Ameriprise Financial

First Quarter 2021 Conference Call

April 27, 2021

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Forward-looking statements

Some of the statements made in our April 26, 2021 earnings release and/or in this April 27, 2021 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of April 27, 2021. 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 April 26, 2021 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, 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 first quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of April 26, 2021 and may be revised in our Form 10-Q for the quarter ended March 31, 2021.

Non-GAAP Financial Measures
This presentation contains certain non-GAAP financial measures, and the corresponding ratios, that our management feels best represents the underlying performance of our core operations and facilitates a more meaningful trend analysis without the distortion of various adjustment items. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure have bene provided along with the presentation and can be found on our website at www.ir.ameriprise.com.

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Consolidated first quarter results

GAAP	Q1 2021	Q1 2020	Over/(Under)
Net Revenues ($M)	$3,350	$3,001	12%
Expenses ($M)	$2,857	$650	NM
Net Income ($M)	$437	$2,036	(79%)
Diluted EPS	$3.58	$15.88	(77%)
ROE, ex. AOCI (1)	(1.1%)	59.5%	NM

Adjusted Operating	Q1 2021	Q1 2020(2)	Over/(Under)
Net Revenues ($M)	$3,254	$2,951	10%
Expenses ($M)	$2,475	$2,299	8%
Earnings ($M)	$663	$694	(4%)
Diluted EPS	$5.43	$5.41	0%
ROE, ex. AOCI (1)	29.9%	39.7%	(980 bps)

GAAP results were negatively impacted by market changes that affected the valuation of derivatives. The reduction in short term interest rates impacted pretax adjusted operating results by $78 million.

(1) Calculated on a trailing 12-month basis. (2) Q1 2020 included a tax benefit from a projected net operating loss (NOL) of $144 million or $1.12 per diluted share

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Q1 2021 Business & Financial Results

Walter Berman
Chief Financial Officer

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Strong quarterly performance driven by execution of strategic priorities

- Strong performance in Advice & Wealth Management and Asset Management businesses were driven by continued organic growth and disciplined expense management
- Announced the strategic acquisition of BMO's EMEA Asset Management business that is expected to deliver strong financial benefits
- Reinsurance of fixed annuity block is on track
- Balance sheet fundamentals remain strong, and we are on track to return approximately 90% of operating earnings to shareholders in 2021

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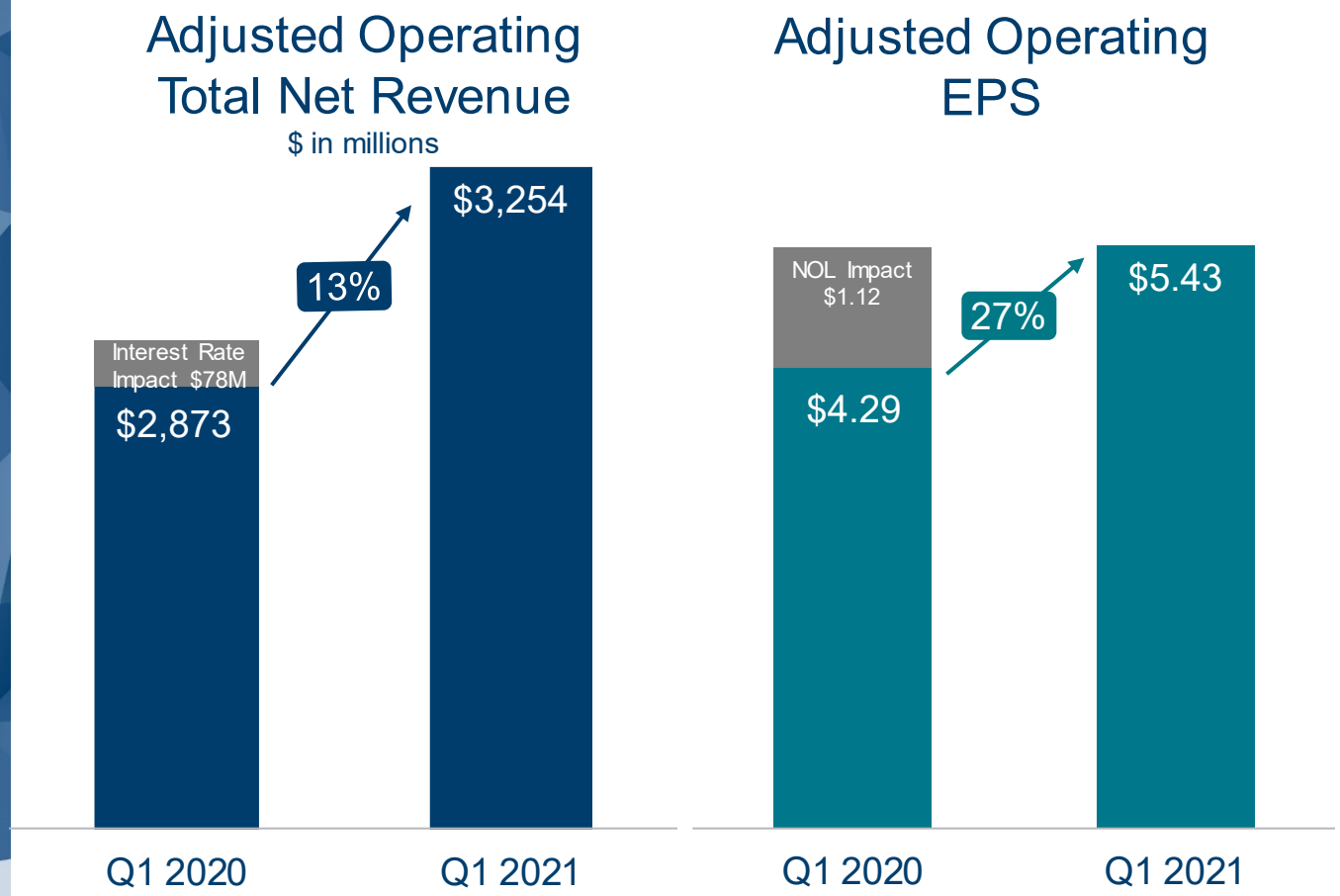
Strong underlying business performance with adjusted operating EPS up 27%[1]



