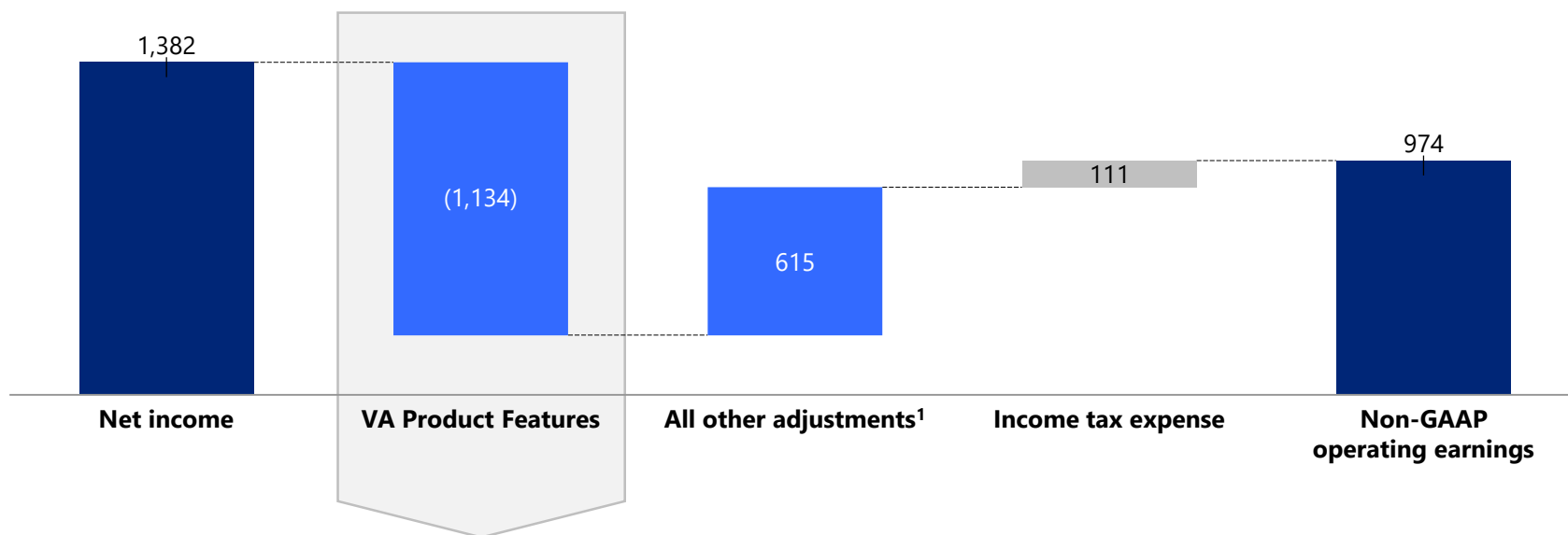
\$m



All figures \$m	Description	2Q20
VA Product Features	GMxB accounting asymmetry:	
	• GMxB hedging	1,729
	• Static hedge cash option cost	46
	Short duration VA portfolio (SCS) mark-to-market	(49)
	Non-performance risk (non-economic GAAP adjustment) / own credit spreads	3,915
	Other	86
	Total adjustment to Net Income	5,727

Net Income to Non-GAAP Operating Earnings, 1H20

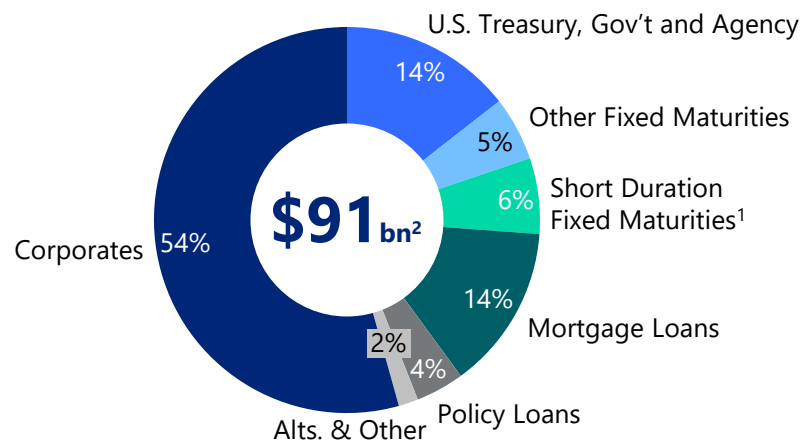
\$m



All figures \$m		Description	1H20
VA Product Features	GMxB accounting asymmetry:	• GMxB hedging	(1,805)
		• Static hedge cash option cost	94
	Short duration VA portfolio (SCS) mark-to-market		35
	Non-performance risk (non-economic GAAP adjustment) / own credit spreads		(950)
	Realignment of long-term GAAP interest rate assumption		1,468
	Other		24
		Total adjustment to Net Income	(1,134)

