Ameriprise Financial

Second Quarter 2021 Conference Call

July 27, 2021

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Forward-looking statements

Some of the statements made in our July 26, 2021 earnings release and/or in this July 27, 2021 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of July 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 July 26, 2021 earnings release, a complete copy of which is available on our website, and risks described under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2020 as well as our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. 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 27, 2021 and may be revised in our Form 10-Q for the quarter ended June 30, 2021.

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.

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Consolidated Second Quarter 2021 Results

GAAP	Q2 2021	Q2 2020[2]	Over/(Under)
Net Revenues ($M)	$3,418	$2,712	26%
Expenses ($M)	$2,697	$3,238	17%
Net Income ($M)	$591	$(539)	NM
Diluted EPS	$4.88	$(4.31)	NM
ROE, ex. AOCI [1]	19.5%	41.7%	NM

Adjusted Operating	Q2 2021	Q2 2020[2]	Over/(Under)
Net Revenues ($M)	$3,387	$2,765	22%
Expenses ($M)	$2,606	$2,188	(19)%
Earnings ($M)	$639	$333	92%
Diluted EPS	$5.27	$2.64	100%
ROE, ex. AOCI [1]	37.5%	35.6%	190 bps

[1] Calculated on a trailing 12 month basis.
[2] Q2 2020 included a reversal of a tax benefit from a projected net operating loss (NOL) of $144 million or $1.14 per diluted share

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Q2 2021 Business & Financial Results

Walter Berman
Chief Financial Officer

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Strong performance and execution of strategic priorities continued in the quarter

- Delivered excellent financial results across the firm
  - Revenue up 22% with nearly 80%[(1)] driven by AWM and AM
  - Earnings per diluted share up 39%[(2)] to $5.27
  - AWM & AM had strong net inflows of over $16 billion with excellent earnings growth and margin expansion
  - Strong Retirement and Protection sales growth focused in lower risk product offerings

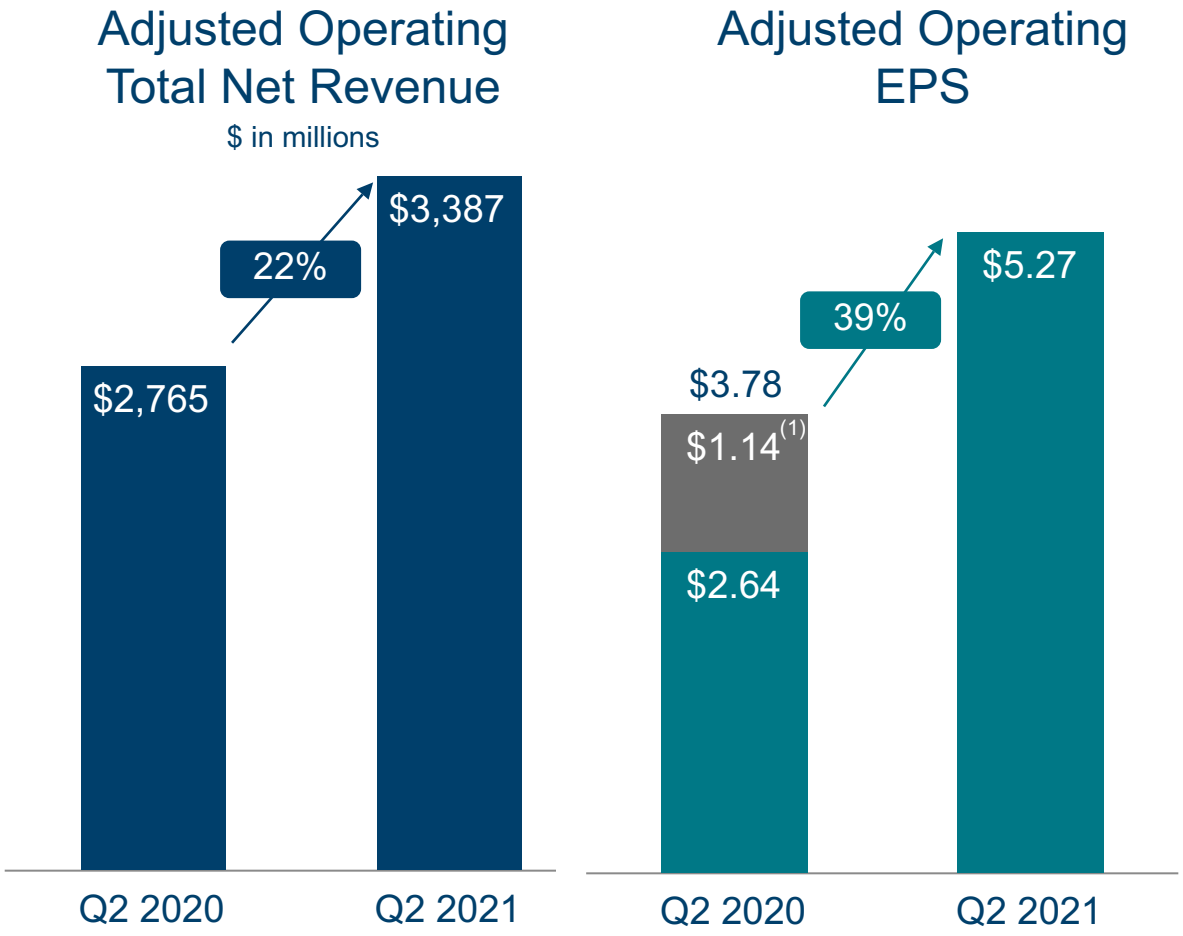
- Substantial progress made in the quarter advancing strategic priorities to expand growth businesses and reduce risk profile
  - Entered into an agreement to reinsure approximately $8.0 billion of fixed annuities, which will free up approximately $700 million of capital. The RiverSource Life Insurance transaction closed in July
  - On track to close the acquisition of BMO's EMEA Asset Management business in the fourth quarter

