



Ameriprise Financial Third Quarter 2009 Conference Call

October 22, 2009

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Forward-looking statement

Some of the statements made in our October 21, 2009 earnings release and/or in this October 22, 2009 presentation constitute forward-looking statements. These statements reflect management's estimates, beliefs and expectations, and speak only as of October 22, 2009. 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 October 21, 2009 earnings release, a complete copy of which is available on our website, under the heading "Forward-Looking Statements" in our Form 8-K dated October 21, 2009 on file with the SEC, and under the heading "Risk Factors" and elsewhere in our 2008 10-K report, also on file with the SEC. 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 third quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of October 21, 2009 and may be revised in our Form 10-Q for the Quarterly Period ended September 30, 2009.

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Jim Cracchiolo, Chairman and CEO

Good morning. Thanks for joining us for our third quarter earnings discussion—and thank you for adjusting to this new time for our conference call. We thought we would give you a bit more time to understand the numbers so that we can focus our call on our strategy and progress.

As our results demonstrate, the company continues to emerge from a very difficult period in excellent condition. Throughout the financial crisis, our balance sheet strength enabled us to continue to invest while others retrenched. Now, with two quarters of stable and rising markets behind us, we're beginning to see improving traction in key business metrics, and we're regaining the earnings power that our diversified model provides.

We're also seeing positive trend lines across our segments. Retail activity is beginning to improve as our clients are starting to gain confidence and beginning to re-enter the equity market. We haven't returned to the activity levels we had before the crisis, but the progress we're seeing is positive. As a result of the stronger markets and increased flows, our asset levels are growing significantly, which is providing increased earnings leverage. In fact, our total owned, managed and administered assets increased to \$440 billion at quarter end, an 11 percent increase over the sequential quarter. Just as important, our client and advisor retention both remain at very high levels, and the core of our business—our client-advisor relationships—remains strong.

We're also making good progress in integrating the acquisitions we made last year. The Seligman integration is essentially complete, and we're beginning to see improving asset flows in those funds, along with solid growth in our hedge fund business. The H&R Block Financial Advisors integration is also proceeding according to plan, and we are in the process of completing systems conversions. That acquisition has given us the opportunity to re-engineer our employee advisor platform, and we believe that group will now have the ability to deliver stronger economics over time.

At the same time, our strong foundation and prudent operating principles continue to serve us well. The balance sheet remains in excellent condition. In fact, we swung to a net unrealized gain position during the quarter. And because we pre-funded our acquisition, we will be able to execute the Columbia Management transaction and still maintain significant capital flexibility, with strong excess capital and liquidity positions. In addition, we're continuing to reduce expenses, and we are on pace to exceed our goal of \$350 million in re-engineering savings this year.

Overall, I'm comfortable with our earnings trends, and I'm confident in our ability to capitalize on the opportunities we've created for the company.

Now, before Walter gives you more detail on the numbers for the quarter, I'd like to provide some insight into our operating segments. Importantly, all four of our segments were profitable in the quarter.

First, in Advice & Wealth Management, our client assets increased 11 percent sequentially, which was driven by rising markets and net inflows. In terms of client activity, as I said, we are seeing improvements, and the pattern has been consistent with our expectations. We knew from past experience that it usually takes retail clients about six months to return to the markets after a market downturn, and we're around that six-month point now. Given the severity of this crisis, we are not surprised that activity is coming back slowly. Over time, as clients continue to gain confidence and redeploy cash into the equity markets, this shift will provide an additional earnings lever for us.

As a result of clients remaining conservative, cash balances remain high in client accounts. Because of the very low short-term interest rates, the cash balances are not earning significant spreads, and this has created a drag on earnings. If short rates begin to rise, we would see a nice benefit.

When clients are accepting more risk, they're tending to look for products that give them diversity and flexibility. During the quarter, we introduced a new product—Active Diversified Portfolios—that is meeting this need. It's the second product in our Active Portfolios series, and it has generated strong demand.

In our advisor group, we are beginning to derive benefits from our experienced advisor recruits, who are succeeding at bringing their books of business to Ameriprise. Clearly, we were able to recruit a higher-than-expected number of advisors as we took advantage of the turmoil in the industry earlier this year. Now that conditions are calmer, recruiting has slowed. We've also reduced the pipeline of advisors coming to Ameriprise as we roll out a new brokerage platform and complete the Block acquisition. Once we have our employee advisor group fully integrated into one broker-dealer, operating on one new brokerage platform, we think we'll present an even more compelling value proposition for experienced advisors.

