AXA Equitable Holdings

Third Quarter 2019 Earnings Results

EQH
LISTED
NYSE

November 7, 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 and in Holdings’ subsequent filings with the Securities and Exchange. 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, Non-GAAP Operating ROE and, for certain prior periods, Pro Forma 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.axaequitableholdings.com.

Third Quarter 2019 Overview

Strong Non-GAAP Operating Earnings

- GA rebalance benefits delivered one year early
- SCS sales at record levels

Strengthening of US GAAP reserves

- Changes in policyholder utilization magnified by low interest rates

Protecting Economic value

- Economic hedges offsetting impact from drop in rates

Stability in Statutory capital and 50-60% payout ratio

- Capitalization in excess of CTE98 and 350-400% RBC
- Early adoption of NAIC VA Reform will give full credit for Economic hedging
- Additional $400 million share buyback authorization

Third Quarter 2019 Financial Summary

US GAAP Net Loss of $384 million

- Reflects assumption updates, partially offset by Economic interest rate hedge gains

Non-GAAP Operating Earnings[1] of $677 million, or $1.38 per share[2]

- On track to deliver 5-7% Non-GAAP Operating Earnings CAGR target
- Total AUM of $701 billion, an increase of 13% since YE 2018

Non-GAAP Operating ROE[3] of 16.0%

- In line with mid-teens target

Additional share buyback authorization of $400 million

- Supported by excess capital above CTE98

[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 page 23. [2] Refers to Non-GAAP Operating Earnings per diluted share. [3] We calculate Non-GAAP Operating ROE by dividing Non-GAAP Operating Earnings for the previous twelve calendar months by consolidated average equity attributable to Holdings, excluding Accumulated Other Comprehensive Income ("AOCI"). Please see detailed reconciliation on page 24.

Economic model is more realistic as based on current market rates

	US GAAP	Statutory	EQH Economic
Interest rates	▪ *Current* - Fair value: MTM - SOP: Reversion to mean ▪ *New fair value standard by 2022*	▪ *Current*: RTM (industry: practices vary, with 20 Yr RTM up to 5.5%+)[1] ▪ *New NAIC Reform* (standard: 3.5% 20 Yr RTM, avg. effective floor of c. 1.9%[2])	▪ Mark-to-market 10 Yr T at Q3: 1.7%; 20 Yr T at Q3: 1.9% (risk neutral scenarios, including negative rates)
Policyholder experience	▪ Best estimate (past aggregate experience)	▪ Best estimate + PAD (provision for adverse deviations)	▪ Risk-weighted (stress tested)
Capitalization result	▪ Shareholder equity	▪ RBC formula	▪ Economic surplus (to withstand very severe scenarios[3])

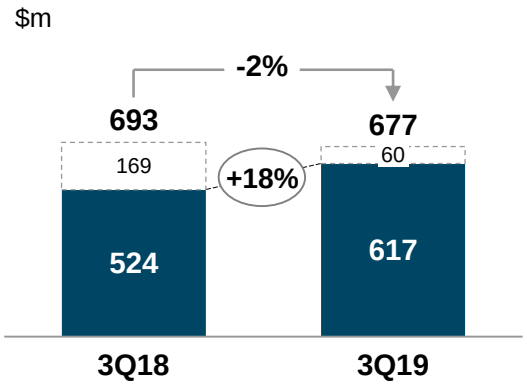
We manage the business to protect and enhance economic value

[1] Source: VAIWG and Oliver Wyman proposal document supporting proposed revisions to AG 43/VM-21 and C3 Phase II, dated May 31, 2018. [2] Based on the set of 10,000 interest rate scenarios, as of 9/30/2019, produced by the prescribed interest rate scenario generator used in statutory reserving under VM-20 and VM-21 (version 7.1.201905). Please see page 22 for additional detail. [3] Test for very severe scenarios (-40% equity shock, -50% rate cut) before paying dividends.

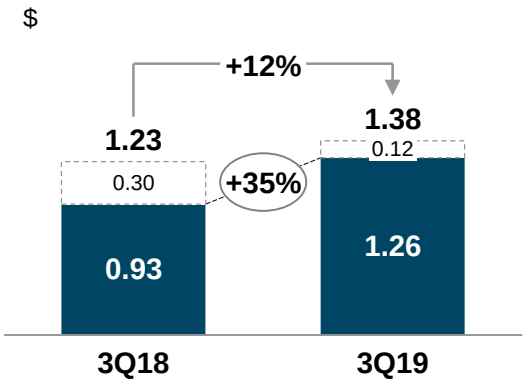
Third Quarter 2019 Consolidated Results Summary

Assumption update impact[1]

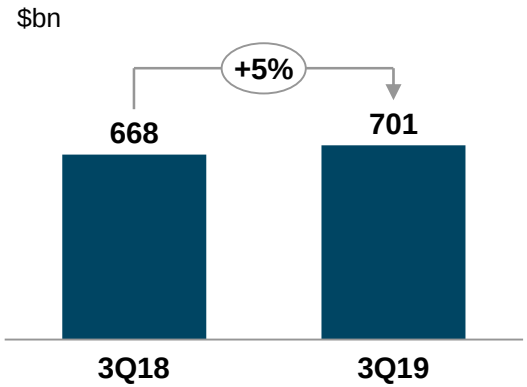
Non-GAAP Operating Earnings



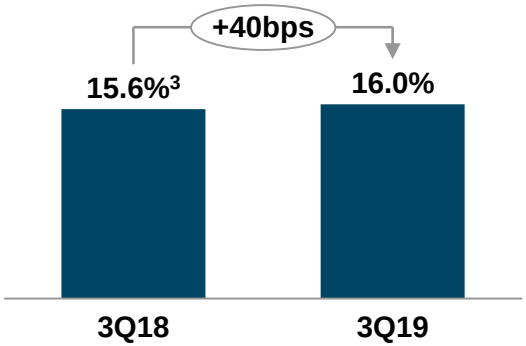
Non-GAAP Operating EPS[2]



