

EQUITABLE
HOLDINGS

2019
2020
2021

**ANNUAL
REPORT**

Our mission

**To help our clients secure
their financial well-being
so they can pursue long
and fulfilling lives**



CEO letter to shareholders



Dear fellow shareholders,

As I write this letter, the world continues to confront one of the greatest health crises in history. At the same time, following a series of social injustices, we hear the outcry from society to end systemic racism. The people of Equitable have responded with great resolve and resilience to this unprecedented year to serve our clients, shape our business and be a force for good in society.

Times like this force us to reflect on our lives and the sources of deeper meaning. Equitable's purpose has never been more apt: *to help our clients secure their financial well-being so they can pursue long and fulfilling lives.* During the year, we paid out nearly \$4 billion in benefits to help families

overcome the loss of a loved one or fund their most important aspirations.

Throughout our 162-year history, Equitable has prided itself on supporting clients when they need us most. We have never been more committed to our mission, nor more connected to our colleagues and clients despite working remotely for most of the year. Our actions to adapt and build new capabilities, such as digital connections with our clients, ensured that not one day of service was lost. As a result, we had positive net flows of \$8 billion in the year,¹ helping grow our assets under management to a record \$809 billion and non-GAAP operating earnings per share grew by 5%.

1 Net flows exclude expected low-fee AXA redemptions of \$11.8 billion.

The way we came together in the year demonstrated that we are truly stronger as a team. This Business Principle of ours helped us unite amidst the international outpouring for a more just society. Responding to this seminal moment, I established a CEO Taskforce to Advance Racial Equity. The Taskforce has begun to drive meaningful change both inside our company and within our industry by initiating programs focused on education and awareness, career advancement and our compensation and reward systems. We are committed across Equitable and AllianceBernstein to be a force for good in society.

Having established our risk philosophy at the time of the IPO to manage the business on a fair value basis, recognizing interest rates as they are and not assuming reversion to higher rates, has protected our balance sheet. Even as rates halved, we ended 2020 in a stronger position with surplus cash and a risk-based capital ratio of over 400%.

The events of 2020 did not stop us from extraordinary achievements. Before providing details of our results, you should know how grateful and proud I am of our more than 12,000 employees and financial professionals. I would also like to thank my Chairman, Ramon de Oliveira, the Board of Directors and the Management Committee for their unwavering leadership during this time.

Underpinning our success in 2020 is support from our partners — from schools to fund managers to community organizations — and I thank them for the deep collaboration and working together to pursue solutions in this last year.

To our shareholders, we appreciate your continued belief in us to generate long-term value and deliver strong financial results.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Pearson".

Mark Pearson



**We have
a passion
for our
business**

Financial resilience

The uncertain and volatile nature of the economy in 2020, combined with historically low interest rates, tested many companies and financial institutions. Despite these difficult conditions, the complementary businesses of Equitable and AllianceBernstein delivered solid operating performance.



Our decision to manage the business on a fair value basis, not forecasting future interest rates, has resulted in Equitable Holdings ending the year in a stronger financial position than when we started: \$2.9 billion of cash at Equitable Holdings and RBC of c.410%. We continued to maintain a fortress balance sheet to protect our clients across all economic cycles, honoring all our promises and paying out nearly \$4 billion in benefits.

\$2.3bn
non-GAAP
operating earnings²

\$809bn
assets under
management

\$1.1bn
returned to
shareholders³

2020 non-GAAP operating earnings were \$2.3 billion² and up 5% on a per-share basis. Assets under management increased 10% to a record \$809 billion supported by total company net flows of \$8 billion.¹ Furthermore, we returned \$1.1 billion to shareholders in the form of buybacks and dividends.³

² This Annual Report includes certain Non-GAAP financial measures, including Non-GAAP Operating Earnings and Non-GAAP Operating Return on Equity. More information on these measures and reconciliations to the most comparable U.S. GAAP measures can be found on page 77 of our 10-K.

³ Includes \$400 million of share repurchases that were accelerated and began in the fourth quarter of 2019.



