Ameriprise Financial

Fourth Quarter 2021 Conference Call

January 27, 2022

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Forward-looking statements

Some of the statements made in our January 26, 2022 earnings release and/or in this January 27, 2022 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of January 27, 2022. 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 January 26, 2022 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. 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 January 27, 2022 and may be revised in our Form 10-K for the year ended December 31, 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 Fourth Quarter 2021 Results

GAAP	Q4 2021	Q4 2020	Over/(Under)
Net Revenues ($M)	$3,760	$3,183	18%
Expenses ($M)	$2,894	$2,993	3%
Net Income ($M)	$701	$177	NM
Diluted EPS	$5.96	$1.43	NM
ROE, ex. AOCI [1]	51.2%	26.1%	NM

Adjusted Operating	Q4 2021	Q4 2020	Over/(Under)
Net Revenues ($M)	$3,705	$3,136	18%
Expenses ($M)	$2,811	$2,463	(14)%
Earnings ($M)	$723	$559	29%
Diluted EPS	$6.15	$4.53	36%
ROE, ex. AOCI [1]	50.6%	30.2%	NM

[1] Calculated on a trailing 12 month basis.

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Q4 2021 Business & Financial Results

Walter Berman
Chief Financial Officer

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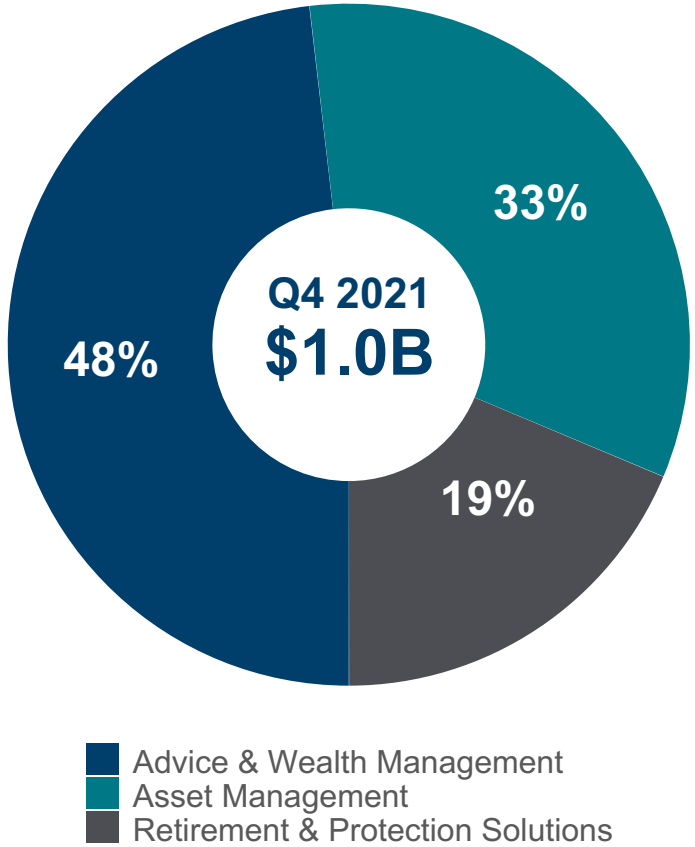
EPS up 36% driven by profitable organic growth in Wealth and Asset Management

- Ameriprise adjusted operating EPS was $6.15 compared to $4.53 last year
- Wealth and Asset Management delivered strong organic growth and generated 81%(1) of AMP pretax adjusted operating earnings in the quarter
  - Revenue in Wealth and Asset Management increased 23%
  - Wealth and Asset Management net inflows remain robust at approximately $40 billion
  - Acquisition of BMO EMEA Asset Management (BMO EMEA) business closed, which added $136 billion of AUM/A
- In Retirement & Protection Solutions, we discontinued the vast majority of living benefit riders and continue to deliver a differentiated risk-return profile
- Balance sheet fundamentals remain strong with nearly 90% of operating earnings returned to shareholders in the year and adjusted operating return on equity of 50.6%

Pretax Adjusted Operating Earnings[1]



(1) Excludes Corporate & Other Segment.

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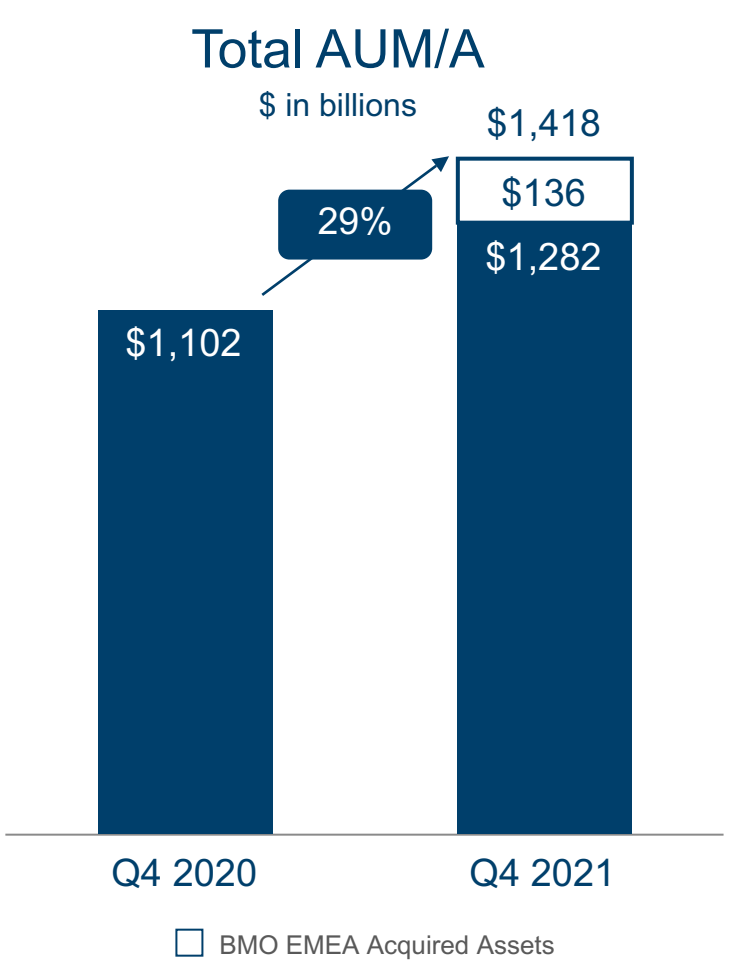
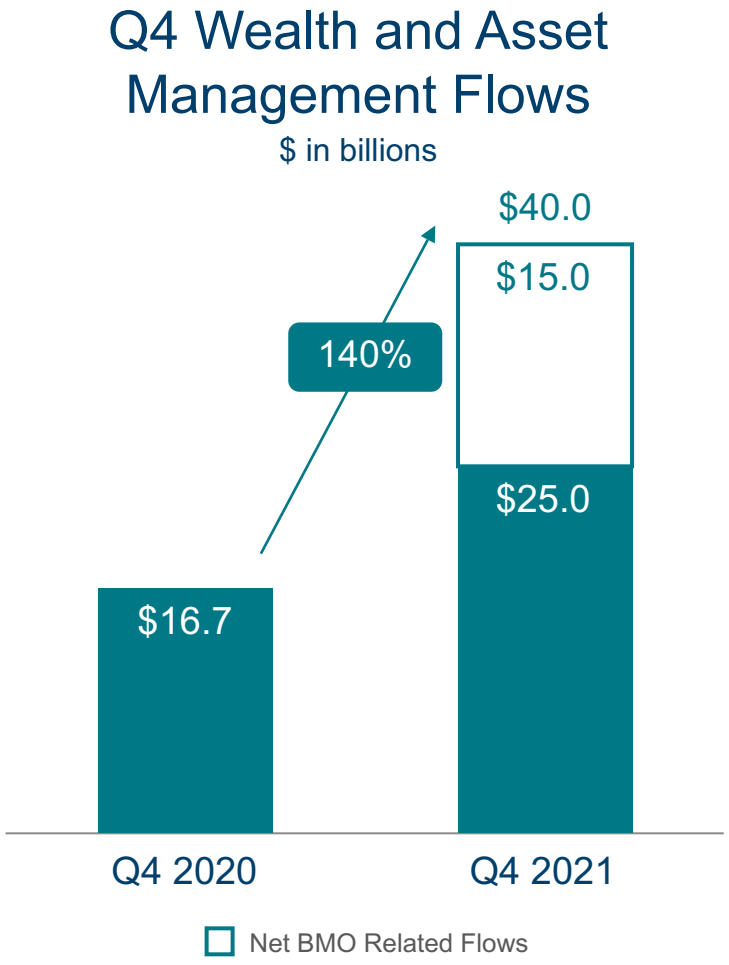
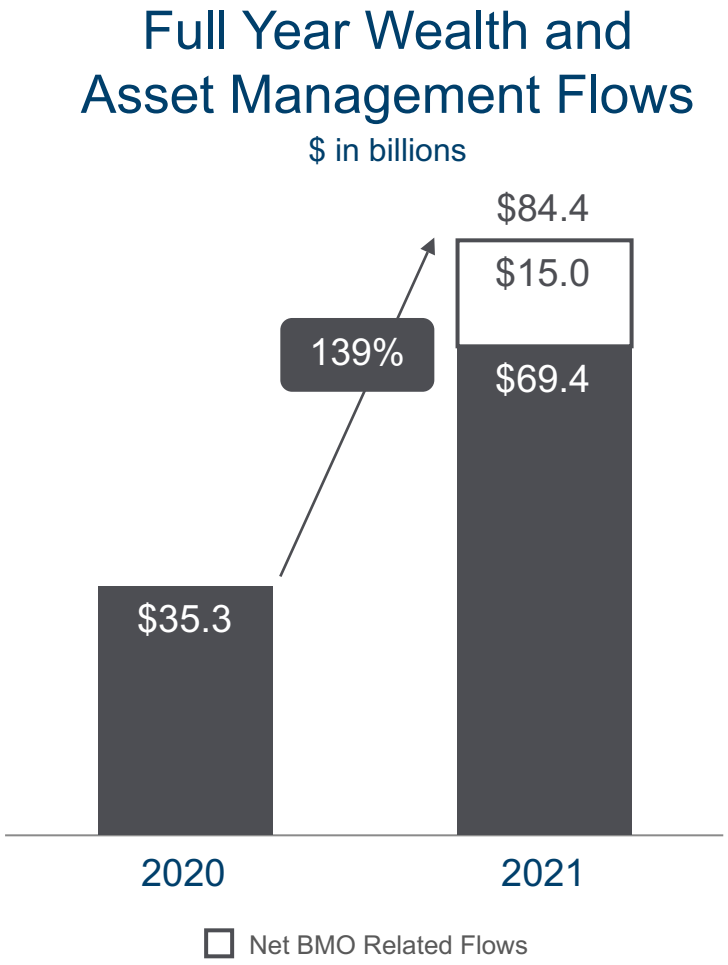
Wealth and Asset Management continue to deliver strong organic growth