Assets Under Management



Non-GAAP Operating ROE



Financial Highlights

Non-GAAP Operating Earnings of $677 million, including $60 million favorable impact from actuarial assumption updates

Excluding assumption updates, Non-GAAP Operating EPS increased 35% to $1.26 per share, primarily driven by:

- Higher net investment income due to higher asset balances and our GA rebalance and lower policyholders' benefits in Protection Solutions
- 12% decrease in shares outstanding due to share repurchases

US GAAP Net loss of $384 million includes the outcome of our annual actuarial assumption review and non-economic market impacts driven by hedging and nonperformance risk

Total AUM increased 5% driven by positive equity market performance and total company net inflows

[1] Impact assumes estimated effective tax rate of 18% for 2018, 21% for 2019. [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 23. [3] Includes Pro Forma adjustments related to certain reorganization transactions that occurred in 2018. Please see detailed reconciliation on slide 24.

2019 Actuarial Assumption Review and Notable Items

US GAAP Net Income Impact[1]

		Post-tax ($bn)
YTD	Economic interest rate hedge gains	+0.7
Annual (reflected in Q3)	Assumption review:	
	Short-term SOP interest rate assumption	(0.3)
	GMxB withdrawal experience[2]	(0.5)
	GMxB impact of low rates and SOP to FV rate difference[2]	(0.3)
Net impact of economic interest rate hedge gains and assumption review		$(0.4)

Non-GAAP Operating Earnings Impact

DAC Benefit	+$0.1

[1] Please see additional quarterly detail on page 19. [2] Reflects updates related to Fixed Rate GMxB book

Key takeaways from assumption review

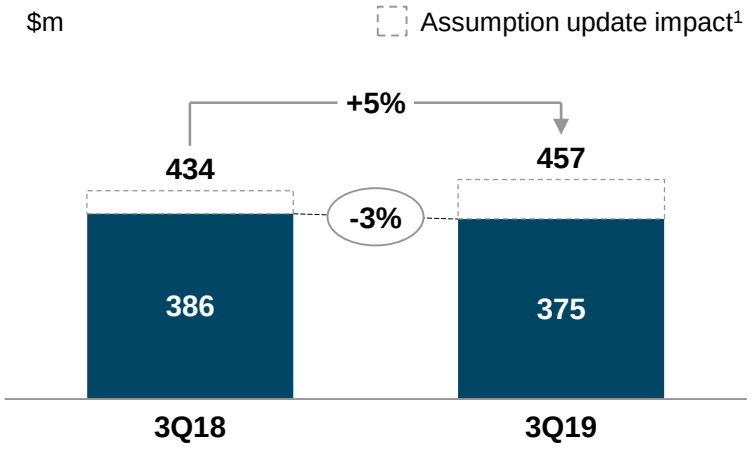
1. **Economic interest rate hedge gains more than offsetting interest rate-related assumption updates**

2. **Adoption of new NAIC standards will fully reflect Economic hedging in Statutory reserves, more than offsetting impact of assumption updates**

3. **Managing to Economic framework provides confidence in balance sheet, cash flows, and capital return**

Individual Retirement

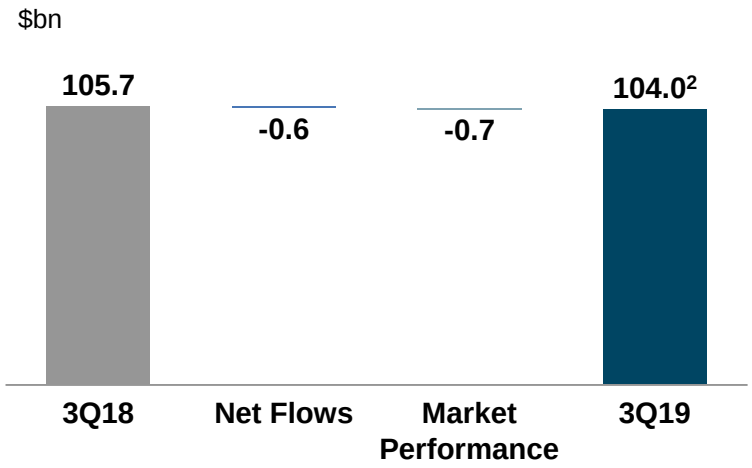
Operating Earnings



Key Drivers

- Operating earnings excluding assumption updates decreased due to lower fee-type revenue on lower SA balances, partly offset by higher net investment income on higher GA balances and improved GMxB results
- Growth in FYP leading to another quarter of record SCS sales driven by strong distribution
- Net inflows on our Current Product Offering of $802 million partially offset anticipated net outflows on our mature Fixed Rate block.

