AXA Equitable Holdings

First Quarter 2019 Earnings Results

EQH
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NYSE

May 10, 2019

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 AXA 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 and access to and cost of capital; (ii) operational factors, including reliance on the payment of dividends to Holdings by its subsidiaries, remediation of our material weaknesses, fulfilling our obligations related to being a public company, indebtedness, elements of our business strategy not being effective in accomplishing our objectives, protection of confidential customer information or proprietary business information, information systems failing or being compromised and strong industry competition; (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 and morbidity 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 our continuing relationship with AXA, including conflicts of interest, waiver of corporate opportunities and 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 risk factors identified in Holdings’ Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on March 8, 2019 and in Holdings’ Quarterly Report on Form 10-Q for the quarter ended March 31, 2019. 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, Pro Forma Non-GAAP Operating ROE and Non-GAAP Operating ROC by Segment. 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.axaequitableholdings.com.

Highlights

Mixed macro environment in the quarter

- Favorable equity markets in Q1; S&P 500 +13%
- 10-year UST rate down approximately 30 basis points

Robust capital management

- Returned $818m to shareholders in the quarter
- Raised $1bn of contingent capital, enhancing long-term flexibility

Independent EQH

- Successful secondary offering; AXA's ownership now a non-controlling interest
- Established independent governance: appointed independent Chairman and two new independent directors

First quarter 2019 Financial Summary

Non-GAAP Operating Earnings[1] increased 5% to $509 million

- Non-GAAP Operating EPS[2] increased 14% to $0.98

Business segment highlights:

- Individual Retirement first year premiums increased 16% to $1.9 billion
- Group Retirement operating earnings increased 7% to $81 million
- Inv. Mgmt. & Research net inflows of $1.1 billion, positive for three straight quarters
- Protection Solutions operating earnings increased 40% to $49 million

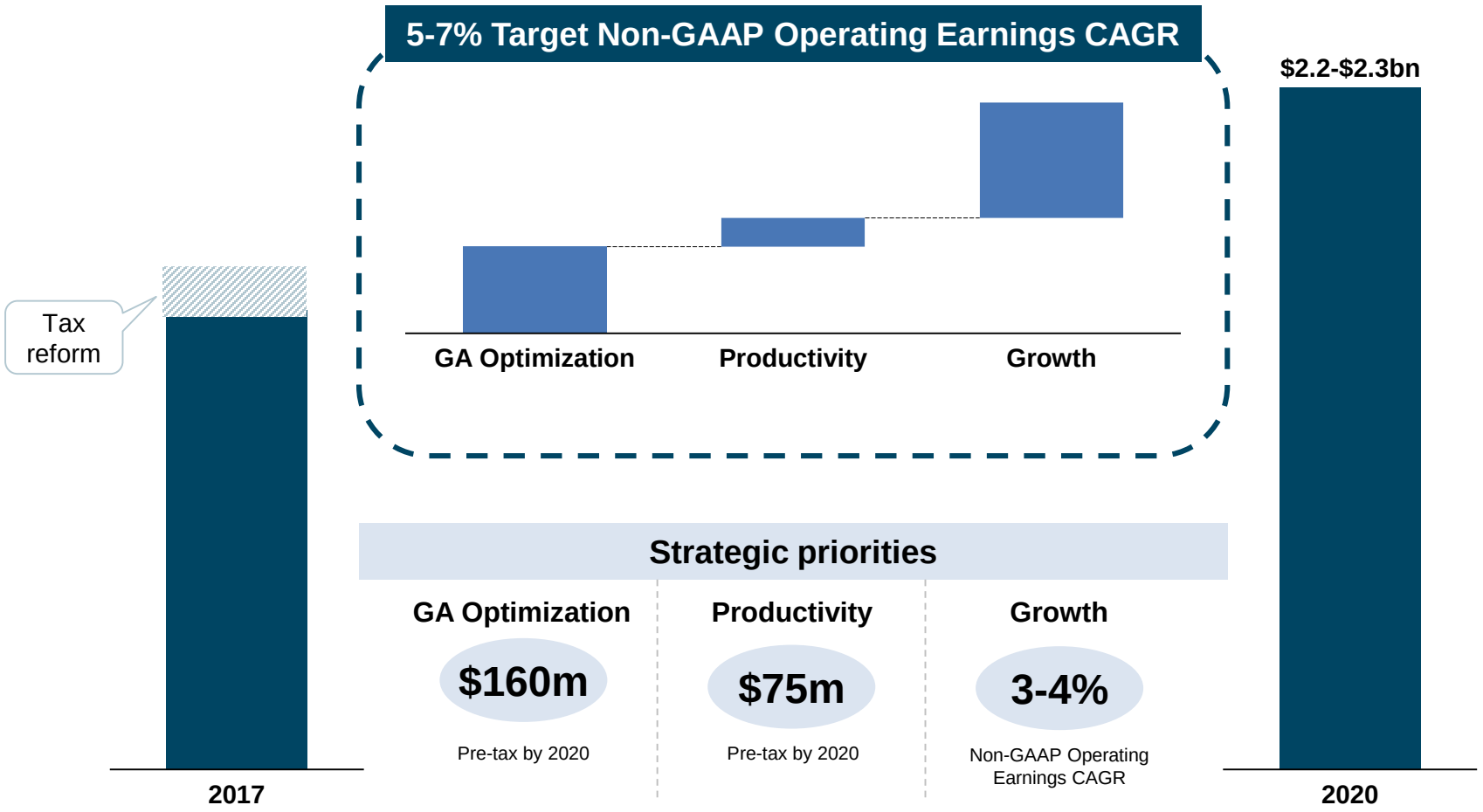
Generated 15.2% Pro Forma Non-GAAP Operating ROE[3]