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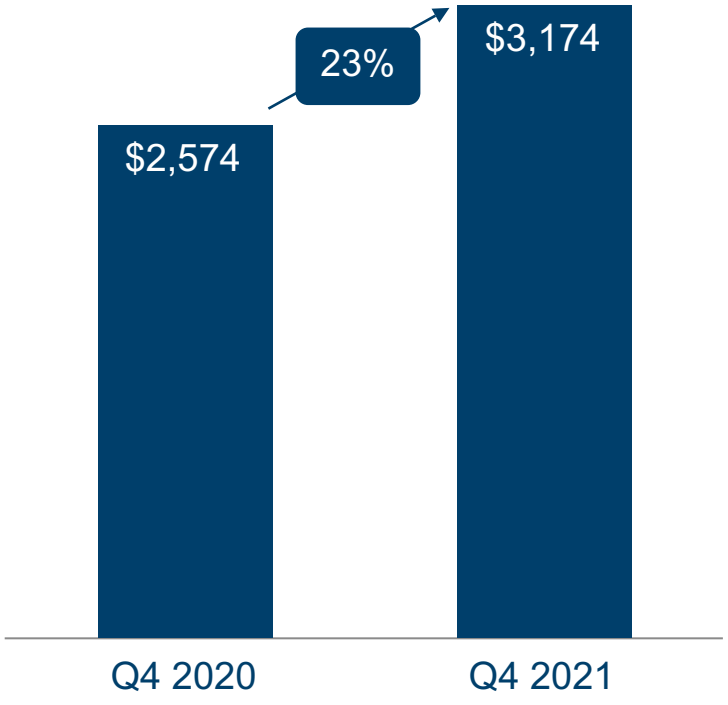
Wealth and Asset Management are the growth drivers for Ameriprise

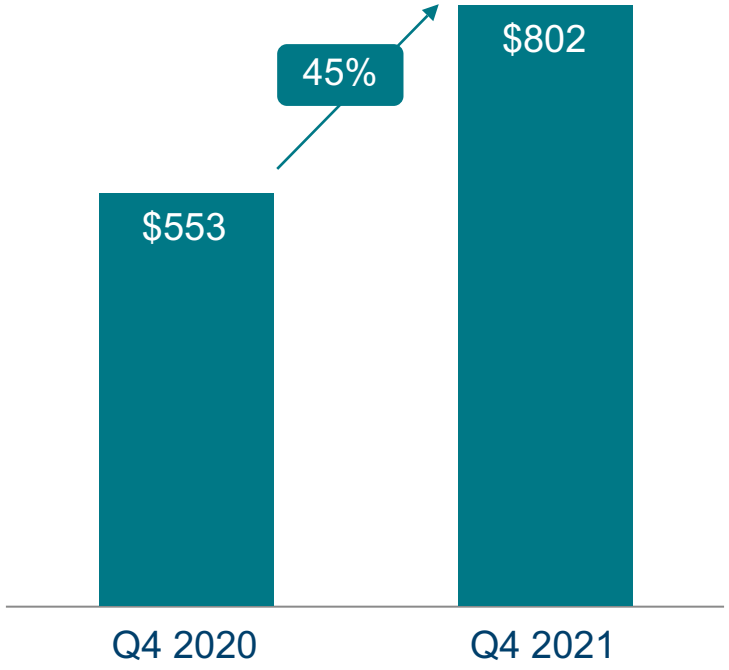
Wealth and Asset Management Net Revenue

$ in millions

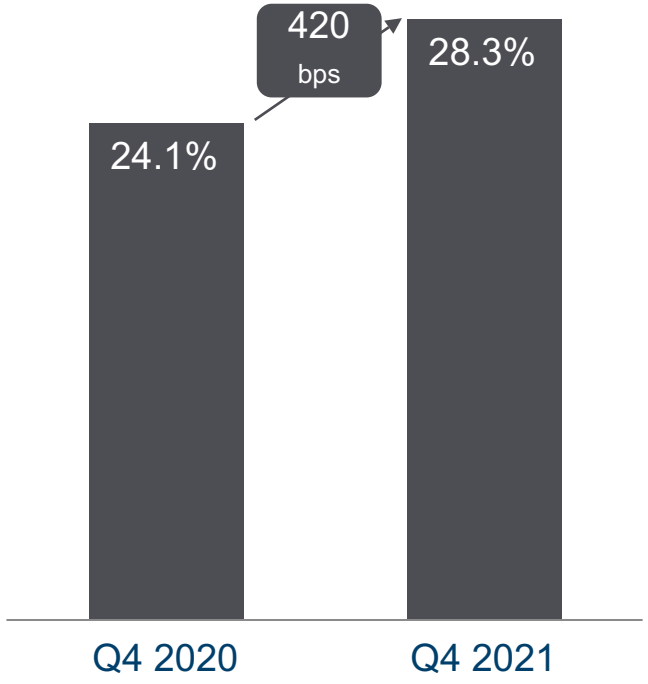


Wealth and Asset Management Pretax Adjusted Operating Earnings

$ in millions



Wealth and Asset Management Pretax Adjusted Operating Margin(1)



(1) Reflects the pretax adjusted operating margin for Advice & Wealth Management and the net pretax adjusted operating margin for Asset Management.

