

Ameriprise Financial

First Quarter 2013 Conference Call

April 23, 2013



Forward-looking statements



Some of the statements made in our April 22, 2013 earnings release and/or in this April 23, 2013 presentation constitute forward-looking statements. These statements reflect management's estimates, beliefs and expectations, and speak only as of April 23, 2013. These forward-looking statements involve a number of risks and uncertainties.

A list of certain factors that could cause actual results to be materially different from those expressed or implied by any of these forward-looking statements is set forth under the heading "Forward-looking statements" in our April 22, 2013 earnings release, a complete copy of which is available on our website, under the heading "Forward-looking statements" in our Form 8-K dated April 22, 2013 on file with the SEC, and under the heading "Risk Factors" and elsewhere in our 2012 Annual Report on Form 10-K, also on file with the SEC. We undertake no obligation to update publicly or revise these forward-looking statements for any reason. In addition, the financial results and values presented in our first quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of April 22, 2013 and may be revised in our Form 10-Q for the quarter ended March 31, 2013.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures that our management feels best reflect the underlying performance of our operations. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure have been provided along with the presentation.

First quarter 2013 Earnings

Good morning and thanks for joining us today.

I'm going to provide my perspective on the business, Walter will follow my remarks with a review of our results and then we'll take your questions.

Yesterday afternoon, we reported good first quarter earnings. Overall, Ameriprise is performing well. Assets are up across the firm and we're generating very strong results in our Wealth Management business. We're executing our strategy, investing in our growth areas, and strengthening our position in our core businesses.

In terms of the economic environment, I feel better than I did a year ago. Equity markets are stronger in the U.S. and the economy is on more stable ground and growing slowly. Across Europe the markets are a bit weaker consistent with the economic environment there. However, we're managing the headwinds caused by very low interest rates, although this pressure has been offset by gains in the equity markets.

Walter will take you through the numbers in detail but our financial results reflect a good start to the year.

On an operating basis:

Net revenues grew to \$2.6 billion due to strong growth in our fee-based businesses offsetting the negative impact from rates and the loss of bank-related revenues.

Our earnings were \$338 million, with earnings per share of \$1.59.

And return on equity increased to 16.4 percent, which is an all-time high for us. We expect to see ROE continue to improve over the next few quarters.

In addition, our assets under management and administration grew to a record high of \$708 billion.

We're maintaining our strong capital position, generating good free cash flow and increasing our capital returned to shareholders.

During the quarter, we returned \$454 million to shareholders, including repurchasing \$360 million of our common stock.

As we've said, we intend to return the majority of our earnings to our shareholders annually – including the capital freed up from the bank. And we plan to do so in a balanced way, based on the environment and the share price.

As you saw in the earnings release, we announced that we're increasing our dividend another 16 percent.

With regard to capital, we're focused on our core businesses and returning capital to shareholders in a prudent manner. We often look at acquisition opportunities and how they could complement our business, but at this point, we don't see any large properties in the marketplace that meet our acquisition criteria.

With that, let me turn to the business.

Our highlights for the first quarter reflect our progress, opportunities for further growth and our continued focus on areas of improvement

Advice and Wealth Management is producing excellent results as we continued our growth from 2012 into first quarter. Operating net revenues increased 7 percent to \$1 billion driven by record retail client net inflows and market appreciation. Operating net revenues increased 10 percent, excluding former banking operations. And operating PTI increased 39 percent and adjusted for the bank it would have been 66 percent.

Operating margin increased to 12.9 percent due to the increase in productivity, our effective expense management and savings we targeted from our reduced technology spend. In fact, the 12.9 percent number included both the impact of lower interest rates on cash balances as well as the loss of the Bank.

Ameriprise advisor client assets grew by 11 percent to \$372 billion driven by strong net inflows and equity market appreciation. Client activity continued to pick up with exceptionally strong wrap net inflows growing to \$4.1 billion, which is 41 percent higher than a year ago. Productivity is also up nicely with operating net revenue per advisor - excluding former bank operations - growing 9 percent.