Total AUM of $664 billion as of March 31, 2019

[1] Non-GAAP Operating Earnings equals our consolidated after-tax net income attributable to Holdings adjusted to eliminate the impact of certain items. Please see detailed Non-GAAP reconciliation on slide 16. [2] "Non-GAAP Operating EPS" refers to Non-GAAP Operating Earnings per diluted share. [3] Includes Pro Forma adjustments related to certain reorganization transactions that occurred in 2018. Please see detailed reconciliation on slide 17.

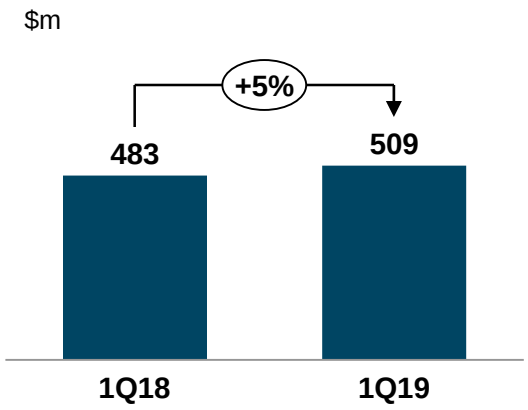
Strategic Priorities

Non-GAAP Operating Earnings growth is expected to result in Non-GAAP Operating ROE in the mid-teens by 2020

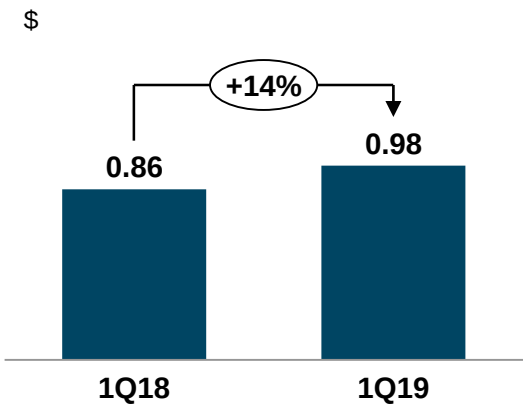


First Quarter 2019 Consolidated Results Summary

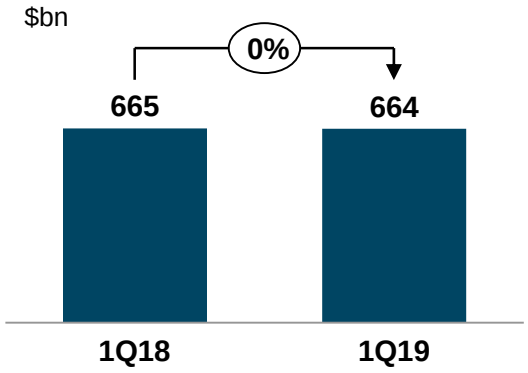
Non-GAAP Operating Earnings[1]



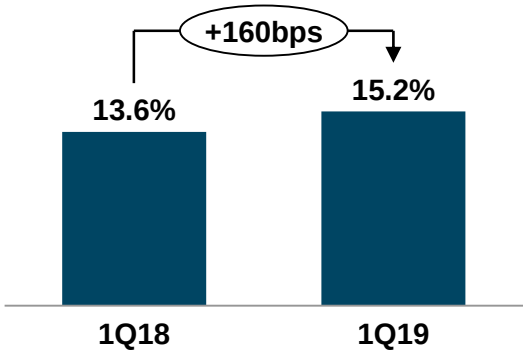
Non-GAAP Operating EPS[1,2]



Assets Under Management



Pro Forma Non-GAAP Operating ROE[1,3]



