



Financial Community Meeting

Walter S. Berman
Chief Financial Officer

November 3, 2009

Forward-looking statements

The forward-looking statements in these presentations reflect our expectations about future events, plans and performance, including expectations regarding the internal rate of return, margin expansion, expense synergies, earnings diversification, assets under management and relative size ranking among asset management businesses, EPS accretion and ROE accretion that we would realize following consummation of the Columbia asset management acquisition transaction; expense savings realizable from re-engineering, future share repurchase and dividends, future sources and mix of revenue, one-time integration costs associated with the Columbia acquisition; segment core pre-tax margin and enterprise revenue growth, EPS growth and segment and enterprise ROE objectives; our credit ratings, future capitalization and goodwill, enterprise and segment capital intensity and liquidity position, and financial markets and general economy performance; estimated client asset growth, annual advisor recruitment and productivity growth. All of our forward-looking statements and the many assumptions upon which they are based involve risks and uncertainties. In addition to assumptions contained in this presentation, 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 detailed under the heading “Forward-Looking Statements” under the heading “Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2008. These forward-looking statements speak only as of today's date and we undertake no obligation to update publicly or revise them for any reason.

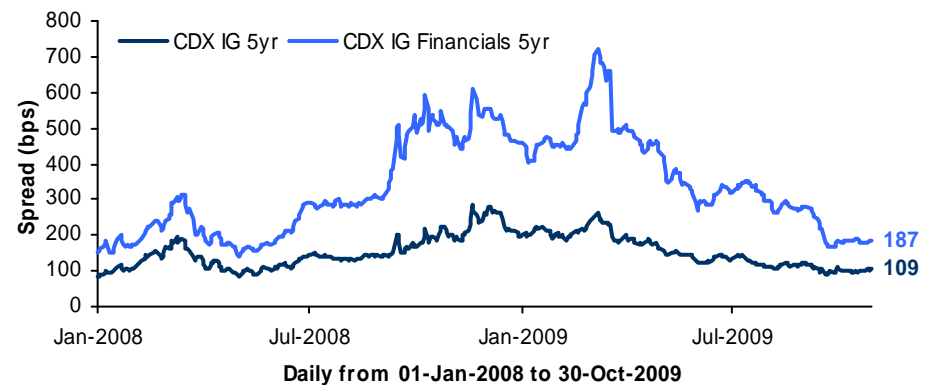
These presentations contain depictions of an allocation of 3-year historical “core operating net revenue” and “core operating pre-tax income” among our reporting segments and similar 2012 projected allocations pro forma for the Columbia acquisition. For these purposes, “core operating results” is a non-GAAP measure that management feels best reflects the underlying performance of our operations and therefore believes is the best measure to reflect in the depictions in these presentation. Accordingly, no representation is made herein as to actual results of operations for such historical period and no reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures have been provided except to the extent of tables in appendices hereto.

Emerging From A Period of Massive Volatility and Market Dislocation



Market dislocation characterized by:

- Meaningful declines in equity markets
- Substantial market volatility
- Capital markets illiquid / closed
- Massive widening of credit spreads and credit losses



Tail event was realized

Our Approach Allowed Us to Navigate Through the Crisis



- Robust enterprise risk management program proved effective
 - Understood key risks embedded in assets and liabilities
 - Quick and prudent reaction to new information
- As a result our:
 - Product portfolio carefully balanced marketability and risk
 - Investment portfolio largely avoided the riskiest asset classes
- Proactively hedged remaining outside risks, where appropriate
- Our conservative and deliberate approach paid off for our shareholders

Our Actions Leave Us Well-Positioned Entering 2010 and Beyond



Actions

- Offensive equity raise to pre-fund a transformative acquisition
- Proactive pre-financing of debt and liability management
- Repositioning / repricing of key products
- Enterprise risk management focus maintained
- Ongoing investments in our platform throughout the crisis
- Accelerated reengineering program

Current Position

- >\$2bn in excess capital¹ and debt capacity
- Strong liquidity position
- Maintained our “AA” ratings
- Increasingly diversified integrated model
- Positioned for margin expansion
- Poised to realize ROE expansion and continue to create value for our shareholders

¹ Including funds raised to pre-fund Columbia acquisition.