Now I'll turn to asset management, where we generated total net inflows of \$2.3 billion. In domestic asset management, sales of mutual funds are beginning to increase and redemptions have remained steady, which has allowed us to return to net inflows in domestic retail funds. We've also won some important institutional mandates; and our third party distribution, which has been slow, is starting to gain traction again.

Overseas, Threadneedle continues to perform very well, with strong net inflows across its businesses, even with continued Zurich outflows.

In terms of investment performance, domestic performance continued its positive trend in the quarter, with improvements across equities and fixed income, and in both retail and institutional. Most of our funds remained positioned for a recovery, and as a result, all of our asset-weighted performance numbers improved versus the sequential quarter. At Threadneedle, performance remained excellent, with 90 percent of equity funds above their peer medians for three years.

The quarter was highlighted, of course, by our announcement of the Columbia Management acquisition. We continue to feel very good about the financial and strategic possibilities Columbia will give us, and about the cultural fit of the two organizations. Columbia's employees and clients have received the combination very well, and the business continues to perform at a high level. In fact, the long-term assets we will acquire have appreciated to \$184 billion at quarter end. We remain confident that we will be able to execute the transaction efficiently, and that we'll be able to deliver on our financial projections for the deal.

Turning to annuities, we're continuing to drive strong results, and I feel good about the direction of that business.

In variable annuities, asset balances increased 13 percent sequentially, primarily from market appreciation. Net flows remained positive despite slow sales, as clients remained reluctant to enter long-dated contracts. We think sales will pick up as conditions continue to improve, and as two new products launched during the quarter gain traction. The new *Secure Source* riders are designed to meet current client interests while preserving strong returns for the company.

Our variable annuity hedging program continued to perform well in the quarter, and DAC unlocking demonstrated the strong underlying fundamentals of the VA book.

In fixed annuities, our balances were up 25 percent compared with a year ago. During the quarter, we lowered our rates in response to the spread environment, which resulted in lower sales. On the other hand, the growth in fixed annuity balances that resulted from strong sales over the previous several quarters is now generating solid returns.

In the insurance business, sales continue to be a challenge for the industry. In general, we are seeing clients still opting for fixed products rather than variable, and sales are trending up, but they're still below last year. Total VUL and UL sales increased by 22 percent sequentially but were down 4 percent compared with a year ago. Importantly, our book of business in the protection segment remains solid.

We're also continuing to introduce innovative insurance products in response to current conditions. During the quarter we launched a new optional rider on permanent single life policies to help clients manage costs associated with chronic care, and we're seeing good initial traction in this product.

In addition, our auto and home business continued to generate solid growth, driven by an 8 percent increase in policy count over a year ago. This business has generated very consistent growth, and it continues to produce nice margins.

Overall, as I look across our businesses, I'm starting to see improvements in client activity and, along with that, we're realizing improved asset flows and nice growth in asset balances from the rising market.

At the same time, our solid financial foundation continues to support our model and our growth objectives. Because of our strong capital base and our continuing focus on expense control, the company is in excellent position to navigate various market and economic conditions. If markets continue to improve, we have substantial flexibility to invest in future growth or to return capital to shareholders as appropriate. And we have a lower expense base to help us drive earnings growth.

To summarize, I feel quite good about the direction and positioning of Ameriprise Financial. We believe in the strong earnings power inherent in our model, and we are confident that we can execute our agenda and bring that power to fruition.

Now I'll turn it over to Walter for more detail on the quarter, and after that, we'll take your questions.

Improved profitability

- Reported Net income of \$260 million vs prior year loss of \$70 million
- Core operating earnings of \$268 million, up 7%
- Key financial drivers improved in the quarter

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Walter Berman, CFO

Thanks, Jim.

We've posted slides on our website again this quarter, and they will be updated with my talking points after the call.

Please turn to slide five.

We're beginning to see improved profitability trends. Reported net income was \$260 million compared to a prior year loss of \$70 million, while core operating earnings of \$268 million were up 7%.