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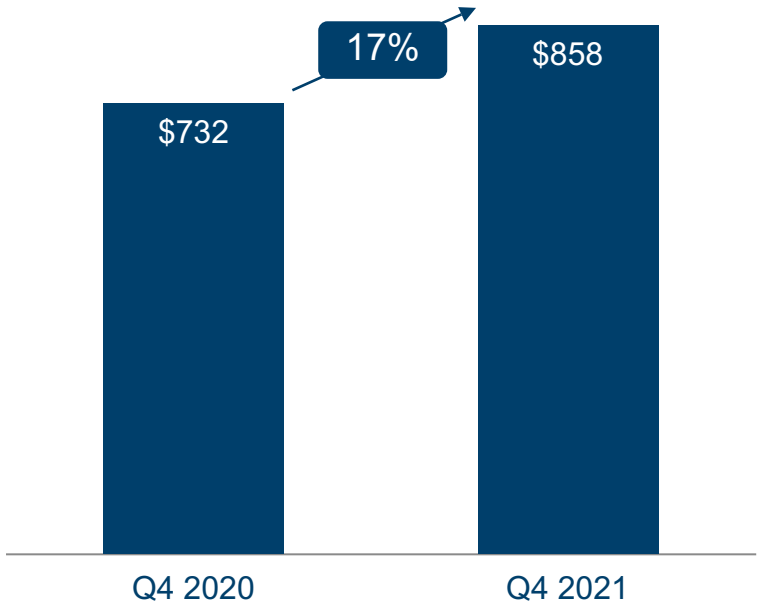
Wealth Management has a continued strong track record of profitable organic growth in the quarter

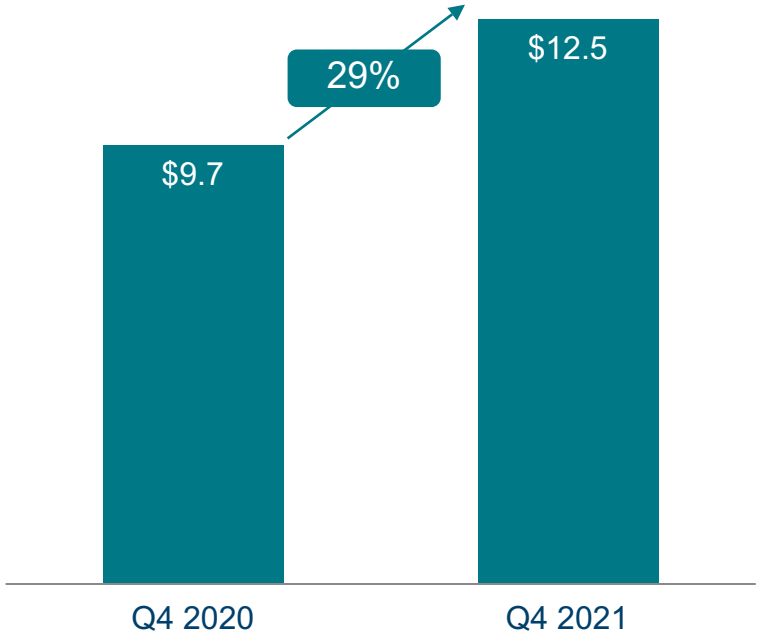
Total Client Assets

$ in billions



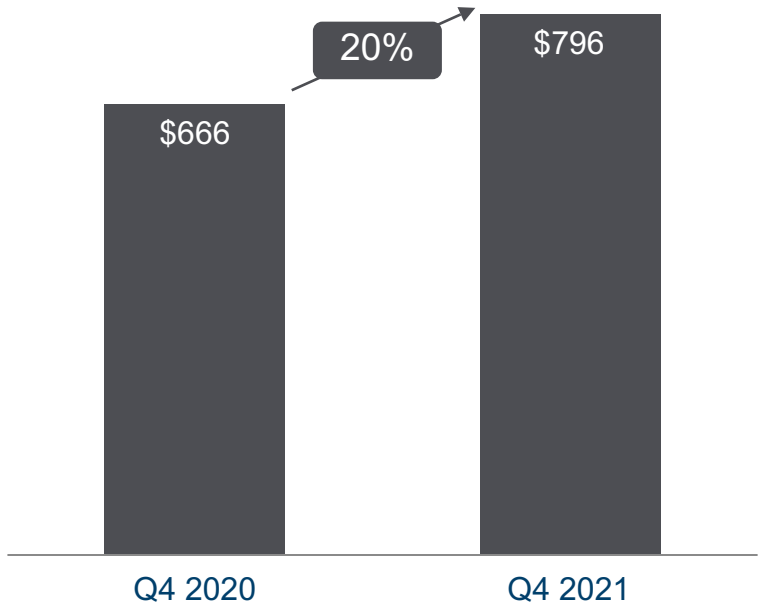
Total Client Flows

$ in billions



TTM Revenue Per Advisor(1)

$ in thousands



(1) Excluding the impact from short-term rates.

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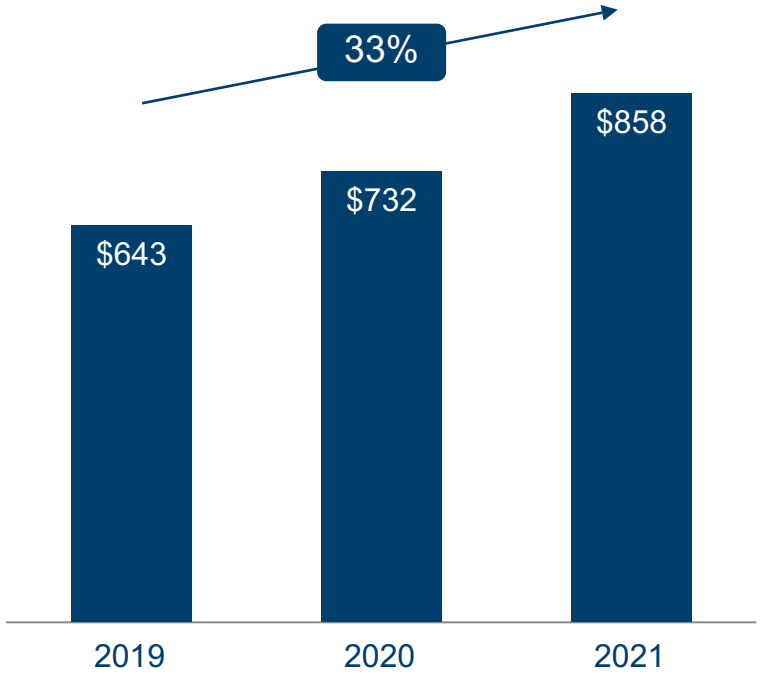
Wealth Management has a strong track record of profitable organic growth for the full year