- Balance sheet fundamentals remain strong and we returned 92% of operating earnings to shareholders in the quarter

(1) Excluding Corporate & Other Segments
(2) Q2 2020 EPS of $3.78 excluding the reversal of a tax benefit from a projected net operating loss (NOL) of $144 million or $1.14 per diluted share.

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Continued strength in core growth businesses delivered excellent financial performance



- Revenue grew 22% reflecting continued excellent performance and activity levels in Advice & Wealth Management and Asset Management
- G&A expenses continue to be well managed up 6% given strong business growth
- Pretax adjusted operating earnings were up 35%
- Significant progress in shifting to business mix with AWM and AM driving ~80%(2) of revenue and pretax earnings
- Adjusted operating EPS was $5.27, up 39%(1)

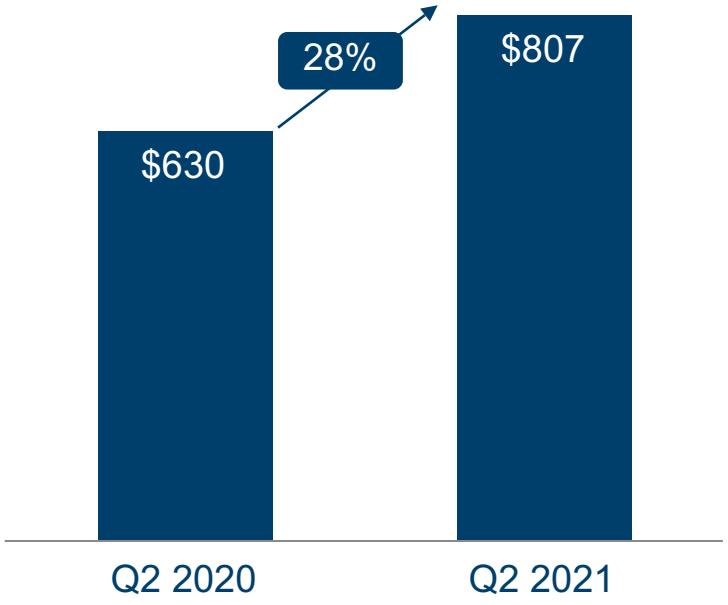
(1) Q2 2020 EPS was $2.64. Excluding the reversal of a tax benefit from a projected net operating loss (NOL) of $144 million or $1.14 per diluted share, EPS was $3.78.
(2) Excluding Corporate & Other Segment

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Strong fundamentals driving profitable organic growth in AWM