Against the Backdrop of an Expected Challenging Market, the Outlook for Our Business is Robust



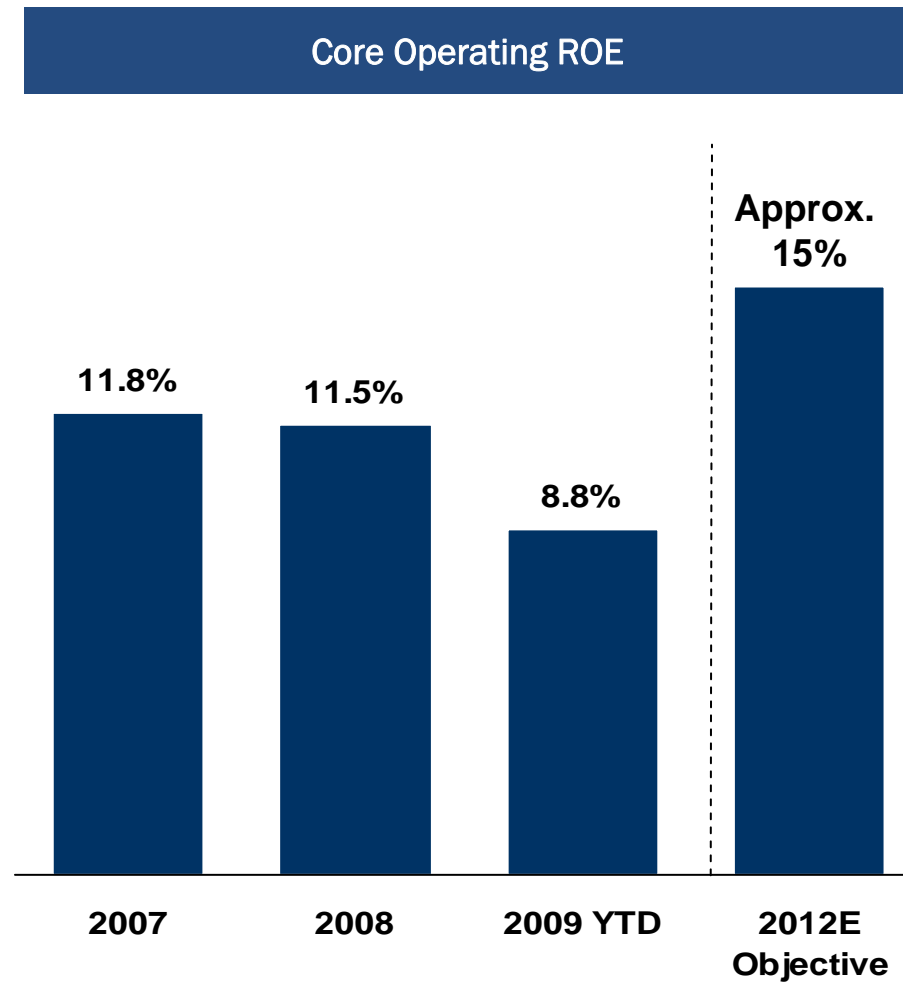
Outlook for Environment

- Positive but low GDP growth
- Reduced volatility and modest growth in the stock market
- Low interest rate environment likely to continue
- Mixed credit environment with anticipated stress in the commercial real estate sector
- Household savings rate expected to rise
- Cash on the sideline beginning to flow back into investments

Outlook for Our Business

- Levered to stable / improving environment
- Operating results are building momentum
- Benefits of investments in business will be realized
- Strength of balance sheet / flexibility bolsters operating results

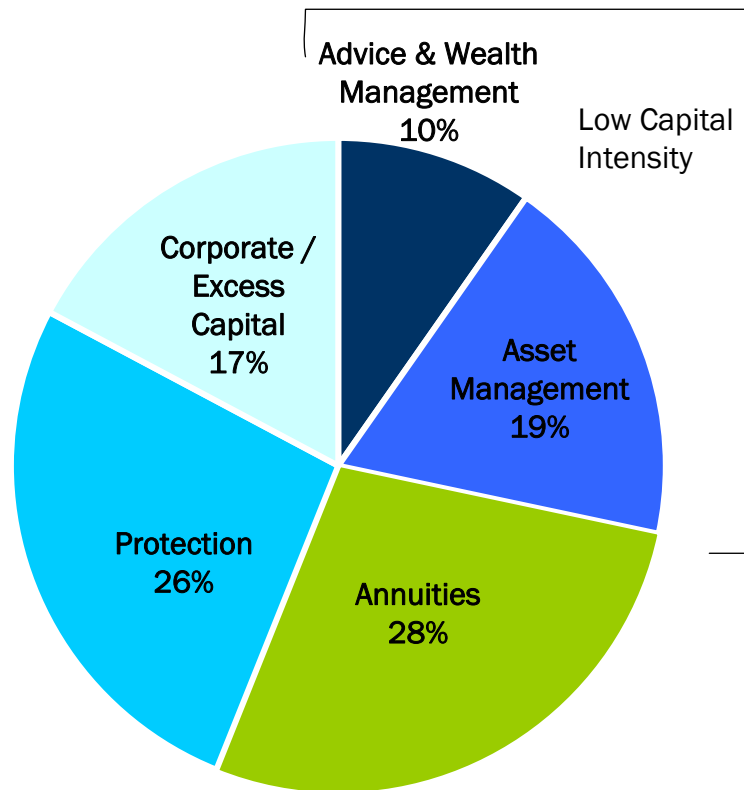
ROE Building ... Long-Term Goal Is In Sight