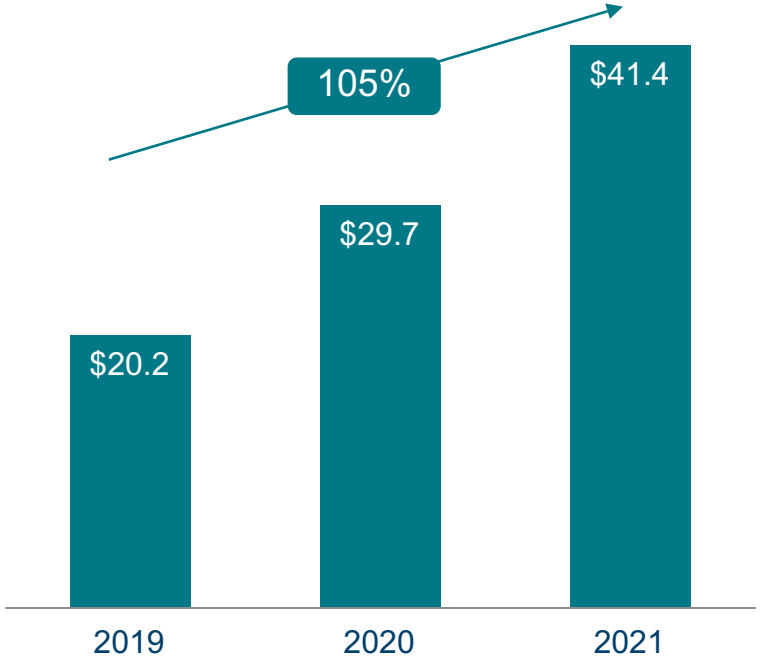
Total Client Assets

$ in billions



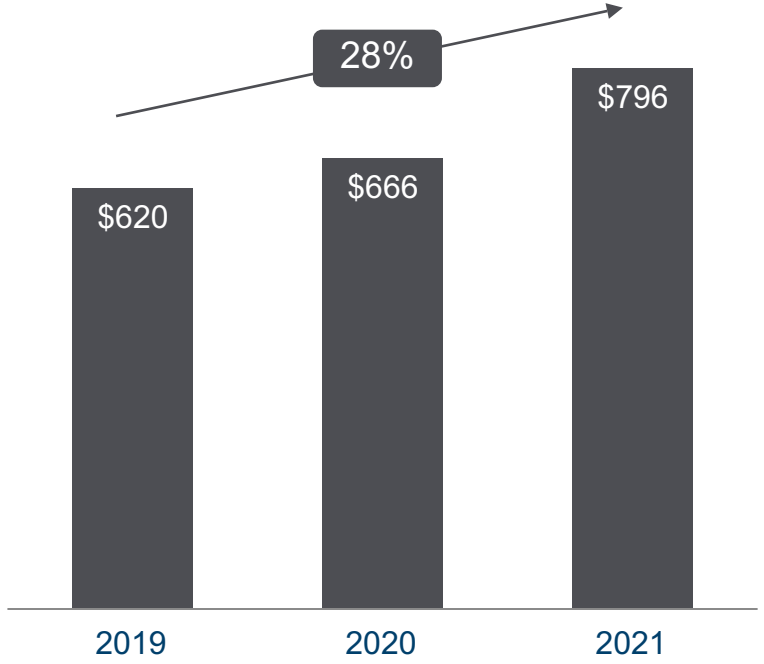
Total Client Flows

$ in billions



TTM Revenue Per Advisor(1)

$ in thousands



(1) Excluding the impact from short-term rates.

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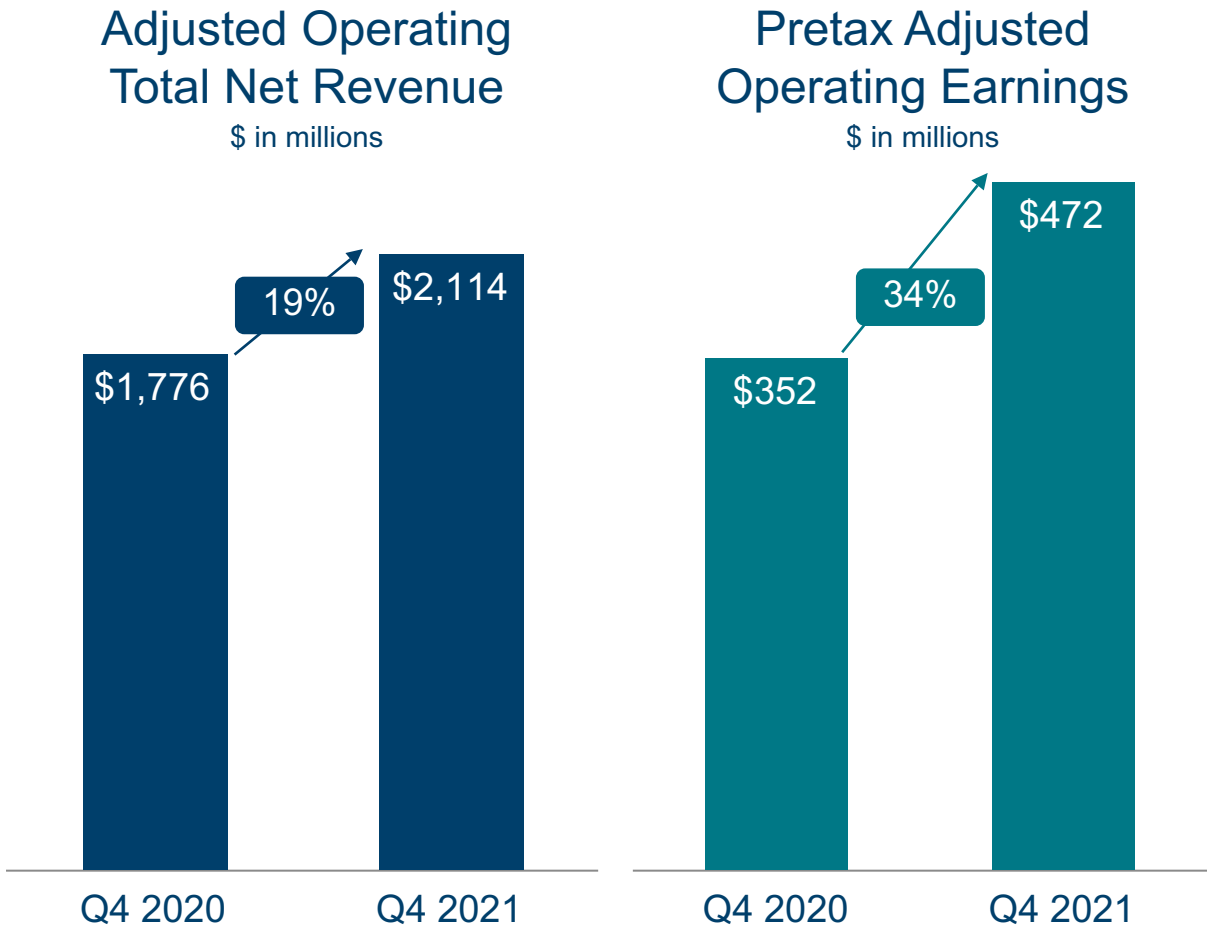
Wealth Management had excellent financial results



