Ameriprise Financial

Fourth Quarter 2018 Conference Call

January 31, 2019

Forward-looking statements

Some of the statements made in our January 30, 2019 earnings release and/or in this January 31, 2019 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of January 31, 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 January 30, 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, 2017. 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 fourth quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of January 30, 2019 and may be revised in our Form 10-K for the year ended December 31, 2018.

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.

Alicia Charity – SVP, Investor Relations:

Thank you, Operator, and good morning. Welcome to Ameriprise Financial's fourth quarter earnings call. On the call with me today are Jim Cracchiolo, Chairman and CEO, and Walter Berman, Chief Financial Officer. Following their remarks, we'll be happy to take your questions.

Turning to our earnings presentation materials that are available on our website, on slide 2 you will see a discussion of forward-looking statements. Specifically during the call, you will hear reference to various non-GAAP financial measures, which we believe provide insight into the company's operations. Reconciliations of non-GAAP numbers to their respective GAAP numbers can be found in today's materials.

Some statements that we make on this call may be forward-looking, reflecting management's expectations about future events and overall operating plans and performance. These forward-looking statements speak only as of today's date and involve a number of risks and uncertainties. A sample list of factors and risks that could cause actual results to be materially different from forward-looking statements can be found in our fourth quarter 2018 earnings release, our 2017 annual report to shareholders, and our 2017 10-K report. We make no obligation to update publicly or revise these forward-looking statements.

Consolidated fourth quarter results

GAAP Results	Q4 2018	Q4 2017	Better/(Worse)
Net Revenues ($M)	$3,179	$3,180	--
Expenses ($M)	$2,527	$2,585	2%
Net Income ($M)	$539	$177	NM
Diluted EPS	$3.76	$1.15	NM
ROE, ex. AOCI	36.0%	24.8%	1120 bps

Adjusted Operating Results ex. Tax Act, unlocking and mean reversion-related impacts	Q4 2018	Q4 2017	Better/(Worse)
Net Revenues ($M)	$3,168	$3,182	--
Expenses ($M)	$2,510	$2,555	2%
Earnings ($M)	$544	$485	12%
Diluted EPS	$3.80	$3.15	21%
ROE, ex. AOCI	37.8%	30.9%	690 bps

- Management's discussion today is adjusted for mean reversion-related impacts and the one-time negative impact from the enactment of the Tax Cuts and Jobs Act ("Tax Act") in the fourth quarter of 2017.
- Mean reversion-related items are influenced by markets in two areas, which drove the non-cash impact in the quarter:
  - Increased DAC and DSIC amortization
  - Increased accrual for SOP 03-1 reserves for living benefit riders

See non-GAAP financial measure reconciliations in appendix.

On slide 3, you see our GAAP financial results at the top of the page for the fourth quarter.

As you're aware, the year-over-year comparison of results was impacted by the Tax Cuts & Jobs Act in the prior year, as well as mean reversion-related impacts and unlocking in both years. As such, we have provided our adjusted operating results excluding these items. Management believes this enhances the understanding of our business by reflecting the underlying performance of our core operations and facilitates a more meaningful trend analysis. Many of the comments that management makes on the call today will focus on operating financial results adjusted for the Tax Act, unlocking and mean reversion.

And with that, I'll turn it over to Jim.

Jim Cracchiolo- Chairman and Chief Executive Officer:

Hello and thanks for joining our earnings call. This morning, we'll discuss our fourth quarter results, and I'll update you on the business and our priorities in a much more dynamic operating environment.

Clearly, markets were quite volatile in the quarter, particularly in December in the U.S., with significant declines across asset classes. And while they've come back a bit, we're managing the business in light of this uncertain backdrop.

Overall for the year, we continued our track record of delivering excellent results for the company and generated good profitability and returns. And, we also continued to invest for long-term value creation and business growth.

In wealth management, we delivered strong Ameriprise client flows and advisor productivity. As we've demonstrated in prior cycles, a volatile environment reinforces the importance of the personal advice, investment perspective and solutions that we offer.

Our asset management business was more directly affected by the market decline and heightened volatility. That said, our impacts were in line with the industry in terms of asset declines and accelerated outflows. And in variable annuities, the market environment resulted in a non-cash impact that Walter will cover in more detail.

Our assets under management and administration were down 8 percent to $823 billion reflecting the 14% sequential market decline, which was mitigated by continued strength in Ameriprise client net inflows.

In terms of adjusted operating results and excluding the items we highlighted:

- Revenues remained steady at $3.2 billion
- Earnings increased 12 percent to $544 million

- Earnings per diluted share were up 21 percent to $3.80
- Return on equity, excluding AOCI and unlocking was a strong 37.8 percent.

During the quarter and the year, we continued to invest in growth initiatives that will help sustain the business for the future.

In addition to growth investments, based on our earnings and capital position and with our strong cash flow, we accelerated our share repurchases given the market decline and our discounted share price.

For the year, we committed more than $2 billion to shareholders by increasing our dividend and repurchasing 11 million shares. This reduced our shares outstanding by 7 percent – and represents a truly differentiated level of capital return. And we continue to maintain $1.5 billion in excess capital.

We also continue to shift our earnings mix to less capital-intensive business lines – something we've done consistently over the years – and this generated significant free cash flow.

Looking at the last four years – as we've grown our earnings – we've increased the percentage of contributions from Advice and Wealth Management and Asset Management from 66 percent in 2015 to 74 percent in 2018. Looking ahead, we see additional opportunity to take this number even further.

With regard to our financial advisory business, Ameriprise client assets held strong at $539 billion, down just 4 percent, even with the volatility and steep market declines.

A key growth platform for Ameriprise is our fee-based investment advisory "wrap" business. It's one of the largest and best-run in the industry at $251 billion, at the end of the fourth quarter.

Net inflows remained robust at $4.5 billion – this marks the seventh consecutive quarter where we've had wrap net inflows above $4 billion. Sequentially, wrap flows declined a bit as clients took a more defensive posture and moved more into cash.

And, we're earning competitive returns on our $28 billion of brokerage cash balances – which were up 6 percent, an all-time high.

As a diversified financial services firm, the combination of the breadth of our product suite and financial planning expertise helps us retain assets. We continue to bring in clients and we're helping them rebalance their assets based on changing market dynamics.

With good client flows, increased client activity and traction from our investments, we continue to grow our advisor productivity nicely. On a trailing 12-month basis, it's up 9 percent to $620,000. This builds on many years of strong productivity gains. And we continue to earn high client and advisor satisfaction.

Recruiting is an important complement to retaining our top people. Experienced productive advisors are consistently attracted to Ameriprise because of our excellent support, reputation and track-record of investing to help advisors grow. In the quarter, 93 advisors joined the firm, and for 2018 overall, we brought on 335 new, experienced advisors.

We're also investing to convert our national trust bank to a federal savings bank. Things are going well, and we expect to hear from regulators this quarter.

With a clear focus on our clients and growth, Ameriprise and our advice value proposition are directly aligned with the significant wealth management opportunity in the U.S.

Consumer research affirms that the mass affluent and affluent want to work in a personal, advice-based relationship with a trusted advisor. In fact, trust remains the most important aspect of working with a financial advisor. Ameriprise is both a longstanding leader in advice and we're ranked #1 in Trust across the investment industry by Temkin.

We're very focused on advice and delivering what our clients and consumers want.

Across the firm, we're making additional investments to continue to deliver an excellent client experience and help advisors grow productivity.

This includes enhancing our digital and financial planning capabilities as well as upgrading to an advanced CRM system later this year – to enable our advisors to work in an even more goal-based and integrated way with their clients.