Importantly, our advisor force remains strong; retention and satisfaction rates are high. We continue to recruit good, productive and experienced advisors. Because of better markets and the year-end tax season, recruiting has slowed in the first quarter, which is consistent with others in the industry. We do however see a good opportunity to continue to bring in more quality advisors this year.

We're investing in our growth areas, building our brand through advertising, and increasing efficiency through the tools and technology we provide advisors.

The Ameriprise name was highly visible in the first quarter. We launched the next phase of our national advertising campaign, with spots airing during high-profile sports and entertainment programming, and online video ads. In fact, our ad awareness has doubled with our campaign, so we're seeing terrific results there.

We also released our latest retirement survey, a continuation of our *Retirement Check-In*[®] series, to provide research and support to our advisors and demonstrate our position as a retirement thought leader in the industry.

With regard to our technology platform – which includes our new brokerage platform as well as all of our online capabilities - we're now focused on helping advisors leverage the benefits of the full suite. This is a priority for us over the next 18-24 months. We invested in this system because we believe it can help our advisors grow productivity and when utilized fully, it will lower costs and enhance our overall client and advisor experience.

One of our largest opportunities for growth is in the retirement space where we're already a leader. We're focused on serving the consumer's overall retirement goals. In fact, we brought out a more consumer friendly approach to enhance our go-to-market positioning. We call it our Confident Retirement approach. It has tested very well with our advisors and consumers, and we've just begun to roll it out across our system. Advisors who are using it are finding it to be a very effective way of deepening current relationships and developing new ones. We're putting a concerted effort toward implementing this more broadly over the next 2 years.

Overall, it was a very good quarter for Advice and Wealth Management and we're pleased with the progress we're making in the business. With good flows and productivity, as well as our continued expense management efforts and even with the headwinds from low interest rates, margin is expanding nicely.

In Asset Management, we're building on our two strong footholds in the U.S. and Europe and establishing a strong global asset management business.

We're delivering good financial performance while managing a period of outflows, which I'll discuss further in a moment.

Our assets under management were up 2 percent sequentially to \$466 billion driven by market appreciation; however that included the negative impact of foreign exchange which was sizable in the quarter. Operating PTI increased 10 percent reflecting market appreciation and the benefits we're realizing from our revenue and expense re-engineering efforts. And adjusted net pretax operating margin grew to 34.6 percent from 33.3 percent a year ago.

We have a good product platform in Asset Management which we're continuing to invest in and grow, in particular within global equities and asset allocation products. Meanwhile, we're maintaining consistent, competitive investment performance which remains a priority for us.

Regarding flows, Walter will cover the numbers for the quarter, but I wanted to take a moment to explain how we think about Asset Management, the overall strategy we're executing and what you can expect from a business perspective.

Both of our major acquisitions – Threadneedle and Columbia – gave us asset managers with meaningful portions of assets under management which included mandates from their former parents. That created unique flow characteristics that we continue to manage today.

Threadneedle was part of Zurich, and it managed a significant level of insurance affiliated assets. Our objective was to leverage Threadneedle’s investment platform and asset base to build strong third-party related distribution in both our retail and institutional capabilities to grow higher fee business while managing legacy assets. We’ve been successful in doing this.

Today, legacy insurance mandates represent a smaller percentage of Threadneedle’s AUM. This relationship is important, but we do expect to experience approximately \$3-4 billion in outflows of these assets annually given the nature of the book. That said, as we look at the business overall and invest to grow, Threadneedle inflows are higher fee, and we’re seeing that dynamic come through in the P&L.

Like Threadneedle, Columbia had a level of assets directly associated with its former parent, as well as assets that were influenced by relationships with the bank or its affiliates.

We approached the transaction in a similar manner to Threadneedle – to build on the existing asset and client base, leverage strong investment performance and product offerings, and expand third-party and institutional distribution relationships.

While outflows of assets directly associated with the bank’s pension and institutional area are largely behind us, we’ll continue to experience several billion of ongoing outflows annually from our relationship with the bank and bank affiliated distribution. In addition, we expect some level of outflows from a key sub-advisor.

