



Be Brilliant.®

Ameriprise Financial

Second Quarter 2019 Conference Call

July 25, 2019

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Forward-looking statements

Some of the statements made in our July 24, 2019 earnings release and/or in this July 25, 2019 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of July 25, 2019. 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 July 24, 2019 earnings release, a complete copy of which is available on our website, and under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2018. 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 second quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of July 24, 2019 and may be revised in our Form 10-Q for the quarter ended June 30, 2019.

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.



Consolidated second quarter results

GAAP	Q2 2019	Q2 2018	Over/(Under)
Net Revenues (\$M)	\$3,245	\$3,196	2%
Expenses (\$M)	\$2,658	\$2,648	---
Net Income (\$M)	\$492	\$462	6%
Diluted EPS	\$3.57	\$3.10	15%
ROE, ex. AOCI	33.1%	29.6%	350 bps

Adjusted Operating	Q2 2019	Q2 2018	Over/(Under)
Net Revenues (\$M)	\$3,247	\$3,147	3%
Expenses (\$M)	\$2,574	\$2,513	(2%)
Earnings (\$M)	\$560	\$530	6%
Diluted EPS	\$4.06	\$3.56	14%
ROE, ex. AOCI	37.1%	30.4%	670 bps



Q2 2019 Business & Financial Results

Walter Berman
Chief Financial Officer



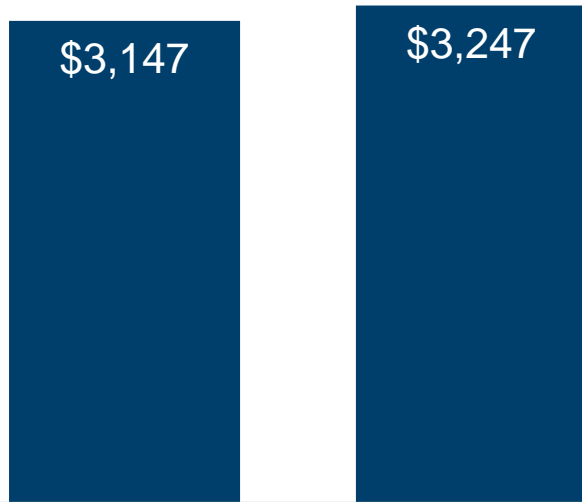
Second quarter financial highlights

- Strong underlying financial performance continued in the quarter, consistent with internal and external expectations
- EPS grew 14%, despite market headwinds
 - Strong performance in Advice & Wealth Management
 - Asset Management, Annuities and Protection delivered financial results in line with expectations
- Return on equity increased by 670 basis points to over 37%
- Balance sheet fundamentals and free cash flow generation remain strong, with excess capital of \$1.9 billion at quarter end and expected to grow throughout 2019