Note: Core Operating Earnings exclude realized gains and losses and other credit related charges, integration charges and other market impacts as defined in the footnotes section of this document . Assumes reasonable market appreciation.

Outlook for Our Capital Position

2012 Capital Forecast By Segment



Capital Highlights

- Current excess capital > \$2bn¹
- Expect to maintain ~ \$1bn of excess capital
- Flexibility to invest in the business or return capital to shareholders

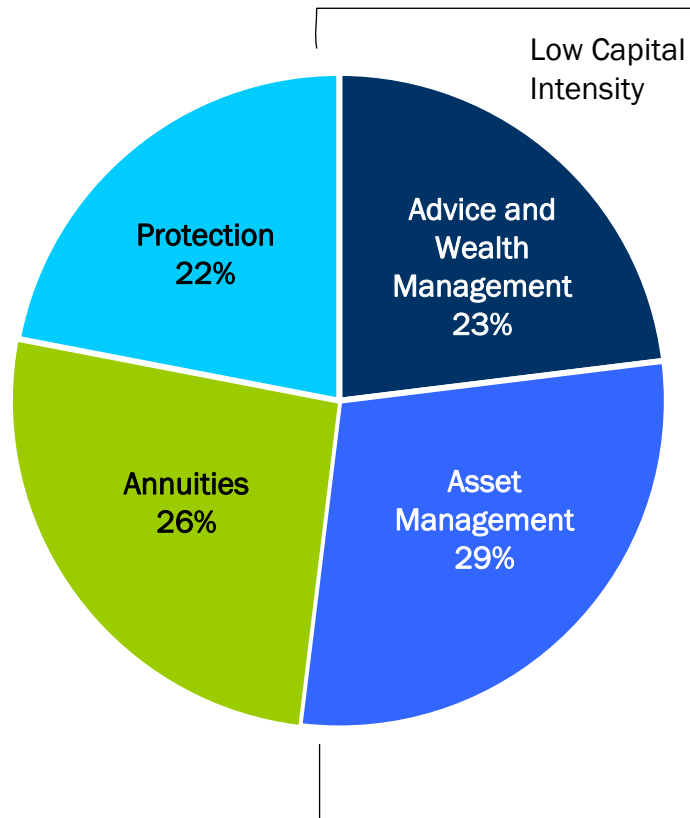
Note: Reflects expected allocated equity as of 2012.

¹ Including funds raised to pre-fund Columbia acquisition.