The core of the Columbia business is strong. We’re beginning to make good progress on growing in third party and institutional. We have good traction in our Focus Funds and we’re working to expand this more broadly across our

intermediary platforms. As well, we're building a broader institutional pipeline and beginning to win more institutional mandates.

Looking ahead, we expect flows to improve gradually this year. Here's what you can expect from an overall business perspective:

Both Threadneedle and Columbia will experience outflows from assets that were directly or indirectly affiliated with the former parent companies – the majority being lower-fee business.

We will leverage our platforms to build flows through third party distribution and in both the retail and institutional channels. We're organizing the efforts of Columbia and Threadneedle to use the strengths of the investment teams to better compete in the global marketplace with high-demand products such as emerging markets, asset allocation and global.

We're always focused on generating consistently strong investment performance, building on our product portfolio of 118 4- and 5-star funds. In fact, Columbia won 5 new Lipper Awards in the quarter.

Reengineering remains a priority to maintain good profitability and margins as our flows evolve.

And finally, we will make decisions to drive profitable net inflows. For example, we're executing our plans to align share classes to certain distribution channels. In the case of our RIA changes, it may impact flows in the near-term in exchange for improved earnings.

Overall, I'm optimistic about this business and what we can do with this business. We have talented people, good investment processes, solid performance, and expanding distribution. We're focused on gaining flows and building from the strong foundation we have in place over the medium-term.

Let's move to Annuities and Insurance:

In Annuities, our business is strong and performing well. We're generating good returns on a business that has a good risk profile with strong hedging.

Our flows are improving in our new Volatility Control product. In addition, we're building out the product line by launching 3 new managed volatility funds to help serve an even broader range of client and advisor needs.

As we move forward, we will also emphasize variable annuities without a living benefit rider to add to our already strong book. We're launching 21 new investment options, including more advice-embedded solutions, new asset classes like alternatives and commodities and more funds in asset classes where tax deferral is valuable. This is a good business for us and we're looking to grow this book again.

With regard to fixed annuities, they continue to be in net outflows due to the effects of the interest rate climate and the reduced client appetite for these products. As we look to 2014, we'll be able to re-price a portion of the book that will take some of the pressure from this product line off our margins.

In Protection:

Our insurance business is also performing well with good profitability in the quarter. We have a diversified portfolio that is mostly comprised of Variable Universal Life, cash value focused Universal Life, Disability Insurance and term products that are not significantly impacted by the interest rate environment. We're beginning to see a nice pick up in sales of life products with cash sales growing 12% year-over-year. We're also pleased to see sales grow in our Variable Universal Life product, as well as continued steady growth in our indexed Universal Life.

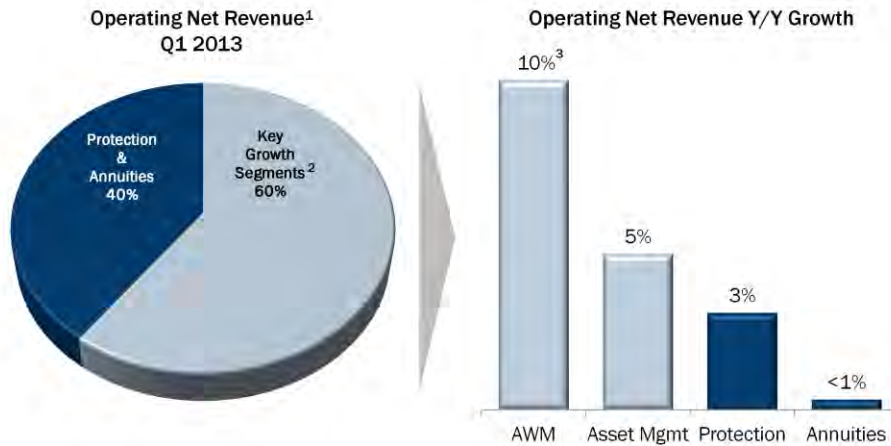
In Ameriprise Auto & Home, we had solid policy growth - up 9% - from our affinity partners and within the Ameriprise channel resulting in premiums grew nicely, up

7%. Expenses were managed well although momentum was affected offset by increased reserves for an auto liability loss development. Client satisfaction and retention for Auto and Home remains strong.

