

Ameriprise Financial

First Quarter 2020 Conference Call

May 7, 2020

Forward-looking statements

Some of the statements made in our May 6, 2020 earnings release and/or in this May 7, 2020 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of May 7, 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 May 6, 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. 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 May 6, 2020 and may be revised in our Form 10-Q for the quarter ended March 31, 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.

Consolidated first quarter results

GAAP	Q1 2020	Q1 2019	Over/(Under)
Net Revenues (\$M)	\$3,001	\$3,118	(4%)
Expenses (\$M)	\$650	\$2,648	75%
Net Income (\$M)	\$2,036	\$395	NM
Diluted EPS	\$15.88	\$2.82	NM
ROE, ex. AOCI	59.5%	32.5%	NM

Adjusted Operating	Q1 2020	Q1 2019 ⁽¹⁾	Over/(Under)
Net Revenues (\$M)	\$2,951	\$3,118	(5%)
Expenses (\$M)	\$2,299	\$2,483	7%
Earnings (\$M)	\$694	\$525	32%
Diluted EPS	\$5.41	\$3.75	44%
ROE, ex. AOCI	39.7%	36.4%	330 bps

(1) Includes \$288 million of revenue and \$279 million of expense related to the Auto & Home business, which was sold on October 1, 2019. Excluding Auto & Home, revenue was up 4% and expenses were up 4%.

Q1 2020 Business & Financial Results

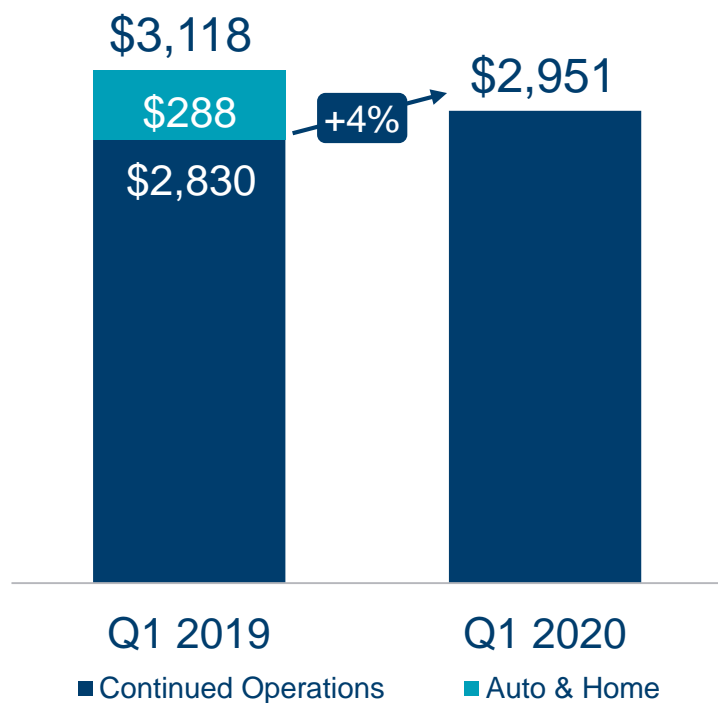
Walter Berman
Chief Financial Officer

Ameriprise delivered strong underlying first quarter performance in a challenging backdrop