Revenue, EPS and ROE growth driven by Wealth Management

Adjusted Operating Total
Net Revenue
\$ in millions



Q2 2018

Q2 2019

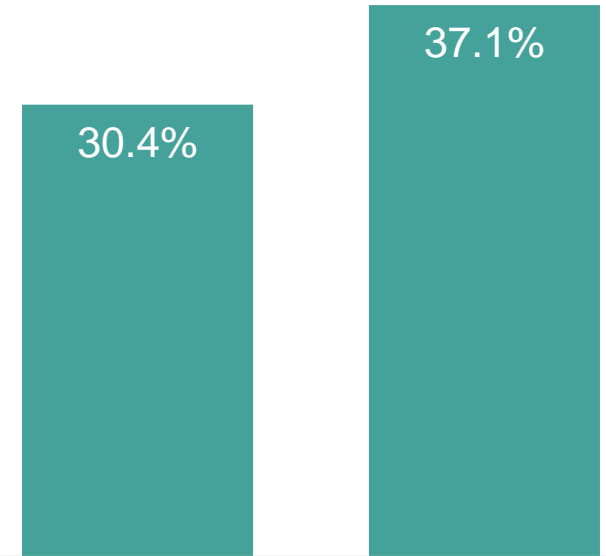
Adjusted Operating EPS



Q2 2018

Q2 2019

Adjusted Operating ROE
Excluding AOCI



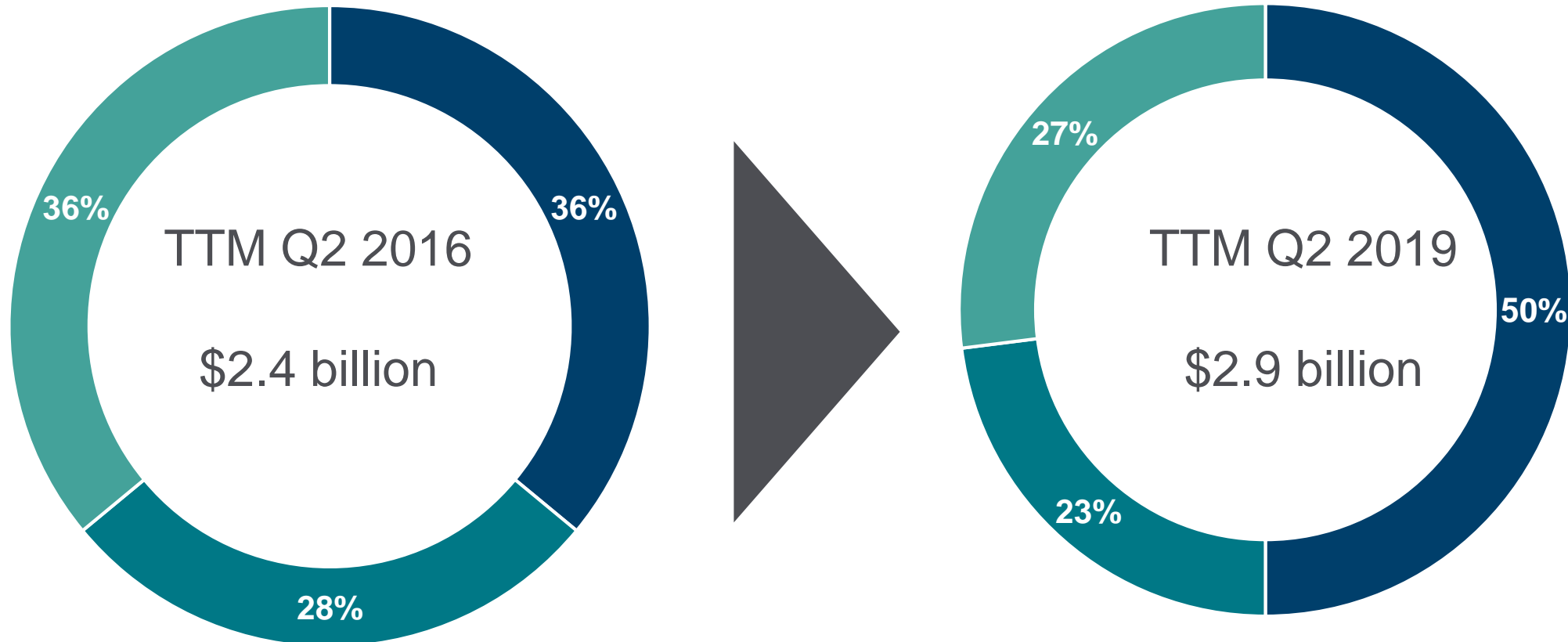
Q2 2018

Q2 2019



Continuing to shift business mix with growth in Wealth Management Increase to 50% from 45% a year ago

Pretax Adjusted Operating Earnings¹ – 3 Year Trend



■ Advice & Wealth Management ■ Asset Management ■ Annuities & Protection ■ Advice & Wealth Management ■ Asset Management ■ Annuities & Protection