To summarize, we had a good quarter. We continue to execute the strategy we laid out for you in November and we're making good progress. We're investing to maintain good capabilities while maintaining tight control of expenses.

Now I'd like to hand things over to Walter for a detailed review of the numbers.

Operating net revenue growth of 4%
Operating net revenue growth of 5% excluding the bank



- 1. Excludes Corporate & Other and Eliminations segments.
- 2. Key growth segments include Advice & Wealth Management and Asset Management.
- 3. Excludes impact of banking operations in prior year period.

See non-GAAP financial measure reconciliations in appendix.

Thank you, Jim.

Ameriprise delivered strong financial results, particularly in our key areas of growth – Advice & Wealth Management and Asset Management. These two segments represent 60% of our total revenues and grew 8% on a combined basis when you normalize for exiting the bank.

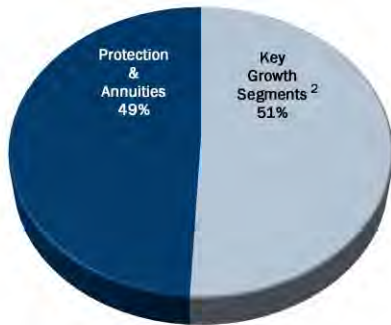
In Protection and Annuities, revenues grew in line with our expectations, particularly in light of continued low interest rates.

Let's turn to earnings on slide 4.

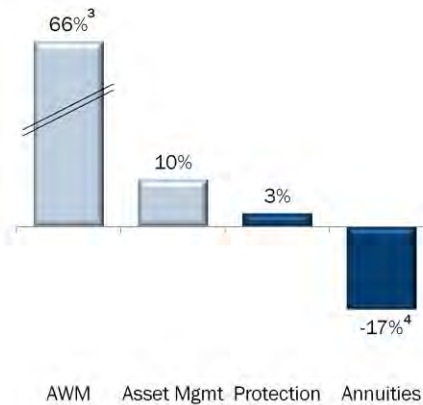
Key growth segment PTI increased over 20%
 Key growth segment PTI increased over 30% excluding the bank



Operating Pretax Earnings¹
 Q1 2013



Operating Pretax Earnings Y/Y Growth



1. Excludes Corporate & Other segment.
2. Key growth segments include Advice & Wealth Management and Asset Management.
3. Excludes impact of banking operations in the prior year period. Former banking operations contributed \$15M of pretax operating earnings in Q1 2012.
4. Includes a less favorable mean reversion impact and a one-time favorable VA model change of \$20 million in the prior year period.

Pretax earnings from Advice & Wealth Management and Asset Management together increased over 30% excluding bank earnings in the 2012 quarter.

Similar to the revenue picture, we are seeing the same trend for operating pretax earnings in these segments.

Let's turn to EPS on slide 5.

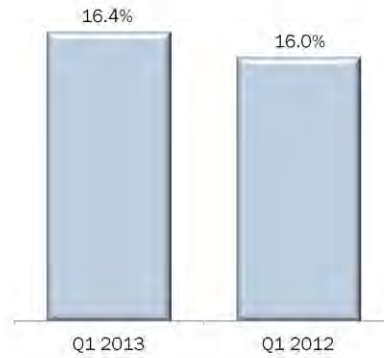
Strong operating EPS of \$1.59, up 10% year-over-year
EPS growth would have been over 13% excluding the bank