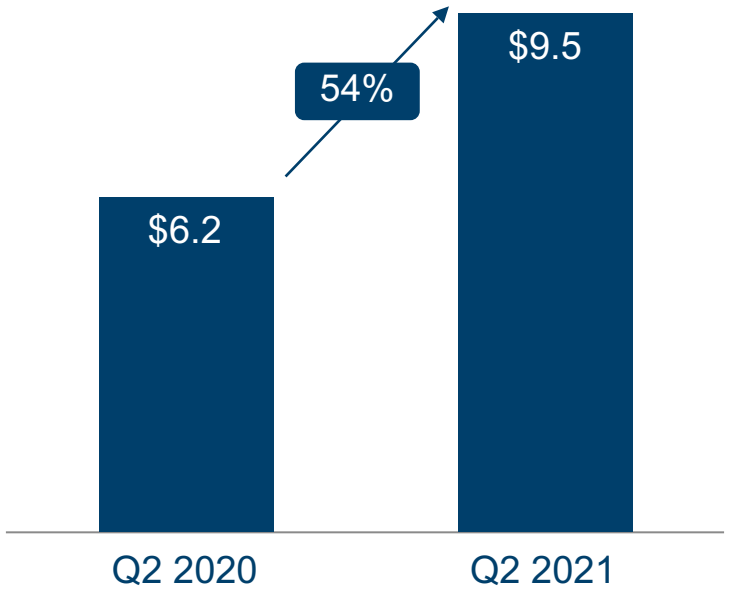
Total Client Assets

$ in billions

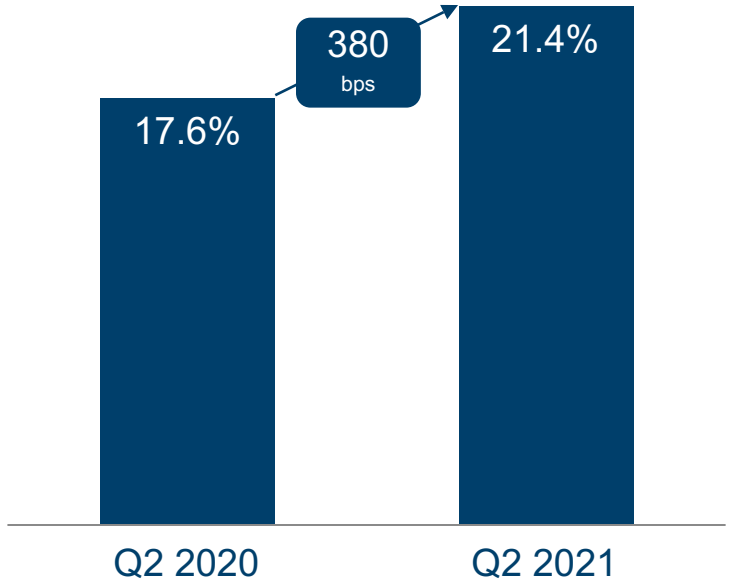


Total Client Flows

$ in billions

