



Ameriprise Financial

Second Quarter 2020 Conference Call

July 30, 2020

Forward-looking statements

Some of the statements made in our July 29, 2020 earnings release and/or in this July 30, 2020 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of July 30, 2020. 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 29, 2020 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, 2019 as well as our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. 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 29, 2020 and may be revised in our Form 10-Q for the quarter ended June 30, 2020.

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 and can be found on our website at www.ir.ameriprise.com.

Consolidated results

GAAP	Q2 2020	Q2 2019	Over/(Under)
Net Revenues (\$M)	\$2,712	\$3,245	(16%)
Expenses (\$M)	\$3,238	\$2,658	(22%)
Net Income (\$M)	\$(539)	\$492	NM
Diluted EPS	\$(4.31)	\$3.57	NM
ROE, ex. AOCI ⁽¹⁾	41.7%	33.1%	860 bps

Adjusted Operating	Q2 2020	Q2 2019 ⁽³⁾	Over/(Under)
Net Revenues (\$M)	\$2,765	\$3,247	(15%)
Expenses (\$M)	\$2,188	\$2,574	15%
Earnings (\$M) ⁽²⁾	\$333	\$560	(41%)
Diluted EPS ⁽²⁾	\$2.64	\$4.06	(35%)
ROE, ex. AOCI ⁽¹⁾	35.6%	37.1%	(150) bps

(1) Calculated on a trailing 12 month basis.

(2) Includes an unfavorable tax reversal of \$144 million or \$1.14 per diluted share.

(3) Includes \$295 million of revenue and \$281 million of expense related to the Auto & Home business, which was sold on October 1, 2019.

Excluding Auto & Home, net revenue declined 6% and expenses were favorable 5%.

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Q2 2020 Business & Financial Results

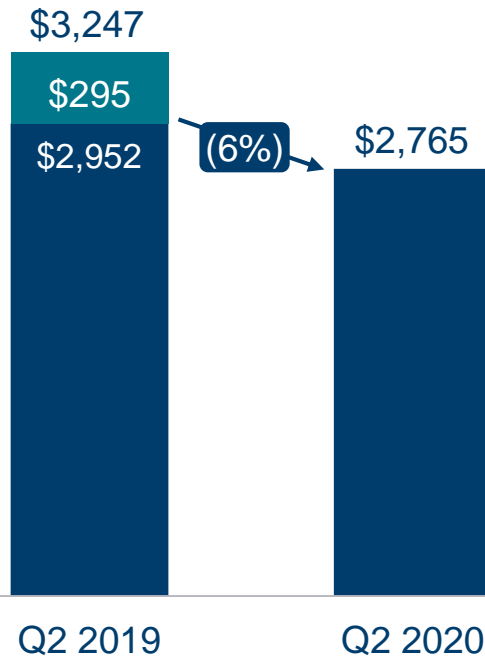
Walter Berman
Chief Financial Officer

Strong performance in a challenging environment

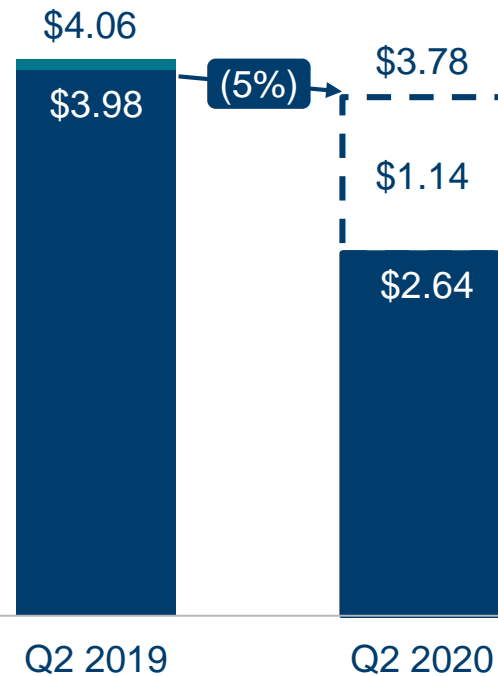
- Significant headwinds from rates, markets and the pandemic
- Adjusted operating EPS of \$2.64 reflects the challenging environment, as well as the reversal of the first quarter tax benefit; negative impact of interest rates and tax reversal was \$1.90
- Strong organic growth with flows in Advice & Wealth Management and Asset Management
- Continued to demonstrate strong balance sheet and risk fundamentals
 - Meeting client and advisor needs consistently while operating remotely
 - Strong generation of free cash flow and excess capital position of \$1.9 billion