As we discussed last quarter, we've been testing these enhanced capabilities in the field and are pleased with the initial results. Advisors have reported clients are more engaged and confident when advisors are having goal-based conversations and using these new capabilities. So, we feel there is a compelling opportunity to expand this across the entire client base.

In addition, we continue to invest in the Ameriprise brand, which is strong in the marketplace with awareness near our highest levels. We introduced the next chapter of our Be Brilliant® platform earlier this month with new ads that highlight the personalized, differentiated experience we deliver to clients to help them achieve their goals.

Overall, in Advice and Wealth Management, we're generating excellent results – double digit earnings growth and strong margins above 23 percent in the quarter.

With regard to Protection and Annuities, the books are performing well in this rate environment. Sales over the course of the year held up with some slowing in Q4. Variable annuity sales were up 6% to $4.5 billion for the year, right in line with the consistent $4 to $5 billion sales range we have seen historically. We continue to generate an appropriate level of sales and returns in these businesses.

Let’s move to Asset Management.

The fourth quarter was a tough market environment with substantial industry-wide outflows across asset classes, styles and geographies, as you’ve seen with other asset managers who have already reported.

In the U.S., it was the most difficult quarter for long-term mutual fund flows in the industry dating back to 2007. Investors moved to de-risk given significant market declines in December, year-end tax selling and higher volatility. And in Europe, key indices were down sharply in October, spiking higher outflows across Europe.

How did that affect us in the fourth quarter? Like others, we felt that pressure in Asset Under Management declines, which included net outflows of $4.7 billion with reinvested dividends. In the U.S., our rate of mutual fund outflows was in-line with the industry. And in Europe, we suffered a level of outflows consistent with our peers. In past market disruptions, European investors tend to react quickly to market dynamics – whether that’s positively or negatively.

So far in January, with improved markets we’re seeing better mutual fund flow rates in the U.S. and Europe, and we hope that will continue.

From a revenue standpoint in the quarter, the decline reflected the drop in Asset Under Management as well as the unwinding of a couple of our CLOs and higher performance fees last year.

To gain flows, we’re working to deliver relevant, quality solutions and service to our retail and institutional clients, and consistent, competitive investment performance.

Our one-year investment performance was impacted by an unusual, but not unheard of, price dislocation that took place in the fourth quarter. In the few occasions where this has previously occurred, those securities with positive ratings from our proprietary research subsequently performed well, on average, which is what we're already seeing for January. This impacted our three-year numbers as well, but we expect they'll improve in 2019 after dropping off a similar underperformance in our U.S. portfolios that occurred in the first quarter of 2016.

We're also sharply focused on maintaining our excellent expense discipline and we'll continue to be thoughtful moving forward given the current climate. In the quarter, expenses in asset management were down nicely.

We also had to absorb additional Brexit-related costs due to the transfer of EU client assets from our OEIC funds into Lux-domiciled SICAV products, which we are in the process of completing.

As we look forward, we're focused on gaining traction where we see growth opportunities. This includes:

- Our efforts to enhance and further introduce our data-driven distribution work in the U.S. that will help drive improvement in gross sales and market share at many of our top intermediary firms;
- We're building on our strength in the UK and continue to expand in Europe with a focus on Germany, Italy and Spain, now that we've established a more comprehensive SICAV lineup of funds.
- And, we want to continue to grow Columbia Threadneedle brand awareness and consideration.

Given the scope of our capabilities, we see opportunity to capture market share in our core markets.

Overall, in Asset Management, it was a tough quarter – for the industry and for us. We're managing headwinds as part of Ameriprise and competing for share in a very competitive marketplace.

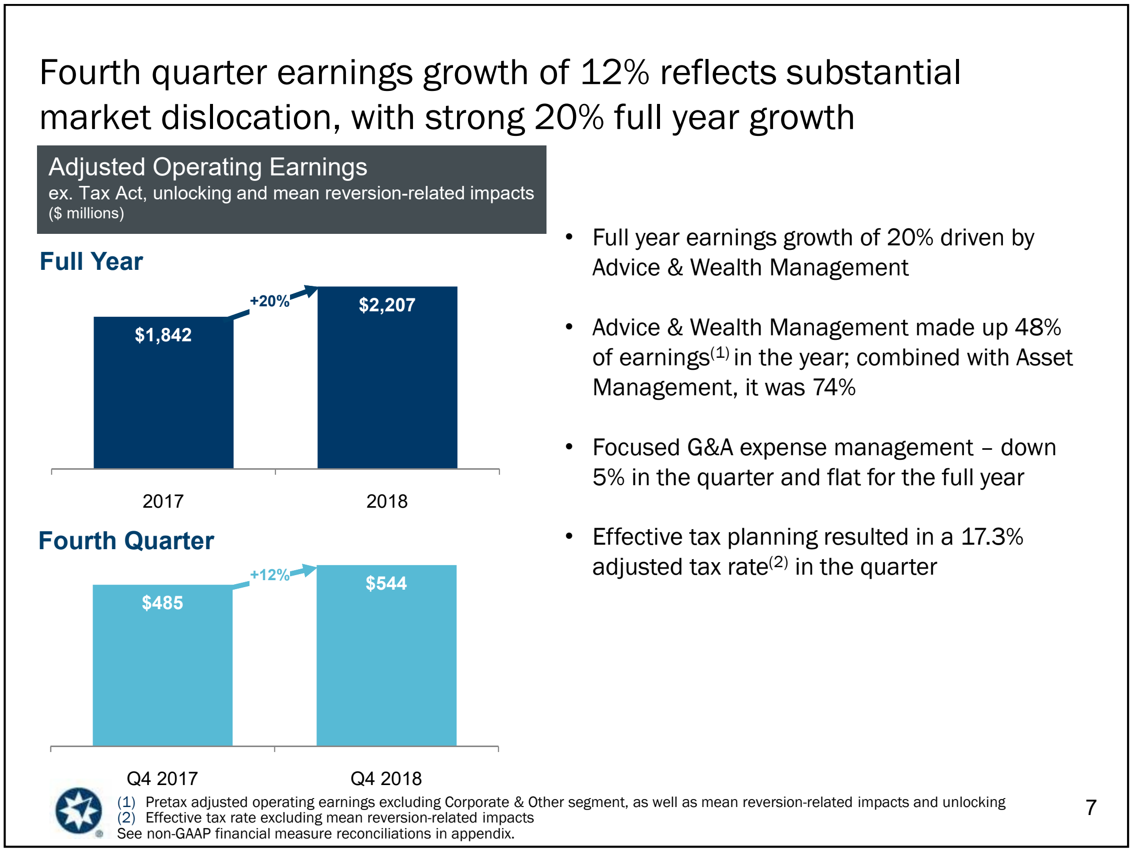
In closing, we delivered a good quarter in a volatile market environment, completing what was a good year for Ameriprise. We have a consistent record of delivering long-term value, investing for growth and returning capital to shareholders at attractive levels.

We continue to transform the business and focus on areas of opportunity that will generate a strong return - with wealth management driving our growth. At the same time, we'll focus on continuing to tightly control expenses in 2019. As we look at the year ahead, I'm confident in our ability to serve clients well and navigate a very fluid environment.

Walter?