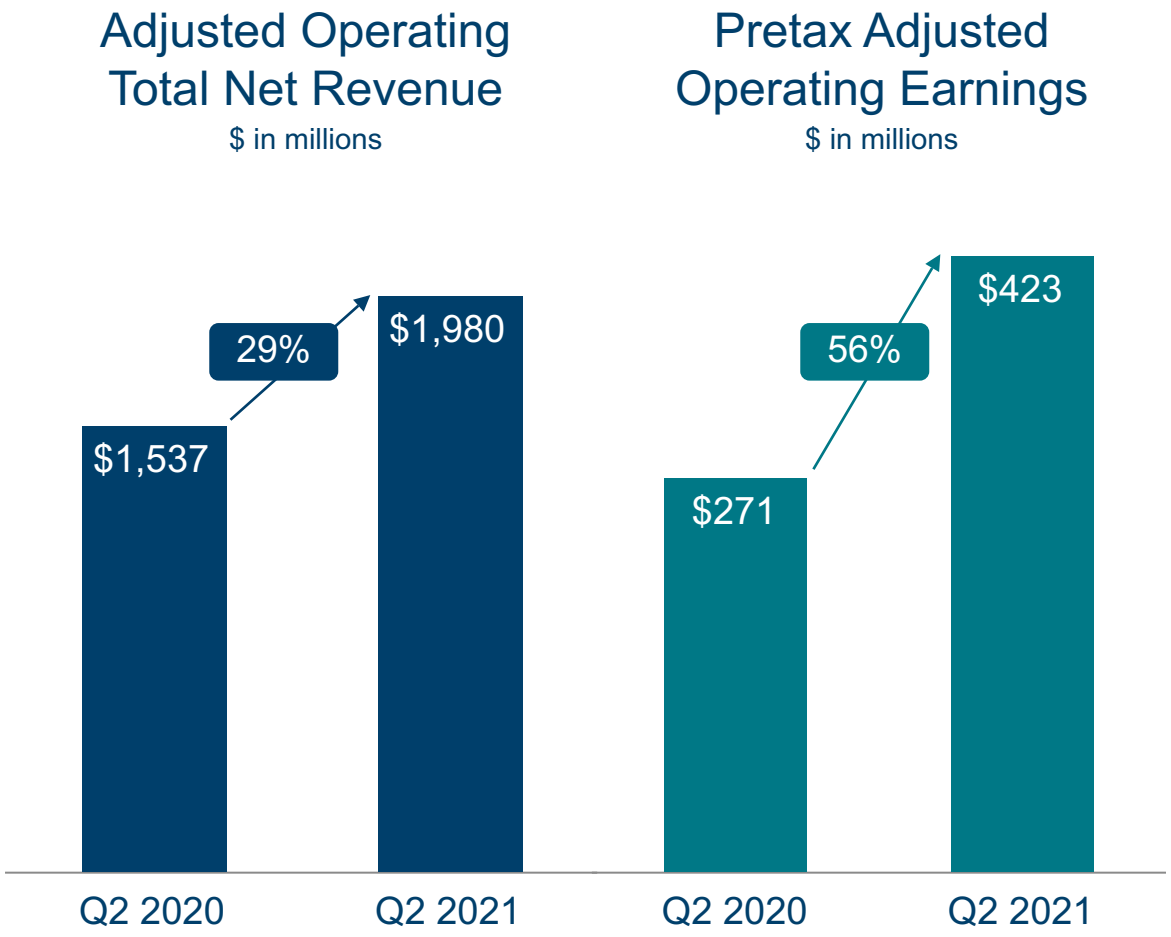


Pretax Adjusted Operating Margin



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Delivered strong AWM results with earnings up 56%