Core earnings growth was the result of improving fundamental drivers.

Please turn to slide six.

Third Quarter 2009 Results Reported to Core Reconciliation



	Third Quarter 2009	Third Quarter 2008
Reported EPS	<u>\$ 1.00</u>	<u>\$ (0.32)</u>
Non-core elements		
Net investment gains/(losses)	\$ 0.03	\$ (0.96)
Integration charges	(0.08)	-
DAC and DSIC benefits/(charges)	0.07	(0.13)
Variable annuity benefits	-	0.04
Other ⁽¹⁾	<u>(0.05)</u>	<u>(0.40)</u>
Total non-core elements	<u>\$ (0.03)</u>	<u>\$ (1.45)</u>
Core operating EPS	<u>\$ 1.03</u>	<u>\$ 1.13</u>
Core operating EPS - excluding 36 million shares issued to pre-fund acquisition	\$ 1.19	\$ 1.13
Effective tax rate	23.7%	

⁽¹⁾ Other includes:
RiverSource 2a-7 money market funds support costs
Expenses related to unaffiliated money funds
Debt retirement costs

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This chart reconciles reported to core EPS.

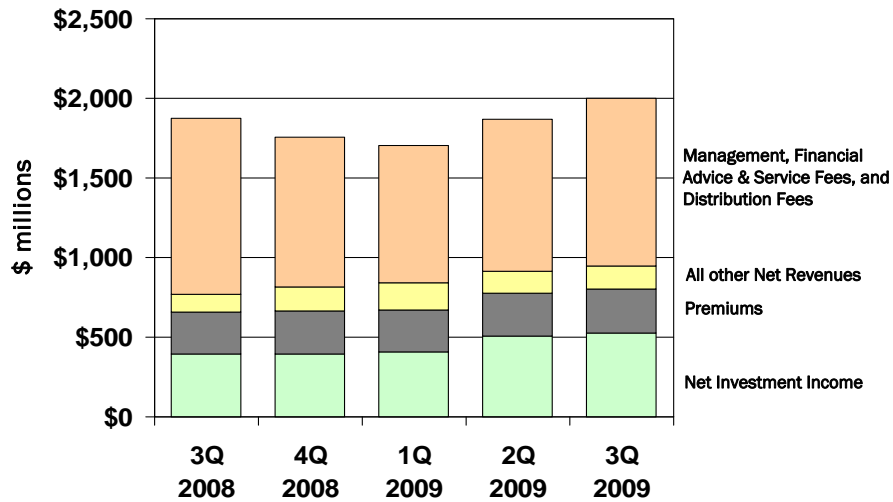
The differences were marginal this quarter, but we have continued to show this table because of the very significant market impacts on earnings last year.

In total , excluding non-core items, operating EPS declined from \$1.13 to \$1.03. However, excluding the 36 million shares issued to prefund the acquisition, EPS was up 6 cents to \$1.19.

Regarding taxes, in the 2009 quarter, we increased our forecast of full year profits, which raised the full year effective tax rate estimate to 22% from 20% at the end of the prior quarter. This catch-up is reflected in the higher, 23.7% effective tax rate for the quarter.

Turning to slide seven...

Core Net Revenue Growth*



* Adjusted for unlocking, see reconciliation on slide 14

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You can see the net revenue trends for the past five quarters, adjusted for the impact of DAC unlocking in both years.

On this basis, revenues increased by 7% compared with a year ago, and by 17% compared with the low point of the first quarter of this year. These positive trends were driven by strong underlying factors.

- First, growth in net investment income as spread product account values and earned spread rate both increase. These trend, along with our consistent insurance premiums, form a solid base for future revenues.
- Second, growth in management and distribution fees reflects equity market increases, as well as positive flows and acquisitions.

On slide eight, you can see our re-engineering progress.

Market Impacts Mitigated by Accelerated Reengineering Savings



Re-engineering savings have increasingly mitigated equity market and short term interest rate impacts

PTI impact (\$ in millions)	1Q 2009	2Q 2009	3Q 2009
Year-over-year Change in Core Pretax Earnings	(43)%	(33)%	7%
Estimated Market Impact*	\$ (214)	\$ (180)	\$ (101)
Gross Reengineering	\$60	\$110	\$120
Reengineering – Net Expense Reduction**	\$ 40	\$ 73	\$ 80
Reengineering as a % of Market Impact	19%	41%	79%

*Market impacts assume equity markets flat for the remainder of the year

**Approximately two-thirds of gross re-engineering savings are expected to fall to the bottom line

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This slide shows the increasing ability of our re-engineering program to offset the market impacts.