Account Value and Trailing 12 Month Net Flows



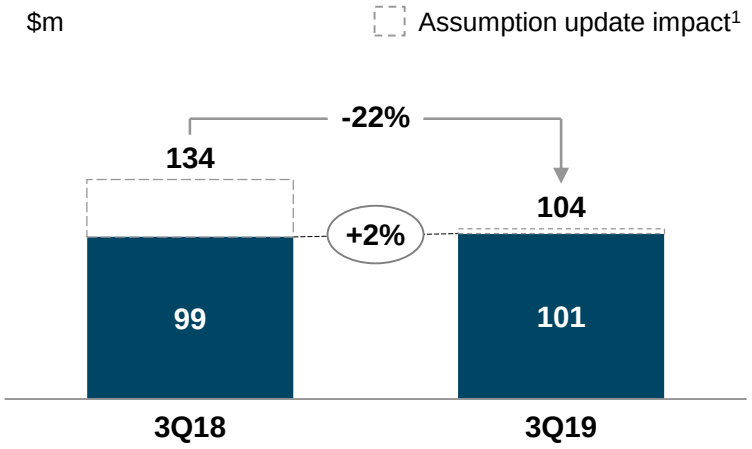
Summary 3Q Metrics

($m)	3Q18	3Q19
Net Flows	(258)	(123)
Current Product Offering [3]	*749*	*802*
Fixed Rate [4]	*(1,007)*	*(925)*
First Year Premiums	1,897	2,062
Non-GAAP Operating ROC [5]	22.9%	21.4%

[1] Impact assumes estimated effective tax rate of 18% for 2018, 21% for 2019. [2] Reflects removal of $458 million of account value transferred to Corporate and Other representing the placement of an Individual Retirement product in run-off effective for the second quarter of 2019. [3] Products sold in 2011 and later. [4] Pre 2011 GMxB products. [5] Non-GAAP Operating ROC is calculated by dividing operating earnings (loss) on a segment basis by average capital on a segment basis, excluding AOCI. 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

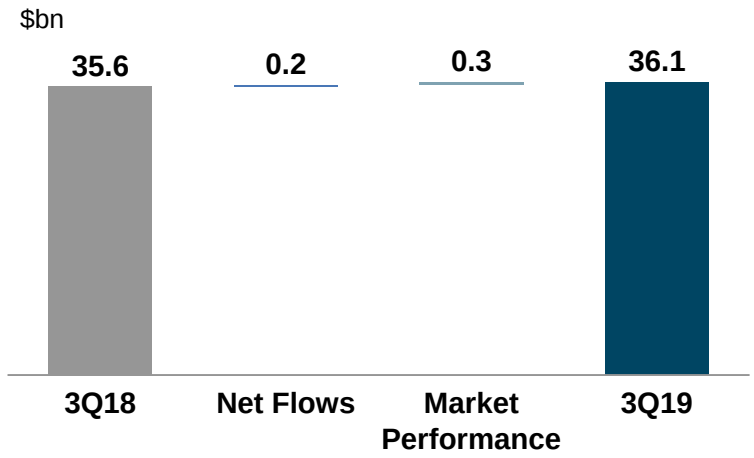
Operating Earnings



Key Drivers

- Operating earnings excluding assumption updates increased due to higher net investment income from higher asset balances and our GA rebalancing as well as ongoing efficiency gains
- Net outflows driven by seasonality in surrenders and contributions in the 403(b) market associated with the summer school break
- Increase in gross premiums driven by renewal contributions, particularly in the tax-exempt market

Account Value and Trailing 12 Month Net Flows



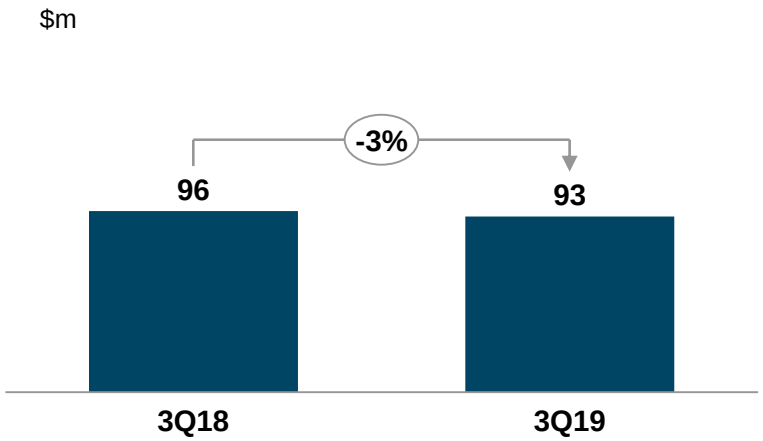
Summary 3Q Metrics

($m)	3Q18	3Q19
Net Flows	(100)	(23)
Gross Premiums	744	770
Non-GAAP Operating ROC[2]	31.2%	29.2%

[1] Impact assumes estimated effective tax rate of 18% for 2018, 21% for 2019. [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. 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)