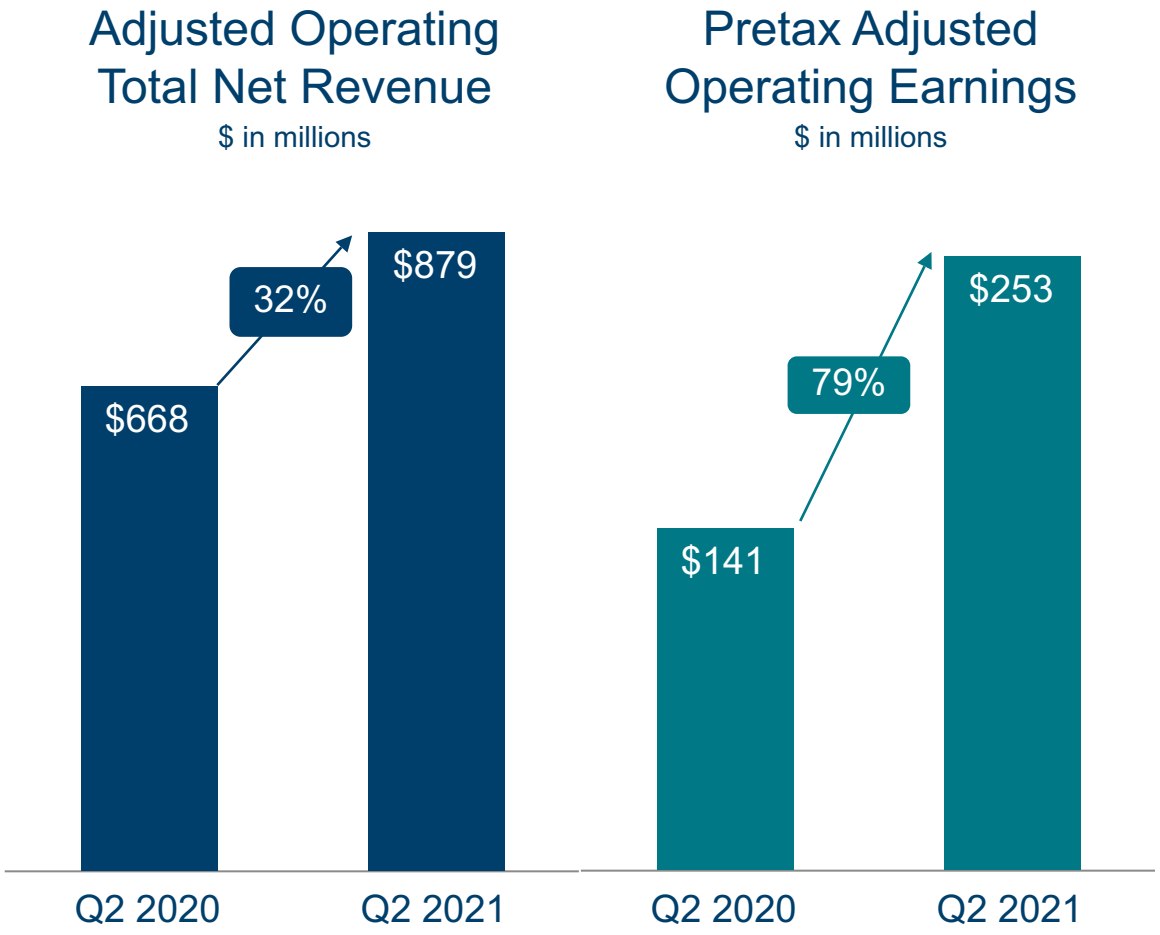


- Revenue growth of 29% year-over-year and 5% sequentially driven by:
  - Robust client flows into wrap accounts
  - Higher transactional activity
  - Equity market appreciation
- Expenses remain well managed with G&A up 3%, reflecting increased activity and performance-based compensation expense
- Continued growth in Ameriprise Bank with opportunity to bring additional sweep balances on balance sheet
- Advisor productivity remains high at $731,000, up 14%(1)
- Pretax adjusted operating margin of 21.4%
  - Margin expanded 380 bps year-over-year and 70 bps sequentially

(1) Adjusted for impact from interest rates

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Excellent financial results reflect improved flow trends in Asset Management