- Revenue grew 13%[2] reflecting excellent underlying performance and activity levels in AWM and AM
- AWM and AM adjusted pretax operating earnings were up 15%; up 35% excluding interest rate impacts
- G&A expenses continue to be well managed up 7% while investing for growth. Excluding the impact of share price appreciation on compensation, G&A increased only 2 percent
- Adjusted operating EPS was $5.43, up from $4.29, excluding the COVID-related net operating loss (NOL) tax benefit in 2020

(1) Excluding the net operating loss (NOL) tax benefit in Q1 2020 of $1.12 per diluted share.
(2) Excluding the interest rate impact of $78 million.

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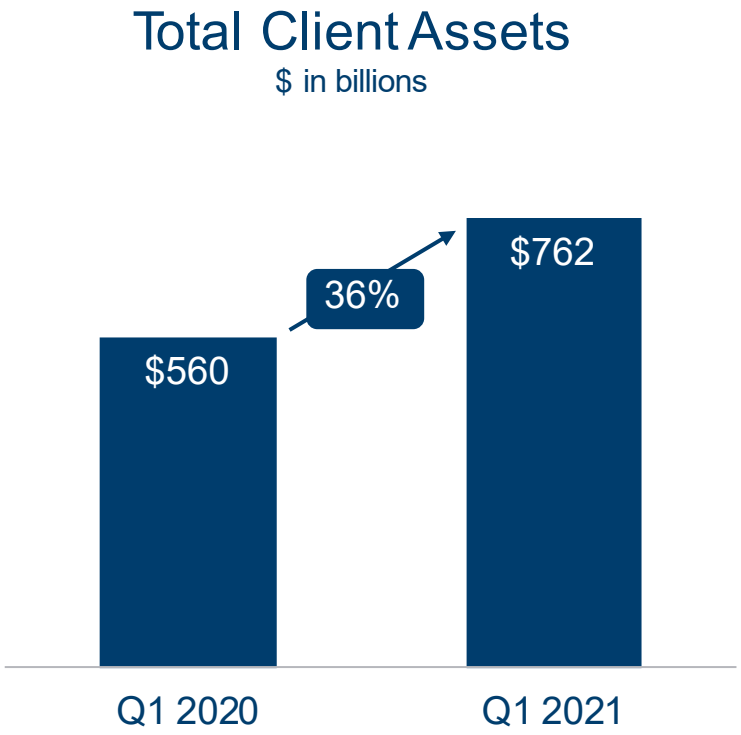
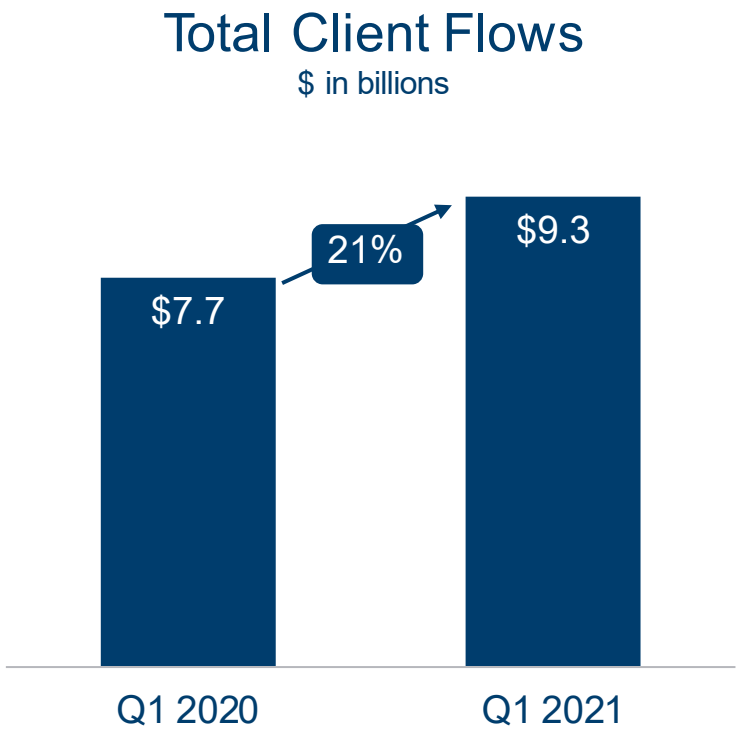
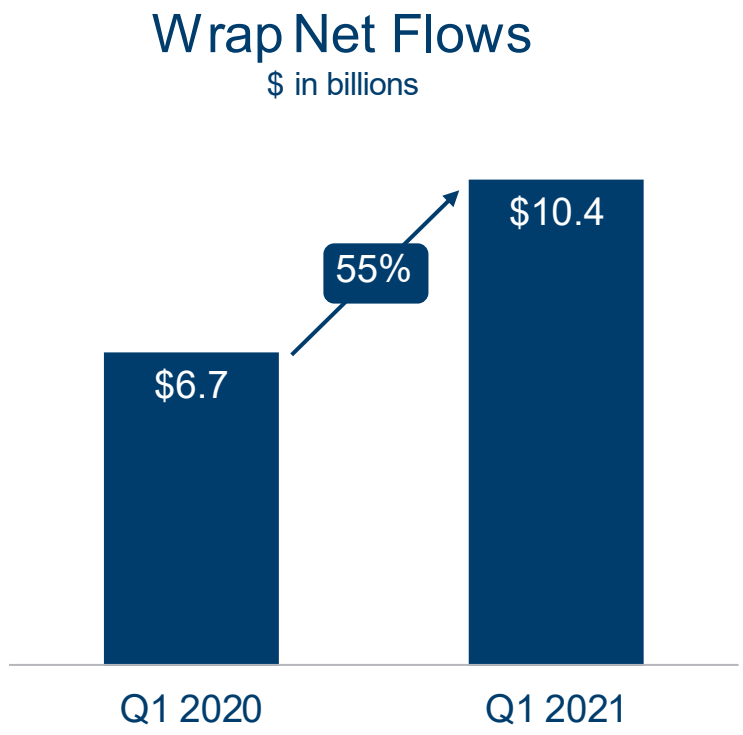
Advice & Wealth delivered continued excellent organic growth across all measures







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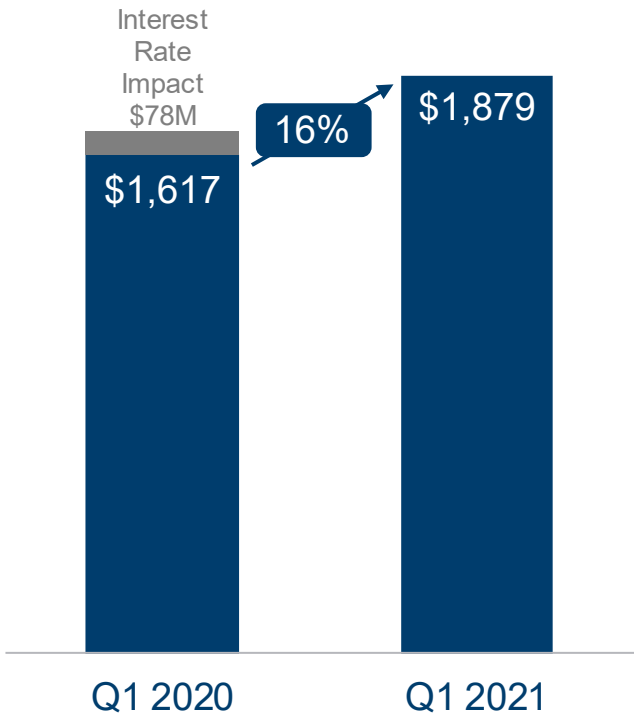
AWM profits increased 30% excluding interest rate impacts