Financial Highlights

Non-GAAP Operating EPS increased 14% to $0.98 per share primarily driven by:

- Higher net investment income due to higher asset balances, yields, and our GA optimization and lower operating expenses
- Partially offset by higher policyholder benefits in Individual Retirement and Protection Solutions segments and lower fee-type revenues
- 12% YOY decrease in shares outstanding due to share repurchases

Net loss of $775 million includes:

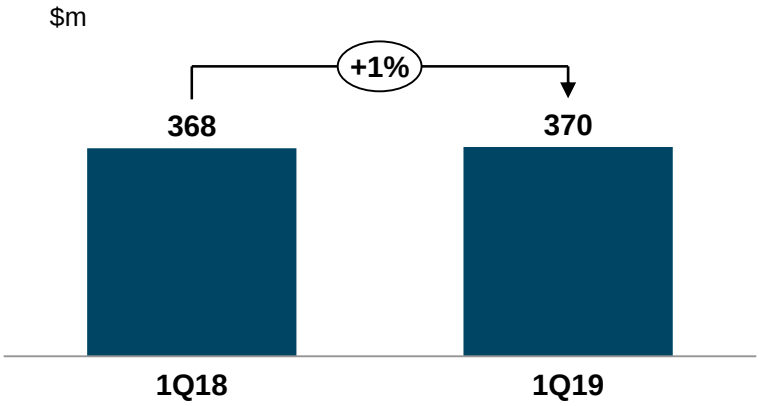
- Non-economic market impacts driven by hedging and nonperformance risk

AUM flat due to positive equity market performance offset by total company outflows over the past twelve months

[1] In the first quarter of 2019, we modified our Non-GAAP Operating Earnings measure. For additional information on the impact to the measure, see the Appendix section herein. [2] Non-GAAP Operating EPS is calculated by dividing Non-GAAP Operating Earnings by weighted-average common shares outstanding - diluted. For a full reconciliation to the most comparable US GAAP measure, see slide 16. [3] Includes Pro Forma adjustments related to certain reorganization transactions that occurred in 2018. Please see detailed reconciliation on slide 17.

Individual Retirement

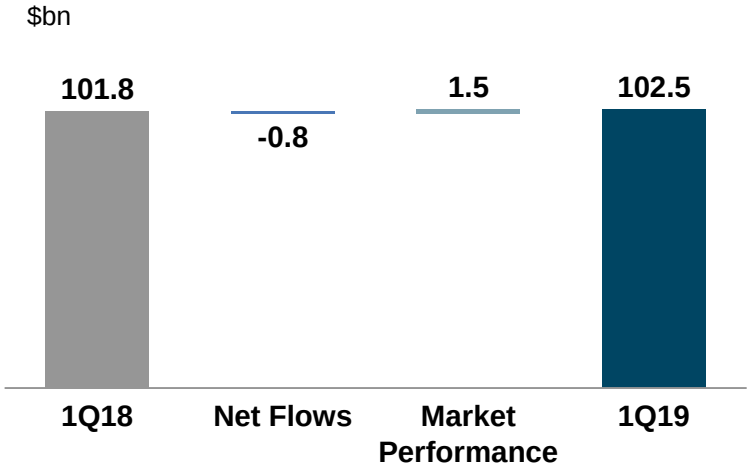
Operating Earnings[1]



Highlights

- Operating earnings increased, primarily due to:
  - Higher net investment income reflecting growth in asset balances and yields and our GA optimization
  - Improvement in GMxB results
- 16% YOY growth in FYP led by SCS sales, driven by deepening relationships with existing distributors
- Non-GAAP Operating ROC increased 240 bps, reflecting higher earnings over the trailing 12 months and the ongoing shift toward capital light business

Account Value and Trailing 12 Month Net Flows



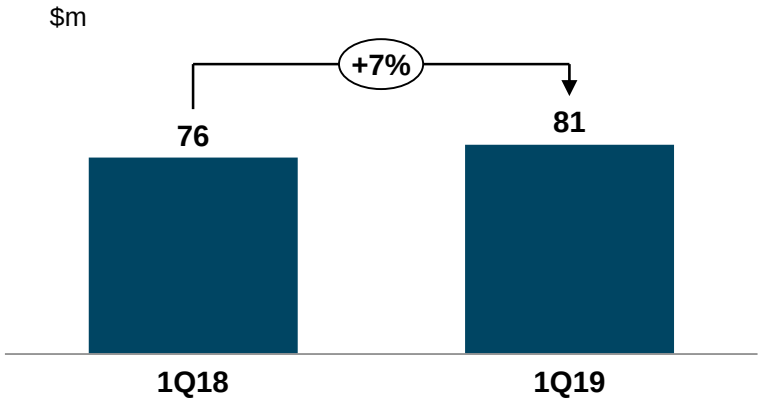
Summary 1Q Metrics

($m)	1Q19	1Q18
Net Flows	**(88)**	(462)
Current Product Offering[2]	***841***	*579*
Fixed Rate[3]	***(929)***	*(1,041)*
First Year Premiums	**1,879**	1,619
Non-GAAP Operating ROC[1,4]	**22.6%**	20.2%