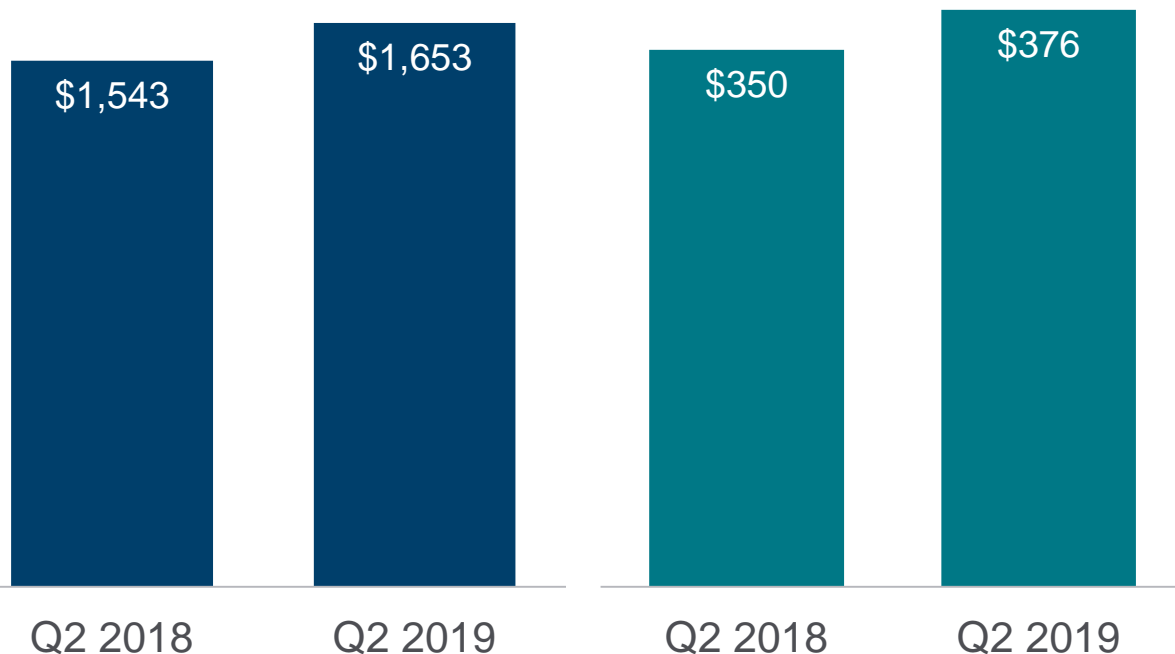


1. Trailing 12 months; excludes Corporate & Other segment, as well as unlocking in both periods.
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Advice & Wealth Management continues to deliver strong metrics and financial results