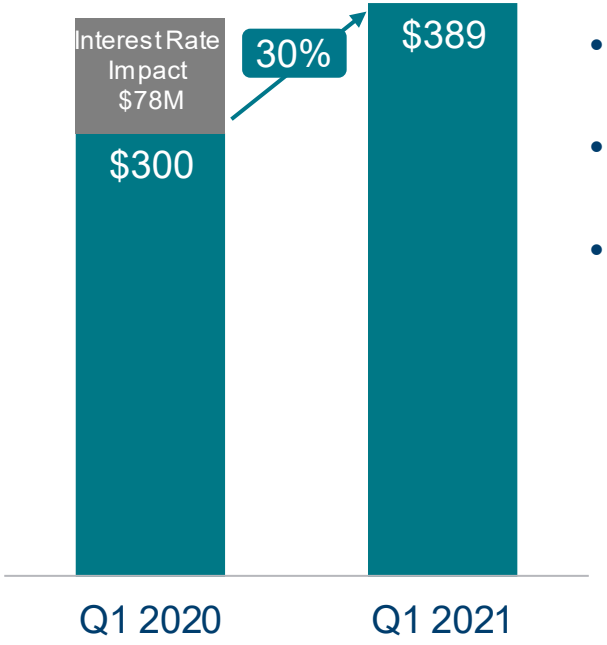
Adjusted Operating Total Net Revenues[1]

$ in millions



Pretax Adjusted Operating Earnings[1]

$ in millions



- Underlying revenue growth of 16% year-over-year and 6% sequentially driven by:
  - Strong client and wrap flows
  - 12% increase in transactional activity
  - Equity market appreciation
- Expenses remain well managed with G&A up 2%
- Advisor productivity remains high at $689,000, up 8%
- Pretax adjusted operating margin of 20.7%
  - Excluding short-term rates, margins would have been 215 basis points higher
  - Margin expanded 90 bps sequentially

(1) Excluding the interest rate impact of $78 million.