Operating Earnings Per Diluted Share



Operating Return on Equity



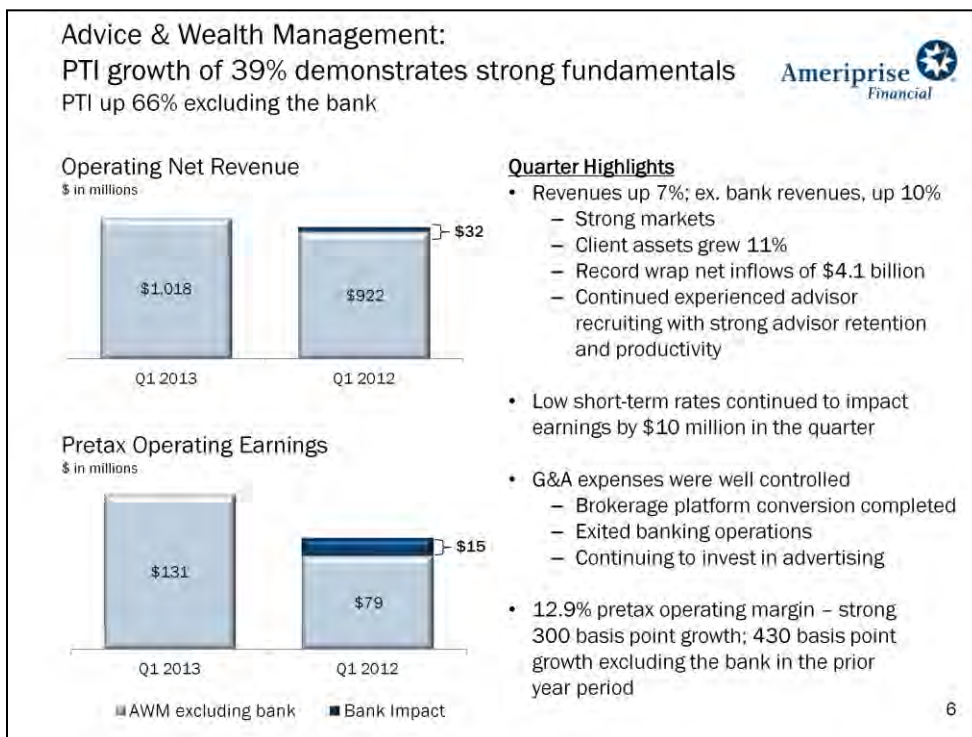
See GAAP to operating reconciliations in appendix.

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Excluding the bank, we had a solid 13% growth in operating EPS to \$1.59 per share. As we said, we plan to return 100%+ of earnings to shareholders this year, plus the \$375 million freed up from exiting the bank. The return of capital associated with the bank will effectively offset the lost bank earnings from an EPS perspective by year-end. However, because of timing, earnings per share was impacted \$0.04 on year-over-year basis.

Return on equity hit an all-time high in the quarter at 16.4% and we see an opportunity for further ROE expansion in 2013 and over the long term.

Moving to the segment discussions....



In Advice & Wealth Management, the strong year-over-year PTI growth trends were driven by underlying fundamentals of the business.

Client assets grew 11% to \$372 billion and we had record wrap net inflows of \$4.1 billion. Advisor metrics were strong: we continued to recruit high-quality experienced advisors with continued high retention rates. Advisor productivity reached a record high of \$104,000.

In the quarter, low interest rates had a negative impact of \$10 million on earnings year-over-year. The impact of low rates will be approximately \$10 million per quarter for the balance of the year.

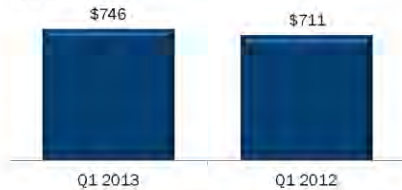
As Jim said, we remain focused on managing expenses. Excluding the bank, G&A expenses were down 3%, primarily from the wind down of the brokerage platform conversion expense. Year-over-year new brokerage platform related expenses declined \$8 million, though a nominal amount of training expense will remain for the next quarter or two. We will continue to invest in business growth initiatives, but we do not see any projects of this magnitude in the near term.

One of the most compelling results in the quarter is the AWM margin, which on a reported basis was 12.9%, up 300 basis points - good results in their own right. If we exclude the bank from the prior quarter, margins would have expanded 430 basis points over the prior year.