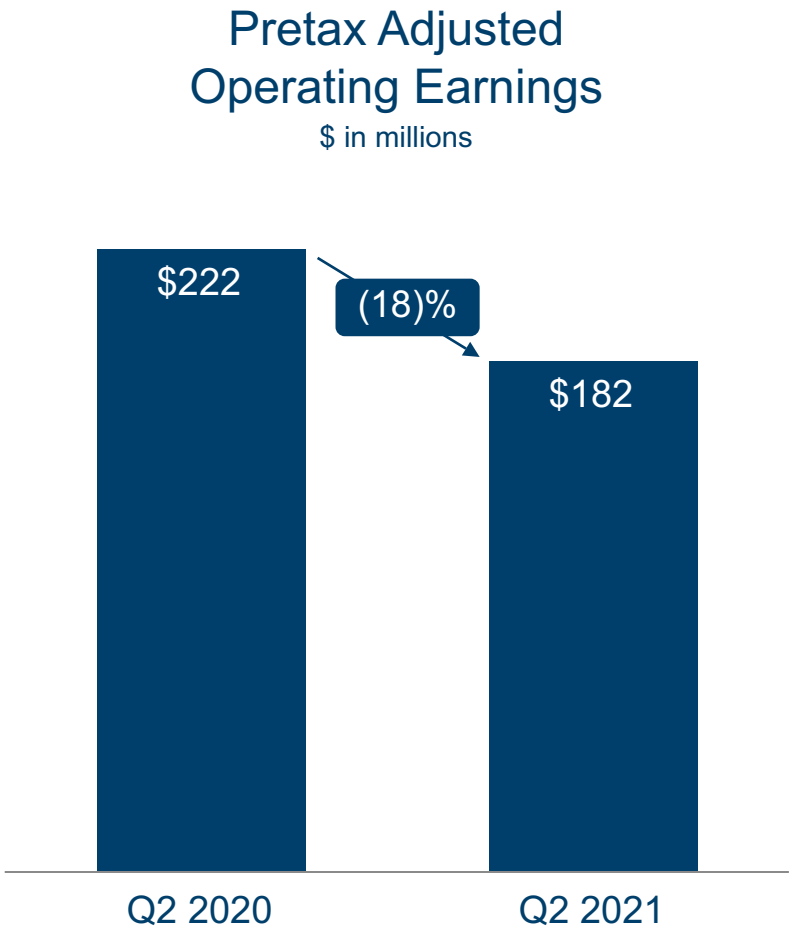


- Strong and consistent investment performance is the engine behind improved net inflows of $8.1 billion[(1)], a continuation of a strong positive flow trend line
- Revenue increased 32% from the cumulative benefit of net inflows and market appreciation
- Fee rate remained strong at 52 basis points
- Expenses remain well managed
  - Strong business performance driving higher compensation expense
  - Foreign exchange translation
  - Higher volume-related expense
- Pretax adjusted operating margin of 45.4%

(1) Excludes legacy insurance partners flows.

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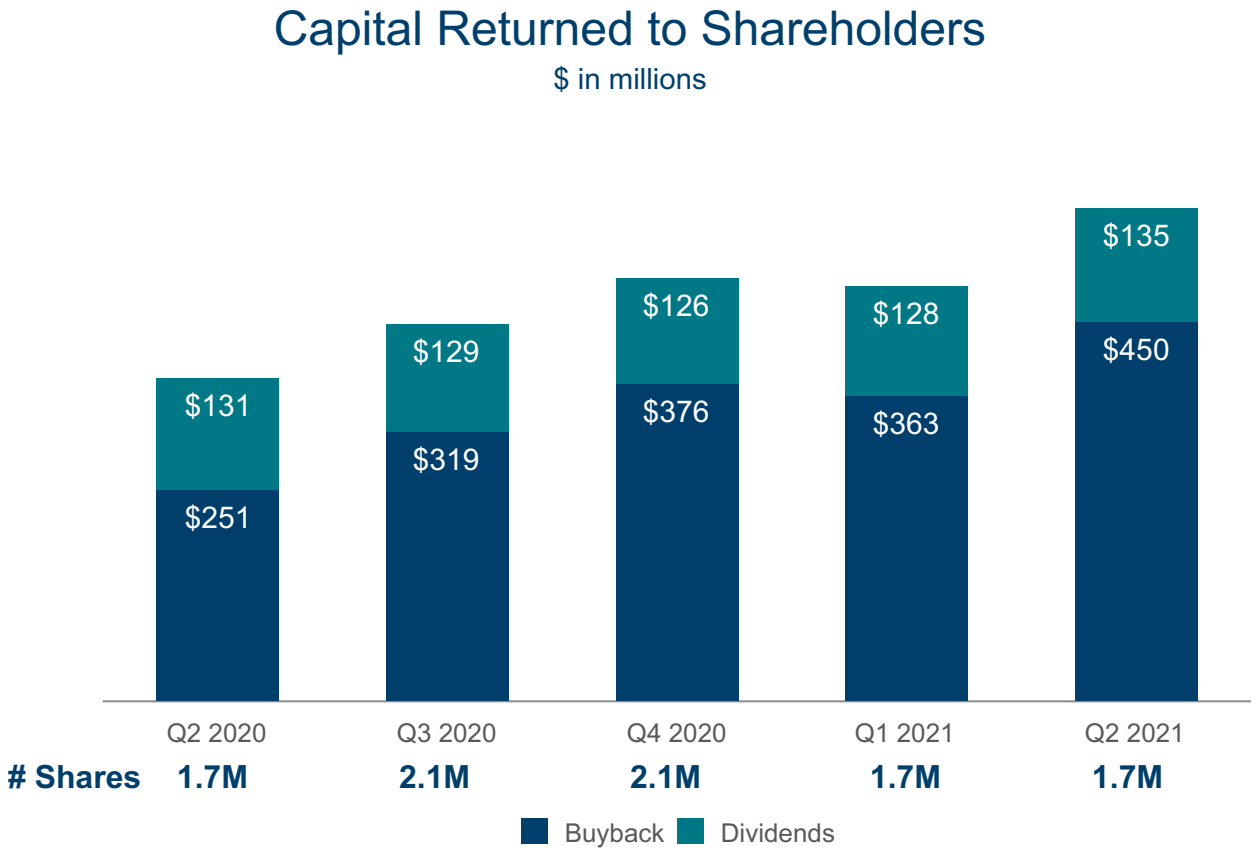
Retirement & Protection Solutions generates substantial free cash flow with focus on prudent risk management