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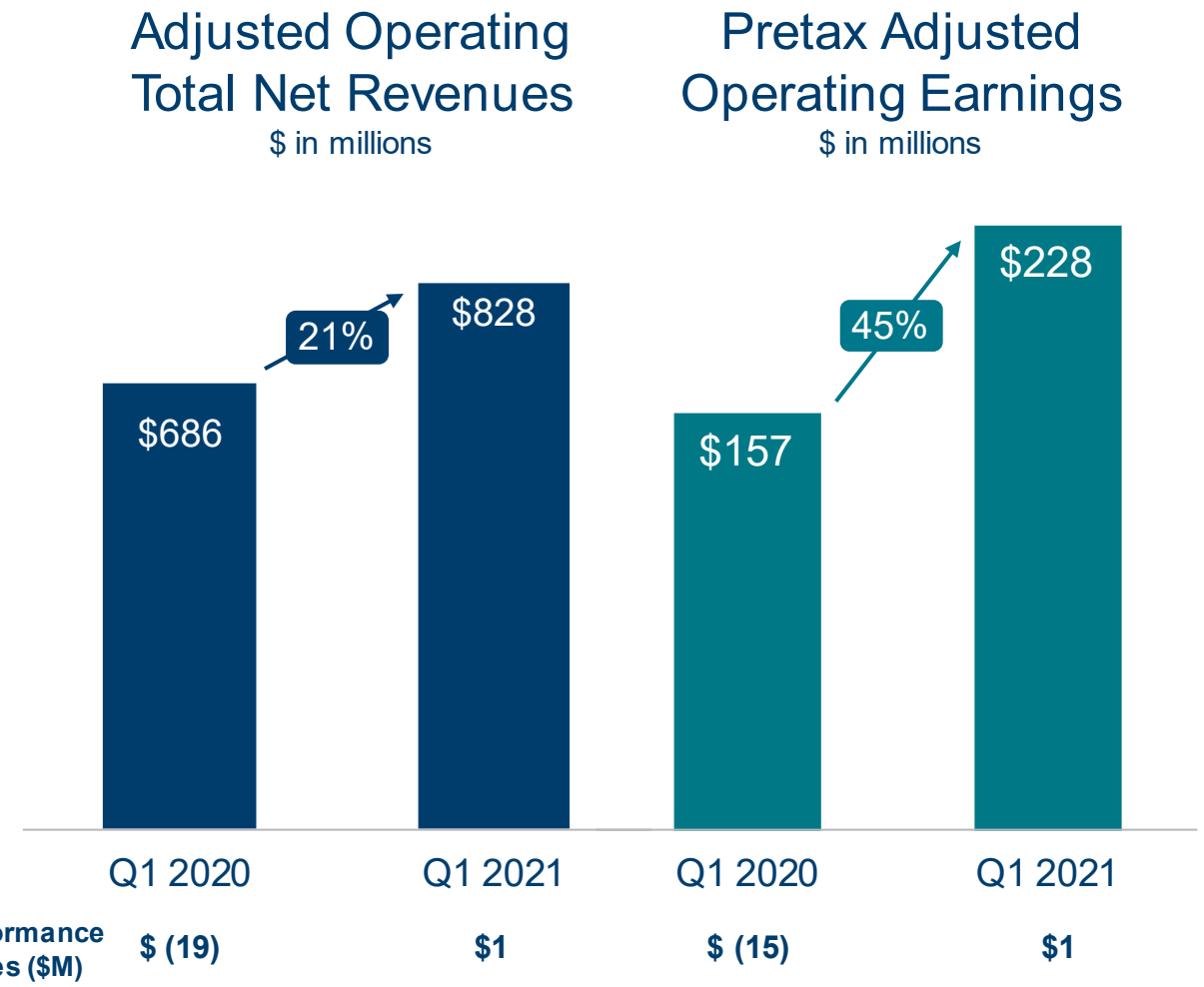
Asset Management pretax earnings up 45%



- Strong investment performance is the engine behind improvement in net inflows of $7.3 billion
- Significant leverage driven by inflows and markets
- Revenue increased 21% from cumulative benefit of inflows and market appreciation
  - Fee rate remained strong at 52 basis points
  - Favorable mix shift toward equity strategies in the US and EMEA
- Expenses remain well managed with G&A up 12%
  - Higher volume-related expense
  - Increased compensation expense from AMP share price appreciation and improved performance
- Pretax adjusted operating margin of 43.9%

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Retirement & Protection Solutions delivering consistent financial results and prudent risk management



- Continued sales mix shift to lower risk and more profitable products
  - 64% of retirement product sales without living benefits
  - Highly accretive VUL sales increased 76% while iUL sales declined
- Limited financial impact from COVID-19 as elevated life insurance claim count mitigated by reinsurance
- Net amount of risk among the lowest in the industry
- Hedge effectiveness of 96% in the quarter

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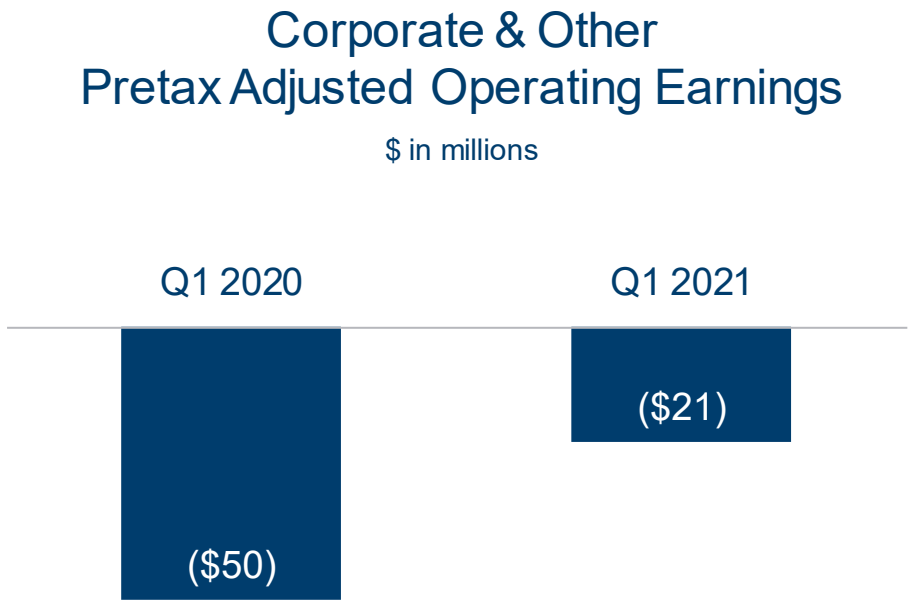
Corporate & Other expense well controlled, elevated LTC earnings from COVID-19