Q4 2018 Business & Financial Results

Walter Berman
Chief Financial Officer



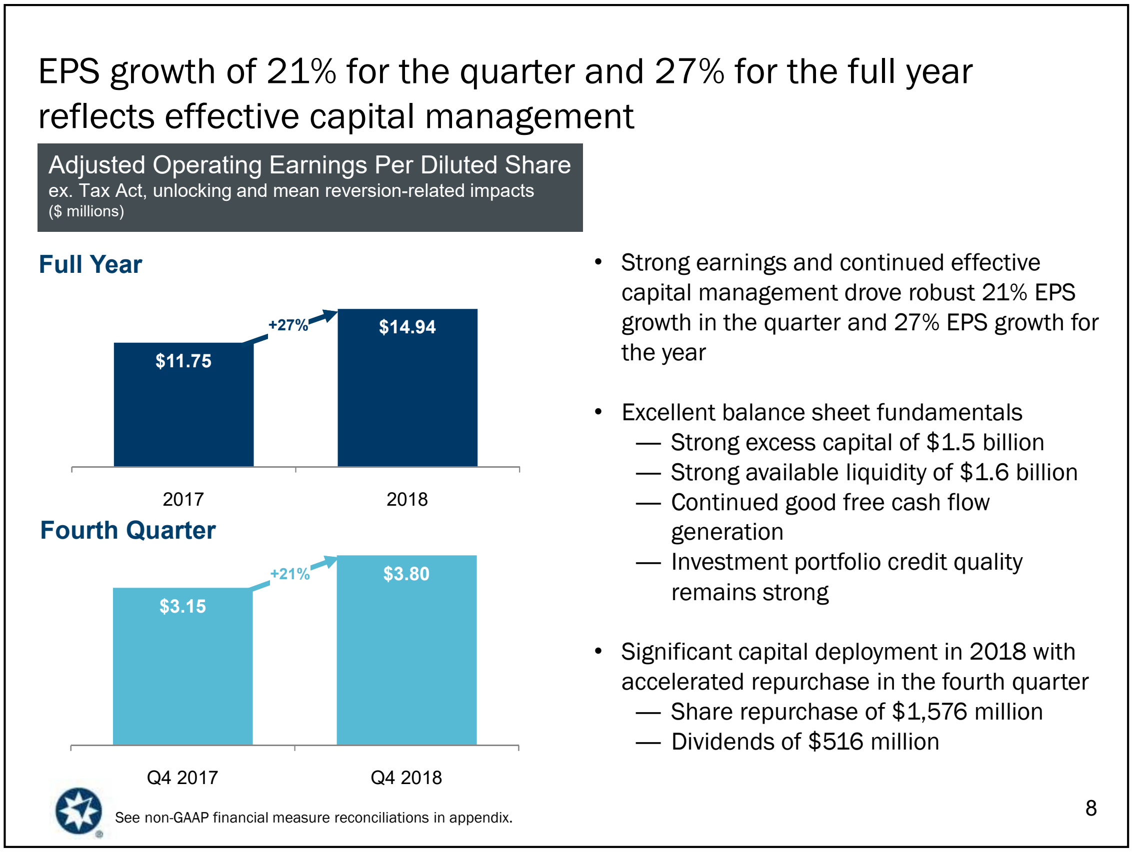
Let's turn to earnings on slide 7. Full year earnings increased 20%. With the challenging revenue environment, we remained keenly focused on expense management.

Expenses continue to be well managed across the firm, with G&A down 5% in the fourth quarter and flat for the full year. This remains a critical area of focus and a key lever as we navigate the environment in 2019.

The effective tax rate came in as expected at 17.3%.

And I'd like to take a moment to remind you of a few dynamics that will impact the results in the first quarter:

- First, there are only 90 fee days in the first quarter, which impacts Advice & Wealth Management, Asset Management and Annuities.
- Second, we have some seasonality in our expenses that we have discussed in the past related to payroll taxes. This impacts all business segments, with the largest impacts in Advice & Wealth Management and Asset Management areas.
- Last, in the fourth quarter, we absorbed a significant percent of the market decline impact. If the current market level sustains, a portion of the carryover impact would be mitigated.

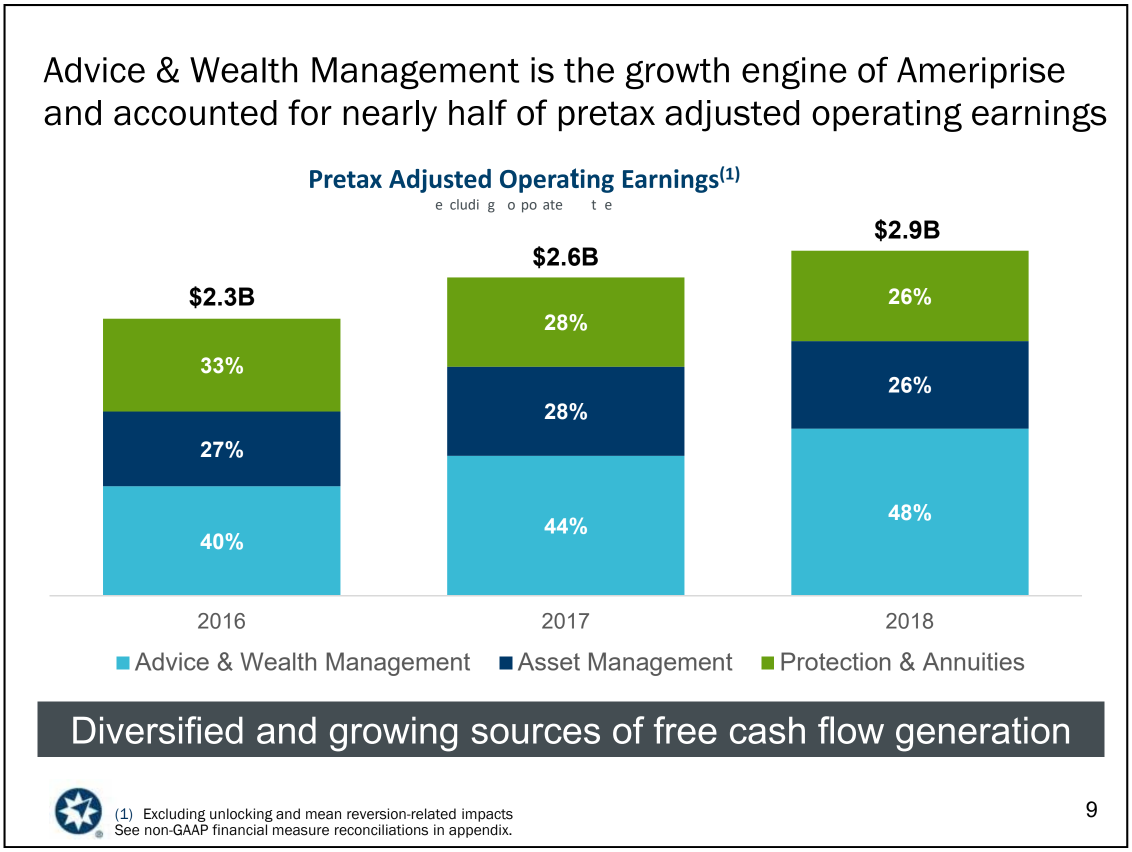


Next on slide 8, you will see excellent EPS growth of 21% in the quarter and 27% for the full year.

In total, adjusted operating EPS was $3.80 for the quarter and $14.94 for the full year, fueled by Advice & Wealth Management, which now makes up about half of our pretax adjusted operating earnings.

In 2018, we continued our track record of differentiated capital return with $2.1 billion returned through buyback and dividends, including a 50% increase in share repurchases in the fourth quarter, buying back 3.6 million shares given the particularly attractive value.