Asset Management: Solid 10% earnings growth

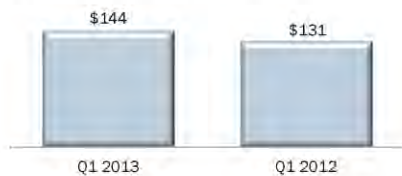
Operating Net Revenue

\$ in millions



Operating Pretax Earnings

\$ in millions



Quarter Highlights

- Assets under management of \$466 billion
- Revenues increased 5% from strong market appreciation and revenue reengineering, offset by outflows and having one less fee day
- Operating expenses increased 4%
 - Distribution expense increase from market appreciation
 - G&A expenses were relatively flat
- Adjusted operating margin of 34.6%, up from 33.3% a year ago

See non-GAAP financial measure reconciliations in appendix.

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Turning to Asset Management, we had solid earnings of \$144 million, up 10% over last year. We are able to deliver earnings growth despite being in outflows by re-engineering our revenue and expense bases.

In the quarter, we had one less fee day, which impacted revenue growth and profitability.

Overall operating expenses were up 4%, primarily from the impact of market appreciation on distribution fees, and G&A expenses remain well controlled.

As always, we will continue to focus on both revenue and expense reengineering opportunities to maintain solid profitability and margins, make the necessary choices particularly around fee levels to ensure our flows are profitable, and execute the strategies necessary to achieve positive flows.

Let's turn to flows in more detail on the next slide.

Asset Management: Net flows overview

Global Asset Management outflows of \$5.7 billion

Global Retail – \$0.1 billion outflows

- International retail inflows of \$1.7 billion
- US retail outflows of \$1.8 billion
 - Outflows from a third party subadvisor
 - Portfolio re-balancing and changes in clients' investment objectives or asset allocation models
 - Outflows due to share class changes to focus on profitable net flows
 - Sequential improvement in mutual fund sales and redemptions

Global Institutional – \$5.5 billion outflows

- \$3.2 billion of institutional outflows from low basis point assets
 - \$2.2 billion outflow of legacy insurance assets managed by Threadneedle, including \$1.0 billion outflow a previously disclosed mandate in Japan
 - \$1.0 billion outflow from low basis point assets at Columbia, including Balboa
- Portfolio re-balancing and changes in clients' investment objectives or asset allocation models
- Outflows from clients in fixed income mandates given the strong performance in this asset class

In the quarter, we had a total of \$5.7 billion of outflows. This was higher than anticipated, but consistent with prior patterns of outflows in a few specific areas.

For retail, overall flows were flat, with strong \$1.7 billion of inflows at Threadneedle. This was driven by strong consumer confidence and good sales in a few key products, particularly in Europe.

We recognize that U.S. retail flows remain a challenge. First, a large distribution partner continued to re-balance asset concentrations. Second, we had continued outflows from a third party sub-advisor. As we mentioned last quarter, we are also taking actions to improve the profitability of flows by changing the share class that we are offering in the RIA channel. This resulted in outflows this quarter and we expect to see more over the next few quarters.

For institutional, outflows were high at \$5.5 billion, though primarily from low-fee assets. At Threadneedle, \$2.2 billion of the outflows were largely from normal outflows from legacy insurance assets and also included \$1.0 billion from a mandate in Japan that we previously disclosed.

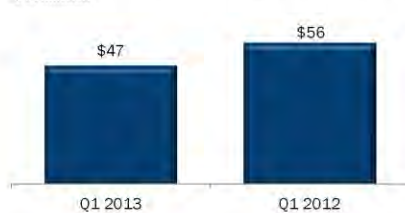
For institutional at Columbia, there were approximately \$1.0 billion of outflows from low basis point assets, including Balboa. In addition, several clients took money off the table in both investment grade and high yield credit mandates given strong performance in these asset classes.