**We work
to the
highest
standards**

Financial targets

Non-GAAP operating earnings CAGR²

7%

Target:
5%-7%

Shareholder return

\$3.1bn

since IPO

Target: 50%-60%
payout ratio

At the time of our IPO, we communicated a series of 3-year financial targets and strategic initiatives — we successfully met or exceeded each of them by the end of 2020. These were grounded in maintaining a strong balance sheet while delivering disciplined, profitable growth. During this period of our emerging independence from our former parent, we have delivered on all these commitments.

Combined RBC

410%

Target:
375%-400%

Non-GAAP operating return on equity²

17.3%

Target:
mid-teens

AB adjusted operating margin⁴

30.1%

Target:
30%+

Strategic priorities

\$160m

GA optimization

\$75m

productivity



⁴ 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.

Our achievements since our IPO include meeting our target of \$75 million in pretax productivity gains net of reinvestment, and recognizing \$160 million annualized net investment income through the rebalance of our general account. We achieved our non-GAAP operating earnings growth target and maintained an RBC ratio above our minimum target range of 375%-400%.

Further, we executed on our capital management program, returning more than \$3.1 billion to shareholders in the form of dividends and share repurchases since our IPO. And we remain committed to delivering value for our shareholders, evidenced by our announcement earlier this year of a \$1 billion share repurchase program for 2021.

This commitment to generating long-term value for our shareholders includes identifying opportunities to reduce risk and enhance our capital positioning. Continuing our long-established program of prudent risk management, we announced in October a first-of-its-kind \$12 billion reinsurance transaction with Venerable, a partner with expertise in managing complex variable annuities. This transaction will greatly de-risk our balance sheet and allow us to continue delivering long-term value to shareholders.



Business segment results

Our network of financial professionals nationwide provide advice and solutions that help our more than 5 million clients across pre-retirees, educators and small businesses so they can look ahead to their futures with confidence.



Individual Retirement

In Individual Retirement, where we are a leading provider of variable annuity products to individuals saving for retirement and looking for protected equity or seeking guaranteed income, we grew retail sales by 19% year-over-year in our flagship buffered annuity product, Structured Capital Strategies (“SCS”). **SCS saw record sales in the fourth quarter, demonstrating demand for solutions providing upside potential and downside protection.**

Group Retirement

In our Group Retirement segment, which offers tax-deferred investment and retirement solutions for employer-sponsored plans, consisting primarily of educators and other public-sector employees, as well as small-to-medium-size businesses, **full-year net flows of \$296 million were up 11% year over year.** And 2020 marked the eighth straight year of positive flows in this business. Our Semester Strategies portfolios feature automatic asset rebalancing and exhibited favorable performance in the year while reducing risk and lowering fees.

Protection Solutions

In Protection Solutions, where we provide a suite of individual, as well as group products to high-net-worth and affluent individuals, as well as small business markets, **gross written premiums were \$2.9 billion.** The segment’s results were primarily driven by our growing **Employee Benefits business, which now has nearly 500,000 enrollees,** as well as a shift to less capital-intensive accumulation products.

AllianceBernstein

At AllianceBernstein, a leading provider of diversified investment management, research and related services to a broad range of clients around the world, **AUM grew 10% supported by \$14.9 billion in active net inflows¹ and record sales in Institutional and Private Wealth Management.** AB navigated challenging market conditions to deliver strong results across a broad array of asset classes, geographies and distribution channels, helping clients meaningfully retain and grow their assets.

During these times, we have a special role to play. It is now when we all see the value of our purpose — which is to secure the financial well-being of our clients so they can live long and fulfilling lives. These results demonstrate the commitment and agility of our people and robustness of our business model. Our resilient balance sheet means we are well-prepared for any future turbulence, and Equitable Holdings remains well-positioned to deliver value for all our stakeholders.



We are stronger as a team

Building Equitable's future for generations to come

Just as we have lived and worked through many moments in our history where we have had to adapt, 2020 was no different. In fact, it amplified the importance of financial well-being. Since the very nature of our business requires us to be there for generations to come, as stewards of this business, we have to make sure all aspects of our business are positioned for this. This not only includes how we protect our policyholders, but how we work, and the leadership needed to deliver results.



To ensure we continue to meet the needs of all stakeholders we serve, we evolved our leadership team by adding six new members to our Management Committee. This group brings a broad and diverse range of experiences and expertise. Together, this expanded team will help us pursue new ideas and opportunities across the enterprise, as well as deepen the mutually beneficial partnership between Equitable and AllianceBernstein.