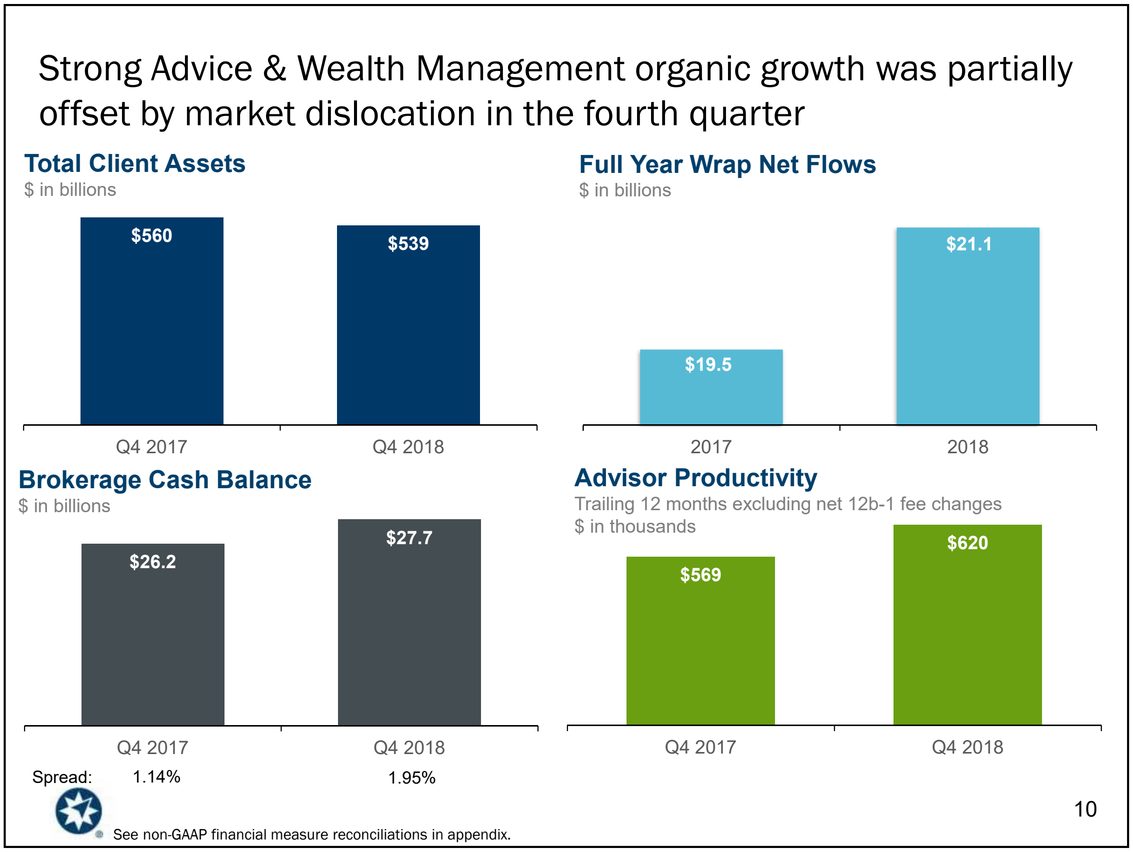
Lastly, we have maintained excellent balance sheet fundamentals with $1.5 billion of excess capital and excellent liquidity.



Let's turn to slide 9. For the year, Advice & Wealth Management represented nearly half of the company's pretax adjusted operating earnings, demonstrating a significant upward trend from 44% in 2017 and 40% in 2016.

We have diversified sources of free cash flow from our businesses, with Advice & Wealth Management driving much of our growth, complemented by Asset Management, Annuities and Protection.

Our fee-based businesses of Wealth Management and Asset Management now make up nearly three-quarters of our earnings. Our distribution of earnings continues to diversify, with AWM and Asset Management generating approximately 65% of our free cash flow in the near-term.

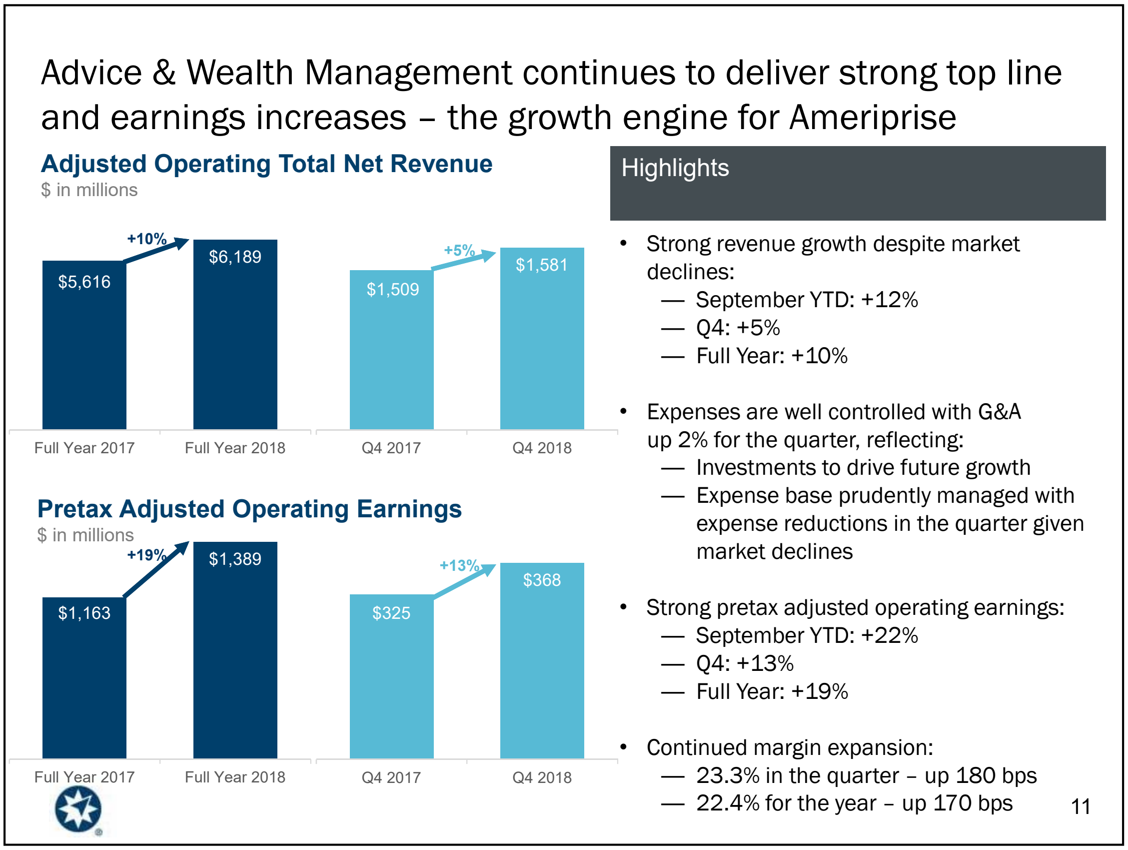


We have seen strong growth trends in Advice & Wealth Management, which you can see on slide 10.

Total client assets were pressured by equity market declines, down 4% to $539 billion, despite very strong client net inflows throughout 2018, including in the fourth quarter. Through the first three quarters of 2018, our client assets benefited from a combination of solid flows and market appreciation, with our clients assets reaching $588 billion at the end of the third quarter. Client assets were negatively impacted from the 14% drop in equity markets point-to-point in the fourth quarter. A portion of this impact would be offset by the improvement so far this year.