Adjusted Operating
Total Net Revenue
\$ in millions

Pretax Adjusted
Operating Earnings
\$ in millions

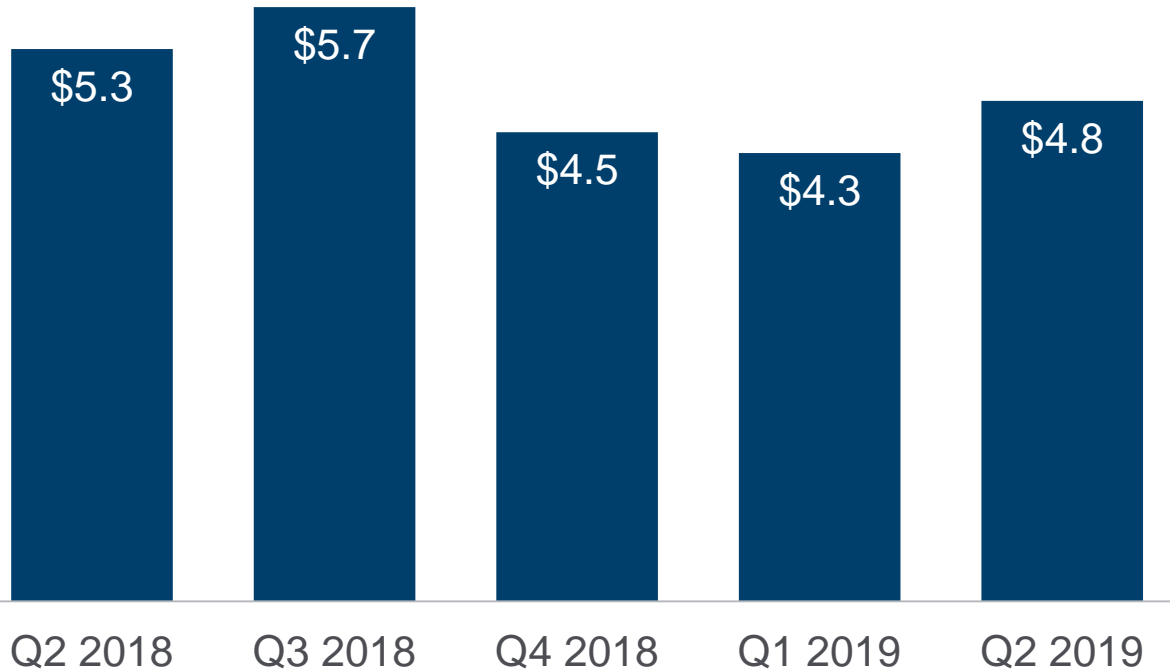


- Revenue and pretax adjusted operating earnings were up 7%, reflecting:
 - Solid growth in wrap assets from client net inflows
 - Improved transactional activity
 - Higher interest earnings
 - Slower market appreciation than recent quarters
- Expenses within expectations
 - Increased volume-related activity
 - Investments for future growth, including the bank
 - Mark-to-market impacts on advisor deferred compensation
 - One additional payroll day sequentially

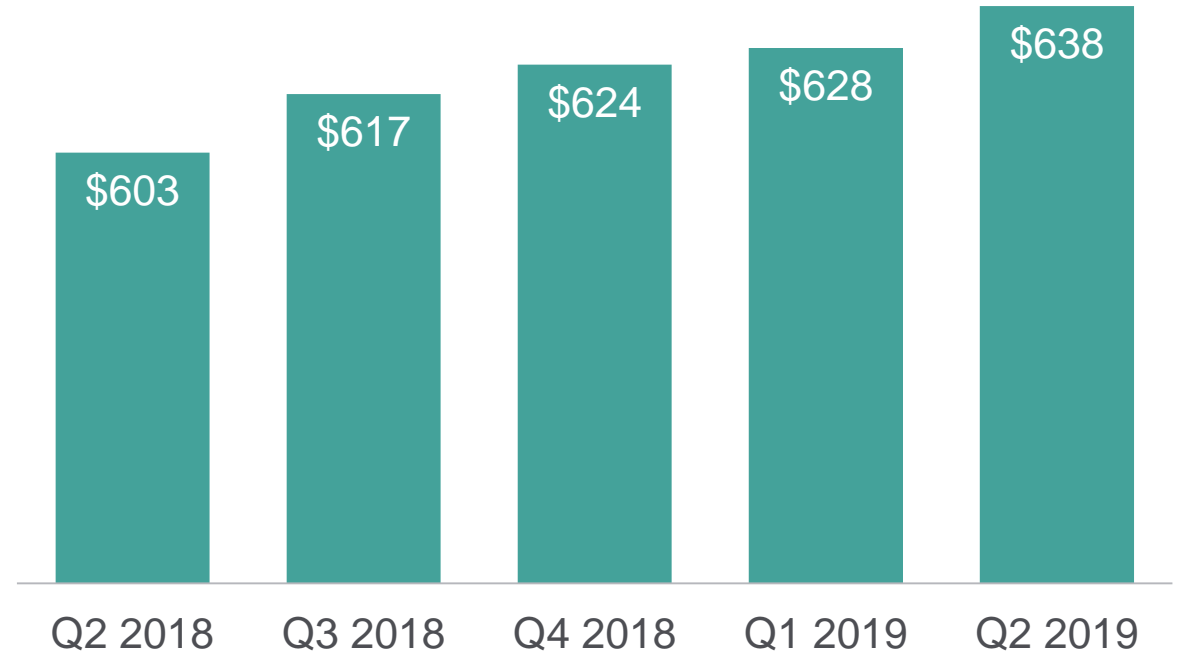


Strong Advice & Wealth Management organic growth continues with total client assets reaching \$608 billion