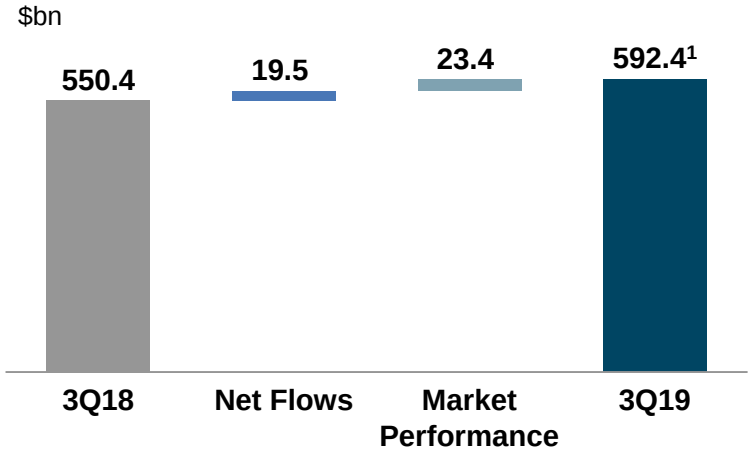
Operating Earnings



Key Drivers

- Operating earnings decrease primarily driven by lower performance fees and higher comp. and G&A expenses
- Net inflows of $8.1 billion were positive for a fifth straight quarter, driven by $9.3 billion of active net inflows
- Year-to-date active net inflows of $21.6 billion translates to 6.3% annualized organic growth rate
- Adjusted Operating Margin[2] decline primarily driven by lower performance fees and higher comp. ratio

AUM and Trailing 12 Month Net Flows



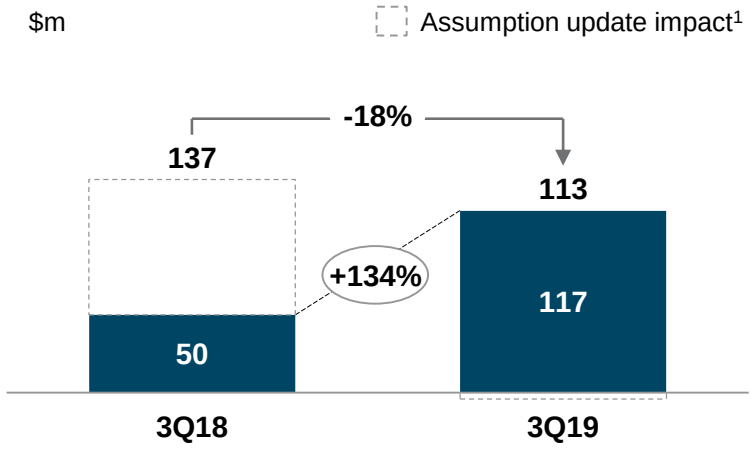
Summary 3Q Metrics

($bn)	3Q18	3Q19
Net Flows	1.3	8.1
AUM	550.4	592.4
Adj. Operating Margin[2]	29.7%	27.5%

[1] Includes adjustment related to approximately $900 million of non-investment management fee earning taxable and tax-exempt money market assets which were removed from assets under management during the second quarter of 2019. [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.

Protection Solutions

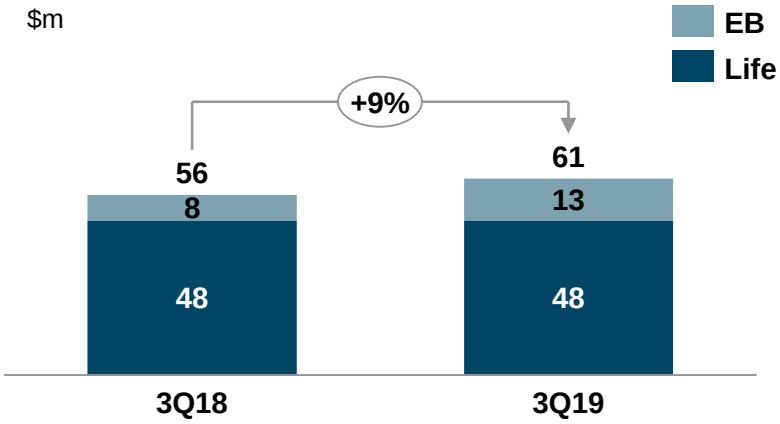
Operating Earnings



Key Drivers

- Operating earnings excluding assumption updates increased significantly driven by higher fee-type revenue, higher net investment income from the GA rebalance, and lower expenses
- Growth in annualized premiums driven by continued sales momentum in Employee Benefits
- Decrease in benefit ratio reflecting lower policyholders' benefits and growth in revenues