[1] Had we modified the treatment of the amortization of DAC for SCS starting in the first quarter of 2018, Operating earnings for the three months ended March 31, 2018 for the Individual Retirement segment would have been $327 million, and Non-GAAP Operating ROC for the trailing twelve months ended March 31, 2019 would have been 22.6%. [2] Products sold in 2011 and later. [3] Pre 2011 GMxB products. [4] Non-GAAP Operating ROC is calculated by dividing operating earnings (loss) on a segment basis by average capital on a segment basis, excluding AOCI and NCI. For average capital amounts by segment, capital components pertaining directly to specific segments such as DAC along with targeted capital are directly attributed to these segments. Targeted capital for each segment is established using assumptions supporting statutory capital adequacy levels (including CTE98).

Group Retirement

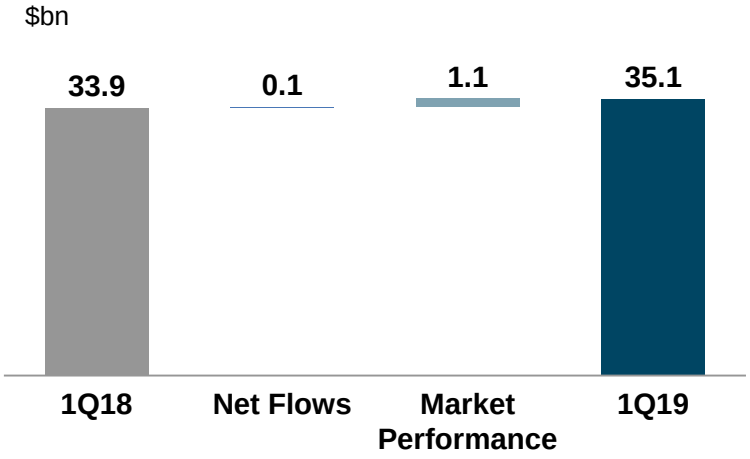
Operating Earnings



Highlights

- Operating earnings increased primarily due to higher fee-type revenue on higher average separate account assets and an increase in net investment income due to our GA optimization
- Net inflows of $107 million driven by strong inflows in the tax-exempt market
- Gross premiums increased modestly, led by growth in renewal contributions
- Non-GAAP Operating ROC improved to 31.3% due to higher earnings over the trailing 12 months

Account Value and Trailing 12 Month Net Flows



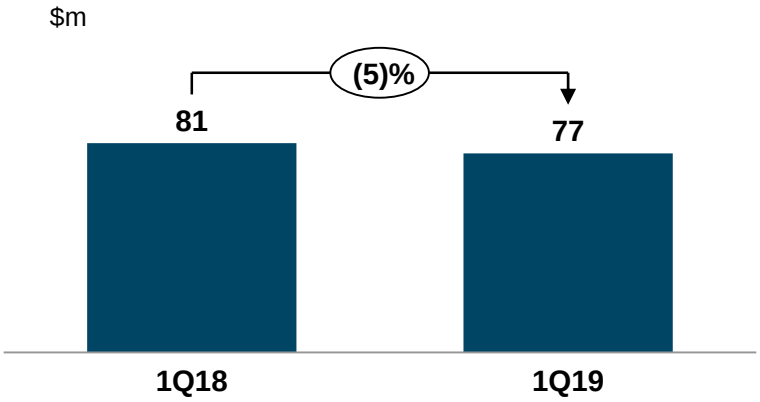
Summary 1Q Metrics

($m)	1Q19	1Q18
Net Flows	**107**	101
Gross Premiums	**840**	837
Non-GAAP Operating ROC[1]	**31.3%**	25.8%

[1] Non-GAAP Operating ROC is calculated by dividing operating earnings (loss) on a segment basis by average capital on a segment basis, excluding AOCI and NCI. For average capital amounts by segment, capital components pertaining directly to specific segments such as DAC along with targeted capital are directly attributed to these segments. Targeted capital for each segment is established using assumptions supporting statutory capital adequacy levels (including CTE98).