- Corporate & Other pretax adjusted operating loss improved substantially to $21 million with continued strong expense discipline
- Current year results included a $15 million investment gain and $11 million of elevated compensation expense due to share price appreciation, while the prior year included an $11 million benefit from share price depreciation
- Fixed Annuity results continue to be impacted by low interest rates
- Progressing toward execution of a fixed annuity reinsurance transaction in 2021
- Long term care earnings were $46 million with elevated COVID-19 related mortality and terminations in January and February that moderated in March

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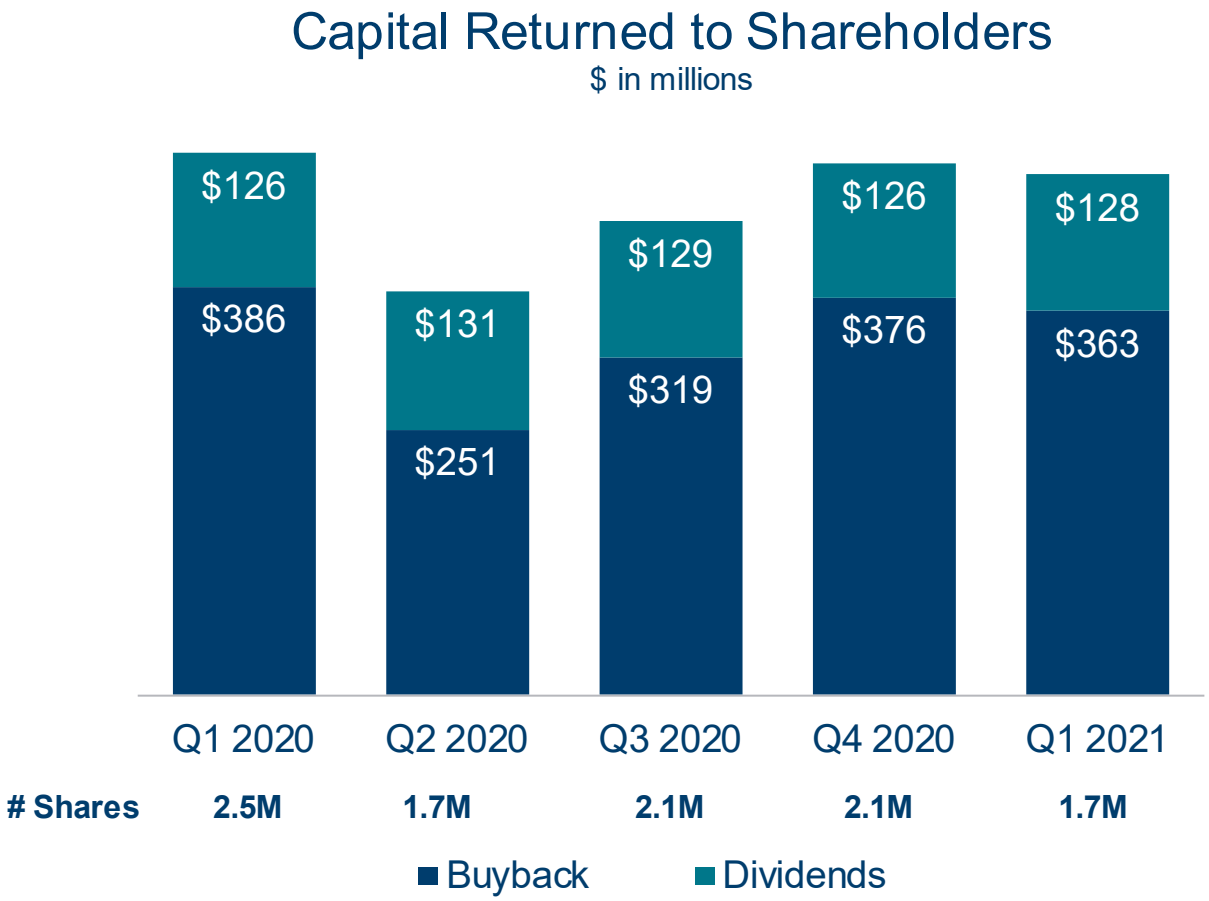
Strong balance sheet and free cash flow generation support continued 90% capital return target