The estimated market impacts year-over-year are declining as a result of both the recent equity market appreciation, as well as the lower comparisons from last year.

At current equity levels, the fourth quarter 2009 daily average could actually exceed the prior year quarter, although there is still a material difference in yields available for our liquidity pool.

We have employed re-engineering to mitigate the market impacts on revenues and PTI, with about two-thirds of our re-engineering savings falling to the bottom line. The remaining one third has been reinvested in the business to support longer-term growth.

In the third quarter, re-engineering savings offset approximately 80% of the market impact. Given our intention to maintain our focus on expense management, and at current equity levels, net re-engineering benefits are expected to exceed the market impacts in the fourth quarter.

On slide nine, you can see the drivers of our unlocking.

Actuarial Valuation Assumptions: Unlocking



	3Q 2009	3Q 2008	B(W)
Unlocking impact to EPS	\$0.33	\$0.31	\$0.02

- Unlocking driven by improved assumptions:
 - Spreads
 - Persistency
 - Expenses
 - Mortality

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The detailed line items impacted by unlocking are disclosed in our statistical supplement. Bottom line, unlocking benefited core operating earnings by 33 cents per share compared to a 31 cent per share benefit last year.

The unlocking benefit was driven by improvements in the following assumptions:

- Spreads
- Persistency
- Expenses
- Mortality

If you'll turn to slide ten, I'd like to point out just a couple of things related to our VA hedging.

Effective Variable Annuity Hedging

Variable annuity benefits added \$1 million to net income. As in prior quarters, non-performance risk and basis risk offset each other.

P&L benefit/(expense)	Offsets			Pretax Impact	After-tax Impact*	EPS
	Benefit - Reserve	Benefit - DSIC	DAC			
FAS 157 - Credit Spread	\$ (116)	\$ 15	\$ 74	\$ (27)	\$ (17)	\$ (0.07)
Basis Risk	51	(5)	(21)	25	16	0.06
Subtotal	(65)	10	53	(2)	(1)	(0.01)
Other Living Benefits	(1)	-	-	(1)	(1)	-
Total Living Benefits Impact	(66)	10	53	(3)	(2)	(0.01)
Death Benefits Impact	4	-	-	4	3	0.01
Total VA Impact	\$ (62)	\$ 10	\$ 53	\$ 1	\$ 1	\$ -

* For this presentation, after-tax is calculated using the statutory tax rate of 35%

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You can see that our variable annuity hedging continues to be effective.

As in past quarters, non-performance risk and basis risk have continued to offset each other. While the non-performance risk impact was a negative \$27 million, basis risk was a positive \$25 million, for a net expense of \$2 million. The correlation is a result of the basis risk also being primarily driven by spread.

Death benefits were a positive impact in the quarter, as the equity market gains resulted in lowered reserves.

In total, the variable annuity benefits impact was immaterial in the quarter.

Slide eleven shows the major components of our unrealized gain position.

Increasing Unrealized Gains

Net unrealized gains of \$0.8 billion at September 30, 2009 improved \$1.4 billion, from a \$0.6 billion net unrealized loss position as of June 30, 2009.

Change in unrealized gain (\$ in millions) June 30, 2009 to Sept. 30, 2009	Net unrealized gain/(loss) 9/30/09	Better (Worse)	Fair Value 9/30/09
Investment Grade Corporate Debt	\$875	\$736	\$15,202
CMBS	\$185	\$183	\$4,373
High Yield Corporate Debt	\$(50)	\$123	\$1,285
State and Municipal Obligations	\$(10)	\$106	\$1,322
Prime RMBS	\$(112)	\$67	\$742
All Other	\$(89)	\$161	\$17,503
Total increase in unrealized gain	\$799	\$1,376	\$40,427

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In total, we believe the improvement reflects the high quality of the portfolio, as overall spreads narrowed and risk free rates declined during the quarter.

The primary driver of the \$1.4 billion improvement was investment grade corporates, the largest component of our available for sale portfolio, with a fair value of over \$15 billion.