Investment Management and Research (AB)

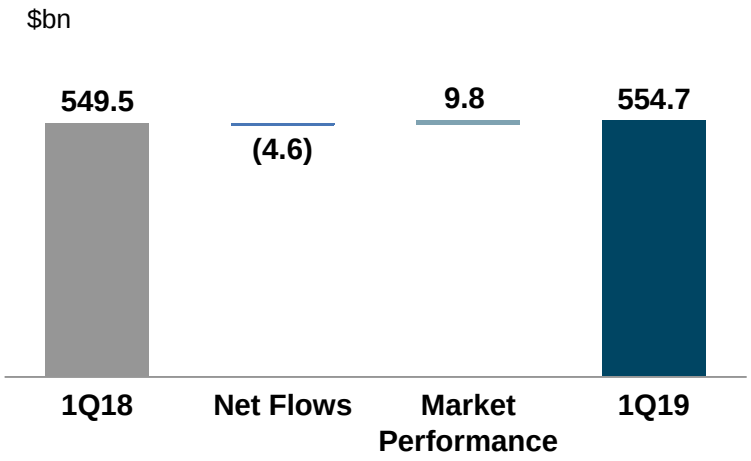
Operating Earnings



Highlights

- Operating earnings decline driven by:
  - A decrease in revenue due to lower performance-based fees and lower Bernstein Research revenues
  - Partially offset by increased ownership in AB
- Net inflows of $1.1 billion positive for the third straight quarter, driven by active net inflows of $2.2 billion
- Adjusted Operating Margin[1] YOY decline driven by elevated non-recurring performance fees in 1Q18 and lower Bernstein Research revenues in 1Q19

AUM and Trailing 12 Month Net Flows



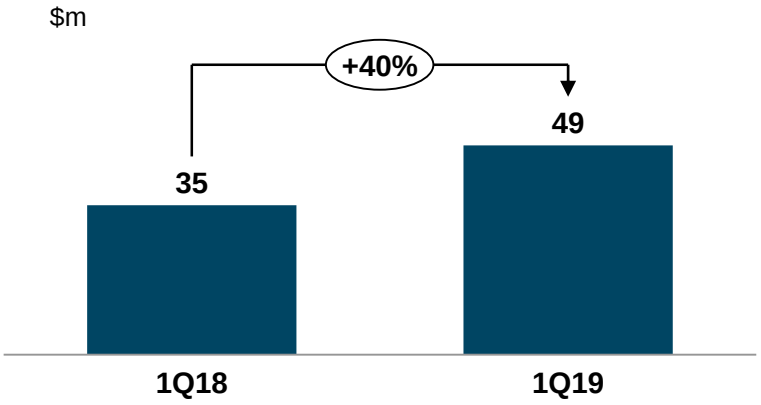
Summary 1Q Metrics

($bn)	1Q19	1Q18
Net Flows	**1.1**	(2.4)
AUM	**554.7**	549.5
Adj. Operating Margin[1]	**24.1%**	30.1%

[1] Adjusted Operating Margin is a non-GAAP financial measure used by AB's management in evaluating AB's financial performance on a standalone basis and to compare its performance, as reported by AB in its public filings. It is not comparable to any other non-GAAP financial measure used herein.

Protection Solutions

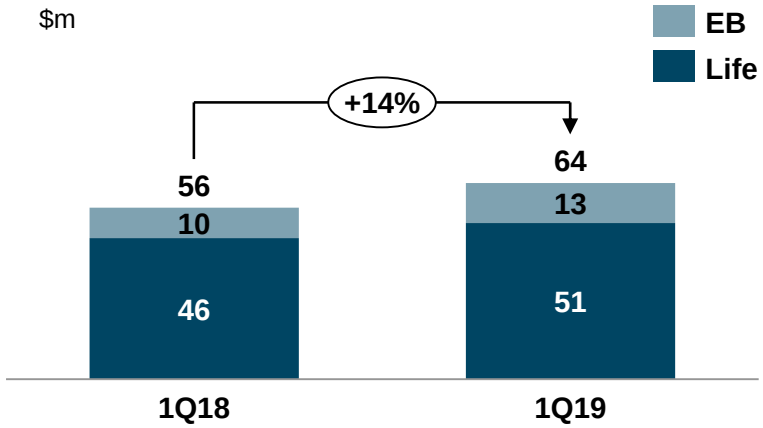
Operating Earnings



Highlights

- Operating earnings growth benefitting from:
  - Higher net investment income from GA optimization
  - Lower DAC amortization as we exited loss recognition in 3Q18
- Higher annualized premiums driven by continued growth in VUL and Employee Benefits product sales
- Benefit ratio increase driven primarily by higher mortality compared to 1Q18
- Non-GAAP Operating ROC improved 240 bps driven by higher earnings from 3Q18 assumption update