Brokerage cash balances grew to $27.7 billion in the fourth quarter. In the first part of the year when markets were less volatile, we saw clients putting money to work and cash balances declining. Given the volatile environment in the fourth quarter, clients reversed course and kept additional cash, as we'd expect. It is important to note that we retained assets on our platform by meeting clients' needs in all environments. We are benefiting from short rates getting back to more normal historical levels. While we have retained a high percentage of the rise in short rates to date, we have recently increased the client crediting rate based on market changes. We are closely monitoring crediting rates to remain competitive with peers.

Finally, organic advisor productivity also continues to improve, reaching $620,000 on a trailing 12 month basis for the quarter. This level has grown steadily throughout the year.



Let's turn to slide 11. Advice & Wealth Management is delivering consistent strong financial performance over time that is underpinned by sustainable business fundamentals that I just discussed. Overall, AWM had been delivering a substantial 22% earnings growth trend through September. The market dislocation in the fourth quarter reduced the trend, but AWM still delivered 13% growth for the quarter and an excellent 19% growth rate for the full year.

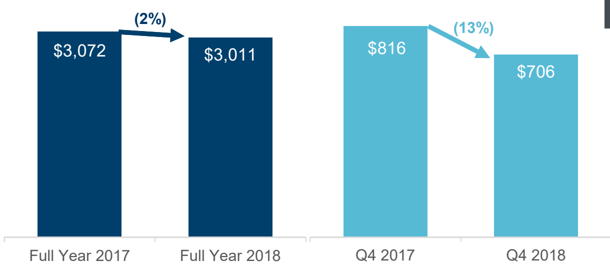
Trends were consistent for revenues. We had been on a growth trajectory of 12% through September, driven by wrap net inflows and higher transactional activity levels, as well as the benefit of higher short-term rates on cash sweep balances. Fourth quarter market declines reduced fees and slowed the growth rate to 5% for the quarter, resulting in full year revenue growth of 10%. Markets have come back in January, which should help.

Expenses were very well controlled, with G&A up only 2% for the quarter compared to a full year increase of 6%. We are diligently managing G&A, while investing to improve the client experience and ease of doing business. We are making investments where we see the best payback. And margins reached a record 23.3% in the quarter and 22.4% for the full year.

Asset Management financial performance impacted by market declines, aligned with the industry

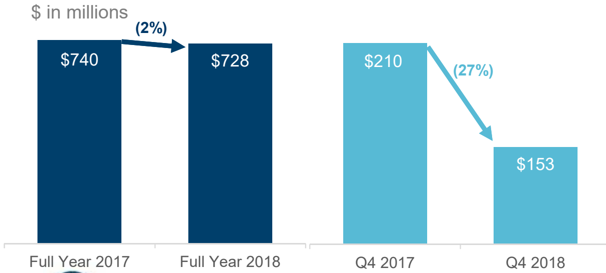
Adjusted Operating Total Net Revenue

$ in millions



Pretax Adjusted Operating Earnings

$ in millions



Highlights

- Substantial industry headwinds for active managers – results reflect market decline impact on AUM, which also exacerbated outflows
- Asset Management consistent earnings trends through the first three quarters of 2018 were disrupted by market decline in the fourth quarter
- On a sequential basis, earnings declined $44 million, including $22 million due to market depreciation, as well as impacts from:
  - — $9 million lower performance fees
  - — $8 million one-time Brexit expenses in the quarter
- Expenses are well managed:
  - — G&A down 9% in the quarter versus prior year
  - — Adjusted for net change in performance fees/CLOs and incremental Brexit expenses, G&A down 6%
- Adjusted margin declined to 35% driven primarily by lower margins in EMEA from Brexit expenses

See non-GAAP financial measure reconciliations in appendix.

Let's turn to Asset Management on page 12, where financial performance was clearly impacted by substantial industry headwinds.

Positive earnings trends from Asset Management were disrupted by the market dislocation in the fourth quarter. Earnings were down 27% year-over-year and 22% sequentially to $153 million.

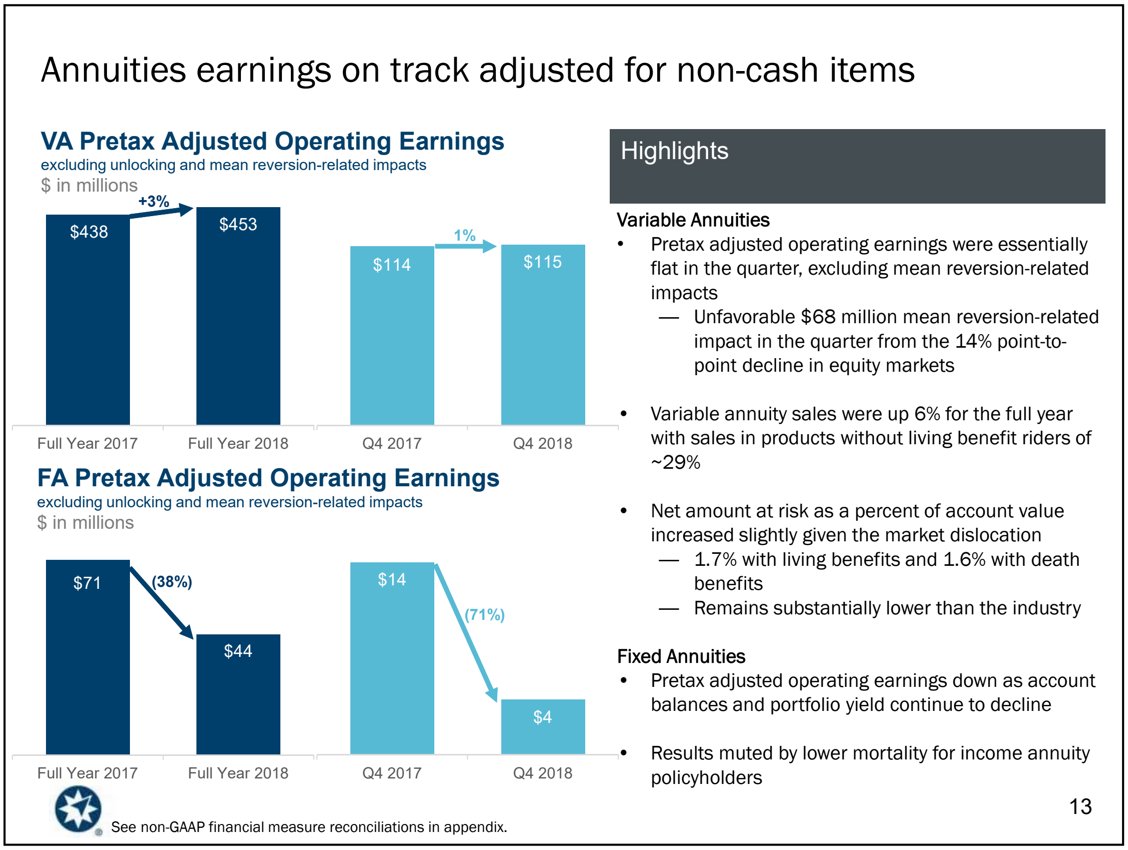
Let me explain the year-over-year change first. Of the $57 million decline, approximately 40% was related to the $28 million benefit from performance fees and CLO unwinds in the year ago period compared to just $5 million this quarter. And the business absorbed $8 million of additional expenses associated with the development and implementation of our Brexit strategy. The remainder of the decline was primarily due to outflows.

On a sequential basis, earnings declined $44 million, of which approximately 35% was related to lower performance fees and the one-time expenses associated with Brexit. Normalizing for these two items, earnings were down 16%, primarily from markets.