- Revenue grew 19% year-over-year
  - Robust client flows of $12.5 billion, up 29%
  - Higher transactional activity
  - Equity market appreciation
- Ameriprise Bank profitability continues to increase
  - $4.0 billion of cash sweep brought on balance sheet in 2021
  - Strong momentum in securities lending products
- Expenses were well managed with just 2% growth in G&A, as higher activity-based expense and performance-based compensation were offset by expense discipline
- Generated strong profitability with pretax operating earnings up 34% to $472 million and margin expansion of 250 bps to 22.3%

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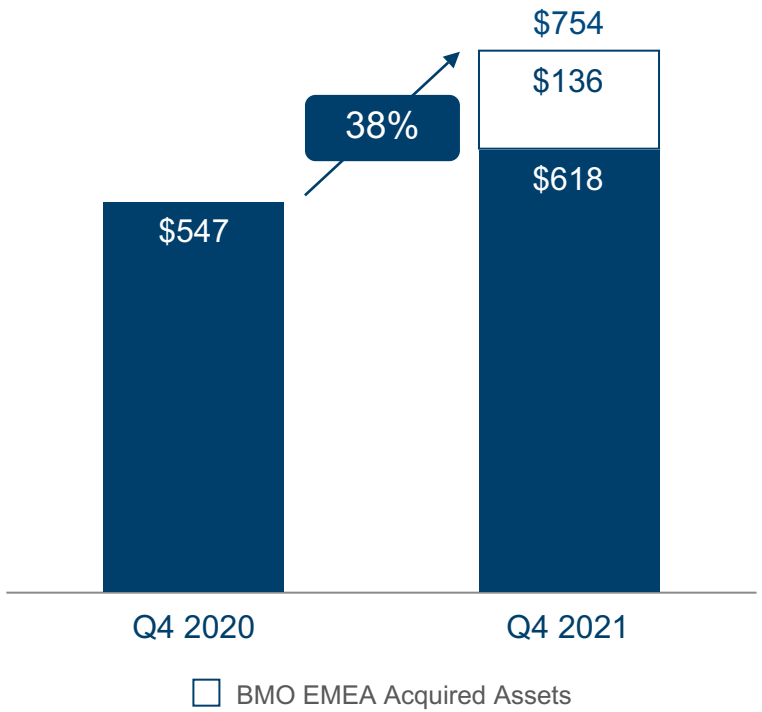
Asset Management has a strong track record of profitable growth in the quarter

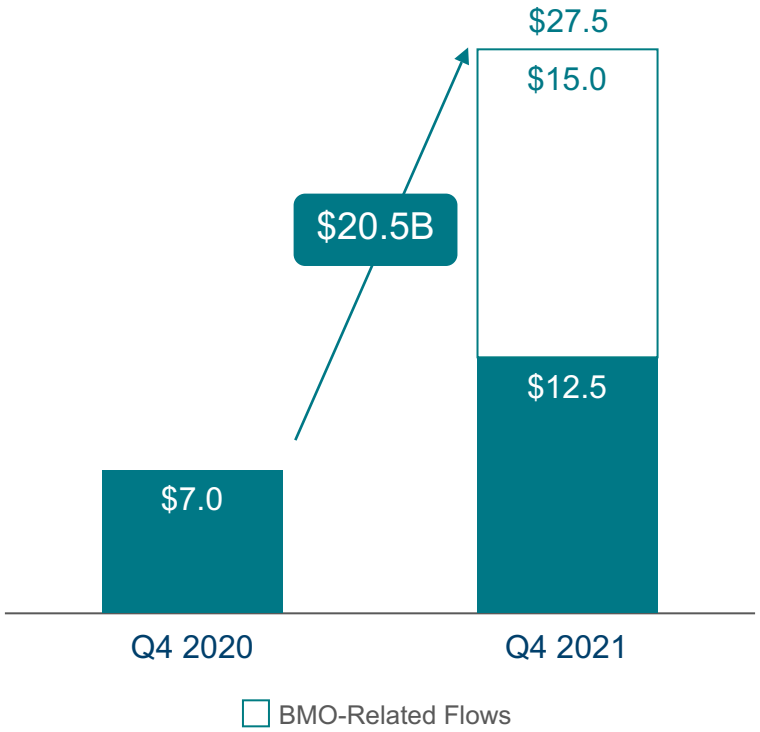
Total AUM

$ in billions

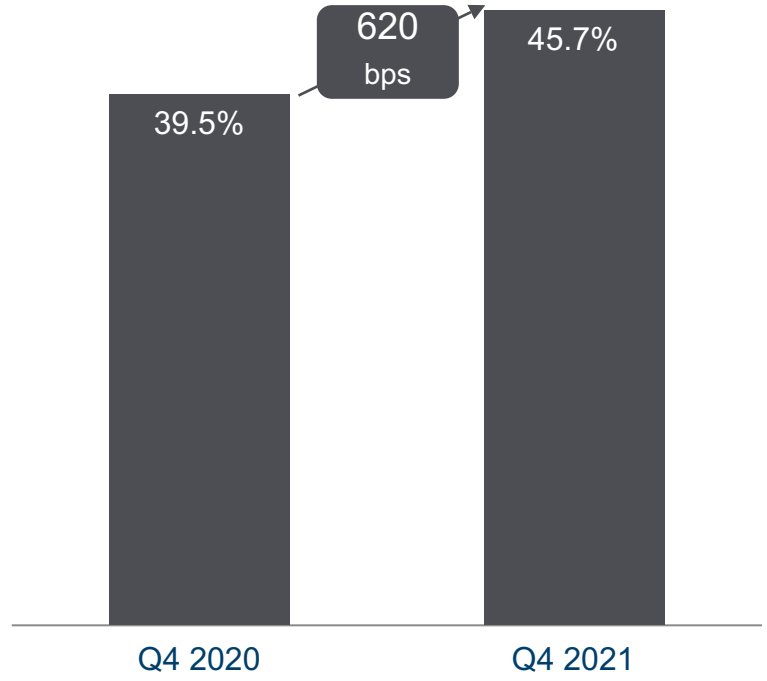


Total Flows

$ in billions



Adjusted Operating Margin



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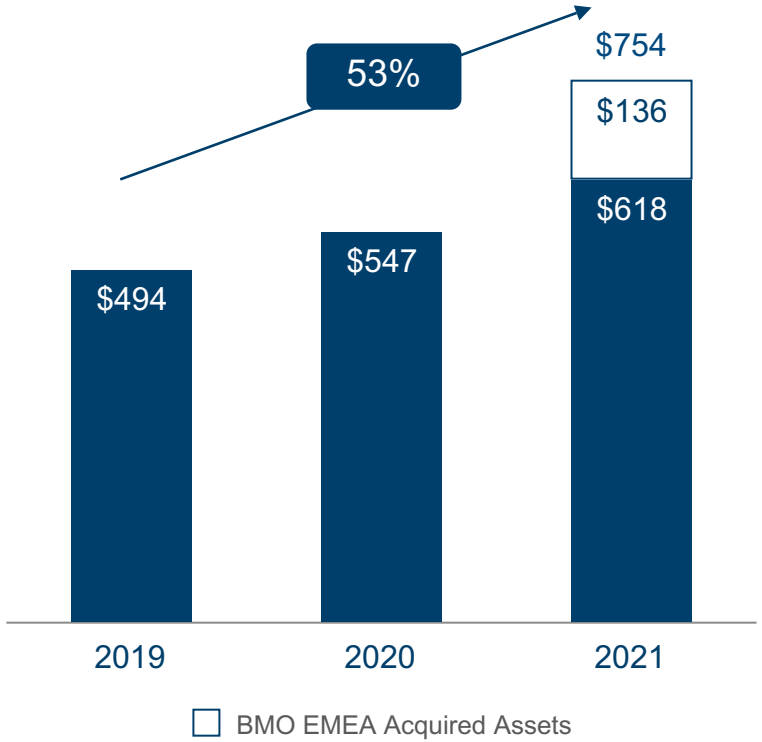
Asset Management has a strong track record of profitable growth for the year