Annualized Premiums



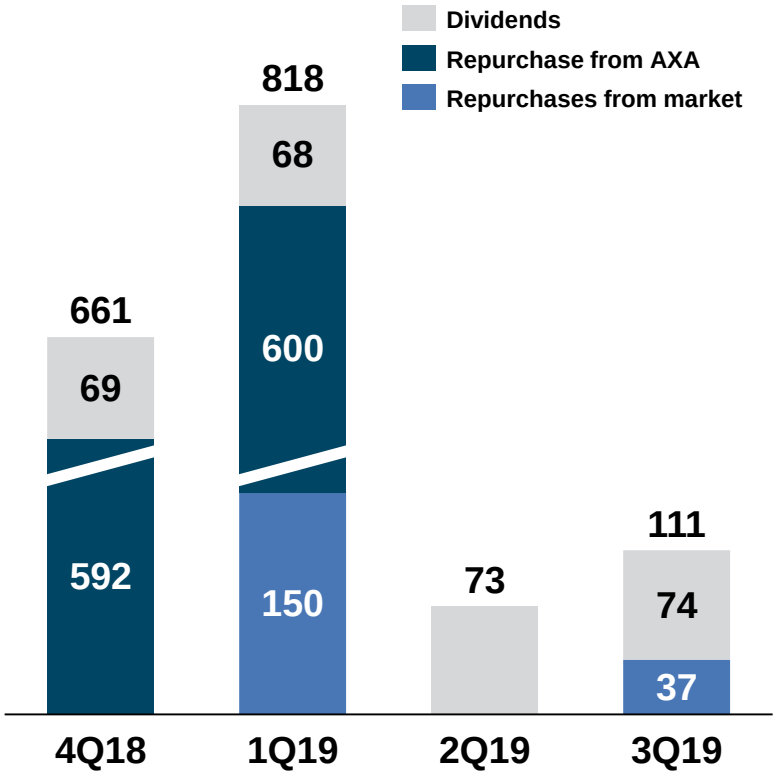
Summary 3Q Metrics

($m)	3Q18	3Q19
Gross Written Premiums	737	777
Benefit Ratio[2]	81.5%	60.5%
Non-GAAP Operating ROC[3]	9.6%[4]	10.4%

[1] Impact assumes estimated effective tax rate of 18% for 2018, 21% for 2019. [2] Benefit ratio as reported; calculated as sum of policyholders' benefits and interest credited to policyholders' account balances divided by segment revenues. [3] Non-GAAP Operating ROC is calculated by dividing operating earnings (loss) on a segment basis by average capital on a segment basis, excluding AOCI. 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). [4] Excludes impact of certain one-time items in 4Q17 and 3Q18. 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 (TTM), *$m*



Highlights

Capital return to shareholders

- **$1.8bn returned to shareholders since IPO, including $111m in the third quarter**
- **As of 9/30, $163m remaining on 2019 $800m share repurchase authorization**
- **Authorized additional $400m share repurchase program, accelerating our 2020 capital management program**

Strong capital position and ample flexibility

- **26% debt-to-capital ratio**
- **Capitalization in excess of CTE98 for VA business, 350-400% RBC for non-VA**
- **Early adoption of NAIC capital standard better aligns statutory cash flows with economics**
- **Strong balance sheet benefited from economic hedging of interest rates**

Third Quarter Key Messages

Strong results reflecting solid operating momentum

Capital position and balance sheet well-protected

Anticipating and advocating for new FASB and NAIC standards

Buyback acceleration demonstrating commitment to capital return

AXA Equitable Holdings

Third Quarter 2019 Earnings Results

Appendix

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Key Financial Targets

Maintain strong balance sheet while delivering disciplined financial growth

AXA Equitable Holdings

Non-GAAP Op. Earnings growth	Payout ratio[1]	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