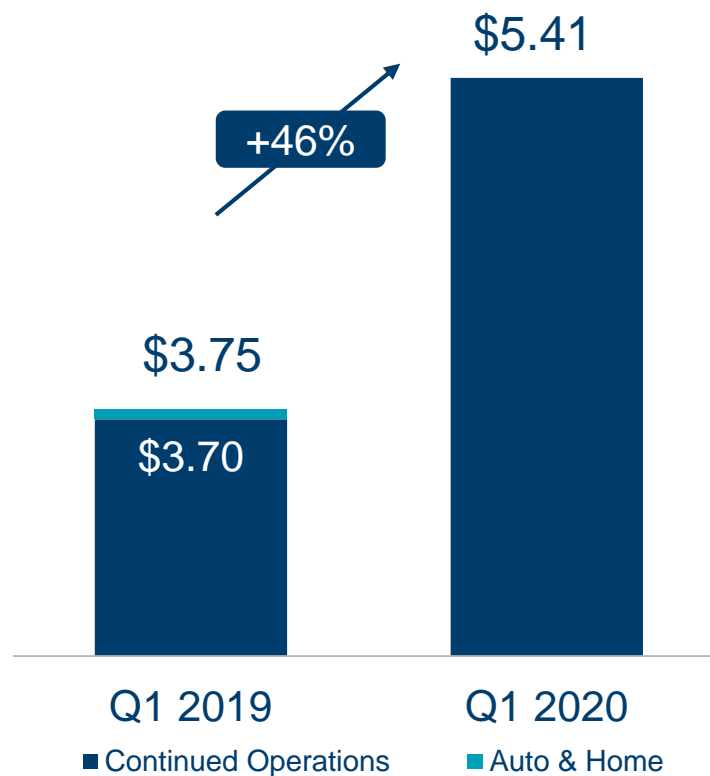
- Strong underlying business performance drove adjusted operating earnings per diluted share up 46%⁽¹⁾ to \$5.41, including a tax benefit from anticipated 2020 net operating losses (NOL)
- Delivered strong Balance Sheet fundamentals and Risk Management capabilities
- Demonstrated our ability to successfully navigate 2020 across multiple market cycles

Strong first quarter underlying performance

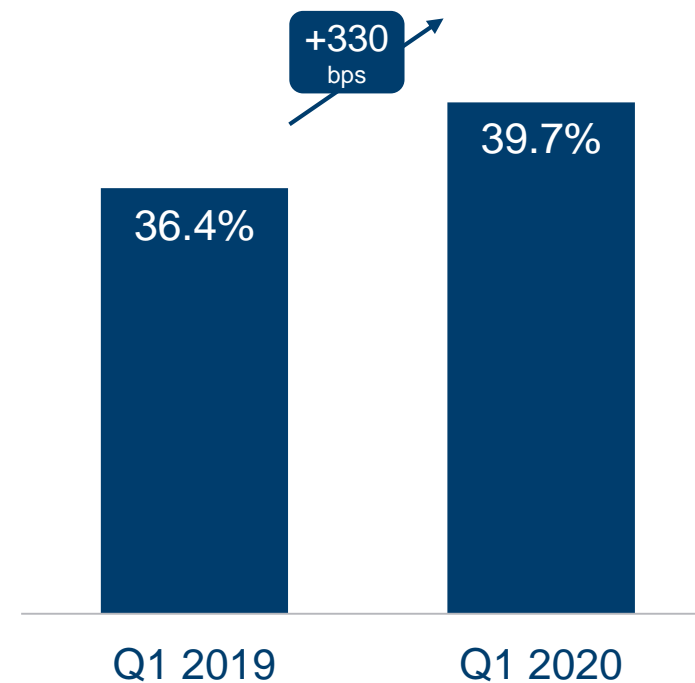
Adjusted Operating
Total Net Revenue
\$ in millions



Adjusted Operating EPS



Adjusted Operating ROE
Excluding AOCI



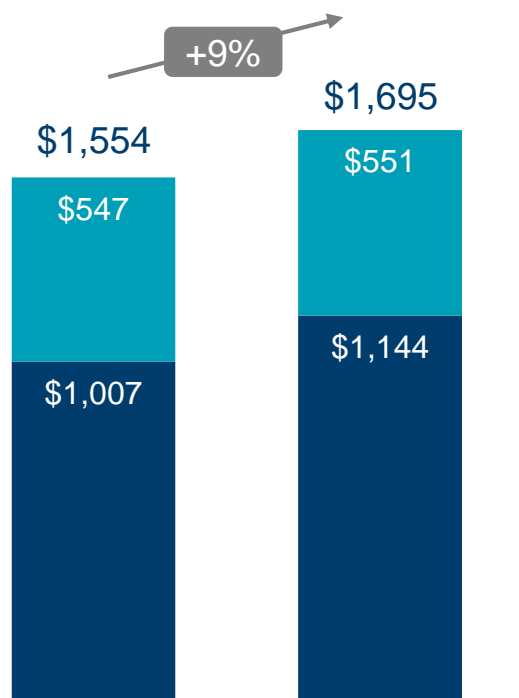
Strong balance sheet and ERM capabilities in the first quarter