Anticipate Further Balanced Earnings Moving Forward



Projected 2012 PTI By Segment



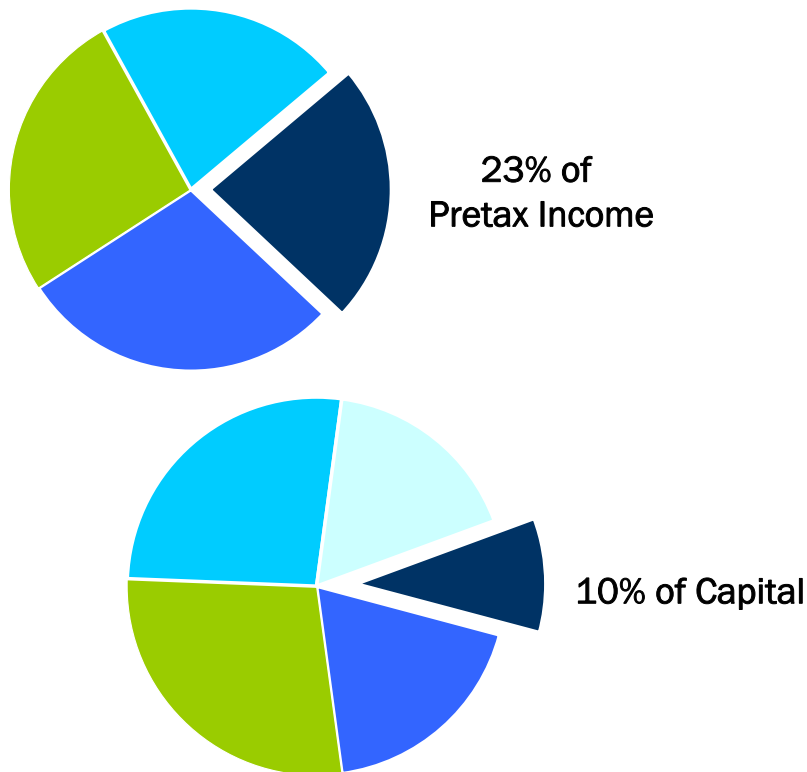
Pretax Income Highlights

- Expect total earnings growth above targeted ranges
- Margin expansion to drive faster growth in Advice and Wealth Management and Asset management
- A higher share of earnings will come from less capital intensive businesses

Note: Reflects core operating results. Excludes impact of corporate segment and eliminations.

Advice & Wealth Management Returns

Advice & Wealth Management 2012



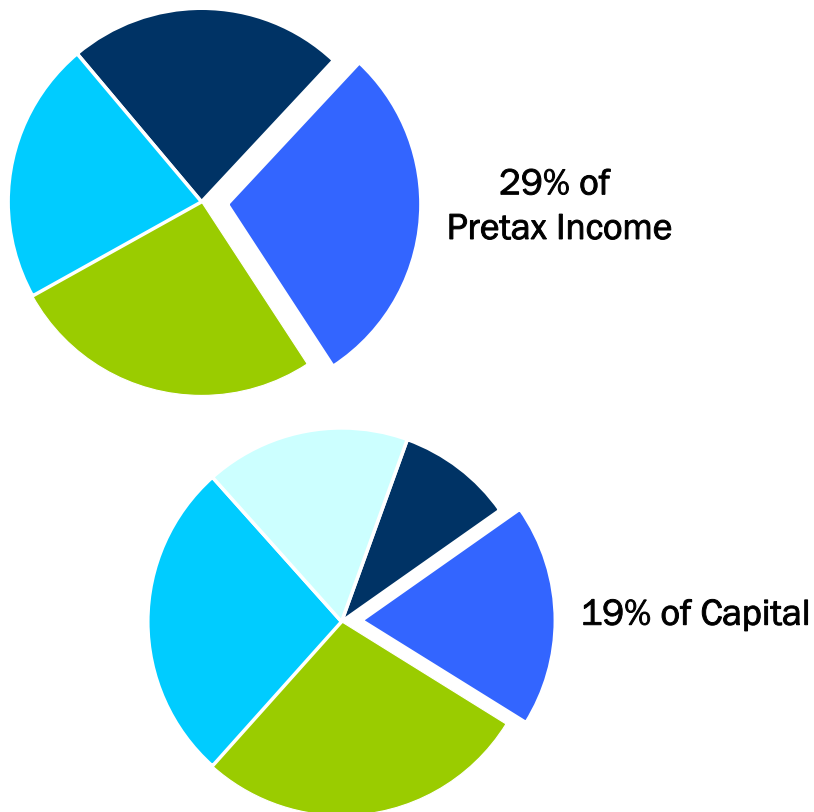
Key Drivers of Return Expansion

- Distribution margin expansion
- Very limited capital required to grow distribution profits
- Maintain higher spread income
- Capital requirements primarily driven by Banking and Certificates

Note: Pretax Income reflects core operating results. Excludes impact of corporate segment and eliminations.

