



# Ameriprise Variable Annuity Review

October 30, 2013

# Management of our Variable Annuity business is consistent with Ameriprise's principle of meeting client needs and shareholder objectives

## Our approach to variable annuities

- A business designed for our advisors and their clients. Not currently distributed through third-party broker dealers
- Maintained consistent market share and sales levels
- Designed products and pricing for clients' accumulation needs
- Advisors can sell products from competing annuity writers

## Small but steady contribution to AMP

- Historically only ~10% of AMP's total assets under management and administration since 2010
- Advisor channel sales of ~\$5 billion annually for past five years; exited third-party channel in 2010
- Consistently generates returns on risk adjusted equity of over 20%

## Very limited exposures to risk

- 44% of account values have no living benefits
- NAR<sup>(1)</sup> from living benefits and death benefits are 0.7% and 0.3% of account values, respectively
- 100% of living benefit policies required investment in asset allocation funds
- 54% of GMWB account values do not have credits / roll-ups

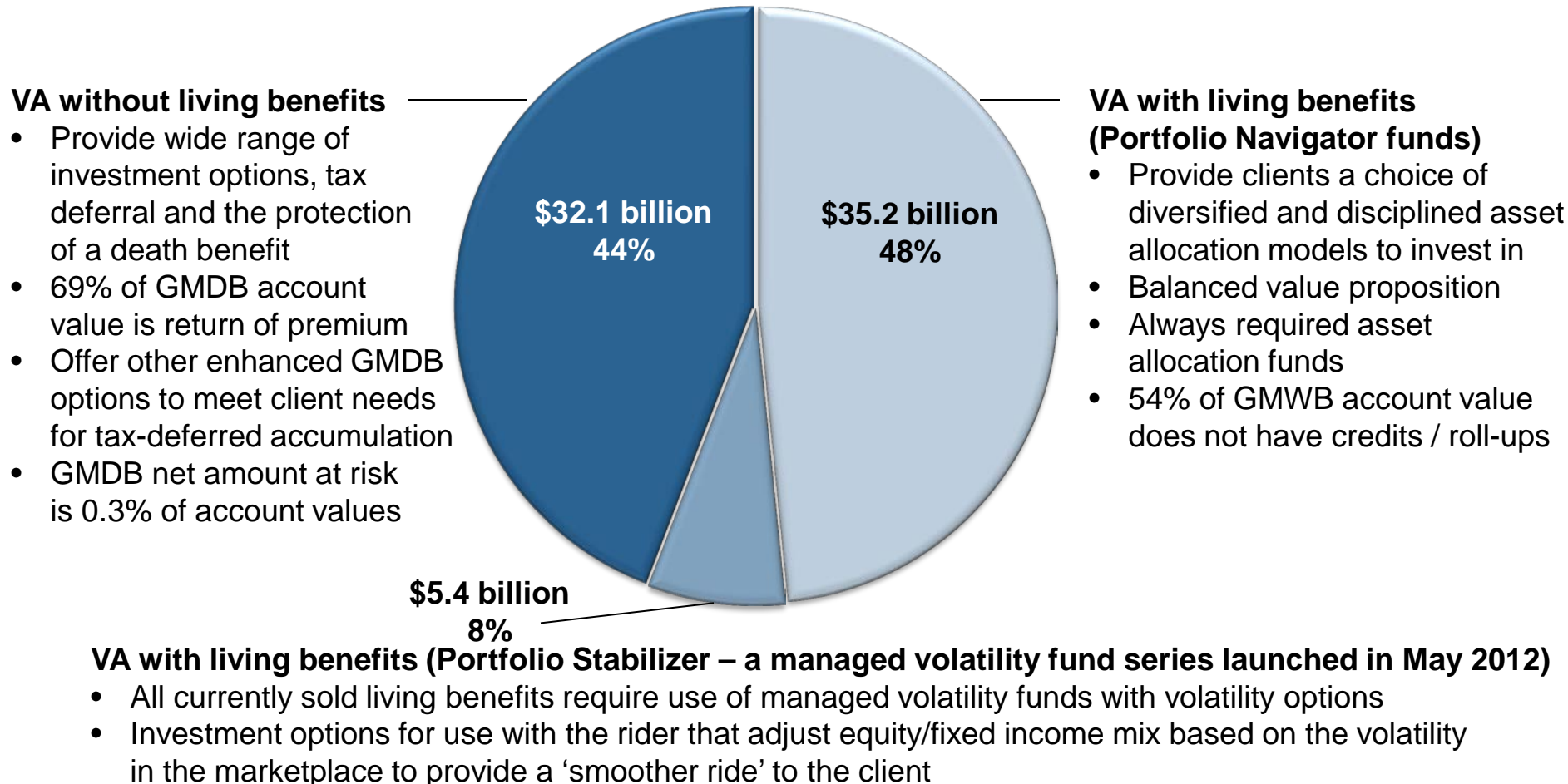
## Transparent and effective at managing risk

- We do not use captive reinsurers. Our gross reserves = our net reserves
- Conservative semi-static, multi-Greek hedging program
- Well capitalized at ~468% RBC
- Our \$1.1 billion of allocated equity includes \$500 million of contingent capital for stress scenarios

# Overview of VA in-force business

## Variable Annuity In-force – \$72.7 billion

(Account Value as of 9/30/13)



# In-force VA block with living benefit guarantees

- The lower risk levels can be seen by reviewing the Net Amount at Risk (NAR) as a percent of the account value – NAR is just 0.7% of account value

## Guaranteed Living Benefit Exposure

(\$ in millions)

Rider	Account Value at 9/30/13	% of Total Account Value at 9/30/13	Net Amount at Risk as % of Account Value			
			9/30/2013	2012	2011	2010
<i>GMWB for Life</i>	\$32,290	44.4%	0.7%	0.9%	3.6%	0.6%
<i>GMAB</i>	\$4,026	5.5%	0.1%	0.1%	1.8%	0.6%
<i>GMWB</i>	\$3,873	5.3%	0.4%	0.9%	6.1%	2.4%
<i>GMIB</i>	\$410	0.6%	11.1%	16.9%	22.9%	12.7%
<b>Total Guaranteed Living Benefits</b>	<b>\$40,599</b>	<b>55.8%</b>	<b>0.7%</b>	<b>1.0%</b>	<b>4.0%</b>	<b>1.2%</b>