Balance Sheet & Enterprise Risk Management		Q1 2020
Liquidity	Enterprise Wide: \$9 billion Holding Company: \$2 billion	
Return to Shareholders	Dividends: \$126 million Buyback: \$386 million	
Excess Capital	\$1.7 billion	
Owned Asset Portfolio	<ul style="list-style-type: none"> Defensively positioned, diversified portfolio with AA- average rating Net unrealized gain position of \$0.6 billion 	
Hedging	99% effective	
Operational Risk Management	Well managed with seamless transition of 95% working from home	
Business		Q1 2020
Financials and Metrics	<ul style="list-style-type: none"> Impacted by markets in March Strong trends prior to market dislocation 	

Advice & Wealth Management delivering strong results in challenging environment

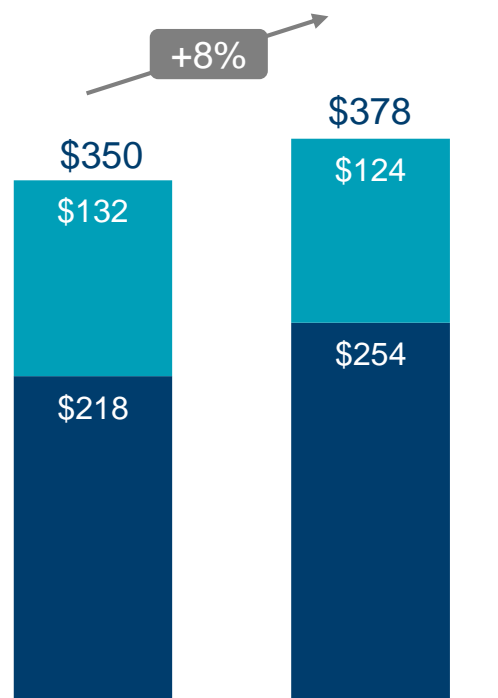
Adjusted Operating Total Net Revenues

\$ in millions



Pretax Adjusted Operating Earnings

\$ in millions



First Quarter 2020

- Pretax adjusted operating earnings increased 8% to \$378 million with a strong margin of 22.3%
- Strong 9% revenue growth as strong flows and transactional activity more than offset a \$54 million headwind from lower interest rates
- Excluding the bank, G&A expenses were up 2% demonstrating excellent expense discipline

Going forward, anticipate continued market volatility as well as the full impact from low interest rates on cash sweep

Leading indicators

- Strong advisor/client engagement
- Successful experienced advisor recruiting with shift to virtual events
- Bank rollout and spread expansion opportunity
- Maintain good expense discipline while focusing on growth opportunities