Revenues were $706 million, also reflecting the impact of markets and lower performance fees. The fee rate in the quarter declined to just under 52 basis points, demonstrating the fee pressure the industry is facing.

Expenses continue to be prudently managed by generating operational efficiencies and reengineering, which is funding growth investments and higher regulatory costs in Europe. Excluding the one-time Brexit expenses in the quarter and the lower performance fee compensation, G&A expenses were down 6%, demonstrating our commitment to expense discipline in the challenging revenue environment. We anticipate adjusting our ongoing expense base in light of markets, while ensuring we continue to invest for future growth.

In addition, given the factors I just described, we delivered a 35% margin in the quarter.



Let’s turn to Annuities on slide 13.

In the quarter, Variable Annuities earnings were $115 million, which was essentially flat to last year after excluding mean reversion-related impacts. In the quarter there was a $68 million unfavorable mean reversion-related impact from the 14% drop in equity markets point-to-point. Based on the outsized impact and volatility from market declines, we are evaluating changing our definition of adjusted operating earnings to exclude mean reversion-related impacts, consistent with others in the industry.

Variable Annuities continue to be in outflows, though at a slower pace than last year. Variable Annuity sales slowed a bit from the market volatility in the quarter, but remain up 6% for the full year, which is above the industry. And nearly 30% of our VA sales are in our product without living benefit riders.

It should be noted that our net amount at risk was 1.7% of account value with living benefits and 1.6% of account value with death benefits. This was up sequentially due to the change in the markets, but we believe this remains at best in class levels.

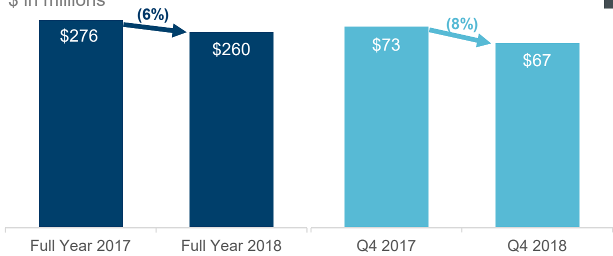
Fixed annuities pretax adjusted operating earnings declined to $4 million, reflecting the continued impact of lapses and interest rates, as well as lower mortality for income annuity policyholders.

Protection results improved substantially driven by Auto & Home

Life & Health Pretax Adjusted Operating Earnings

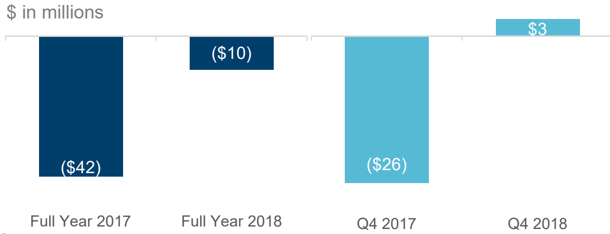
excluding unlocking and mean reversion-related impacts

$ in millions



Auto & Home Pretax Adjusted Operating Earnings

$ in millions



	Full Year 2017	Full Year 2018	Q4 2017	Q4 2018
Gross CATs	$226	$146	$60	$62
Net CATs	$122	$82	$38	$12

See non-GAAP financial measure reconciliations in appendix.

Highlights

Life & Health

- Pretax adjusted operating earnings were down 8% in the quarter from lower portfolio yields and timing-related adjustments, consistent with the full year trend
- Claims were in line with expectations for the quarter and the year
- Investment portfolio is well managed from asset class and ratings perspectives, and the duration remains defensively positioned

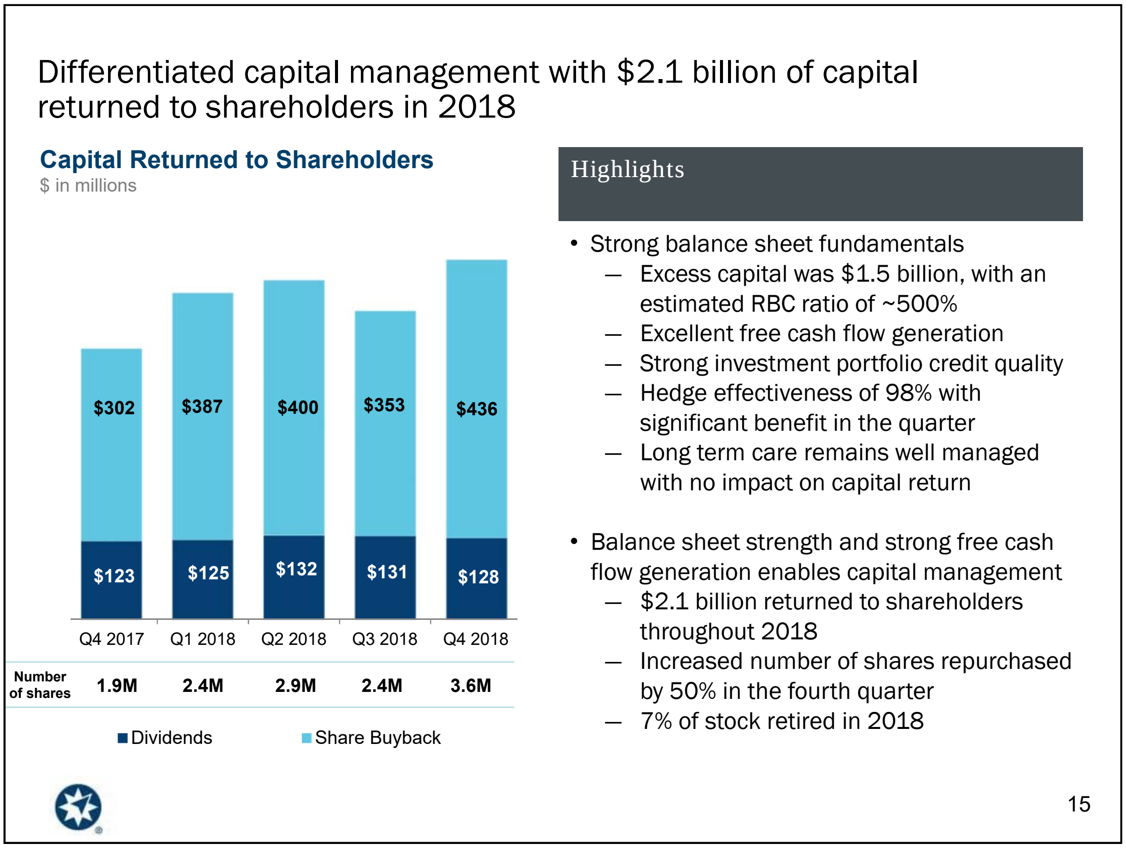
Auto & Home

- Pretax adjusted operating earnings of $3 million, including $12 million from net catastrophe losses
- Substantial benefit from reinsurance programs that mitigated CA wildfire impacts
- Favorable development from improvements to claims processes, underwriting and pricing to date has not been fully reflected in reserve estimates

Turning to Protection on slide 14.

Life & Health pretax adjusted operating earnings were $67 million reflecting lower portfolio yields and claims in line with expectations.

In the Auto & Home business, pretax adjusted operating earnings were $15 million, excluding net CAT losses. Gross CAT losses were $62 million, primarily from California wildfires. Net CAT losses were only $12 million reflecting substantial benefit from our reinsurance programs.



Let's turn to the balance sheet on slide 15.