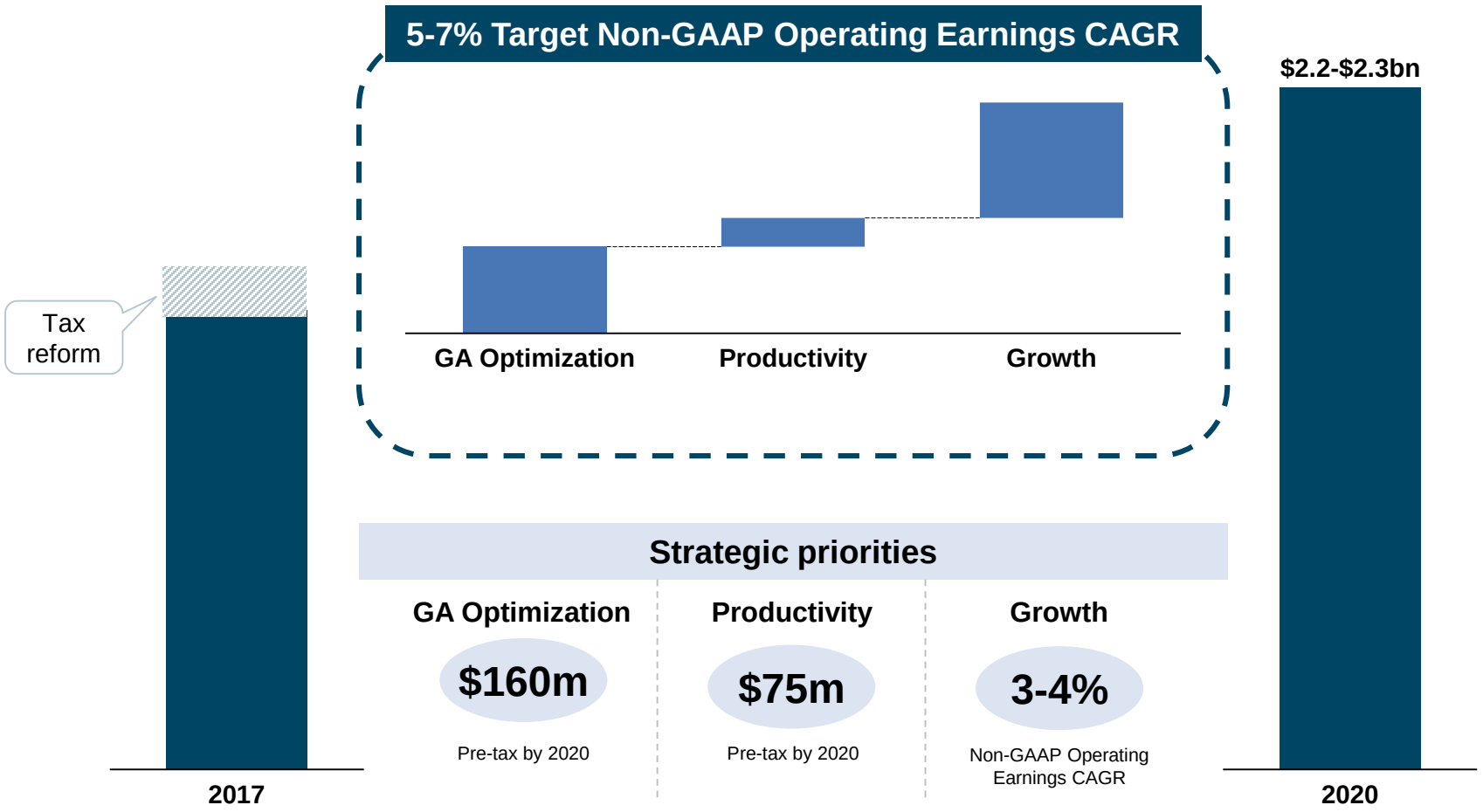
30%+

Adjusted Operating Margin[2] target

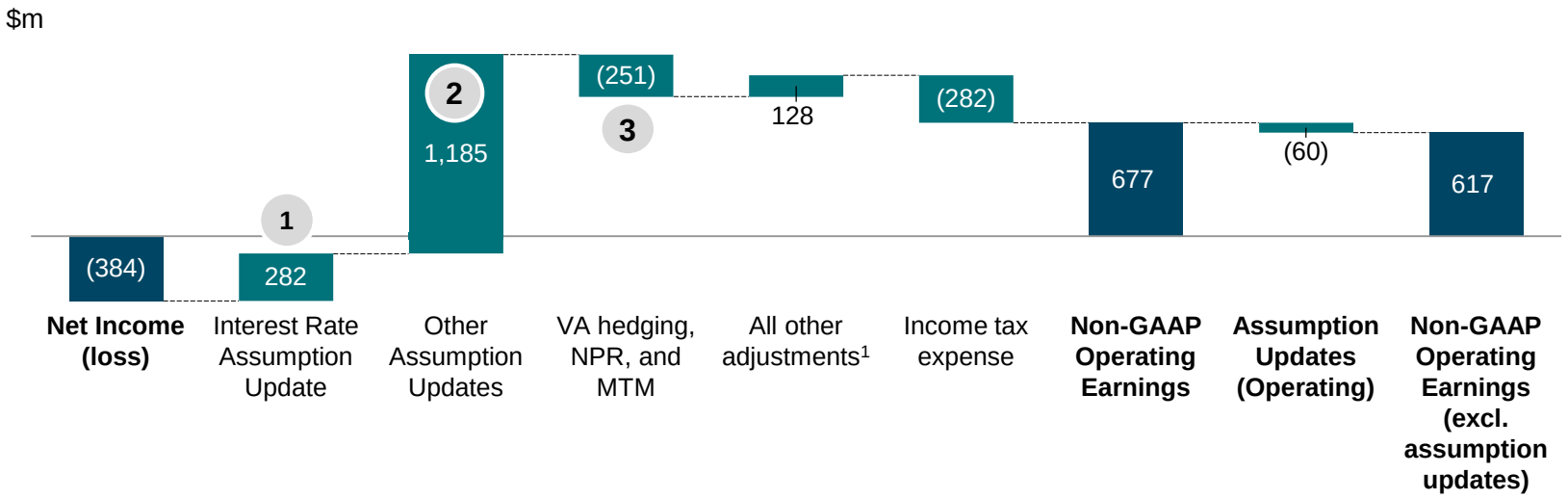
[1] Target payout ratio of 50-60% of Non-GAAP Operating Earnings. [2] Adjusted Operating Margin is a non-GAAP financial measure used by AB's management in evaluating AB's financial performance on a standalone basis and to compare its performance, as reported by AB in its public filings. It is not comparable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

Strategic Priorities

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



Net Income to Non-GAAP Operating Earnings, 3Q19



All figures $m	**Description**	**3Q19**
1 **Interest Rate Assumption Updates**	Update to short-term SOP interest rate assumption to reflect current rates	(282)
2 **Other Assumption Updates**	Primarily related to GMxB withdrawal experience including the impact of low rates and the accounting shift of certain GMxB liabilities from SOP to Fair Value	(1,185)
3 **VA hedging, NPR, and MTM**	Interest Rate hedges	381
	Remaining GMxB hedges	(297)
	Static hedge cash option cost	(30)
	Non-performance risk / own credit spreads	152
	Other[2]	45

[1] Includes inforce & model updates, investment gains (losses), net actuarial gains (losses) related to pension and other postretirement benefit obligations, other adjustments, and non-recurring tax items. [2] Includes Short duration VA portfolio (SCS) mark-to-market and Static hedge Market gains (losses)

2019 Actuarial Assumption Review and Notable Items (1/2)

Notable Items included in US GAAP Net Income (from page 7)

In millions USD, unless otherwise indicated	1Q19	2Q19	3Q19	YTD 2019
Net income (loss) attributable to Holdings	**$(775)**	**$363**	**$(384)**	**$(796)**
Items included in Net income (loss) attributable to Holdings:				
Economic interest rate hedge gains	**129**	**225**	**301**	**655**
Short-term SOP interest rate assumption	**–**	**–**	**(265)**	**(265)**
GMxB withdrawal experience	**–**	**–**	**(472)**	**(472)**
GMxB Impact of low rates and SOP to FV rate difference	**–**	**–**	**(338)**	**(338)**
Subtotal	**129**	**225**	**(774)**	**(420)**
Other assumption updates	**–**	**–**	**(23)**	**(23)**
Total impact to Net Income (loss)	**129**	**225**	**(797)**	**(443)**

[1] Impacts assume estimated effective tax rate of 21% for 2019.