Excellent trends in Asset Management prior to market dislocation

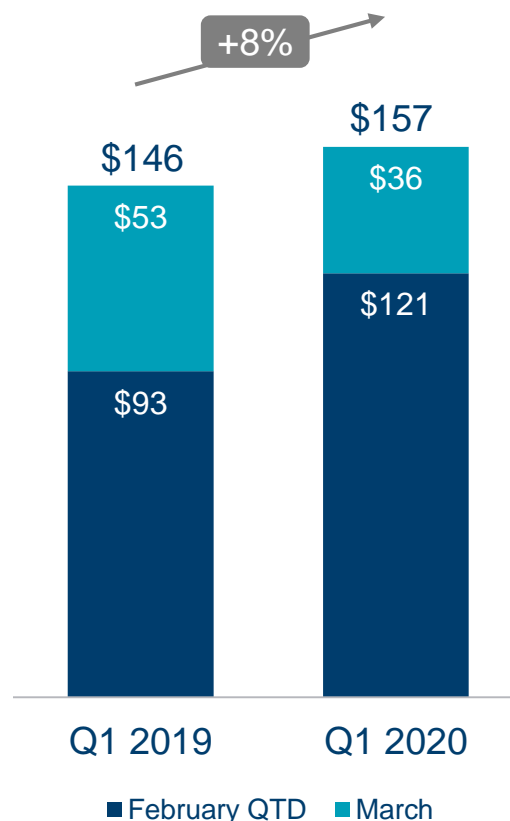
Adjusted Operating Total Net Revenues

\$ in millions



Pretax Adjusted Operating Earnings

\$ in millions



First Quarter 2020

- Strong trends in January and February with impacts from market dislocation in March with overall improved position relative to the industry
- Pretax adjusted operating earnings were \$172 million⁽¹⁾ with an adjusted margin of 37.9%
- Adjusted operating net revenue were up 2%⁽¹⁾
- Operating expenses declined 3%, reflecting continued commitment to expense discipline

Going forward, anticipate continued market volatility

Leading indicators

- Diverse product offerings with strong investment performance
- Positive gross sales trends in retail and institutional distribution globally
- Higher fee rates on inflows than outflows
- Reengineering initiatives while ensuring appropriate funding for growth investments with good payback

(1) Excluding performance fee adjustment
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Annuities and Protection continue to generate substantial free cash flow

First Quarter 2020

- Variable annuity pretax adjusted operating earnings declined to \$93 million:
 - Revenue increased marginally as market appreciation was largely offset by net outflows
 - Expenses increased from higher expected SOP reserve accruals that were compounded by market related impacts and lower DAC amortization a year ago
- Fixed annuity earnings decline reflects continued spread compression and lower account balances
- Protection earnings were stable as they are relatively immune to market movements

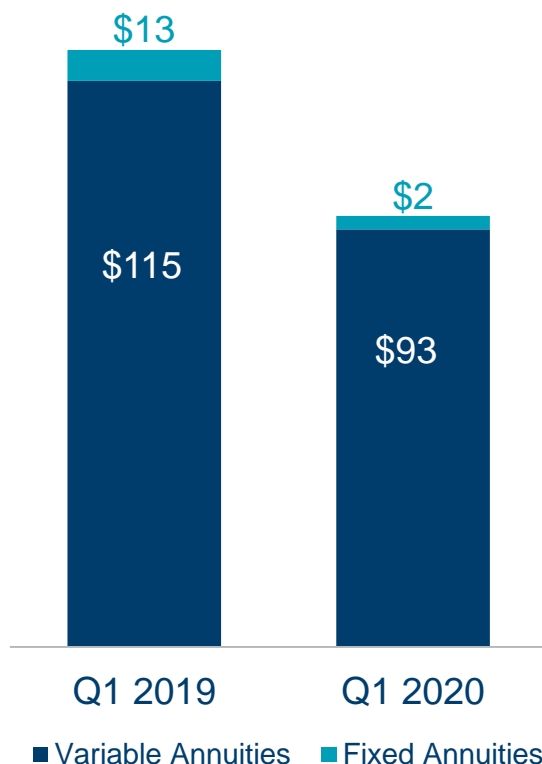
Adopted new variable annuity accounting standard VM-21