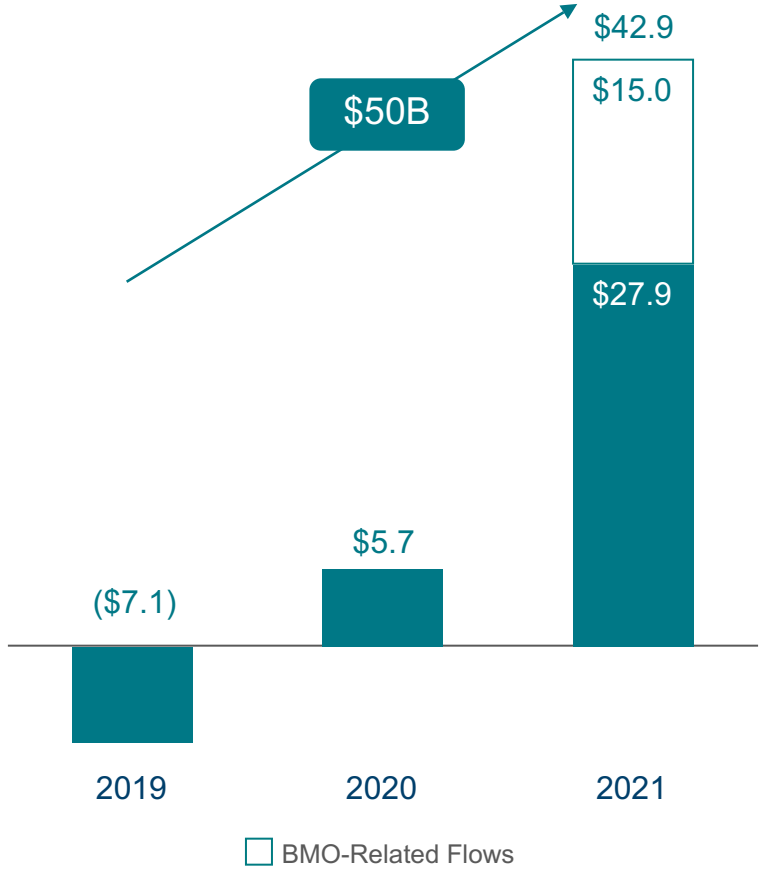
Total AUM

$ in billions

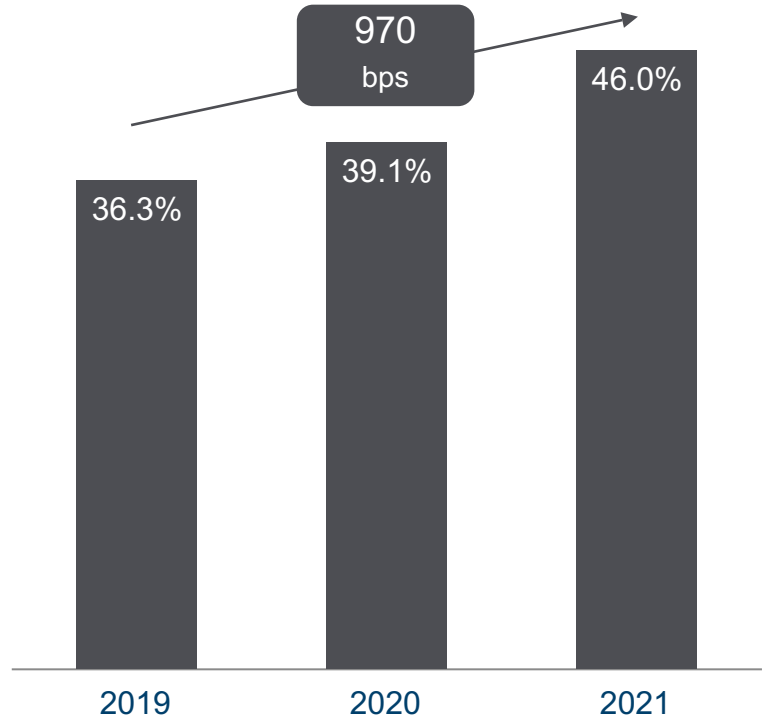


Total Flows

$ in billions



Adjusted Operating Margin



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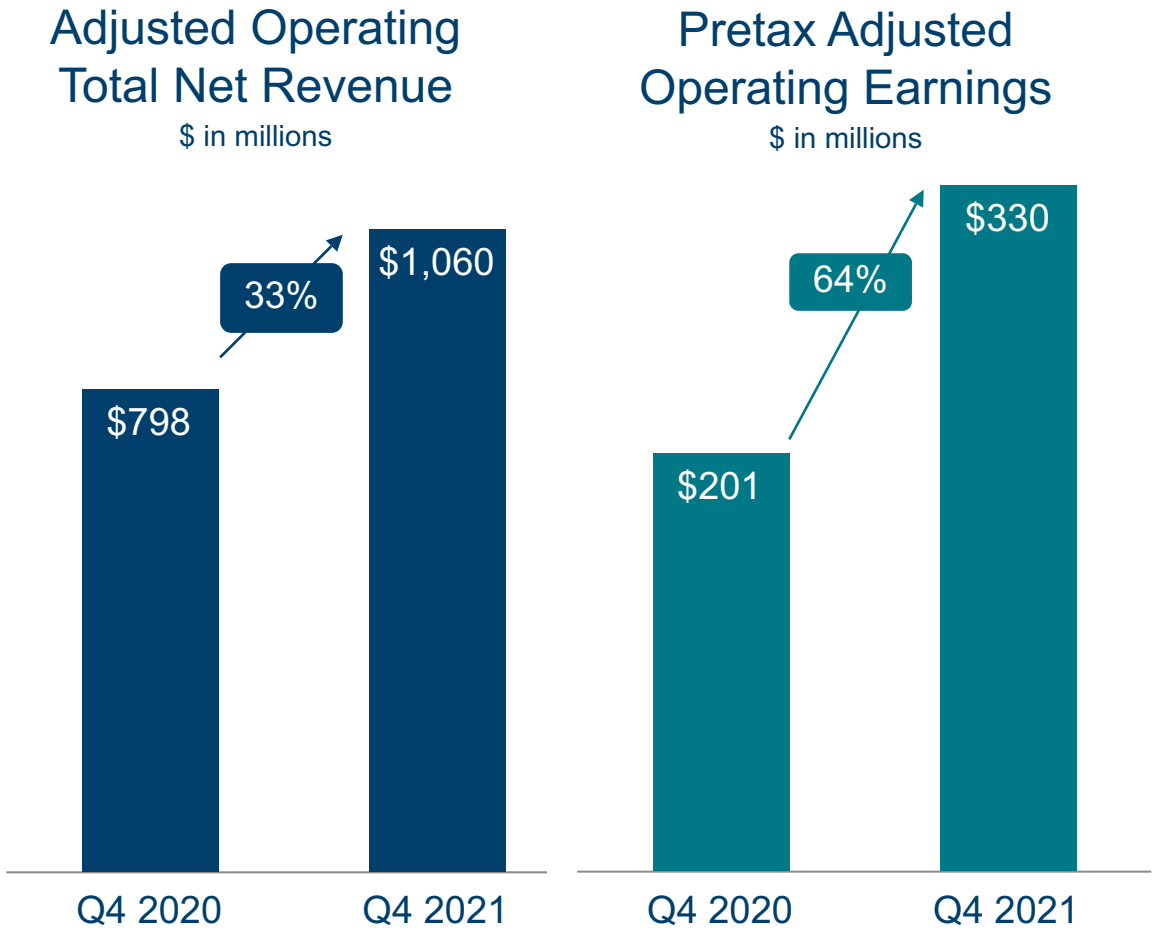
Solid business performance drove 64% growth in Asset Management earnings