Asset Management Returns

Asset Management Returns 2012



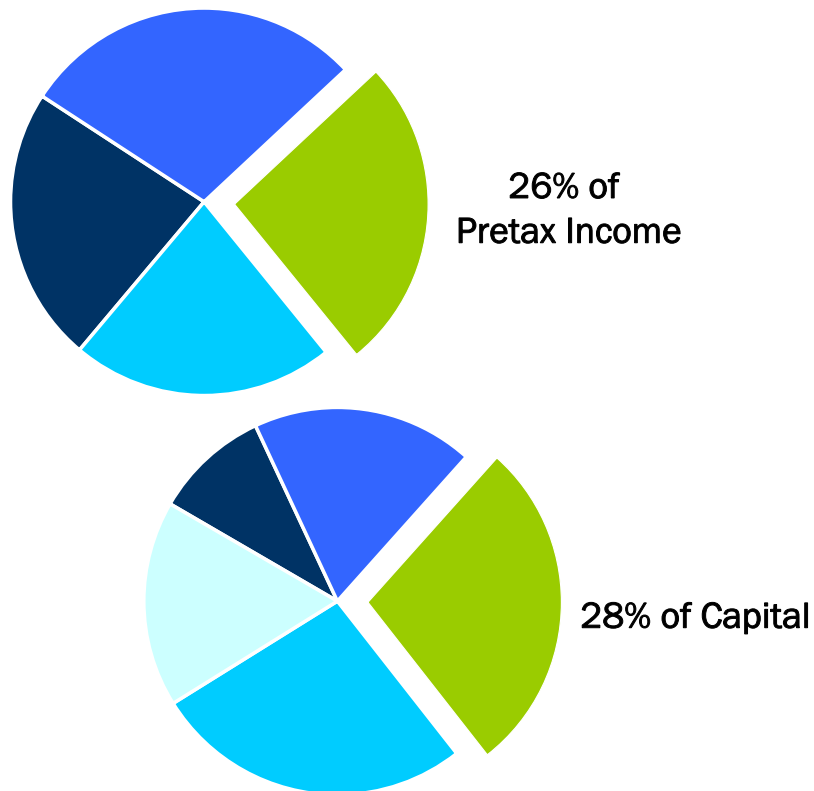
Key Drivers of Return Expansion

- Acquisition impacts and margin expansion
- Low capital requirements
- Limited seed money needs
- Lower business investment requirements

Note: Pretax Income reflects core operating results. Excludes impact of corporate segment and eliminations.

Annuities Returns

Annuities Returns 2012



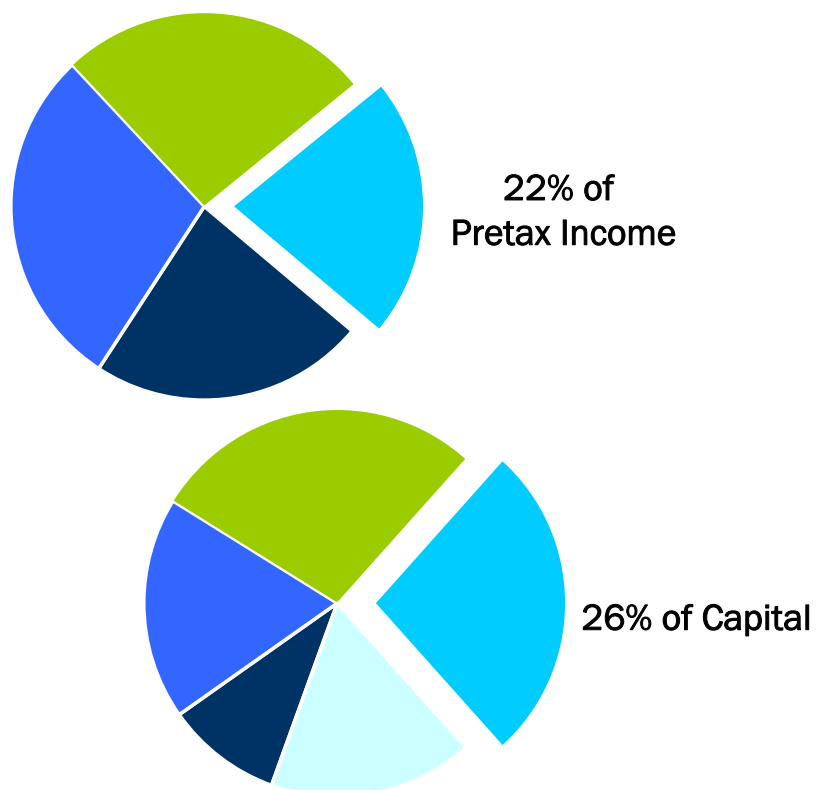
Key Drivers of Return

- Mix shift toward variable products combined with higher rating agency capital requirements for VA's
- New product returns above old book.
- Continued stable client behavior
- Effective hedging

Note: Pretax Income reflects core operating results. Excludes impact of corporate segment and eliminations.