**New
Equitable
members**



Robin Raju
Chief Financial
Officer

Aaron Sarfatti
Chief Risk and
Strategy Officer

Stephanie Withers
Chief Auditor

**New
AllianceBernstein
members**



Kate Burke
Chief Operating
Officer

Ali Dibadj
Chief Financial
Officer and
Head of Strategy

Onur Erzan
Head of Global
Client Group



We have also been on a journey to cultivate leaders at all levels of the company. We are investing in our people, equipping them with the skills needed to adapt and thrive in an ever-changing world with what we refer to as our *new ways of working*. This transformation will increase the metabolism of the organization, leveraging agile working methodologies coupled with adaptive leadership to deliver solutions at a faster pace while strengthening employee engagement. And while we commenced this effort well before 2020 began, the onset of the pandemic served as a catalyst to accelerate our progress.

Our implementation to date has already generated results and helped us solve our toughest business challenges. For example, as schools began to shut down across the country, we had to quickly adapt how we serve our educators while they were at the

same time fundamentally changing the way they teach their students. In just a few short weeks, we pivoted our entire worksite advice business model to digital, helping educators achieve their goals and secure their retirement. As a result of our digital focus to serve clients differently, we saw strong levels of renewal contributions. And coming together in *new ways of working*, the teams' employee engagement tripled.

Having seen such results in a short amount of time validates our journey and, as we look to roll out enterprise agile across the organization, we will simultaneously look for opportunities to improve diversity representation. We are in a fortunate position to have the resources of a 162-year-old institution and are able to use our foundation to reinvent the way we work to better position ourselves to tackle the challenges of tomorrow.



**We treat
everyone
with
respect
and
dignity**

Being an enduring force for good

First and foremost, we believe a healthy industry is one that practices sound product pricing and appropriate reserving in this historically low interest rate environment. Healthy industries reward businesses for this sound decision-making, which is especially important when your business is responsible for the security of American retirements.

As a company driven by purpose, we believe we have a responsibility to serve all stakeholders and be a force for good in society. This responsibility has felt especially acute in 2020.

Over the course
of the year, we
paid nearly

\$4bn
in client
benefits

and our Equitable
Foundation provided
more than

\$1m
toward
COVID-19 relief



During the past year, we intensified our focus on supporting the communities in which we live and work. Our Equitable Foundation provided direct support to COVID-19 relief, donating more than \$1 million to charitable organizations at the onset of the pandemic. We also continued to help students afford higher education with our long-running Equitable ExcellenceSM program, awarding scholarships to more than 350 individuals.

One of the most notable moments for Equitable – not only during the year, but in the history of our company – was the establishment of a new entity to not only to promote a just society, but accelerate change

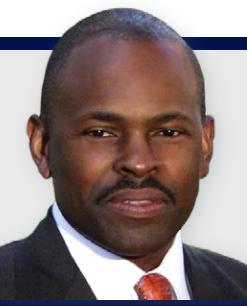
within Equitable and beyond. In 2020, we stood up the CEO Taskforce to Advance Racial Equity to improve in the areas of representation and advancement, culture and experience, and performance. By embarking on this journey, we are furthering our commitment to create more opportunities for our employees, clients and communities of color.

In 2020, the people of Equitable focused on ensuring we lived up to our name – and as the future unfolds, we remain committed to acting decisively and with conviction to do the right thing for all those we serve.



**We are
a trusted
partner
to our
clients**

Being a trusted partner in times of uncertainty



A conversation with Mark Mitchell

During the beginning months of the pandemic, Equitable Advisors quickly implemented new capabilities, including opening a digital network that enabled our clients to easily connect with our advisors, providing real-time access to best practices, advice and guidance.

2020 is a year we will long remember. For Mark Mitchell, 2020 was a time to reflect even more deeply on the ideal of service to clients and community.

An Equitable Advisor for nearly 40 years, Mark has always had the best interests of his clients at heart. When the pandemic hit, Mark's approach went into high gear.

"It was a chaotic time, and many folks were unprepared. I wanted to find new ways to serve," Mark said. "I asked myself, 'How can I make life better for people?'"