Wrap Net Flows
\$ in billions



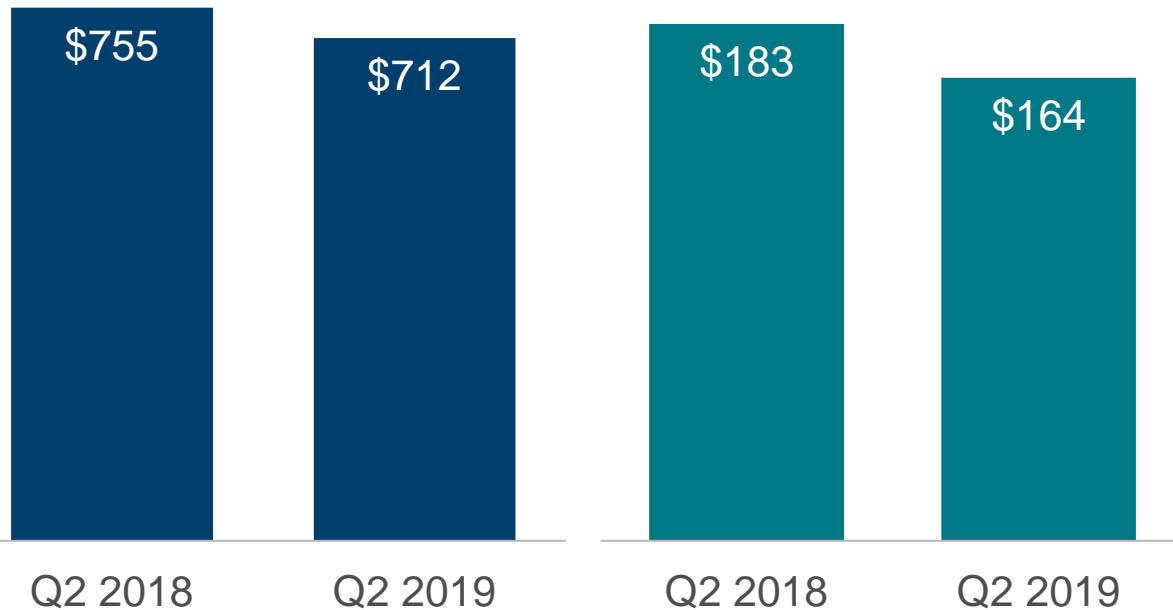
Advisor Productivity
Trailing 12 Months - \$ in thousands



Asset Management financial performance was in line with expectations given modest market appreciation

Adjusted Operating
Total Net Revenue
\$ in millions

Pretax Adjusted
Operating Earnings
\$ in millions



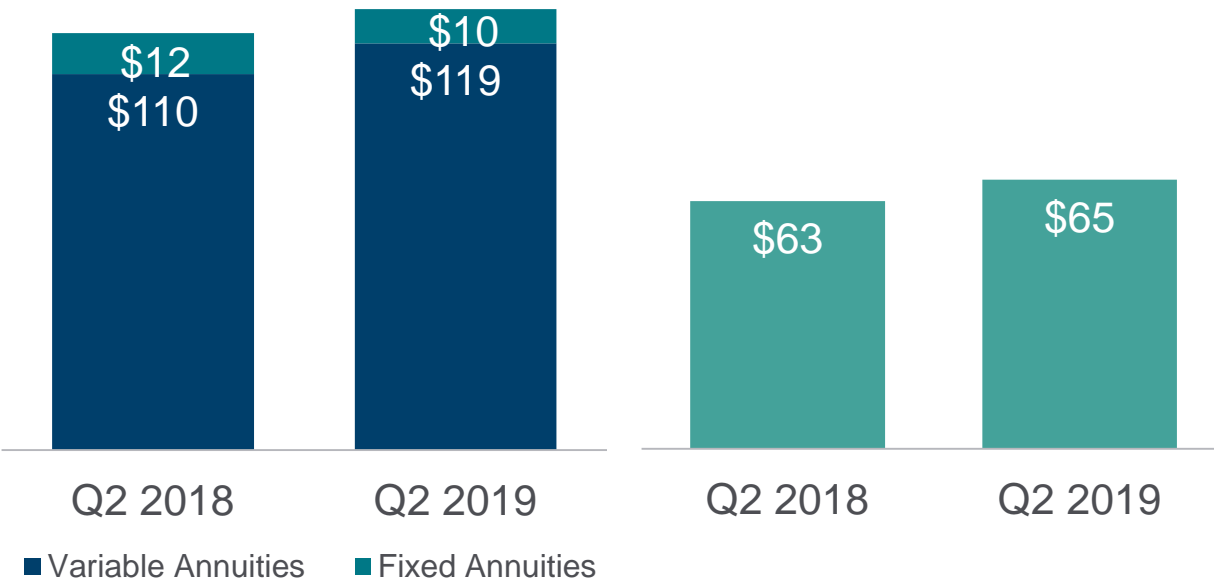
- Revenue and pretax operating earnings impacted by cumulative outflows and slower 3% equity market growth; overall results within expectations:
 - Unfavorable foreign exchange translation and lower seed money gains
 - Timing of performance fees
- Expenses remain well managed, down 4%
 - Continue to invest for future growth
 - Managing substantial regulatory change
- Adjusted margin of 37%, within our target range of 35-39%