Protection Returns

Protection Returns 2012



Key Drivers of Return

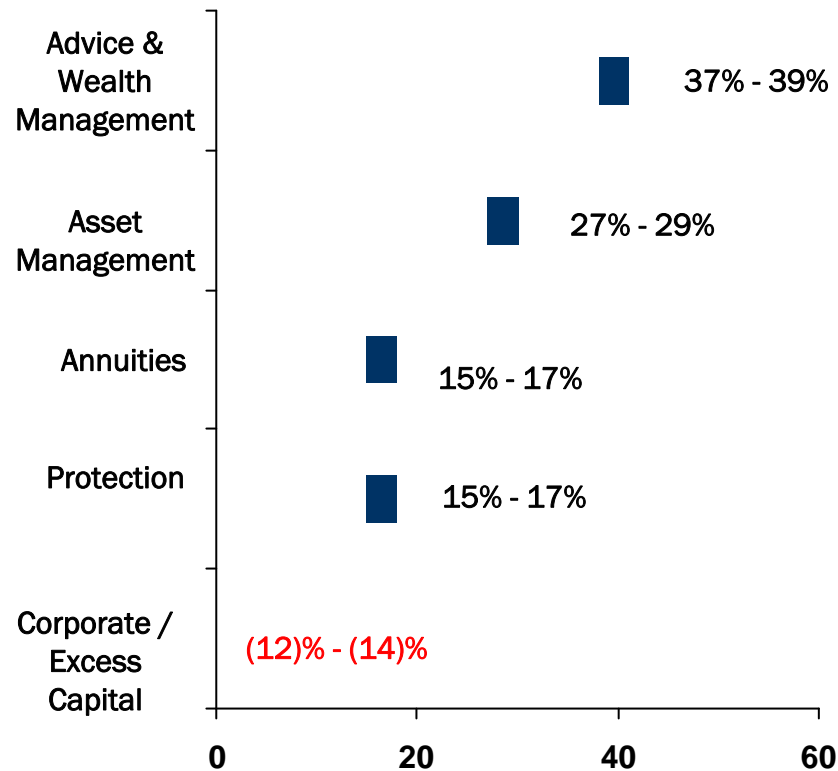
- Stable margins
- Historical and projected product mix emphasis on higher returning products
- Capital growth reflecting business growth
- Maintain conservative reinsurance philosophy

Note: Pretax Income reflects core operating results. Excludes impact of corporate segment and eliminations.

Attractive Mix of Returns Across Our Segments



2012 ROE Forecast By Segment



ROE Drivers

- Columbia acquisition; scale in asset management business
- Investments in business (e.g. H&R Block platform)
- Re-engineering and cost savings
- Investing excess cash and liquidity
- Optimizing the capital structure (possible share repurchases)
- Growth and investment in less capital intensive and higher margin businesses
- Improving / stabilizing markets

Note: Reflects expected allocated equity as of 2012. Estimated consolidated effective tax rate of 31% applied to all segments

Desired Level of Excess Capital Driven by Situational Factors

- Expect to maintain excess capital of approximately \$1bn in current environment
 - Targeted future excess depends upon the situation
- Excess capital above the target allocated as follows:
 - First: Invest in business, if attractive returns available
 - Second: Pursue strategically and financially attractive acquisitions (e.g. Seligman, H&R Block, Columbia, etc.)
 - Third: Return capital to shareholders through dividends and share repurchases

Factors Impacting Excess Capital

- Capital to meet business and growth needs
- Maintain required capital for “AA” ratings
- Desired levels of liquidity for good times and bad
- Situational assessment / prudence
 - External environment
 - Profitability / margins of core business
- Maintain risk management approach

What to Expect Going Forward

- Well positioned to outperform
- Optimistic about opportunities and current momentum
- Transformation of our asset management business / margins from the Columbia acquisition
- We will not abandon the conservative principles and risk management focus that have served us well to this point
- Expect to continue to deliver attractive returns and growth for our shareholders



Reconciliation tables

Walter S. Berman presentation



Slide – ROE Building ... Long-Term Goal Is In Sight

	GAAP ROE - ex AOCI	Adjustments	Core Operating ROE - ex AOCI
2007	10.2%	1.6%	11.8%
2008	-0.5%	12.0%	11.5%
2009 YTD	8.1%	0.7%	8.8%