- Earnings were $182 million, down 18% from the prior year
  - Results in the quarter included higher distribution expenses due to improved sales in a more normalized environment
  - Prior year period earnings of $222 million were inflated due to the stressed environment from lower surrenders and withdrawals
  - Overall claims within expected ranges
- Strong sales with a mix shift toward lower-risk products
  - Retirement sales in excess of pre-COVID levels, with 66% of sales in products without living benefit guarantees
  - The overall account value with living benefits decreased to 62%
  - Sales of protection products nearly doubled, primarily focused in VUL
- Net amount of risk among the lowest in the industry

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



- Strong balance sheet fundamentals
  - $3.0 billion of holding company available liquidity
  - Ongoing 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 adjusted operating ROE of 37.5%
- Returned 92% of adjusted operating earnings to shareholders in the quarter

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Reconciliation tables

Adjusted Operating Net Revenues & Expenses

(in millions, unaudited)	Quarter Ended June 30, 2021	Quarter Ended June 30, 2020	% Over / (Under)
Total net revenues	$ 3,418	$ 2,712	26%
Less: Net realized investment gains (losses)	10	(3)	
Less: Market impact on non-traditional long-duration products	21	(66)	
Less: Mean Reversion related impacts	1	1	
Less: Market impact of hedges on investments	(17)	—	
Less: Integration/restructuring charges	—	—	
Less: CIEs revenue	16	15	
Adjusted operating total net revenues	$ 3,387	$ 2,765	22%
Total expenses	$ 2,697	$ 3,238	17%
Less: CIEs expenses	18	15	
Less: Integration/restructuring charges	7	2	
Less: Market impact on non-traditional long-duration products	108	1,047	
Less: Mean reversion-related impacts	(41)	(13)	
Less: DAC/DSIC offset to net realized investment gains (losses)	(1)	(1)	
Adjusted operating expenses	$ 2,606	$ 2,188	(19)%
Pretax income	721	(526)	
Pretax adjusted operating earnings	781	577	
Pretax income margin	21.1 %	(19.4)%	
Pretax adjusted operating margin	23.1 %	20.9 %	

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Quarter Ended June 30, 2021	Quarter Ended June 30, 2020	Per Diluted Share Quarter Ended June 30, 2021	Per Diluted Share Quarter Ended June 30, 2020	% Over/ (Under)
Net income	$ 591	$ (539)	$ 4.88	$ (4.31) [3]	NM
Add: Basic to diluted share conversion	—	—	—	0.04 [4]	
Less: Net realized investment gains (losses) [1]	11	(2)	0.09	(0.02)	
Add: Market impact on non-traditional long-duration products [1]	87	1,113	0.71	8.82	
Add: Mean reversion-related impacts [1]	(42)	(14)	(0.35)	(0.12)	
Add: Market impact of hedges on investments [1]	17	—	0.14	—	
Add: Integration/restructuring charges [1]	7	2	0.06	0.02	
Less: Net income (loss) attributable to consolidated investment entities	(2)	—	(0.02)	—	
Add: Tax effect of adjustments [2]	(12)	(231)	(0.10)	(1.83)	
Adjusted operating earnings	$ 639	$ 333	$ 5.27	$ 2.64	100%
Less: NOL tax impacts	—	(144)	—	(1.14)	
Adjusted operating earnings excluding NOL tax impacts	$ 639	$ 477	$ 5.27	$ 3.78	39%
Weighted average common shares outstanding:					
Basic	118.4	125.0			
Diluted	121.2	126.2			

[1] Pretax adjusted operating adjustment.

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

[3] Diluted shares used in this calculation represent basic shares due to the net loss. Using actual diluted shares would result in antidilution.

[4] Represents the difference of the per share amount for net loss using basic shares compared to the per share amount for net loss using diluted shares.