Annualized Premiums



Summary 1Q Metrics

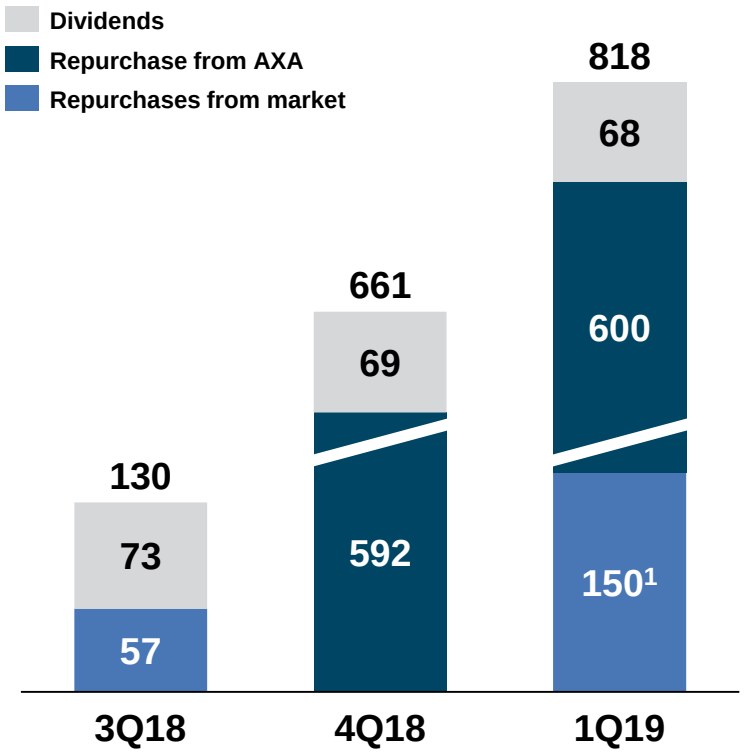
($m)	1Q19	1Q18
Gross Written Premiums	**786**	754
Benefit Ratio[1]	**71.0%**	65.2%
Non-GAAP Operating ROC[2]	**7.6%**	5.2%[3]

[1] Benefit ratio as reported; calculated as sum of policyholders' benefits and interest credited to policyholders' account balances divided by segment revenues. [2] Non-GAAP Operating ROC is calculated by dividing operating earnings (loss) on a segment basis by average capital on a segment basis, excluding AOCI and NCI. For average capital amounts by segment, capital components pertaining directly to specific segments such as DAC along with targeted capital are directly attributed to these segments. Targeted capital for each segment is established using assumptions supporting statutory capital adequacy levels (including CTE98). [3] Excludes impact of certain one-time items. Total post-tax adjustments to operating earnings was determined by multiplying approximately $535 million total pre-tax adjustments in policyholders' benefits, DAC amortization (net) and policy charges, fee income and premiums by a tax rate of 33%.

Capital Position and Management

Capital return supported by strong earnings and capitalization

Capital return ($m)



Highlights

Capital return to shareholders

- **Repurchased 30 million shares from AXA S.A.**, leaving c. $200m remaining on 2019 authorization
- **Paid $68m of quarterly cash dividends,** reflecting $0.13 per share
- **Intend to increase quarterly cash dividend by 15% to $0.15 payable in Q2[2]**

Strong capital position and ample flexibility

- **Raised $1bn of contingent capital, enhancing long-term liquidity and financial flexibility**
- **Maintained target of CTE98 for VA business, 350-400% RBC for non-VA**
- **26.6% debt-to-capital ratio**

[1] Represents $150 million repurchased as part of an Accelerated Share Repurchase agreement entered into in January of 2019, which effectively completed the Company's 2018 repurchase authorization of $800 million. [2] Any declaration of dividends will be at the discretion of the Board of Directors and will depend on our financial condition and other factors.

Highlights

Mixed macro environment in the quarter

- Favorable equity markets in Q1; S&P 500 +13%
- 10-year UST rate down approximately 30 basis points

Robust capital management

- Returned $818m to shareholders in the quarter
- Raised $1bn of contingent capital, enhancing long-term flexibility

Independent EQH

- Successful secondary offering; AXA's ownership now a non-controlling interest
- Established independent governance: appointed independent Chairman and two new independent directors

AXA Equitable Holdings

First Quarter 2019 Earnings Results

Appendix

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May 10, 2019

Key Financial Targets

Maintain strong balance sheet while delivering disciplined financial growth

AXA Equitable Holdings

Non-GAAP Op. Earnings growth	Payout ratio[1]	Pro Forma Non-GAAP Operating ROE
5-7% CAGR through 2020 *(after tax reform)*	**50-60%**	**Mid-teens** by 2020