Our balance sheet fundamentals remain strong:

- Our excess capital is approximately $1.5 billion, with an estimated RBC ratio of approximately 500 percent.
- Our hedging program has been quite effective, with weighted managed hedge effectiveness at 98 percent in the quarter.
- The investment portfolio remains strong and diversified.
- And free cash flow generation remains excellent.

We returned $2.1 billion of capital to shareholders through dividends and share repurchase in 2018. As we enter 2019, we are still targeting to return 90 to 100 percent of operating earnings to shareholders as a baseline, but we will adjust that as we assess market conditions and our valuation.

Conclusion

- Ameriprise continues to deliver strong results, led by Advice & Wealth Management
- Advice & Wealth Management continues to demonstrate profitable growth that is sustainable across market cycles
- Asset Management results were impacted by the market environment
- Business has performed well across market cycles
- Expense base is well managed and will be adjusted as needed in 2019
- Maintaining strong balance sheet fundamentals, generating significant free cash flow and returning substantial capital to shareholders

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In closing, Ameriprise delivered another strong year of financial results and organic growth, with strong client flows and productivity gains in Advice and Wealth Management.

We are focused on expense management and have the ability to adjust our expense base this year based on the revenue environment.

Finally, our balance sheet is strong and our business model generates significant free cash flow that will sustain our differentiated capital return.

Now we will take your questions.

Reconciliation tables

Adjusted operating net revenues

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
Total net revenues	$ 3,180	$ 3,179	(0)%
Less: CIEs revenue	24	34	
Less: Net realized investment gains (losses)	11	(5)	
Less: Market impact on indexed universal life benefits	8	(2)	
Less: Market impact of hedges on investments	6	(16)	
Adjusted operating total net revenues	3,131	3,168	1%
Less: Tax impact on low income housing assets	(51)	-	
Adjusted operating total net revenues excluding tax impact	$ 3,182	$ 3,168	0%

Adjusted operating net revenues

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
Total net revenues	$ 12,132	$ 12,835	6%
Less: CIEs revenue	94	127	
Less: Net realized investment gains (losses)	46	10	
Less: Market impact on indexed universal life benefits	1	(7)	
Less: Market impact of hedges on investments	(2)	11	
Adjusted operating total net revenues	11,993	12,694	6%
Less: Tax impact on low income housing assets	(51)	-	
Less: Unlocking	(47)	78	
Adjusted operating total net revenues excluding tax impact and unlocking	$ 12,091	$ 12,616	4%

Adjusted operating net revenues

($ in millions)	YTD Q3 2017	YTD Q3 2018	% Better/ (Worse)
Total net revenues	$ 8,952	$ 9,656	8%
Less: CIEs revenue	70	93	
Less: Net realized investment gains (losses)	35	15	
Less: Market impact on indexed universal life benefits	(7)	(5)	
Less: Market impact of hedges on investments	(8)	27	
Adjusted operating total net revenues	8,862	9,526	7%
Less: Unlocking	(47)	78	
Adjusted operating total net revenues excluding unlocking	$ 8,909	$ 9,448	6%

Reconciliation tables

Adjusted operating expenses

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
Total expenses	$ 2,585	$ 2,527	2%
Less: CIEs expenses	24	35	
Less: Integration/restructuring charges	4	3	
Less: Market impact on variable annuity guaranteed benefits	34	(99)	
Less: Market impact on indexed universal life benefits	(12)	7	
Less: Market impact on fixed index annuity benefits	-	(1)	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	1	
Adjusted operating expenses	2,535	2,581	(2)%
Less: Mean reversion-related impacts	(20)	71	
Adjusted operating expenses excluding mean reversion-related impacts	$ 2,555	$ 2,510	2%

Reconciliation tables

Adjusted operating earnings per diluted share

($ in millions, except per share amounts)			Per Diluted Share	
	Q4 2017	Q4 2018	Q4 2017	Q4 2018
Net income	$ 177	$ 539	$ 1.15	$ 3.76
Less net income (loss) attributable to the CIEs	-	(1)	-	(0.01)
Integration/restructuring charges[1]	4	3	0.03	0.02
Market impact on variable annuity guaranteed benefits[1]	34	(99)	0.22	(0.69)
Market impact on indexed universal life benefits[1]	(20)	9	(0.13)	0.07
Market impact on fixed index annuity benefits[1]	-	(1)	-	(0.01)
Market impact of hedges on investments[1]	(6)	16	(0.04)	0.11
Net realized investment losses (gains)[1]	(11)	6	(0.07)	0.04
Tax effect of adjustments[2]	-	14	-	0.10
Adjusted operating earnings	178	488	1.16	3.41
Tax Act impact:				
Less: Tax impact on low income housing assets	(51)	-	(0.33)	-
Less: Tax effect of adjustments[3]	(269)	-	(1.75)	-
Total Tax Act impact	(320)	-	(2.08)	-
Excluded items:				
Less: Mean reversion-related impacts	20	(71)	0.13	(0.50)
Less: Tax effect of excluded items [2]	(7)	15	(0.04)	0.11
Total excluded items	13	(56)	0.09	(0.39)
Adjusted operating earnings excluding items	$ 485	$ 544	$ 3.15	$ 3.80
Weighted average common shares outstanding:				
Basic	151.0	141.5		
Diluted	153.8	143.2		

[1] Pretax adjusted operating adjustment.

[2] Calculated using the statutory tax rate of 35% in 2017 and 21% in 2018.

[3] Amounts represent the impact of the Tax Act including remeasurement of net deferred tax assets using the lowered corporate tax rate, repatriation tax and the tax effect of low income housing assets.

Reconciliation tables

Adjusted operating earnings per diluted share

($ in millions, except per share amounts)			Per Diluted Share	
	Full Year 2017	Full Year 2018	Full Year 2017	Full Year 2018
Net income	$ 1,480	$ 2,098	$ 9.44	$ 14.20
Less net income (loss) attributable to the CIEs	1	(1)	-	(0.01)
Integration/restructuring charges[1]	5	19	0.03	0.13
Market impact on variable annuity guaranteed benefits[1]	232	31	1.48	0.21
Market impact on indexed universal life benefits[1]	(4)	17	(0.02)	0.12
Market impact on fixed index annuity benefits[1]	-	(1)	-	(0.01)
Market impact of hedges on investments[1]	2	(11)	0.01	(0.08)
Net realized investment losses (gains)[1]	(44)	(9)	(0.28)	(0.06)
Tax effect of adjustments[2]	(67)	(10)	(0.43)	(0.07)
Adjusted operating earnings	1,603	2,135	10.23	14.45
Tax Act impact:				
Less: Tax impact on low income housing assets	(51)	-	(0.32)	-
Less: Tax effect of adjustments[3]	(269)	-	(1.72)	-
Total Tax Act impact	(320)	-	(2.04)	-
Excluded items:				
Less: Mean reversion-related impacts	83	(33)	0.53	(0.22)
Less: Unlocking	42	(58)	0.27	(0.39)
Less: Tax effect of excluded items [2]	(44)	19	(0.28)	0.12
Total excluded items	81	(72)	0.52	(0.49)
Adjusted operating earnings excluding items	$ 1,842	$ 2,207	$ 11.75	$ 14.94
Weighted average common shares outstanding:				
Basic	154.1	145.6		
Diluted	156.7	147.7		

[1] Pretax operating adjustment.

[2] Calculated using the statutory tax rate of 35% in 2017 and 21% in 2018.

[3] Amounts represent the impact of the Tax Act including remeasurement of net deferred tax assets using the lowered corporate tax rate, repatriation tax and the tax effect of low income housing assets.