Strong underlying business performance adversely impacted by external headwinds and tax reversal

Adjusted Operating Total Net Revenue
\$ in millions



Adjusted Operating EPS¹



■ Continued Operations ■ Auto & Home

■ Continued Operations ■ Auto & Home

□ NOL Impact

- Financial performance impacted by:
 - Full impact of lower interest rates
 - Lower average equity markets
 - Reduced transactional activity
 - Reversal of the tax benefit realized in the first quarter
- Underlying business trends were strong even during the pandemic:
 - Solid organic growth and flows
 - Expense discipline
 - Strong capital return

(1) Excluding Q2 2020 NOL tax reversal of \$144 million
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Strong balance sheet fundamentals and risk management foundation

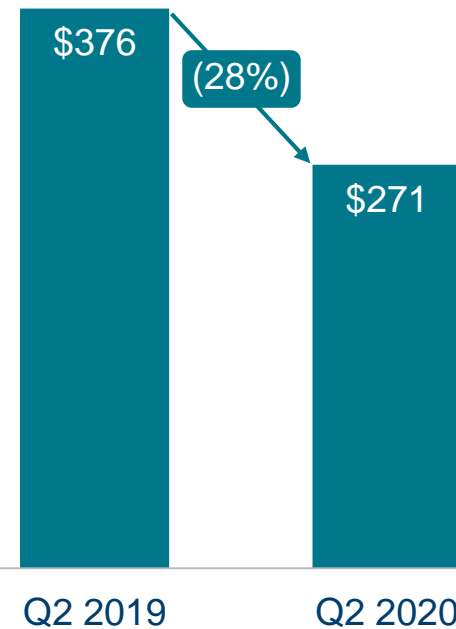
		Q2 2020
Balance Sheet & Enterprise Risk Management	Liquidity	<ul style="list-style-type: none"> Enterprise wide liquidity of \$7.1 billion Parent Company liquidity of \$2.7 billion
	Return to Shareholders	<ul style="list-style-type: none"> Year-to-date free cash flow generation of ~100% Dividends to shareholders of \$131 million Resumed buyback with \$251 million returned in the quarter
	Excess Capital	<ul style="list-style-type: none"> Remained strong at \$1.9 billion
	Owned Asset Portfolio	<ul style="list-style-type: none"> Defensively positioned, diversified portfolio with AA- average rating <ul style="list-style-type: none"> Performed well with minimal impairments Net unrealized gain position of \$2.1 billion
	Hedging	<ul style="list-style-type: none"> 95% effective
	Operational Risk Management	<ul style="list-style-type: none"> Meeting client needs while 95% of workforce working from home Executing initial phase of return to work in Q3
Business	Financials & Metrics	<ul style="list-style-type: none"> Impacted by markets in March and cautious client sentiment Strong AWM and AM flow trends continued following period of market dislocation No impact on life insurance mortality; significant reinsurance coverage Favorable LTC impact from fewer clients entering nursing homes and increased mortality-related terminations from clients on claim