- Revenue increased 33% reflecting the cumulative benefit of net inflows, strong performance fees and market appreciation; excluding BMO EMEA, revenue grew 25%
  - Fee rate was strong at 54 basis points
- Expenses remain well managed relative to revenue growth with G&A up 12% excluding BMO EMEA, primarily from higher performance fee compensation
- Substantial growth in operating earnings to $330 million, up $129 million from a year ago
- Net pretax adjusted operating margin of 45.7%; excluding 2 months of BMO EMEA, the margin was 48.6%
- BMO EMEA acquisition closed in November with fundamental business and financial performance consistent with expectations
- Integration of BMO acquisition is on track
  - Synergies and integration expenses are on track
  - Deal accretion is in line with expectations

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Retirement & Protection Solutions performed well with stable earnings and substantial free cash flow



- Earnings were $183 million reflecting continued solid performance
- Accelerating mix shift through product actions announced in the quarter
  - Discontinued sales of living benefit riders at year end - represented 98% of living benefit sales with a full exit of living benefit sales by end of Q2 2022
  - No longer selling Universal Life with secondary guarantees and our UL/LTC combo product
- Focus on non-guaranteed retirement and asset accumulation products sales with total sales up 15%
  - 67% of sales in retirement products without living benefit guarantees versus 58% a year ago
  - Account value with living benefits were 61% of the overall block, down 240 basis points from a year ago
  - Sales of VUL products increased 83%, now comprising 32% of the total insurance inforce
- Business continues to deliver stable earnings with a differentiated risk profile, while generating significant free cash flow

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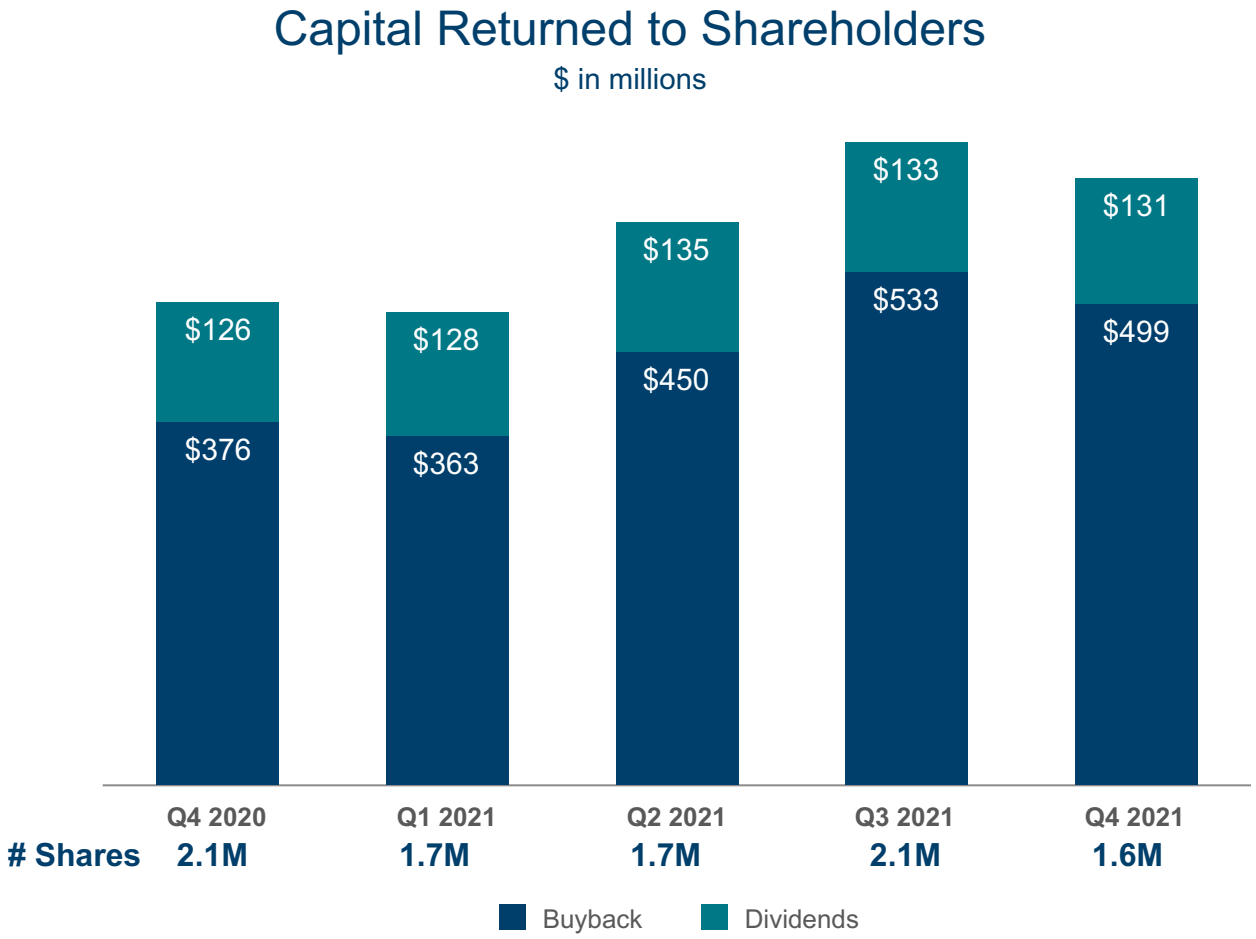
Strong balance sheet and free cash flow generation supported ~90% capital return



- Strong balance sheet fundamentals and superior capital strength
  - Ongoing free cash flow generation of ~90%
  - $2.4 billion of holding company available liquidity
  - $2.0 billion of excess capital
  - AA rated investment portfolio positioned well to navigate stress scenarios
  - Hedging effectiveness of 97% for the quarter and 95% for the full year
- Strong adjusted operating ROE of 50.6%
- Returned nearly 90% of adjusted operating earnings to shareholders in the year and announced an additional $3 billion share repurchase authorization
- Reduced share count by 27% over the past 5 years

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Reconciliation Tables

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Reconciliation tables

Adjusted Operating Net Revenues & Expenses

(in millions, unaudited)	Quarter Ended December 31, 2021	Quarter Ended December 31, 2020	% Over / (Under)
Total net revenues	$ 3,760	$ 3,183	18%
Less: Net realized investment gains (losses)	9	8	
Less: Market impact on non-traditional long-duration products	13	20	
Less: Market impact of hedges on investments	18	—	
Less: CIEs revenue	15	19	
Adjusted operating total net revenues	$ 3,705	$ 3,136	18%
Total expenses	$ 2,894	$ 2,993	3%
Less: CIEs expenses	18	13	
Less: Integration/restructuring charges	18	—	
Less: Market impact on non-traditional long-duration products	92	634	
Less: Mean reversion-related impacts	(45)	(117)	
Adjusted operating expenses	$ 2,811	$ 2,463	(14)%
Pretax income	866	190	
Pretax adjusted operating earnings	894	673	
Pretax income margin	23.0 %	6.0 %	
Pretax adjusted operating margin	24.1 %	21.5 %	