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Reconciliation tables

Return on Equity (ROE) Excluding Accumulated Other Comprehensive Income "AOCI"

(in millions, unaudited)	Twelve Months Ended June 30, 2021	2020
Net income	$ 1,065	$ 2,503
Less: Adjustments [1]	(980)	371
Adjusted operating earnings	$ 2,045	$ 2,132
Total Ameriprise Financial, Inc. shareholders' equity	$ 5,924	$ 6,190
Less: Accumulated other comprehensive income, net of tax	463	194
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,461	5,996
Less: Equity impacts attributable to the consolidated investment entities	1	—
Adjusted operating equity	$ 5,460	$ 5,996
Return on equity excluding AOCI	19.5 %	41.7 %
Adjusted operating return on equity excluding AOCI [2]	37.5 %	35.6 %

[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 and currency 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] 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 and currency 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

Adjusted Operating General & Administrative Expense

(in millions, unaudited)	Quarter Ended June 30, 2021	Quarter Ended June 30, 2020	% Over / (Under)
General and administrative expense	$ 830	$ 776	(7)%
Less: CIEs expenses	1	—	
Less: Integration/restructuring charges	7	2	
Adjusted operating general and administrative expense	**$ 822**	**$ 774**	**(6)%**

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Reconciliation tables

Advice & Wealth Management Adjusted Revenue Per Advisor

(unaudited)	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	% Over/ (Under)
Total Net Revenue ($ in M)	$ 1,682	$ 1,710	$ 1,695	$ 1,537	$ 1,667	$ 1,776	1,879	1,980	
Interest Revenue ($ in M)	$ (116)	$ (92)	$ (78)	$ —	$ —	$ —	$ —	$ —	
Advisor Count	9,930	9,871	9,878	9,894	9,905	9,922	10,031	10,047	
Revenue Per Advisor ($ in K)	$ 169	$ 173	$ 172	$ 155	$ 168	$ 179	$ 187	$ 197	27%
Revenue Per Advisor excluding short-term interest rate impact ($ in K)	$ 158	$ 164	$ 164	$ 155	$ 168	$ 179	$ 187	$ 197	27%
Revenue Per Advisor TTM ($ in K)				$ 669				$ 731	9%
Revenue Per Advisor excluding short-term interest rate impact TTM ($ in K)				$ 641				$ 731	14%

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Reconciliation tables

Asset Management Net Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Quarter Ended June 30, 2021	2020
Adjusted operating total net revenues	$ 879	$ 668
Distribution pass thru revenues	(225)	(177)
Subadvisory and other pass thru revenues	(94)	(76)
Net adjusted operating revenues	$ 560	$ 415
Pretax adjusted operating earnings	$ 253	$ 141
Adjusted operating net investment income	(2)	(1)
Amortization of intangibles	3	3
Net adjusted operating earnings	$ 254	$ 143
Pretax adjusted operating margin	28.8 %	21.1 %
Net pretax adjusted operating margin [(2)]	45.4 %	34.5 %

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Reconciliation tables

Adjusted Operating Total Net Revenues Mix Shift

(in millions, unaudited)	Quarter Ended June 30, 2021	2020
Advice & Wealth Management	$ 1,980	$ 1,537
Asset Management	879	668
RPS	808	755
Subtotal adjusted operating total net revenues	**3,667**	**2,960**
Corporate	119	131
Eliminations	(399)	(326)
Adjusted operating total net revenues	**$ 3,387**	**$ 2,765**
Advice & Wealth Management	54 %	52 %
Asset Management	24 %	22 %
RPS	22 %	26 %
Subtotal adjusted operating total net revenues	100 %	100 %
AWM & AM	*78 %*	*74 %*

Pretax Adjusted Operating Earnings Mix Shift

(in millions, unaudited)	Quarter Ended June 30, 2021	2020
Advice & Wealth Management	$ 423	$ 271
Asset Management	253	141
RPS	182	222
Subtotal pretax adjusted operating earnings	**858**	**634**
Corporate	(77)	(57)
Eliminations	—	—
Pretax adjusted operating earnings	**$ 781**	**$ 577**
Advice & Wealth Management	49 %	43 %
Asset Management	30 %	22 %
RPS	21 %	35 %
Subtotal pretax adjusted operating earnings	100 %	100 %
AWM & AM	*79 %*	*65 %*

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