AWM delivered strong organic growth and flows amidst disruptive environment

Adjusted Operating
Total Net Revenues
\$ in millions



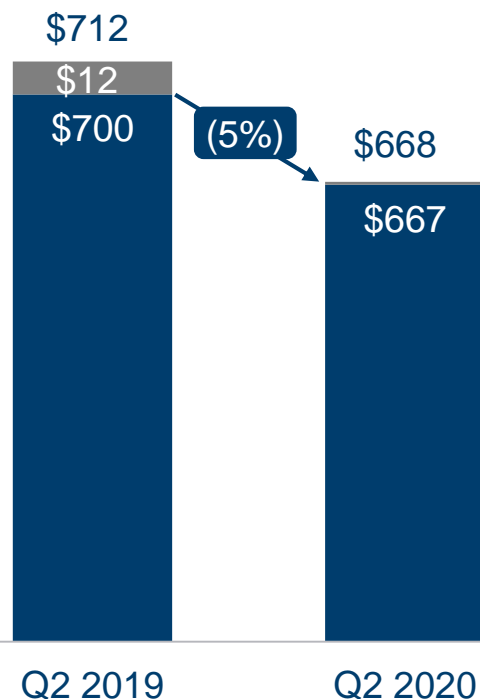
Pretax Adjusted
Operating Earnings
\$ in millions



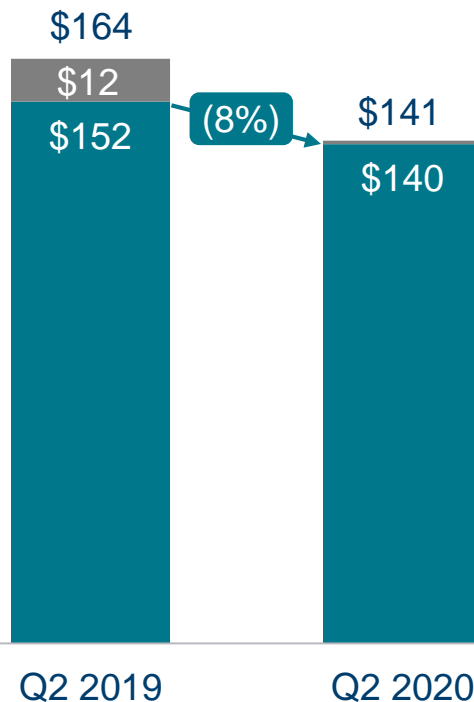
- Continued strong business trends:
 - Very good client flows with wrap net inflows of \$4.9 billion
 - Advisor productivity improved 5%
 - Excellent recruiting trends with 75 new highly productive experienced advisors
- Headwinds for financial results created by lower:
 - Rates on brokerage cash and net investment income
 - Average equity markets; however, based on our billing methodology markets were down 5%
 - Transactional activity from slowing insurance and annuity sales related to the pandemic and volatile markets
- Expenses declined 1%
 - Distribution expenses were down 1%
 - G&A expenses were in line with expectations, up 1% as investments for future growth were partially offset by ongoing reengineering
- Pretax adjusted operating margin of 18%

Asset Management delivered positive net flows and achieved targeted profitability