Drawing from his experience in the military, where he learned how to pivot in times of adversity, Mark focused on

those directly impacted by the pandemic — the first responders. Many of his own clients were in the medical field, which gave him an even more immediate view of the challenges frontline workers and their families now encountered.

Understanding the severe shortage of personal protective equipment, Mark and his team gathered masks and supplies for donations to healthcare professionals and others who were vulnerable and in need.

The crisis brought economic hardship as well. Mark and his team quickly moved to partner with churches and other local organizations to support those most in need in his community.

All the while, as Mark extended his outreach throughout the community, his efforts at work intensified as well, and he found new ways to help clients.

"We're committed to serving our clients. Their well-being is important to us. Occasionally, situations arise where comfort and assurance are needed. Sometimes we can be that voice of hope."

Mark Mitchell's journey, in 2020 and throughout his career, embodies Equitable's spirit of trusted partnership. We work alongside our clients, delivering the insights and strategies they need to face the future with clarity and confidence. It's an enduring commitment, one our advisors honor and uphold even — and especially — when times get tough.

Our commitment to achieving an equitable society

Diversity and inclusion (D&I) are keys to strengthening our engaging workplace and delivering for our stakeholders. Ensuring that Equitable is a place of belonging — for all — is a priority and a commitment we make on behalf of our employees, financial professionals, partners and clients.

During 2020, the impact of the pandemic on health and economic security, and the uprising for social and racial justice, brought to the forefront the deep inequities that exist throughout our society. These challenges served as a catalyst for the people of Equitable who responded

with energy and conviction, taking action to bring about change.

To accelerate this progress across the enterprise, we created the **D&I Advocate Forum** with senior leader representatives from each business area who are accountable for working with their respective leadership team to drive D&I results.

We also looked outside our company, recognizing that we have a responsibility to promote equity in the financial services industry and beyond, and joined with other organizations to support these goals.

Supported the **Equality Act** alongside 350+ leading U.S. employers. This federal legislation would provide the same basic protections to LGBTQ people as are provided to other protected groups under federal law.

Joined **Time to Vote** as part of the commitment to increase voter participation in U.S. elections, and amended our employee policy to include additional time off for employees who volunteer as poll workers.

Sought formal ratification of the **Equal Rights Amendment (ERA)** to the U.S. Constitution by supporting a lawsuit brought forth by the states of Virginia, Nevada and Illinois.

CEO Mark Pearson signed the **Disability:IN CEO letter**, urging Fortune 1,000 companies to advance disability inclusion.

Through our efforts, Equitable has been recognized by the Human Rights Campaign Corporate Equality Index, the Disability Equality Index Best Places to Work and the Great Place to Work Institute for our commitment to provide an inclusive workplace for all our employees.

But we know there is still more to be done

This past year, Equitable created and launched the **CEO Taskforce to Advance Racial Equity**, with a mission to “be the most sought-after employer for Black professionals by shattering racial inequities in our workplace and building an Equitable that supports and invests in the career and well-being of our Black employees and advisors.” The team is comprised of 11 full-time members and is led by Chief Diversity Officer Darryl W. Gibbs.



“Equitable has a unique role to play as an industry leader,” said Gibbs. “We continue to strengthen Equitable as an engaging workplace, increasingly representative of America today, and I am honored to serve with my colleagues to advance our efforts in this space.”

The Taskforce has a range of ambitious goals to develop an effective, sustainable approach for building a fair and more equitable environment for all people and diversity groups at Equitable. Our committed outcomes by 2023 are focused in three areas: representation and advancement, culture and experience, and performance.

Representation and advancement

We will strengthen representation by substantially expanding the number of leadership roles filled by Black employees, financial professionals and district managers.

Culture and experience

We want to make Equitable a great place to work for Black employees. The Taskforce will help create spaces for dialogue and idea exchanges. It will also focus on the implementation of sound policies and practices to create stronger psychological safety at all levels of the company.

Performance

We want to ensure Equitable performance indicators for Black employees are in place, and we provide the tools and resources to ensure the success of our Black financial professionals.