2019 Actuarial Assumption Review and Notable Items (2/2)

Line item impact of assumption updates on Operating Earnings[1]

Three months ended 9/30/2019 ($m)	Individual Retirement	Group Retirement	Protection Solutions	Consolidated[2,3]
Total revenues			**3**	**3**
Policy charges, fee income and premiums			3	3
Total benefits and other deductions	**104**	**3**	**(7)**	**73**
Policyholders' benefits			42	15
Interest credited to policyholders' account balances	13			13
Amortization of deferred policy acquisition costs, net	92	3	(49)	46
Operating earnings (post-tax)	**82**	**3**	**(4)**	**60[3]**

Three months ended 9/30/2018 ($m)	Individual Retirement	Group Retirement	Protection Solutions	Consolidated[2,3]
Total revenues			**(24)**	**(24)**
Policy charges, fee income and premiums			(24)	(24)
Total benefits and other deductions	**59**	**43**	**131**	**230**
Policyholders' benefits			(53)	(53)
Amortization of deferred policy acquisition costs, net	59	43	184	283
Operating earnings (post-tax)	**48**	**35**	**87**	**169[3]**

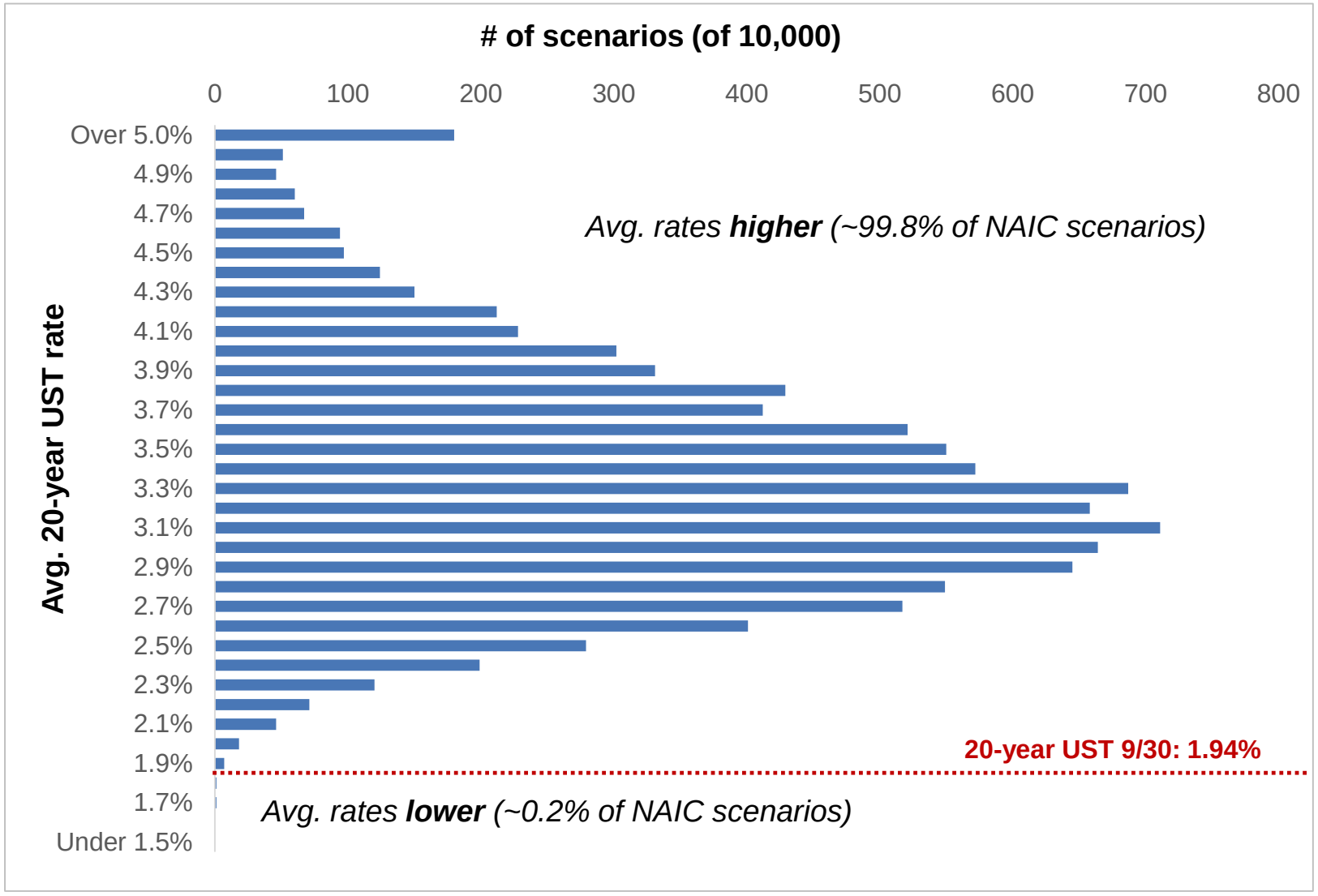
[1] Impacts assume estimated effective tax rate of 21% for 2019, 18% for 2018. [2] Certain figures may not sum due to rounding. [3] Totals includes a $(3) million pre-tax impact on Corporate and Other in 2018 and a $(27) million pre-tax impact on Corporate and Other in 2019.