Adjusted Operating Total Net Revenues
\$ in millions



Pretax Adjusted Operating Earnings
\$ in millions

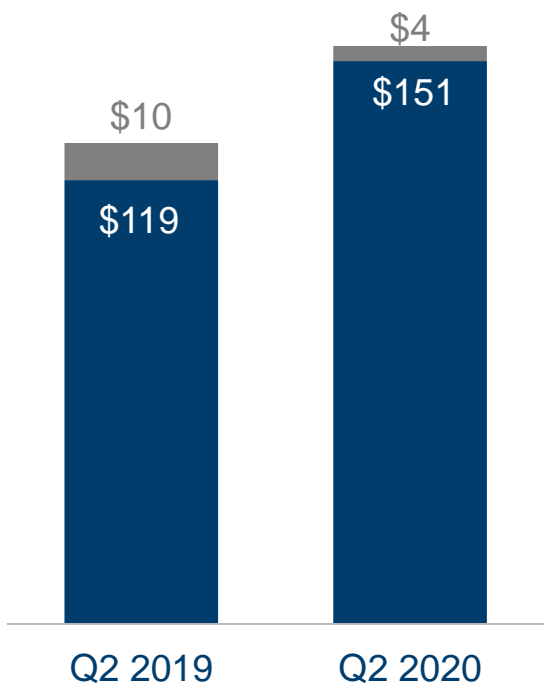


■ Performance Fees

- Revenue and earnings were within expectations reflecting:
 - Strong net inflows in the quarter with favorable mix shift
 - Average equity markets down 3%
 - Elevated performance fees last year
 - Prior period net outflows
 - Continued strong expense discipline
- Pretax adjusted operating margin of 35%

Annuities and Protection continued to perform within expectations and generate substantial free cash flow

Annuities Pretax Adjusted Operating Earnings
\$ in millions



■ Variable Annuities ■ Fixed Annuities

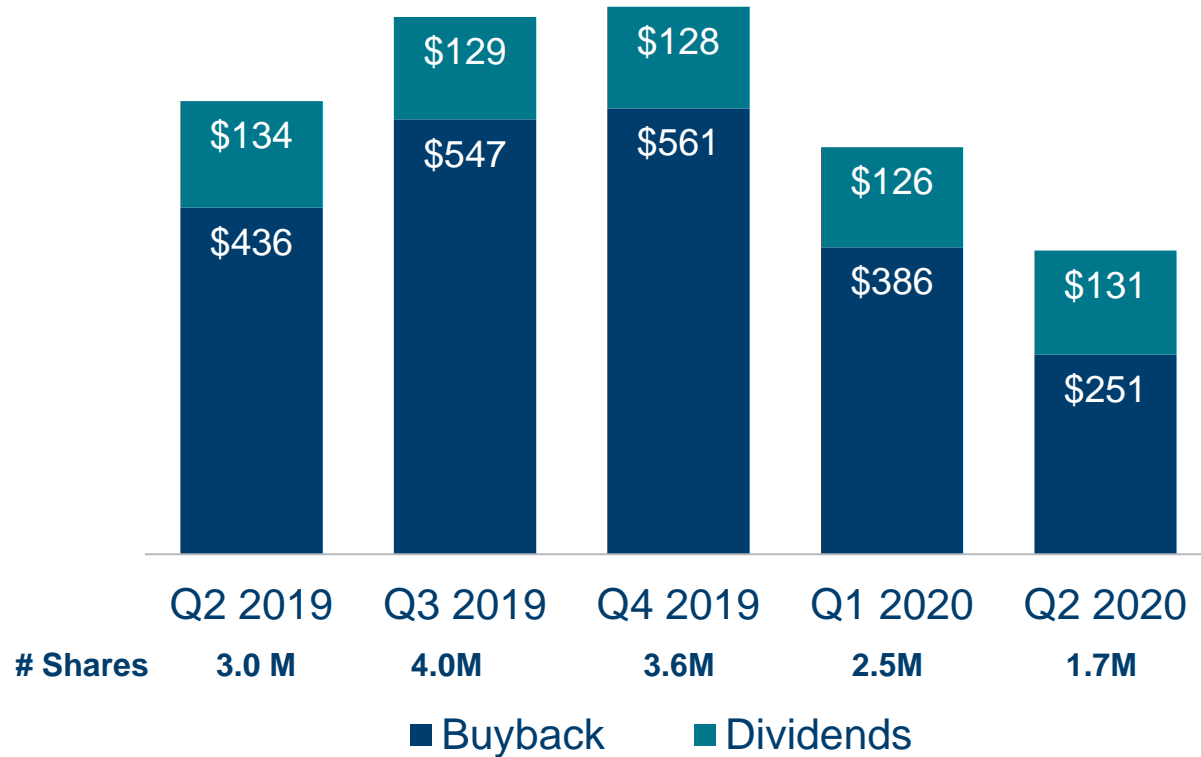
Protection Pretax Adjusted Operating Earnings
\$ in millions