Annuities and Protection earnings in line with expectations

Annuities Pretax
Adjusted Operating
Earnings
\$ in millions

Protection Pretax
Adjusted Operating
Earnings
\$ in millions

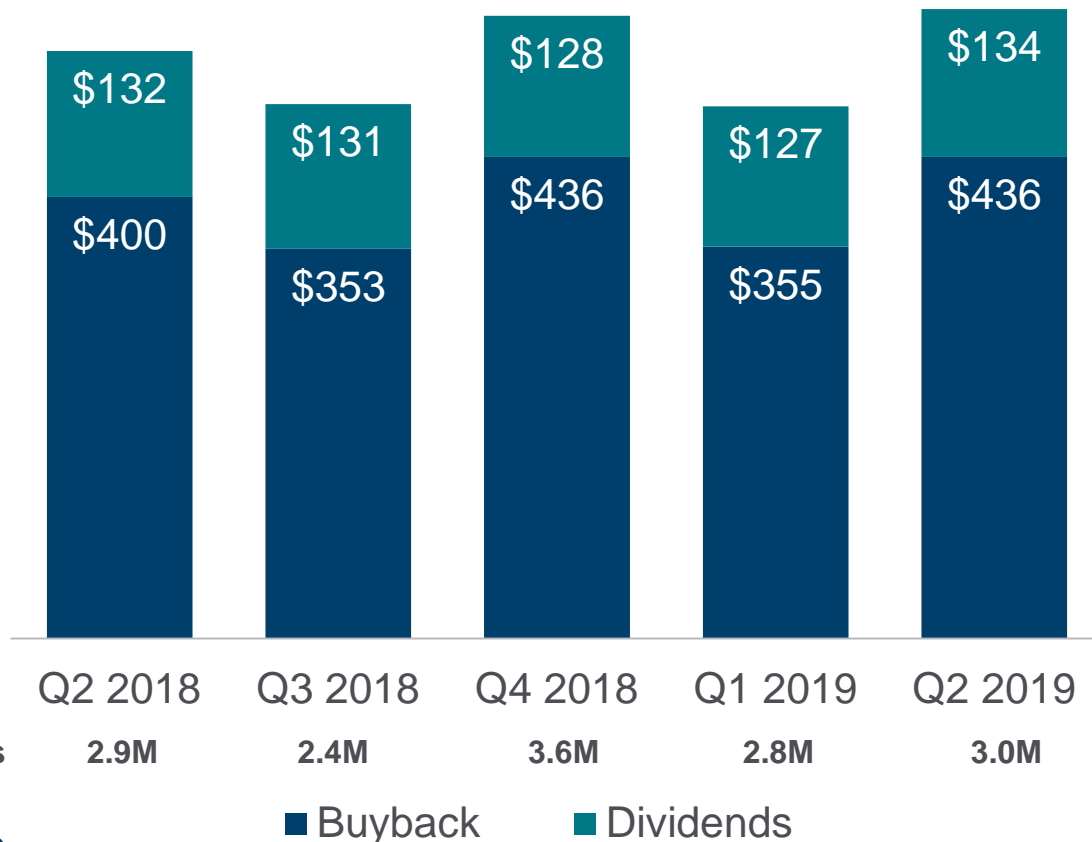


- Annuities earnings of \$129 million benefitted from higher living benefit rider fees and lower sales
 - Sales improved 19% sequentially from better client transactional environment following volatility at the end of 2018
- Protection earnings of \$65 million reflects higher investment income
 - Claims were within expected ranges
- Low interest rates remain a headwind
 - Variable annuity hedging is effective
 - Net impact is manageable