Investment Portfolio Overview

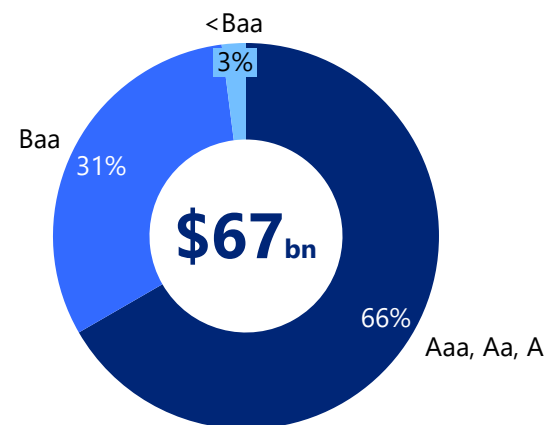
General Account Investment Portfolio



Average portfolio rating of A2

- 68% of portfolio in corporates and treasuries
- Mortgage Loans: 60% LTV, 2.5x DSCR; characterized by high quality collateral located in major metro areas with well-capitalized borrows
- Alternatives: limited exposure (2%); PE portfolio underweight tech sector, which drove majority of equity market rebound

Fixed maturity portfolio



Average corporate credit rating of A3 (excl. Treasury bonds)

- 97% Investment Grade, with just 13% Baa2, 3% Baa3
- Corporate bonds invested in 800+ names, diversified across geography and sector
- Limited exposure to sectors most impacted by COVID: 5% energy, 3% transportation and 1% restaurants, leisure, lodging, and gaming combined

Appendix

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Non-GAAP Operating Earnings

	Three Months Ended June 30,	
	2020	2019
	(in millions)	
Net income (loss) attributable to Holdings	\$ (4,028)	\$ 363
Adjustments related to:		
Variable annuity product features	5,727	200
Investment (gains) losses	(169)	12
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	28	24
Other adjustments	91	89
Income tax expense (benefit) related to above adjustments	(1,192)	(71)
Non-recurring tax items	2	(58)
Non-GAAP Operating Earnings	\$ 459	\$ 559

EQH Non-GAAP Operating EPS

	Three Months Ended June 30,	
	2020	2019
	(per share)	
Net income (loss) attributable to Holdings	\$ (8.94)	\$ 0.74
Less: Preferred stock dividends	0.02	—
Net income (loss) available to Holdings' common shareholders	(8.96)	0.74
Adjustments related to:		
Variable annuity product features	12.71	0.41
Investment (gains) losses	(0.38)	0.02
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	0.06	0.05
Other adjustments	0.22	0.18
Income tax expense (benefit) related to above adjustments	(2.65)	(0.14)
Non-recurring tax items	—	(0.12)
Non-GAAP Operating Earnings available to Holdings' common shareholders	\$ 1.00	\$ 1.14

Appendix

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Non-GAAP Operating Return on Equity

(in \$ millions, unless otherwise indicated)

	Balances as of							
	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
Total equity attributable to Holdings (ex. AOCI and Preferred Stock)								
Total equity attributable to Holdings	12,411	13,866	13,143	14,843	14,936	13,535	20,086	17,594
Less: Preferred Stock	—	—	—	—	—	775	775	775
Total equity attributable to Holdings' common shareholders	14,006	15,262	13,656	13,967	13,468	12,695	17,797	16,819
Less: Accumulated other comprehensive income (loss)	(1,595)	(1,396)	(513)	876	1,468	840	2,289	3,928
Total equity attributable to Holdings' common shareholders (ex. AOCI)	14,006	15,262	13,656	13,967	13,468	11,920	17,022	12,891
	Twelve Months Ended							
Non-GAAP Operating Return on Equity								
Net income (loss) attributable to Holdings				1,030	1,142	(1,733)	4,451	61
Less: Preferred stock				—	—	—	(13)	(23)
Net income (loss) available to Holdings' common shareholders				1,030	1,142	(1,733)	4,439	38
Avg. equity attributable to Holdings' common shareholders (excluding AOCI)				14,223	14,088	13,253	14,094	13,825
Return on Equity (ex. AOCI)				7.2%	8.1%	(13.1)%	31.5%	0.3%
Non-GAAP Operating Earnings				2,265	2,249	2,397	2,403	2,303
Less: Preferred stock				—	—	—	(13)	(23)
Non-GAAP Operating Earnings available to Holdings' common shareholders				2,265	2,249	2,397	2,390	2,280
Avg. equity attributable to Holdings' common shareholders (excluding AOCI)				14,223	14,088	13,253	14,094	13,825
Non-GAAP Operating Return on Equity				15.9%	16.0%	18.1%	17.0%	16.5%