Reconciliation tables

Adjusted operating return on equity

($ in millions)	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2018
Net income	$ 1,480	$ 2,098
Less: Adjustments [1]	(123)	(37)
Adjusted operating earnings	1,603	2,135
Less: Unlocking, net of tax [2]	27	(46)
Less: Mean reversion-related impacts, net of tax [2]	54	(26)
Less: Tax Act impact	(320)	-
Adjusted operating earnings excluding unlocking, mean reversion related impacts and Tax Act impact	$ 1,842	$ 2,207
Total Ameriprise Financial, Inc. shareholders' equity	$ 6,212	$ 5,735
Less: Accumulated other comprehensive income, net of tax	252	(98)
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,960	5,833
Less: Equity impacts attributable to the consolidated investment entities	-	1
Adjusted operating equity	$ 5,960	$ 5,832
Return on equity, excluding AOCI	24.8%	36.0%
Adjusted operating return on equity, excluding AOCI [3]	26.9%	36.6%
Adjusted operating return on equity, excluding AOCI, unlocking, mean reversion related impacts and Tax Act impact	30.9%	37.8%

[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; 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 35% in 2017 and 21% in 2018.

[2] After-tax is calculated using the statutory tax rate of 35% in 2017 and 21% in 2018.

[3] 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; 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 35% in 2017 and 21% in 2018.

Reconciliation tables

Protection adjusted operating net revenues

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
Adjusted operating total net revenues	$ 2,044	$ 2,206	8%
Less: Unlocking	(47)	78	
Adjusted operating total net revenues excluding unlocking	$ 2,091	$ 2,128	2%

Reconciliation tables

Mix Shift

($ in millions)	Full Year 2015	Full Year 2016	Full Year 2017	Full Year 2018
Advice & Wealth Management pretax adjusted operating earnings	$ 859	$ 910	$ 1,163	$ 1,389
Less: Unlocking	-	-	-	-
Less: Mean reversion-related impacts	-	-	-	-
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	$ 859	$ 910	$ 1,163	$ 1,389
Asset Management pretax adjusted operating earnings	$ 761	$ 621	$ 740	$ 728
Less: Unlocking	-	-	-	-
Less: Mean reversion-related impacts	-	-	-	-
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	$ 761	$ 621	$ 740	$ 728
Annuities and Protection pretax adjusted operating earnings	$ 848	$ 592	$ 926	$ 708
Less: Unlocking	42	(198)	100	(6)
Less: Mean reversion-related impacts	(13)	18	83	(33)
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	$ 819	$ 772	$ 743	$ 747
Percent pretax adjusted operating earnings from Advice & Wealth Management	35%	43%	41%	49%
Percent pretax adjusted operating earnings from Asset Management	31%	29%	26%	26%
Percent pretax adjusted operating earnings from Annuities and Protection	34%	28%	33%	25%
Percent pretax adjusted operating earnings from Advice & Wealth Management excluding unlocking and mean reversion-related impacts	35%	40%	44%	48%
Percent pretax adjusted operating earnings from Asset Management excluding unlocking and mean reversion-related impacts	31%	27%	28%	26%
Percent pretax adjusted operating earnings from Annuities and Protection excluding unlocking and mean reversion-related impacts	34%	33%	28%	26%

Excludes Corporate & Other Segment

Reconciliation tables

Adjusted operating general and administrative expense

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
General and administrative expense	$ 833	$ 792	5%
Less: CIEs expense	-	3	
Less: Integration/restructuring charges	4	3	
Adjusted operating general and administrative expense	$ 829	$ 786	5%

Adjusted operating general and administrative expense

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
General and administrative expense	$ 3,158	$ 3,171	(0)%
Less: CIEs expense	3	7	
Less: Integration/restructuring charges	5	19	
Adjusted operating general and administrative expense	$ 3,150	$ 3,145	0%

Reconciliation tables

Adjusted operating effective tax rate

($ in millions)	Q4 2018
Pretax income	$ 652
Less: Adjustments [1]	65
Pretax adjusted operating earnings	587
Less: Mean reversion-related impacts	(71)
Pretax adjusted operating earnings excluding mean reversion-related impacts	$ 658
Income tax provision	$ 113
Less: Adjustments [2]	14
Adjusted operating income tax provision	99
Less: Tax effect of mean reversion-related impacts [2]	(15)
Adjusted operating income tax provision excluding mean reversion-related impacts	$ 114
Effective tax rate	17.3%
Adjusted operating effective tax rate	16.9%
Adjusted operating effective tax rate excluding mean reversion-related impacts	17.3%

[1] Adjustments reflect 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; 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.

[2] Calculated using the statutory tax rate of 21%.

Reconciliation tables

Advice & Wealth Management adjusted operating net revenues (trailing 12 months)

($ in millions)	TTM Q4 2017	TTM Q4 2018
Adjusted operating total net revenues	$ 5,616	$ 6,189
Less: Net impact of transitioning advisory accounts to share classes without 12b-1 fees	60	40
Adjusted operating total net revenues normalized for 12b-1 impact	$ 5,556	$ 6,149

Asset Management adjusted operating general and administrative expense

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
Adjusted operating general and administrative expense	$ 348	$ 316	9%
Less: Performance fee and CLO compensation	21	2	
Less: Brexit-related costs	-	8	
Adjusted operating general and administrative expense excluding items	$ 327	$ 306	6%

Reconciliation tables

Asset Management net pretax adjusted operating margin

($ in millions)	Q4 2018
Adjusted operating total net revenues	$ 706
Less: Distribution pass through revenues	180
Less: Subadvisory and other pass through revenues	81
Net adjusted operating revenues	$ 445
Pretax adjusted operating earnings	$ 153
Less: Adjusted operating net investment income	2
Add: Amortization of intangibles	4
Net adjusted operating earnings	$ 155
Pretax adjusted operating margin	21.7%
Net pretax adjusted operating margin	34.8%

Reconciliation tables

Asset Management pretax adjusted operating earnings

($ in millions)	Q3 2018	Q4 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 197	$ 153	(22)%
Less: Performance fees	14	5	
Less: Brexit-related costs	(2)	(8)	
Pretax adjusted operating earnings excluding items	$ 185	$ 156	(16)%

Reconciliation tables

Variable annuities pretax adjusted operating earnings

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 134	$ 47	(65)%
Less: Mean reversion-related impacts	20	(68)	
Pretax adjusted operating earnings excluding mean reversion-related impacts	$ 114	$ 115	1%

Variable annuities pretax adjusted operating earnings

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 639	$ 427	(33)%
Less: Unlocking	120	5	
Less: Mean reversion-related impacts	81	(31)	
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	$ 438	$ 453	3%

Fixed annuities pretax adjusted operating earnings

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 71	$ 38	(46)%
Less: Unlocking	-	(6)	
Pretax adjusted operating earnings excluding unlocking	$ 71	$ 44	(38)%

Reconciliation tables

Life & Health pretax adjusted operating earnings

($ in millions)	Q4 2017	Q4 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 73	$ 64	(12)%
Less: Mean reversion-related impacts	-	(3)	
Pretax adjusted operating earnings excluding mean reversion-related impacts	$ 73	$ 67	(8)%

Life & Health pretax adjusted operating earnings

($ in millions)	Full Year 2017	Full Year 2018	% Better/ (Worse)
Pretax adjusted operating earnings	$ 258	$ 253	(2)%
Less: Unlocking	$ (20)	$ (5)	
Less: Mean reversion-related impacts	2	(2)	
Pretax adjusted operating earnings excluding unlocking and mean reversion-related impacts	$ 276	$ 260	(6)%