- Strong balance sheet fundamentals
  - $2.3 billion of parent company available liquidity
  - Free cash flow generation of ~90%
  - $2.0 billion of excess capital
  - AA- rated investment portfolio positioned well to navigate stress scenarios
  - Effective hedging program
  - Strong risk management foundation
- Strong adjusted operating ROE of 30%
- Continue to target returning 90% of earnings to shareholders in 2021

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Reconciliation tables

Adjusted operating net revenues

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
Total net revenues	$ 3,001	$ 3,350	12%
Less: Net realized investment gains (losses)	(20)	57	
Less: Market impact on non-traditional long-duration products	55	5	
Less: Mean Reversion related impacts	(1)	-	
Less: Market impact of hedges on investments	-	-	
Less: Integration/restructuring charges	-	-	
Less: Revenues attributable to the CIEs	16	34	
Adjusted operating total net revenues	2,951	3,254	10%
Less: Interest Rate Impacts	78		
Adjusted operating total net revenues excluding Interest Rate Impacts	$ 2,873	$ 3,254	13%

Adjusted operating expenses

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
Total expenses	$ 650	$ 2,857	NM
Less: CIEs expenses	18	35	
Less: Integration/restructuring charges	1	-	
Less: Market impact on non-traditional long-duration products	(1,728)	401	
Less: Mean reversion related impacts	60	(56)	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	2	
Adjusted operating expenses	$ 2,299	$ 2,475	(8)%

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Reconciliation tables

Adjusted operating earnings per diluted share

($ in millions, except per share amounts)				Per Diluted Share		
	Q1 2020	Q1 2021	% Over/ (Under)	Q1 2020	Q1 2021	% Over/ (Under)
Net income	$ 2,036	$ 437	(79)%	$ 15.88	$ 3.58	(77)%
Less: Net realized investment (losses) gains[1]	(20)	55		(0.16)	0.45	
Add: Market impact on non-traditional long-duration products[1]	(1,783)	396		(13.91)	3.24	
Add: Mean reversion related impacts[1]	61	(56)		0.47	(0.46)	
Add: Market impact of hedges on investments[1]	-	-		-	-	
Add: Integration/restructuring charges[1]	1	-		0.01	-	
Less: Net income (loss) attributable to the CIEs	(2)	(1)		(0.02)	(0.01)	
Add: Tax effect of adjustments[2]	357	(60)		2.78	(0.49)	
Adjusted operating earnings	$ 694	$ 663	(4)%	$ 5.41	$ 5.43	0%
Less: NOL tax benefit	144	-		1.12		
Adjusted operating earnings excluding Interest Rate Impact	$ 550	$ 663	21%	$ 4.29	$ 5.43	27%
Weighted average common shares outstanding:						
Basic	126.4	119.8				
Diluted	128.2	122.2				

[1] Pretax adjusted operating adjustment.

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

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Reconciliation tables

Adjusted operating return on equity

($ in millions)	Twelve Months Ended March 31, 2020	Twelve Months Ended March 31, 2021
Net income	$ 3,534	$ (65)
Less: Adjustments [1]	1,175	(1,804)
Adjusted operating earnings	$ 2,359	$ 1,739
Total Ameriprise Financial, Inc. shareholders' equity	$ 6,058	$ 6,126
Less: Accumulated other comprehensive income, net of tax	121	312
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,937	5,814
Less: Equity impacts attributable to the consolidated investment entities	1	1
Adjusted operating equity	$ 5,936	$ 5,813
Return on equity, excluding AOCI	59.5%	-1.1%
Adjusted operating return on equity, excluding AOCI [3]	39.7%	29.9%

(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 non-traditional long-duration products, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; 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; the market impact on non-traditional long-duration products, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; 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%.