AXA Equitable Life
Target capitalization

CTE98 for VA business

+

350-400% RBC for non-VA

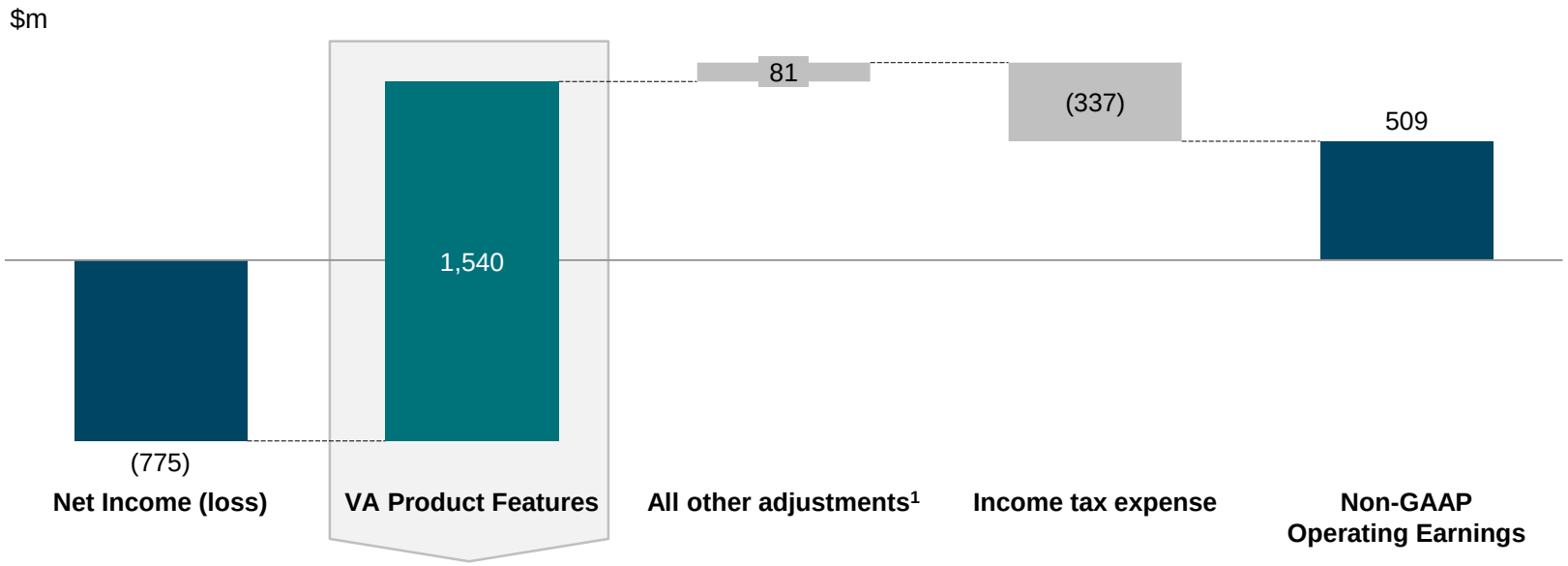
AllianceBernstein
Margin

30%+

Adjusted Operating Margin[2] target

[1] Target payout ratio of 50-60% of Non-GAAP Operating Earnings. [2] Adjusted Operating Margin is a non-GAAP financial measure used by AB's management in evaluating AB's financial performance on a standalone basis and to compare its performance, as reported by AB in its public filings. It is not comparable to any other non-GAAP financial measure used herein.

Net Income to Non-GAAP Operating Earnings, 1Q19



All figures $m	**Description**	**1Q19**
VA Product Features	GMxB accounting asymmetry:	
	• GMxB hedging	1,127
	• Static hedge cash option cost (guidance of $100-150m per annum)	20
	Short duration VA portfolio (SCS) mark-to-market	(146)
	Non-performance risk / own credit spreads	431
	Other	108
	Total adjustment to Net Income	**1,540**

[1] Includes investment gains (losses), net actuarial gains (losses) related to pension and other postretirement benefit obligations, other adjustments, and non-recurring tax items.

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Non-GAAP Operating Earnings

	Three Months Ended March 31,	
	2019	2018
	(in millions)	
Net income (loss) attributable to Holdings	**$** (775)	$ 214
Adjustments related to:		
Variable annuity product features	1,540	176
Investment (gains) losses	11	(102)
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	24	131
Other adjustments	40	91
Income tax expense (benefit) related to above adjustments	(337)	(55)
Non-recurring tax items	6	28
Non-GAAP Operating Earnings[1]	**$** 509	$ 483

EQH Non-GAAP Operating EPS

	Three Months Ended March 31,	
	2019	2018
	(per share)	
Net income (loss) attributable to Holdings	**$** (1.50)	$ 0.38
Adjustments related to:		
Variable annuity product features	2.97	0.31
Investment (gains) losses	0.02	(0.18)
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	0.05	0.23
Other adjustments	0.08	0.17
Income tax expense (benefit) related to above adjustments	(0.65)	(0.10)
Non-recurring tax items	0.01	0.05
Non-GAAP Operating Earnings[1]	**$** 0.98	$ 0.86

[1] Had we modified the treatment of the amortization of DAC for SCS starting in the first quarter of 2018, Non-GAAP Operating Earnings for the three months ended March 31, 2018 would have been $442 million, or $0.79 on a per diluted share basis.