Differentiated capital management with \$570 million of capital returned to shareholders and ample excess capital

Capital Returned to Shareholders
\$ in millions



- Strong balance sheet fundamentals and excellent free cash flow generation of 90%+
 - Excess capital of \$1.9 billion; expected to increase to nearly \$2.5 billion after the sale of Auto & Home
 - High-quality, diversified investment portfolio
 - Hedge effectiveness of 98%
 - LTC remains well managed with no impact on capital return
- Balance sheet strength and strong free cash flow generation enables capital management actions
 - \$570 million returned to shareholders
 - Diluted share count down 7% year-over-year



Reconciliation tables

Adjusted operating net revenues

(\$ in millions)	Q2 2018	Q2 2019	% Over/ (Under)
Total net revenues	\$ 3,196	\$ 3,245	2%
Less: CIEs revenue	49	24	
Less: Net realized investment gains (losses)	5	-	
Less: Market impact on indexed universal life benefits	(10)	(8)	
Less: Integration/restructuring charges	-	-	
Less: Market impact of hedges on investments	5	(18)	
Adjusted operating total net revenues	<u>\$ 3,147</u>	<u>\$ 3,247</u>	3%

Adjusted operating expenses

(\$ in millions)	Q2 2018	Q2 2019	% Over/ (Under)
Total expenses	\$ 2,648	\$ 2,658	(0)%
Less: CIEs expenses	49	23	
Less: Integration/restructuring charges	4	2	
Less: Market impact on variable annuity guaranteed benefits	80	60	
Less: Market impact on indexed universal life benefits	10	18	
Less: Market impact on fixed index annuity benefits	-	(1)	
Less: Mean reversion related impacts	(8)	(18)	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	-	
Adjusted operating expenses	<u>\$ 2,513</u>	<u>\$ 2,574</u>	(2)%



Reconciliation tables

Adjusted operating earnings per diluted share

(\$ in millions, except per share amounts)

	Q2		Per Diluted Share	
	2018	2019	Q2 2018	Q2 2019
Net income	\$ 462	\$ 492	\$ 3.10	\$ 3.57
Less net income (loss) attributable to the CIEs	-	1	-	0.01
Integration/restructuring charges ⁽¹⁾	4	2	0.03	0.02
Market impact on variable annuity guaranteed benefits ⁽¹⁾	80	60	0.53	0.43
Market impact on indexed universal life benefits ⁽¹⁾	20	26	0.13	0.19
Market impact on fixed index annuity benefits ⁽¹⁾	-	(1)	-	(0.01)
Mean reversion related impacts ⁽¹⁾	(8)	(18)	(0.05)	(0.13)
Market impact of hedges on investments ⁽¹⁾	(5)	18	(0.03)	0.13
Net realized investment losses (gains) ⁽¹⁾	(5)	-	(0.03)	-
Tax effect of adjustments ⁽²⁾	(18)	(18)	(0.12)	(0.13)
Adjusted operating earnings	<u>\$ 530</u>	<u>\$ 560</u>	<u>\$ 3.56</u>	<u>\$ 4.06</u>
Weighted average common shares outstanding:				
Basic	147.0	136.1		
Diluted	149.0	138.0		

⁽¹⁾ Pretax adjusted operating adjustment.

⁽²⁾ Calculated using the statutory tax rate of 21%.



Reconciliation tables

Adjusted operating return on equity

(\$ in millions)	Twelve Months Ended June 30, 2018	Twelve Months Ended June 30, 2019
Net income	\$ 1,740	\$ 1,929
Less: Adjustments ⁽¹⁾	(47)	(229)
Adjusted operating earnings	<u>\$ 1,787</u>	<u>\$ 2,158</u>
Total Ameriprise Financial, Inc. shareholders' equity	\$ 6,004	\$ 5,742
Less: Accumulated other comprehensive income, net of tax	131	(82)
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	<u>5,873</u>	<u>5,824</u>
Less: Equity impacts attributable to the consolidated investment entities	1	1
Adjusted operating equity	<u>\$ 5,872</u>	<u>\$ 5,823</u>
Return on equity, excluding AOCI	29.6%	33.1%
Adjusted operating return on equity, excluding AOCI ⁽²⁾	30.4%	37.1%