- Results were in line with expectations in this market environment
 - Lower sales volume given the impact of market volatility on product sales
 - Launch of the new structured VA product contributed to over half of VA sales being without living benefit guarantees
 - VA earnings increased driven by lower surrenders and withdrawals and a decline in sales
 - Protection earnings favorable reflecting favorable claims
 - Continued strong free cash flow generation and effective risk management strategies

Strong balance sheet and free cash flow generation support continued capital return

Capital Returned to Shareholders
\$ in millions



- Strong balance sheet fundamentals
 - \$2.7 billion of parent company liquidity
 - Free cash flow generation of ~100% year-to-date
 - \$1.9 billion of excess capital
 - AA- rated investment portfolio positioned well to navigate stress scenarios
 - Highly effective hedging program
 - Excellent operational risk management foundation with tools and technology that continue to support effective remote operations
- Strong adjusted operating ROE of 36%
- Resumed buyback in early May and working back toward normalized capital return with \$382 million returned to shareholders in the quarter
- Returned ~90% of earnings to shareholders in the first half of the year

Reconciliation tables

Adjusted operating net revenues

(\$ in millions)	Q2 2019	Q2 2020	% Over/ (Under)
Total net revenues	\$ 3,245	\$ 2,712	(16)%
Less: CIEs revenue	24	15	
Less: Net realized investment gains (losses)	-	(3)	
Less: Market impact on indexed universal life benefits	(8)	(66)	
Less: Mean Reversion related impacts	-	1	
Less: Integration/restructuring charges	-	-	
Less: Market impact of hedges on investments	(18)	-	
Adjusted operating total net revenues	3,247	2,765	(15)%
Less: Auto & Home net revenues	295	-	
Adjusted operating total net revenues excluding Auto & Home	<u>\$ 2,952</u>	<u>\$ 2,765</u>	(6)%

Adjusted operating expenses

(\$ in millions)	Q2 2019	Q2 2020	% Over/ (Under)
Total expenses	\$ 2,658	\$ 3,238	(22)%
Less: CIEs expenses	23	15	
Less: Integration/restructuring charges	2	2	
Less: Market impact on variable annuity guaranteed benefits	60	988	
Less: Market impact on indexed universal life benefits	18	56	
Less: Market impact on fixed index annuity benefits	(1)	3	
Less: Mean reversion related impacts	(18)	(13)	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	(1)	
Adjusted operating expenses	2,574	2,188	15%
Less: Auto & Home expenses	281	-	
Adjusted operating expenses	<u>\$ 2,293</u>	<u>\$ 2,188</u>	5%

Reconciliation tables

Adjusted operating earnings per diluted share

(\$ in millions, except per share amounts)

	Q2		Per Diluted Share		% Over/ (Under)
	2019	2020	2019	2020	
Net income	\$ 492	\$ (539)	\$ 3.57	\$ (4.31)	NM
Add: Basic to diluted share conversion	-	-	-	0.04	
Less: Net income (loss) attributable to the CIEs	1	-	0.01	-	
Add: Integration/restructuring charges ⁽¹⁾	2	2	0.01	0.02	
Add: Market impact on variable annuity guaranteed benefits ⁽¹⁾	60	988	0.44	7.83	
Add: Market impact on indexed universal life benefits ⁽¹⁾	26	122	0.19	0.97	
Add: Market impact on fixed index annuity benefits ⁽¹⁾	(1)	3	(0.01)	0.02	
Add: Mean reversion related impacts ⁽¹⁾	(18)	(14)	(0.13)	(0.12)	
Add: Market impact of hedges on investments ⁽¹⁾	18	-	0.13	-	
Less: Net realized investment (losses) gains ⁽¹⁾	-	(2)	-	(0.02)	
Add: Tax effect of adjustments ⁽²⁾	(18)	(231)	(0.13)	(1.83)	
Adjusted operating earnings	\$ 560	\$ 333	\$ 4.06	\$ 2.64	(35)%
Less: Pretax impact of Auto & Home core results	14	-	0.10	-	
Less: Tax effect of Auto & Home core results	(3)	-	(0.02)	-	
Adjusted operating earnings excluding Auto & Home	\$ 549	\$ 333	\$ 3.98	\$ 2.64	(34)%
Add: Reversal of the NOL from Q1	-	\$ 144	-	1.14	
Adjusted operating earnings excluding Auto & Home	\$ 549	\$ 477	\$ 3.98	\$ 3.78	(5)%
Weighted average common shares outstanding:					
Basic	136.1	125.0			
Diluted	138.0	126.2			