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Pro Forma Non-GAAP Operating Return on Equity (ROE)

(in millions USD, unless otherwise indicated)	Balances as of 06/30/2017	09/30/2017	12/31/2017	3/31/2018	06/30/2018	09/30/2018	12/31/2018	3/31/2019
Pro forma Equity Reconciliation								
Total equity attributable to Holdings	12,360	12,401	13,421	13,547	13,364	12,411	13,866	13,143
Pro forma adjustments [1]	(718)	892	702	3	–	–	–	–
Pro forma total equity attributable to Holdings	11,642	13,293	14,123	13,550	13,364	12,411	13,866	13,143
Less: Accumulated other comprehensive income (loss)	(333)	(345)	(108)	(946)	(1,310)	(1,595)	(1,396)	(513)
Pro forma total equity attributable to Holdings excluding AOCI	11,975	13,638	14,231	14,496	14,674	14,006	15,262	13,656
Twelve Month Rolling Average				*13,585*				*14,400*

(in millions USD, unless otherwise indicated)	Twelve Months Ended or As of 03/31/2018	03/31/2019
Net Income to Pro forma Net Income		
Net income (loss), as reported	1,778	1,108
Adjustments related to:		
Pro forma adjustments before income tax [1]	(181)	(6)
Income tax impact	(8)	(1)
Pro forma adjustments, net of income tax	(189)	(7)
Pro forma net income (loss)	1,589	1,101
Less: Pro forma net income (loss) attributable to the noncontrolling interest	(265)	(270)
Pro forma net income (loss) attributable to Holdings	1,324	831
Pro forma Net Income to Pro forma Non-GAAP Operating Earnings [2]		
Pro forma net income (loss) attributable to Holdings	1,324	831
Adjustments related to:		
Variable annuity product features	1,013	1,295
Investment (gains) losses	65	201
Goodwill impairment	(2)	–
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	234	107
Other adjustments	230	244
Income tax (expense) benefit related to above adjustments	(605)	(396)
Non-recurring tax items	(49)	(94)
Pro forma Non-GAAP Operating Earnings	2,210	2,188
Return on Equity Reconciliation	**Twelve Months Ended or As of**	
Pro Forma Net income (loss) attributable to Holdings	1,324	831
Average equity attributable to Holdings	12,932	13,227
Pro Forma Return on Equity	10.2%	6.3%
Pro forma Non-GAAP Operating Earnings	2,210	2,188
Pro forma average equity attributable to Holdings excluding AOCI	13,585	14,400
Pro forma Non-GAAP Return on Equity	16.3%	15.2%
Pro forma Non-GAAP Operating Earnings excluding Q4 2017 non-recurring items [3]	1,851	2,188
Pro forma average equity attributable to Holdings excluding AOCI	13,585	14,400
Pro forma Non-GAAP ROE excluding Q4 2017 non-recurring items	13.6%	15.2%

[1] Pro Forma adjustments relate to certain reorganization transactions that occurred in 2018, including: (1) the acquisition of AXA's remaining interest in AB and minority interests in AXA Financial, Inc.; (2) the transfer of certain U.S. property & casualty business held by AXA Equitable Holdings to AXA; (3) the issuance of $3.8 billion of external debt and (4) the settlement of all outstanding financing balances with AXA. [2] In the first quarter of 2019, we modified our Non-GAAP Operating Earnings measure's treatment of the impact of timing differences on the amortization of DAC resulting from market value adjustments for our SCS variable annuity product. Had we modified the treatment of the amortization of DAC for SCS starting in the first quarter of 2018, SCS-related DAC amortization excluded from Non-GAAP Operating Earnings would have been $52 million, $17 million and $4 million lower during the first, second and third quarter of 2018, respectively, and $17 million higher during the fourth quarter of 2018. [3] The post-tax adjustment to Pro Forma Non-GAAP Operating Earnings for Q4 2017 nonrecurring items was determined by multiplying $535 million total pre-tax adjustments in policyholder's benefits, DAC amortization (net), policy charges, fee income and premiums by a tax rate of 33%.