Annuities results are in line with our expectations

Variable Annuities: Operating Pretax Earnings
\$ in millions



Fixed Annuities: Operating Pretax Earnings
\$ in millions



Quarter Highlights

Variable Annuities:

- Operating pretax earnings of \$109 million were down 18%, impacted by higher ongoing DAC amortization and benefits expense of \$7 million. Prior-year earnings included:
 - \$20 million favorable model changes
 - \$10 million more favorable mean reversion
- Variable annuity sales with managed volatility funds within expectations; introducing new fund options in Q2 2013

Fixed Annuities:

- Operating pretax earnings of \$47 million were pressured by low interest rate environment
- \$4.9 billion fixed annuity block begins coming out of 5 year guarantee period later this year and will be repriced

Strong operating ROE of 16.2%

Turning to annuities, operating pretax earnings was \$156 million, which was in line with our expectation.

Variable annuity operating pretax earnings were \$109 million, down 18% from the prior year period. First quarter results were impacted by a \$7 million higher DAC amortization and benefits expense related to our third quarter 2012 unlocking, which we discussed last quarter. Additionally, there was \$10 million less favorable mean reversion compared to a year ago and the prior year period included a \$20 million favorable actuarial model adjustment.

In fixed annuities, operating pretax earnings declined \$9 million. The pressure from low interest rates continued to impact the fixed annuity block. In the first quarter, the impact from low interest rates was \$17 million on a gross basis. Partially offsetting this was a benefit to investment income from the accretion associated with assets transferred from the bank in the fourth quarter.

We expect the pretax earnings impact of low interest rates to be \$15 - \$20 million per quarter for fixed annuities. By year-end, we will begin lowering our interest rate exposure by resetting rates on a large 5-year guarantee block of fixed annuities.

As we previously mentioned, we adopted a new methodology for allocating equity to our product lines in the quarter. The new methodology reflects the higher requirement of rating agencies or regulators, and also allocates contingent capital for stress scenarios mainly to support our variable annuity book. This quarter, the annuity segment's return on equity was a strong 16.2%.

Protection results are in line with our expectations

Operating Pretax Earnings
\$ in millions



Quarter Highlights

Life & Health

- Index Universal Life and new Variable Universal Life products driving strong cash sales
- Favorable loss experience and strong persistency

Auto & Home

- Continued strong policy growth across market segments
- Increased reserves to reflect auto trends from prior book year loss development

Strong operating ROE of 16.7%

Moving to Protection on slide 10.

Operating pretax earnings were in line with our expectations at \$110 million. The continued strong results in our Life & Health businesses were offset by lower earnings for Auto & Home.

Life & Health earnings were strong in the quarter from favorable disability and long-term care claims experience. It was a good quarter for sales. Both Variable Universal Life and Indexed Universal Life sales were up after refreshing our product last year.

Auto & Home has continued strong new policy sales growth across market segments, primarily from our affinity relationships with Costco and Progressive. However, earnings were a bit lower as we built reserves related to prior year loss development.

The Protection segment generated a strong 16.7% operating return on allocated equity in the period.

Returned 140% of operating earnings to shareholders over trailing four quarters



Capital Returned to Shareholders
(\$ in millions)



Quarter Highlights

- Increasing quarterly shareholder dividend to \$0.52 per share from \$0.45 per share following our annual dividend review
- Differentiated ability to generate strong cash flows allows for continued return of capital to shareholders in a variety of market and interest rate environments
- Strong current excess capital position over \$2 billion with solid balance sheet fundamentals

*Percent of operating earnings returned to shareholders via dividend and share repurchase

Let's turn to capital on the next slide.

We returned \$454 million to shareholders through dividends and share repurchase in the first quarter. We have been able to consistently return more than 100% of earnings to shareholders due to our business mix shift, risk management capabilities and strong balance sheet fundamentals.

For the rest of 2013, we anticipate that our capital actions will drive continued ROE expansion and will neutralize the EPS impact of exiting the bank by the year-end.

As Jim said, we announced that our board of directors has approved an increase in our quarterly dividend to \$0.52 per share after our regular, annual dividend review. This dividend brings us to a 2.9% dividend yield, and is in line with our strategy to move toward a greater portion of our capital returned in the form of shareholder dividends.

With that, we will take your questions.