Going forward, anticipate continued market volatility and low interest rates

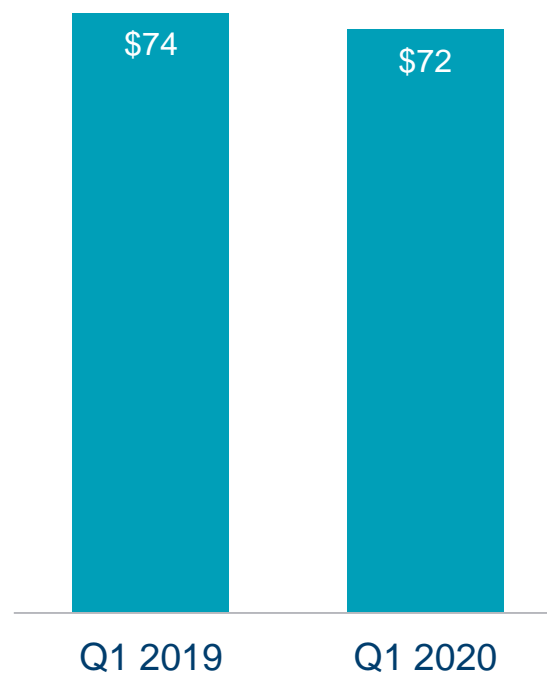
Leading indicators

- Sales of our new structured variable annuity product that meets client needs and further diversifies the block
- VA earnings expected to return to historic levels
- Underwriting and pricing changes due to market dislocation impacts in Annuities and Protection