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Reconciliation tables

Advice & Wealth Management adjusted operating total net revenues

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
AWM Net revenues	$ 1,695	$ 1,879	11%
Less: short-term interest rate impacts	78	-	
AWM Net revenues excluding short-term interest rate impact	$ 1,617	$ 1,879	16%

Advice & Wealth Management pretax adjusted operating earnings

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
Pretax adjusted operating earnings	$ 378	$ 389	3%
Less: short-term interest rate impacts	78	-	
Pretax adjusted operating earnings excluding short-term interest rate impacts	$ 300	$ 389	30%

Advice & Wealth Management net pretax adjusted operating margin

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
AWM Net revenues	$ 1,695	$ 1,879	
Pretax adjusted operating earnings	$ 378	$ 389	
AWM Net revenues excluding short-term interest rate impact	$ 1,617	$ 1,879	
Pretax adjusted operating earnings excluding short-term interest rate impacts	$ 300	$ 389	
Pretax Adjusted Operating Margin	22.3%	20.7%	(160 bps)
Pretax Adjusted Operating Margin excluding short-term interest rate impacts	18.6%	20.7%	215 bps

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Reconciliation tables

AWM & AM adjusted operating total net revenues

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
AWM & AM Net revenues	$ 2,381	$ 2,707	14%
Less: short-term interest rate impacts	78	-	
AWM & AM Net revenues excluding short-term interest rate impact	$ 2,303	$ 2,707	18%

AWM & AM pretax adjusted operating earnings

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
Pretax adjusted operating earnings	$ 535	$ 617	15%
Less: short-term interest rate impacts	78	-	
Pretax adjusted operating earnings excluding short-term interest rate impacts	$ 457	$ 617	35%

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Reconciliation tables

Adjusted operating general and administrative expense

($ in millions)	Q1 2020	Q1 2021	% Over/ (Under)
General and administrative expense	$ 753	$ 823	(9)%
Less: CIEs expense	1	19	
Less: Integration/restructuring charges	1	-	
Adjusted operating general and administrative expense	$ 751	$ 804	(7)%
Less: Share-based compensation	(17)	17	
Adjusted operating general and administrative expense	$ 768	$ 787	(2)%

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Reconciliation tables

Pretax operating margin

($ in millions)	Q1 2020	Q1 2021
Total net revenues	$ 3,001	$ 3,350
Less: Net realized investment gains (losses)	(20)	57
Less: Market impact on non-traditional long-duration products	55	5
Less: Mean reversion related impacts	(1)	-
Less market impact of hedges on investments	-	-
Less: Revenues attributable to the CIEs	16	34
Adjusted operating total net revenues	$ 2,951	$ 3,254
Pretax income	$ 2,351	$ 493
Less: Net realized investment gains (losses)	(20)	55
Add: Market impact on non-traditional long-duration products	(1,783)	396
Add: Mean reversion related impacts	61	(56)
Add Market impact of hedges on investments	-	-
Add: Integration/restructuring charges	1	-
Less: Pretax income (loss) attributable to the CIEs	(2)	(1)
Pretax adjusted operating earnings	$ 652	$ 779
Pretax operating margin	78.3%	14.7%
Pretax adjusted operating margin	22.1%	23.9%

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Reconciliation tables

Advice & Wealth Management adjusted revenue per advisor

	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	
Total Net Revenue	$ 1,653	$ 1,682	$ 1,710	$ 1,695	$ 1,537	$ 1,667	$ 1,776	$ 1,879	
Interest Revenue	$ (122)	$ (116)	$ (92)	$ (78)	$ -	$ -	$ -	$ -	
Advisor Count	9,951	9,930	9,871	9,878	9,894	9,905	9,922	10,031	
Rev Per Adv	166	169	173	172	155	168	179	187	
Rev Per Adv ex. Int	154	158	164	164	155	168	179	187	
Rev Per Adv TTM				680				689	1%
Rev Per Adv ex. Int TTM				640				689	8%

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Reconciliation tables

Asset Management net pretax adjusted operating margin

($ in millions)	Q1 2020	Q1 2021
Adjusted operating total net revenues	$ 686	$ 828
Less: Distribution pass through revenues	186	217
Less: Subadvisory and other pass through revenues	78	87
Net adjusted operating revenues	$ 422	$ 524
Pretax adjusted operating earnings	$ 157	$ 228
Less: Adjusted operating net investment income	-	1
Add: Amortization of intangibles	3	3
Net adjusted operating earnings	$ 160	$ 230
Pretax adjusted operating margin	22.9%	27.5%
Net pretax adjusted operating margin	37.9%	43.9%

Asset Management net adjusted operating G&A

	Q1 2020	Q1 2021	% Over/ (Under)
Net adjusted operating G&A	$ 294	$ 328	12%
Less: Compensation related impacts	(3)	17	
Net adjusted operating G&A	$ 297	$ 311	5%

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