Reconciliation tables

Operating net revenues

(\$ in millions)	1Q	
	2013	2012
Total net revenues	\$ 2,691	\$ 2,561
Less: CIEs revenue	82	52
Less: Net realized gains (losses)	1	(2)
Operating total net revenues	<u>\$ 2,608</u>	<u>\$ 2,511</u> ⁽¹⁾

⁽¹⁾ Former banking operations contributed \$32 million to 2012 operating total net revenues.

Operating earnings per diluted share

(\$ in millions, except per share amounts)	1Q		Per Diluted Share	
	2013	2012	1Q 2013	1Q 2012
Net income attributable to Ameriprise Financial	\$ 335	\$ 244	\$ 1.58	\$ 1.05
Less: Loss from discontinued operations, net of tax	(1)	(1)	-	(0.01)
Net income from continuing operations attributable to Ameriprise Financial	336	245	1.58	1.06
Market impact on variable annuity guaranteed living benefits, net of tax ⁽¹⁾	2	74	0.01	0.32
Integration/restructuring charges, net of tax ⁽¹⁾	1	15	-	0.06
Net realized losses (gains), net of tax ⁽¹⁾	(1)	1	-	0.01
Operating earnings	<u>\$ 338</u>	<u>\$ 335</u> ⁽²⁾	<u>\$ 1.59</u>	<u>\$ 1.45</u>
Weighted average common shares outstanding:				
Basic	208.4	227.3		
Diluted	212.3	231.7		

⁽¹⁾ Calculated using the statutory tax rate of 35%.

⁽²⁾ Former banking operations contributed \$10 million in after-tax operating earnings in the first quarter of 2012.

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Reconciliation tables

Operating return on equity

(\$ in millions)	Twelve Months Ended	
	March 31, 2013	March 31, 2012
Net income attributable to Ameriprise Financial	\$ 1,120	\$ 1,119
Less: Income (loss) from discontinued operations, net of tax	(2)	10
Net income from continuing operations attributable to Ameriprise Financial	1,122	1,109
Less: Adjustments ⁽¹⁾	(126)	(156)
Operating earnings	<u>\$ 1,248</u>	<u>\$ 1,265</u>
Total Ameriprise Financial, Inc. shareholders' equity	\$ 9,066	\$ 9,114
Less: Assets and liabilities held for sale	-	11
Less: Accumulated other comprehensive income, net of tax	1,068	741
Total Ameriprise Financial, Inc. shareholders' equity from continuing operations excluding AOCI	7,998	8,362
Less: Equity impacts attributable to the consolidated investment entities	384	454
Operating equity	<u>\$ 7,614</u>	<u>\$ 7,908</u>
Return on equity, excluding AOCI	14.0%	13.3%
Operating return on equity, excluding AOCI ⁽²⁾	16.4%	16.0%

⁽¹⁾ Adjustments reflect the trailing twelve months' sum of after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits net of hedges and related DSIC and DAC amortization; the market impact on index universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; and integration/restructuring charges. After-tax is calculated using the statutory tax rate of 35%.

⁽²⁾ Operating return on equity excluding accumulated other comprehensive income (AOCI) is calculated using the trailing twelve months of earnings excluding the after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits, net of hedges and related DSIC and DAC amortization; the market impact on index universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; integration/restructuring charges; and discontinued operations in the numerator, and Ameriprise Financial shareholders' equity excluding AOCI; the impact of consolidating investment entities; and the assets and liabilities held for sale using a five-point average of quarter-end equity in the denominator. After-tax is calculated using the statutory tax rate of 35%.

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Reconciliation tables

Asset Management adjusted net pretax operating margin

(\$ in millions)	1Q	1Q
	2013	2012
Operating total net revenues	\$ 746	\$ 711
Less: Distribution pass through revenues	214	207
Less: Subadvisory and other pass through revenues	98	96
Adjusted operating revenues	<u>\$ 434</u>	<u>\$ 408</u>
Pretax operating earnings	\$ 144	\$ 131
Less: Operating net investment income	4	5
Add: Amortization of intangibles	10	10
Adjusted operating earnings	<u>\$ 150</u>	<u>\$ 136</u>
Adjusted net pretax operating margin	34.6%	33.3%