⁽¹⁾ Adjustments reflect the trailing twelve months' sum of after-tax net realized investment gains/losses, net of deferred sales inducement costs ("DSIC") and deferred acquisition costs ("DAC") amortization, unearned revenue amortization and the reinsurance accrual; the market impact on variable annuity guaranteed benefits, net of hedges and related DSIC and DAC amortization; the market impact on indexed universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; the market impact on fixed index annuity benefits, net of hedges and the related DAC amortization; mean reversion related impacts; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; integration/restructuring charges; and the impact of consolidating certain investment entities. After-tax is calculated using the statutory tax rate of 21%.

⁽²⁾ Adjusted 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 investment gains/losses, net of DSIC and DAC amortization, unearned revenue amortization and the reinsurance accrual; market impact on variable annuity guaranteed benefits, net of hedges and related DSIC and DAC amortization; the market impact on indexed universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; the market impact on fixed index annuity benefits, net of hedges and the related DAC amortization; mean reversion related impacts; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; integration/restructuring charges; the impact of consolidating certain investment entities; and discontinued operations in the numerator, and Ameriprise Financial shareholders' equity excluding AOCI and the impact of consolidating investment entities using a five-point average of quarter-end equity in the denominator. After-tax is calculated using the statutory tax rate of 21%.



Reconciliation tables

Mix Shift

(\$ in millions)	TTM Q2 2016	TTM Q2 2018	TTM Q2 2019
Advice & Wealth Management pretax adjusted operating earnings	\$ 855	\$ 1,290	\$ 1,449
Less: Unlocking	-	-	-
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	<u>\$ 855</u>	<u>\$ 1,290</u>	<u>\$ 1,449</u>
Asset Management pretax adjusted operating earnings	\$ 670	\$ 792	\$ 660
Less: Unlocking	-	-	-
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	<u>\$ 670</u>	<u>\$ 792</u>	<u>\$ 660</u>
Annuities and Protection pretax adjusted operating earnings	\$ 918	\$ 879	\$ 771
Less: Unlocking	42	100	(6)
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	<u>\$ 876</u>	<u>\$ 779</u>	<u>\$ 777</u>
Percent pretax adjusted operating earnings from Advice & Wealth Management	35%	44%	50%
Percent pretax adjusted operating earnings from Asset Management	27%	27%	23%
Percent pretax adjusted operating earnings from Annuities and Protection	38%	30%	27%
Percent pretax adjusted operating earnings from Advice & Wealth Management excluding unlocking	36%	45%	50%
Percent pretax adjusted operating earnings from Asset Management excluding unlocking	28%	28%	23%
Percent pretax adjusted operating earnings from Annuities and Protection excluding unlocking	36%	27%	27%

Excludes Corporate & Other Segment



Reconciliation tables

Adjusted operating general and administrative expense

(\$ in millions)	Q2 2018	Q2 2019	% Over/ (Under)
General and administrative expense	\$ 788	\$ 823	(4)%
Less: CIEs expense	-	1	
Less: Integration/restructuring charges	4	2	
Adjusted operating general and administrative expense	<u>\$ 784</u>	<u>\$ 820</u>	(5)%



Reconciliation tables

Asset Management net pretax adjusted operating margin

(\$ in millions)	Q2 2018	Q2 2019
Adjusted operating total net revenues	\$ 755	\$ 712
Less: Distribution pass through revenues	196	186
Less: Subadvisory and other pass through revenues	88	81
Net adjusted operating revenues	<u>\$ 471</u>	<u>\$ 445</u>
Pretax adjusted operating earnings	\$ 183	\$ 164
Less: Adjusted operating net investment income	8	3
Add: Amortization of intangibles	4	4
Net adjusted operating earnings	<u>\$ 179</u>	<u>\$ 165</u>
Pretax adjusted operating margin	24.2%	23.0%
Net pretax adjusted operating margin	38.0%	37.1%