External diversity, equity & inclusion efforts

2015-2020

Named a Disability Equality Index Best Places to Work since 2015

2014-2020

Awarded 100% rating by the Humans Right Campaign since 2014

2016-2020

Certified by Great Place to Work Institute since 2016

2019

- Became a signatory of CEO Action for Diversity & Inclusion
- Advocated for the extension of antidiscrimination protection under Title VII cases for LGBTQ workers

2020

- Signed the Business Amicus Brief in support of Equal Rights Amendment
- Joined Time to Vote
- Joined the HRC Business Coalition for the Equality Act
- Participated in McKinsey Women in the Workplace study since 2019
- CEO Mark Pearson signed the Disability:IN CEO letter

The Equitable Foundation

Embracing our purpose to build stronger communities

Equitable is proud to be a long-term contributor to the communities where we work and live by providing grants, partnerships and volunteerism through the Equitable Foundation. Our commitment to strengthening our communities is an extension of our promise to be a trusted partner and a force for good in the communities we serve.

As the COVID-19 pandemic presented health and economic challenges to nearly every person, company and industry, Equitable employees, financial professionals and the Equitable Foundation stepped up to deliver support, donating \$1 million to nonprofits specifically for COVID-19 relief.

Recognizing the incredible need for students and educators to safely return to classrooms, we pledged \$500,000 to the DonorsChoose Keep Kids Learning program in April, which enabled teachers to send personalized educational care packages to students' homes to help facilitate remote learning. Equitable's donation to Keep Kids Learning

benefitted more than 20,000 students and 500 teachers. This was followed by an additional commitment of \$150,000 to DonorsChoose to provide masks, sanitizer and supplies to more than 500 educators and 15,000 students. The Foundation also donated more than 8,000 face masks and shields, 20,000 bottles of hand sanitizer and 7,000 packages of disinfecting wipes to schools. Additionally, the Foundation has been supporting efforts by 3 Heart Strings to create and deliver PPE kits to schools in need in Broward County, Florida.

Our commitment to education is further exemplified by our Equitable ExcellenceSM program, which has awarded over \$30 million to more than 6,800 students since its inception in 2003. As one of the nation's largest corporate scholarship providers, Equitable provided \$1.8 million in academic scholarships to 369 students across all 50 states, Washington, D.C. and Puerto Rico. With these scholarships, students were able to launch their own nonprofits to fund

childhood cancer research, protect the environment and combat racism. Students used the funds to launch creative initiatives in their schools, towns, states and even in other countries around the world.

Aligned with our efforts to identify opportunities to advance equity in all we do, we took steps to help ensure the recipients of these awards represent a diverse array of experiences and backgrounds.

In total, Equitable awarded \$5 million to our local communities in 2021, including more than \$1 million directed by employees

through our Matching Gifts program, which encourages direct funding to the causes and charitable organizations employees most care about in their local communities. And through our Equitable in Action program, employees and financial professionals across the country strengthened their communities with more than 2,200 hours of virtual and in-person volunteer service.

We are proud of what we have accomplished though the Equitable Foundation to help make the world a better place and we are looking forward to continuing these efforts together.

\$5m
to local nonprofit organizations

35k students | **1k** teachers

Provided monetary aid and equipment to

35k of COVID-related essentials to schools

Donated



Management Committee

**Mark Pearson**

Chief Executive Officer and President, Equitable Holdings

Seth Bernstein

President and Chief Executive Officer, AllianceBernstein Corporation

Kate Burke

Chief Operating Officer, AllianceBernstein Corporation

Ali Dibadj

Chief Financial Officer and Head of Strategy, AllianceBernstein Corporation

Onur Erzan

Head of Global Client Group, AllianceBernstein Corporation

**Jose Ramon Gonzalez**

Chief Legal Officer and Corporate Secretary, Equitable Holdings

Jeffrey J. Hurd

Chief Operating Officer, Equitable Holdings

Nick Lane

President, Equitable

Robin Raju

Chief Financial Officer, Equitable Holdings

Aaron Sarfatti

Chief Risk and Strategy Officer, Equitable Holdings

Stephanie Withers

Chief Auditor, Equitable Holdings

Board of Directors

**Ramon de Oliveira**

Chairman of the Board

Mark Pearson

Director, President and Chief Executive Officer

Francis A. Hondal

Director

Daniel G. Kaye

Director

Joan Lamm-Tennant

Director

**Kristi A. Matus**

Director

**Bertram L. Scott**

Director

**George Stansfield**

Director

**Charles G.T. Stonehill**

Director

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