The second largest driver is the CMBS segment, reflecting the overall high quality of that portfolio.

On a percentage basis, increases in fair value as a percent of cost, the biggest positive moves were in the Prime RMBS portfolio as well as the High Yield corporate portfolio.

Next, I'd like to address our balance sheet strength, on slide twelve.

Strong Balance Sheet Fundamentals and Financial Flexibility



- Excess capital more than \$2 billion
 - \$1 billion to be deployed for Columbia acquisition
 - No anticipated additional variable annuity capital requirements
- Maintaining appropriate liquidity levels
- Good invested asset performance
- Strong capital ratios
- Continued effective variable annuity hedging

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We continue to maintain more than \$2 billion in excess capital. Of that, approximately \$1 billion is expected to be deployed for the Columbia acquisition in the spring of 2010. We do not anticipate any additional variable annuity capital requirements at year end.

We will continue to maintain appropriate liquidity levels, down from prior quarters but still above early 2007 levels. The target is somewhere between \$1 to \$1.5 billion in free cash for normal market conditions.

We expect to continue to maintain strong capital ratios. Our debt to equity, excluding non-recourse debt and with 75 percent equity credit for our hybrids, is under 15 percent.

And, we expect our variable annuity hedging will continue to perform well.

I'll conclude with slide thirteen, our outlook for the remainder of the year.

Balance of 2009

Favorable balance-of-year outlook

- Anticipate continuing favorable net revenue growth trend
- Re-engineering on target, operating expenses impacted by improved profitability
- Positive profitability and return trends
- Completing prior acquisition integrations and launching Columbia integration
- Strong balance sheet fundamentals

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We have a favorable view for the balance of 2009.

Given current equity markets, flows, and our spread product base, we expect continued favorable net revenue growth trends.

We expect to end the year with re-engineering expense savings above plan, with some operating expenses impacted by improved profitability – namely, taxes and compensation.

As a result of positive net revenue trends and continued re-engineering benefits, we expect to see positive profitability and returns.

We have completed the Seligman acquisition and will be focusing on the operational consolidation of HRBFA, as well as launching the Columbia integration activities.

Finally, we expect to maintain strong balance sheet fundamentals.

In summary, we expect to exit 2009 with accelerating earnings and a very strong foundation.

With that, we'll now open it up for questions. Operator?



Reconciliation Tables for Slide 7

		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Reported	Mgmt Fees	\$ 721	\$ 607	\$ 554	\$ 606	\$ 689
	Dist Fees	376	334	311	351	367
	Mgmt & Dist Fees Subtotal	1,097	941	865	957	1,056
	NII	62	(28)	421	514	542
	Premiums	264	271	266	269	276
	Other	249	202	209	175	109
	Banking and Dep. Int. Exp.	(43)	(47)	(42)	(38)	(33)
	Other Subtotal	206	155	167	137	76
	Net Revenues	\$ 1,629	\$ 1,339	\$ 1,719	\$ 1,877	\$ 1,950
		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Adjustments (Core adjustments and unlocking)	Mgmt Fees	\$ -	\$ -	\$ -	\$ -	\$ -
	Dist Fees	12	-	-	-	-
	Mgmt & Dist Fees Subtotal	12	-	-	-	-
	NII	333	420	(15)	(6)	(14)
	Premiums	(2)	-	-	-	-
	Other	(95)	-	-	-	65
	Banking and Dep. Int. Exp.	-	-	-	-	-
	Other Subtotal	(95)	-	-	-	65
	Net Revenues	\$ 248	\$ 420	\$ (15)	\$ (6)	\$ 51
		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Core ex. unlocking	Mgmt Fees	\$ 721	\$ 607	\$ 554	\$ 606	\$ 689
	Dist Fees	388	334	311	351	367
	Mgmt & Dist Fees Subtotal	1,109	941	865	957	1,056
	NII	395	392	406	508	528
	Premiums	262	271	266	269	276
	Other	154	202	209	175	174
	Banking and Dep. Int. Exp.	(43)	(47)	(42)	(38)	(33)
	Other Subtotal	111	155	167	137	141
	Net Revenues	\$ 1,877	\$ 1,759	\$ 1,704	\$ 1,871	\$ 2,001