⁽¹⁾ Pretax adjusted operating adjustment.

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

Reconciliation tables

Advice & Wealth Management adjusted operating general and administrative expenses

(\$ in millions)	Q2	Q2	% Over/ (Under)
	2019	2020	
Adjusted operating general and administrative expense	\$ 348	\$ 350	(1)%
Less: Bank general and administrative expenses	6	12	
Adjusted operating general and administrative expense excluding items	<u>\$ 342</u>	<u>\$ 338</u>	1%

Reconciliation tables

Asset Management net pretax adjusted operating margin

(\$ in millions)	Q2	Q2
	2019	2020
Adjusted operating total net revenues	\$ 712	\$ 668
Less: Distribution pass through revenues	186	177
Less: Subadvisory and other pass through revenues	81	76
Net adjusted operating revenues	<u>\$ 445</u>	<u>\$ 415</u>
Pretax adjusted operating earnings	\$ 164	\$ 141
Less: Adjusted operating net investment income	3	1
Add: Amortization of intangibles	4	3
Net adjusted operating earnings	<u>\$ 165</u>	<u>\$ 143</u>
Pretax adjusted operating margin	23.0%	21.1%
Net pretax adjusted operating margin	37.1%	34.5%

	Q2	Q2	% Over/ (Under)
	2019	2020	
Net adjusted operating revenues	\$ 712	\$ 668	(6)%
Less: Performance fee adjustment	12	-	
Net adjusted operating revenues	<u>\$ 700</u>	<u>\$ 668</u>	(5)%
Net adjusted operating earnings	\$ 164	\$ 141	(14)%
Less: Performance fee adjustment	12	1	
Net adjusted operating earnings	<u>\$ 152</u>	<u>\$ 140</u>	(8)%

Reconciliation tables

Adjusted operating return on equity

(\$ in millions)	Twelve Months Ended June 30, 2019	Twelve Months Ended June 30, 2020
Net income	\$ 1,929	\$ 2,503
Less: Adjustments ⁽¹⁾	(229)	371
Adjusted operating earnings	\$ 2,158	\$ 2,132
Less: Auto & Home, net of Tax ⁽²⁾	21	(8)
Adjusted operating earnings excluding Auto & Home	\$ 2,137	\$ 2,140
Total Ameriprise Financial, Inc. shareholders' equity	\$ 5,742	\$ 6,190
Less: Accumulated other comprehensive income, net of tax	(82)	194
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,824	5,996
Less: Equity impacts attributable to the consolidated investment entities	1	-
Adjusted operating equity	\$ 5,823	\$ 5,996
Return on equity, excluding AOCI	33.1%	41.7%
Adjusted operating return on equity, excluding AOCI ⁽³⁾	37.1%	35.6%
Adjusted operating return on equity, excluding AOCI and Auto & Home	36.7%	35.7%

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; gain on disposal of business; 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⁾ After-tax is calculated using the statutory tax rate of 21%.

⁽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; mean reversion related impacts; gain on the disposal of business; 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%.