Annuities Pretax Adjusted Operating Earnings
\$ in millions

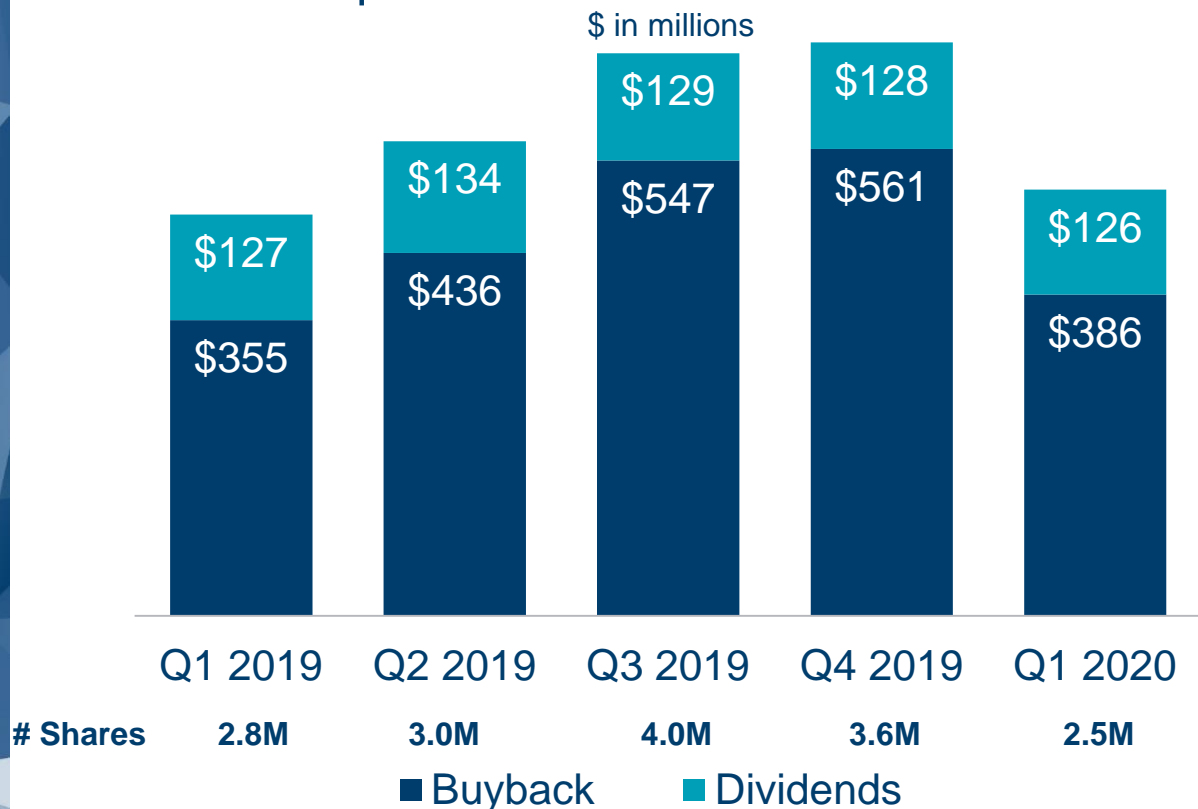


Protection Pretax Adjusted Operating Earnings
\$ in millions



Strong foundation with prudent risk management and free cash flow

Capital Returned to Shareholders



- Returned \$512 million to shareholders in the quarter
 - Paused buyback in mid-March to be prudent
- Strong balance sheet fundamentals
 - \$2 billion of parent company liquidity and solid free cash flow generation that we will maintain at strong levels
 - Strong \$1.7 billion of excess capital
 - AA- rated investment portfolio that is concentrated in defensively positioned sectors with limited exposure to sectors most impacted by COVID-19 (airlines, autos, etc.)
 - Highly effective hedging program
 - Excellent operational risk management foundation with tools and technology that support effective remote operations; will execute a return to work program as appropriate
- Strong fundamentals enable continued capital return
 - Raised our quarterly dividend to \$1.04, up 7%
 - Resume share repurchase at appropriate levels

- ✓ Sustainable profitable growth in high multiple businesses
- ✓ Maintain strong margins
- ✓ Continued ability to navigate changing environment with strong balance sheet fundamentals
- ✓ Flexibility to return capital to shareholders, invest for growth and execute M&A
- ✓ Proven track record of strong results

Ameriprise will continue to generate substantial free cash flow and return capital to shareholders

Reconciliation tables

Adjusted operating net revenues

(\$ in millions)	Q1 2019	Q1 2020	% Over/ (Under)
Total net revenues	\$ 3,118	\$ 3,001	(4)%
Less: CIEs revenue	21	16	
Less: Net realized investment gains (losses)	9	(20)	
Less: Market impact on indexed universal life benefits	(17)	55	
Less: Mean Reversion related impacts		(1)	
Less: Integration/restructuring charges	(3)	-	
Less: Market impact of hedges on investments	(10)	-	
Adjusted operating total net revenues	3,118	2,951	(5)%
Less: Auto & Home net revenues	288	-	
Adjusted operating total net revenues excluding Auto & Home	\$ 2,830	\$ 2,951	4%

Adjusted operating expenses

(\$ in millions)	Q1 2019	Q1 2020	% Over/ (Under)
Total expenses	\$ 2,648	\$ 650	75%
Less: CIEs expenses	21	18	
Less: Integration/restructuring charges	4	1	
Less: Market impact on variable annuity guaranteed benefits	142	(1,689)	
Less: Market impact on indexed universal life benefits	34	(36)	
Less: Market impact on fixed index annuity benefits	-	(3)	
Less: Mean reversion related impacts	(36)	60	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	-	
Adjusted operating expenses	2,483	2,299	7%
Less: Auto & Home expenses	279	-	
Adjusted operating expenses	\$ 2,204	\$ 2,299	(4)%

Reconciliation tables

Adjusted operating earnings per diluted share

(\$ in millions, except per share amounts)

			Per Diluted Share		% Over/ (Under)
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	
Net income	\$ 395	\$ 2,036	\$ 2.82	\$ 15.88	NM
Less: Net income (loss) attributable to the CIEs	-	(2)	-	(0.02)	
Add: Integration/restructuring charges ⁽¹⁾	7	1	0.05	0.01	
Add: Market impact on variable annuity guaranteed benefits ⁽¹⁾	142	(1,689)	1.02	(13.18)	
Add: Market impact on indexed universal life benefits ⁽¹⁾	51	(91)	0.36	(0.71)	
Add: Market impact on fixed index annuity benefits ⁽¹⁾	-	(3)	-	(0.02)	
Add: Mean reversion related impacts ⁽¹⁾	(36)	61	(0.26)	0.47	
Add: Market impact of hedges on investments ⁽¹⁾	10	-	0.07	-	
Less: Net realized investment (losses) gains ⁽¹⁾	9	(20)	0.06	(0.16)	
Add: Tax effect of adjustments ⁽²⁾	(35)	357	(0.25)	2.78	
Adjusted operating earnings	525	694	3.75	5.41	44%
Less: Auto & Home operating earnings	7	-	0.05	-	
Adjusted operating earnings excluding Auto & Home	<u>\$ 518</u>	<u>\$ 694</u>	<u>\$ 3.70</u>	<u>\$ 5.41</u>	46%
Weighted average common shares outstanding:					
Basic	138.8	126.4			
Diluted	140.1	128.2			

⁽¹⁾ Pretax adjusted operating adjustment.