FASB changing GAAP standards to move closer to economic framework

	GAAP (Current)	GAAP (Post-FASB TI)	EQH Economic
Interest rates	**SOP**: Reversion to mean **Fair value**: MTM	**Fair value:** MTM	**Mark-to-market** 10 Yr T at Q3: 1.7%; 20 Yr T at Q3: 1.9%
Equity	**Long term historic** (risk premium 4-6%)	**Fair value:** MTM	**Mark-to-market** (VA rider fully hedged)
EQH Economic Hedging	Reported below-the-line	Reported above-the-line	
Capitalization result	**Shareholder equity**	**Shareholder equity**	**Economic surplus** (to withstand very severe scenarios[1])

[1] Test for very severe scenarios (-40% equity shock, -50% rate cut) before paying dividends.

Post NAIC VA reform Statutory Interest Rate Scenario Generator[1]



[1] Based on the set of 10,000 interest rate scenarios, as of 9/30/2019, produced by the prescribed interest rate scenario generator used in statutory reserving under VM-20 and VM-21 (version 7.1.201905). Each scenario average represents the average of the projected year-end 20-year US Treasury rate from projection years 1-50.

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Non-GAAP Operating Earnings

	Three Months Ended September 30,	
	2019	2018
	(in millions)	
Net income (loss) attributable to Holdings	**$** (384)	$ (496)
Adjustments related to:		
Variable annuity product features	1,444	1,403
Investment (gains) losses	(199)	36
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	24	24
Other adjustments	78	51
Income tax expense (benefit) related to above adjustments	(282)	(409)
Non-recurring tax items	(4)	84
Non-GAAP Operating Earnings	**$** 677	$ 693

EQH Non-GAAP Operating EPS

	Three Months Ended September 30,	
	2019	2018
	(per share)	
Net income (loss) attributable to Holdings	**$** (0.78)	$ (0.89)
Adjustments related to:		
Variable annuity product features	2.94	2.50
Investment (gains) losses	(0.40)	0.06
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	0.05	0.04
Other adjustments	0.15	0.10
Income tax expense (benefit) related to above adjustments	(0.57)	(0.73)
Non-recurring tax items	(0.01)	0.15
Non-GAAP Operating Earnings	**$** 1.38	$ 1.23

Reconciliation of Non-GAAP and Other Financial Disclosures

EQH Non-GAAP Operating Return on Equity (ROE)

(in millions USD, unless otherwise indicated)	Pro forma [1] Balances as of 12/31/2017	3/31/2018	06/30/2018	09/30/2018	12/31/2018	3/31/2019	Balances as of 6/30/2019	9/30/2019
Equity Reconciliation								
Total equity attributable to Holdings	13,421	13,547	13,364	12,411	13,866	13,143		
Pro forma adjustments [1]	702	3	–	–	–	–		
Total equity attributable to Holdings	14,123	13,550	13,364	12,411	13,866	13,143	14,843	14,936
Less: Accumulated other comprehensive income (loss)	(108)	(946)	(1,310)	(1,595)	(1,396)	(513)	876	1,468
Total equity attributable to Holdings excluding AOCI	14,231	14,496	14,674	14,006	15,262	13,656	13,967	13,468
Twelve Month Rolling Average				*14,352*				*14,088*

(in millions USD, unless otherwise indicated)	Twelve Months Ended or As of Pro Forma [1] 09/30/2018	09/30/2019
Net Income to Pro forma Net Income		
Net income (loss), as reported	782	–
Adjustments related to:		
Pro forma adjustments before income tax [1]	(75)	–
Income tax impact	(12)	–
Pro forma adjustments, net of income tax	(87)	–
Pro forma net income (loss)	695	–
Less: Pro forma net income (loss) attributable to the noncontrolling interest	(315)	–
Pro forma net income (loss) attributable to Holdings	380	–
Net Income to Non-GAAP Operating Earnings		
Net income (loss) attributable to Holdings	380	1,142
Adjustments related to:		
Variable annuity product features	2,201	1,286
Investment (gains) losses	116	(46)
Net actuarial (gains) losses related to pension and other postretirement benefit obligations	216	105
Other adjustments	284	276
Income tax (expense) benefit related to above adjustments	(662)	(340)
Non-recurring tax items	61	(174)
Non-GAAP Operating Earnings [2]	2,596	2,249
Return on Equity Reconciliation	Twelve Months Ended or As of	
Net income (loss) attributable to Holdings	380	1,142
Average equity attributable to Holdings excluding AOCI	14,352	14,088
Return on Equity	2.6%	8.1%
Non-GAAP Operating Earnings [2]	2,596	2,249
Average equity attributable to Holdings excluding AOCI	14,352	14,088
Non-GAAP Operating Return on Equity [3]	18.1%	16.0%
Non-GAAP Operating Earnings excluding Q4 2017 non-recurring items [4]	2,237	–
Average equity attributable to Holdings excluding AOCI	14,352	–
Non-GAAP Return on Equity excluding Q4 2017 non-recurring items	15.6%	–

[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, Non-GAAP Operating Earnings for the trailing twelve months ended September 30, 2019 would have been $2.3 billion. [3] Had we modified the treatment of the amortization of DAC for SCS starting in the first quarter of 2018, Non-GAAP Operating ROE for the trailing twelve months ended September 30, 2019 would have been 15.9%. [4] 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%.