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

Reconciliation tables

Adjusted operating return on equity

(\$ in millions)	Twelve Months Ended March 31, 2019	Twelve Months Ended March 31, 2020
Net income	\$ 1,899	\$ 3,534
Less: Adjustments ⁽¹⁾	(229)	1,175
Adjusted operating earnings	\$ 2,128	\$ 2,359
Less: Auto & Home, net of Tax ⁽²⁾	(5)	3
Adjusted operating earnings excluding Auto & Home	\$ 2,133	\$ 2,356
Total Ameriprise Financial, Inc. shareholders' equity	\$ 5,704	\$ 6,058
Less: Accumulated other comprehensive income, net of tax	(137)	121
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,841	5,937
Less: Equity impacts attributable to the consolidated investment entities	1	1
Adjusted operating equity	\$ 5,840	\$ 5,936
Return on equity, excluding AOCI	32.5%	59.5%
Adjusted operating return on equity, excluding AOCI ⁽³⁾	36.4%	39.7%
Adjusted operating return on equity, excluding AOCI and Auto & Home	36.5%	39.7%

⁽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; 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%.

Reconciliation tables

Advice & Wealth Management adjusted operating general and administrative expenses

(\$ in millions)	Q1 2019	Q1 2020	% Over/ (Under)
Adjusted operating general and administrative expense	\$ 331	\$ 345	(4)%
Less: Bank general and administrative expenses	4	11	
Adjusted operating general and administrative expense excluding items	<u>\$ 327</u>	<u>\$ 334</u>	(2)%

Reconciliation tables

Asset Management net pretax adjusted operating margin

(\$ in millions)	Q1 2019	Q1 2020
Adjusted operating total net revenues	\$ 689	\$ 686
Less: Distribution pass through revenues	179	186
Less: Subadvisory and other pass through revenues	81	78
Net adjusted operating revenues	<u>\$ 429</u>	<u>\$ 422</u>
Pretax adjusted operating earnings	\$ 146	\$ 157
Less: Adjusted operating net investment income	6	-
Add: Amortization of intangibles	4	3
Net adjusted operating earnings	<u>\$ 144</u>	<u>\$ 160</u>
Pretax adjusted operating margin	21.2%	22.9%
Net pretax adjusted operating margin	33.6%	37.9%

	Q1 2019	Q1 2020	% Over/ (Under)
Net adjusted operating revenues	\$ 689	\$ 686	(0)%
Less: Performance fee adjustment	-	(19)	
Net adjusted operating revenues	<u>\$ 689</u>	<u>\$ 705</u>	2%
Net adjusted operating earnings	\$ 146	\$ 157	8%
Less: Performance fee adjustment	-	(15)	
Net adjusted operating earnings	<u>\$ 146</u>	<u>\$ 172</u>	18%

Reconciliation tables

Pretax operating margin

(\$ in millions)	Q1 2020
Total net revenues	\$ 3,001
Less: Revenues attributable to the CIEs	16
Less: Net realized investment gains (losses)	(20)
Less: Market impact on indexed universal life benefits	55
Less: Mean reversion related impacts	(1)
Adjusted operating total net revenues	<u>\$ 2,951</u>
Pretax income	\$ 2,351
Less: Pretax income (loss) attributable to the CIEs	(2)
Add: Integration/restructuring charges	1
Add: Market impact on variable annuity guaranteed benefits	(1,689)
Add: Market impact on fixed index annuity benefits	(3)
Add: Market impact on indexed universal life benefits	(91)
Add: Mean reversion related impacts	61
Less: Net realized investment gains (losses)	(20)
Pretax adjusted operating earnings	<u>\$ 652</u>
Pretax operating margin	22.1%