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2021	Quarter Ended December 31, 2020	Per Diluted Share Quarter Ended December 31, 2021	Per Diluted Share Quarter Ended December 31, 2020	% Over/ (Under)
Net income	$ 701	$ 177	$ 5.96	$ 1.43	NM
Less: Net realized investment gains (losses) [1]	9	8	0.08	0.06	
Add: Market impact on non-traditional long-duration products [1]	79	614	0.67	4.98	
Add: Mean reversion-related impacts [1]	(45)	(117)	(0.38)	(0.95)	
Add: Market impact of hedges on investments [1]	(18)	—	(0.15)	—	
Add: Integration/restructuring charges [1]	18	—	0.15	—	
Less: Net income (loss) attributable to consolidated investment entities	(2)	5	(0.02)	0.04	
Add: Tax effect of adjustments [2]	(5)	(102)	(0.04)	(0.83)	
Adjusted operating earnings	$ 723	$ 559	$ 6.15	$ 4.53	36%
Weighted average common shares outstanding:					
Basic	114.6	120.9			
Diluted	117.6	123.4			

[1] Pretax adjusted operating adjustment.

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

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Reconciliation tables

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

(in millions, unaudited)	Twelve Months Ended December 31, 2021	2020
Net income	$ 2,760	$ 1,534
Less: Adjustments [1]	36	(236)
Adjusted operating earnings	$ 2,724	$ 1,770
Total Ameriprise Financial, Inc. shareholders' equity	$ 5,689	$ 6,171
Less: Accumulated other comprehensive income, net of tax	301	301
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,388	5,870
Less: Equity impacts attributable to the consolidated investment entities	2	1
Adjusted operating equity	$ 5,386	$ 5,869
Return on equity excluding AOCI	51.2 %	26.1 %
Adjusted operating return on equity excluding AOCI [2]	50.6 %	30.2 %

[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; block transfer reinsurance transaction 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; block transfer reinsurance transaction 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

Advice & Wealth Management Adjusted Revenue Per Advisor

(unaudited)	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	% Over/(Under) 2021 vs 2019	% Over/(Under) 2021 vs 2020
Total Net Revenue ($ in M)	$ 1,554	$ 1,653	$ 1,682	$ 1,710	$ 1,695	$ 1,537	$ 1,667	$ 1,776	$ 1,879	$ 1,980	2,048	2,114		
Interest Revenue ($ in M)	$ (122)	$ (122)	$ (116)	$ (92)	$ (78)	$ —	$ —	$ —	$ —	$ —	$ —	$ —		
Advisor Count	9,979	9,951	9,930	9,871	9,878	9,894	9,905	9,922	10,031	10,047	10,073	10,116		
Revenue Per Advisor ($ in K)	$ 156	$ 166	$ 169	$ 173	$ 172	$ 155	$ 168	$ 179	$ 187	$ 197	$ 203	$ 209		
Revenue Per Advisor excluding short-term interest rate impact ($ in K)	$ 144	$ 154	$ 158	$ 164	$ 164	$ 155	$ 168	$ 179	$ 187	$ 197	$ 203	$ 209		
Revenue Per Advisor TTM ($ in K)				$ 664				$ 674				$ 796	20%	18%
Revenue Per Advisor excluding short-term interest rate impact TTM ($ in K)				$ 620				$ 666				$ 796	28%	20%

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Reconciliation tables

Asset Management Net Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2021	2020
Adjusted operating total net revenues	$ 1,060	$ 798
Distribution pass thru revenues	(234)	(205)
Subadvisory and other pass thru revenues	(97)	(94)
Net adjusted operating revenues	$ 729	$ 499
Pretax adjusted operating earnings	$ 330	$ 201
Adjusted operating net investment income	(2)	(8)
Amortization of intangibles	5	4
Net adjusted operating earnings	$ 333	$ 197
Pretax adjusted operating margin	31.1 %	25.2 %
Net pretax adjusted operating margin [1]	45.7 %	39.5 %

[1] Calculated as net adjusted operating earnings as a percentage of net adjusted operating revenues.

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Reconciliation tables

Asset Management Net Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Year-to-date December 31, 2021	2020	2019
Adjusted operating total net revenues	$ 3,682	$ 2,891	$ 2,913
Distribution pass thru revenues	(907)	(761)	(747)
Subadvisory and other pass thru revenues	(375)	(322)	(330)
Net adjusted operating revenues	$ 2,400	$ 1,808	$ 1,836
Pretax adjusted operating earnings	$ 1,096	$ 697	$ 661
Adjusted operating net investment income	(6)	(3)	(15)
Amortization of intangibles	14	13	21
Net adjusted operating earnings	$ 1,104	$ 707	$ 667
Pretax adjusted operating margin	29.8 %	24.1 %	22.7 %
Net pretax adjusted operating margin [1]	46.0 %	39.1 %	36.3 %

[1] Calculated as net adjusted operating earnings as a percentage of net adjusted operating revenues.

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Reconciliation tables

Asset Management Net Pretax Adjusted Operating Margin

(in millions, unaudited)	Quarter Ended December 31, 2021		
	Asset Mgmt	BMO [2]	Asset Mgmt ex BMO
Adjusted operating total net revenues	$ 1,060	$ 59	$ 1,001
Distribution, Subadvisory and other pass thru revenues	(331)	(1)	(330)
Net adjusted operating revenues	$ 729	$ 58	$ 671
Pretax adjusted operating earnings	$ 330	$ 4	$ 326
Operating net investment income and amortization of intangibles	3	3	—
Net adjusted operating earnings	$ 333	$ 7	$ 326
Pretax adjusted operating margin	31.1 %	6.8 %	32.6 %
Net pretax adjusted operating margin [1]	45.7 %	12.1 %	48.6 %

[1] Calculated as net adjusted operating earnings as a percentage of net adjusted operating revenues.
[2] Reflects the acquisition of BMO's EMEA Asset Management business that closed on November 8, 2021.

Asset Management Segment Operating Results

(in millions, unaudited)	Quarter Ended December 31,		% Over/ (under)
	2021	2020	
Total net revenues	$ 1,060	$ 798	33 %
BMO revenues	59	—	
Total net revenues excluding BMO	$ 1,001	$ 798	25 %
Total G&A expenses	$ 431	$ 339	27 %
BMO G&A expenses	52	—	
Total G&A expenses excluding BMO	$ 379	$ 339	12 %

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Reconciliation tables

Wealth and Asset Management Net Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2021	2020
Advice & Wealth adjusted operating total net revenues	$ 2,114	$ 1,776
Asset Management net adjusted operating revenues	729	499
Wealth and Asset Management net adjusted operating revenues	$ 2,843	$ 2,275
Advice & Wealth adjusted operating earnings	$ 472	$ 352
Asset Management net adjusted operating earnings	333	197
Wealth and Asset Management net adjusted operating earnings	$ 805	$ 549
Wealth and Asset Management pretax adjusted operating margin	28.3 %	24.1 %

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Reconciliation tables

Pretax Adjusted Operating Earnings Mix Shift

(in millions, unaudited)	Quarter Ended December 31, 2021	2020
Advice & Wealth Management	$ 472	$ 352
Asset Management	330	201
RPS	183	180
Pretax adjusted operating earnings ex Corporate	985	733
Advice & Wealth Management	48 %	48 %
Asset Management	33 %	27 %
RPS	19 %	25 %
Subtotal pretax adjusted operating earnings	100 %	100 %
AWM & AM	81 %	75 %

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Reconciliation tables

Pretax Adjusted Operating Earnings Growth and Mix Shift ex Unlocking

(in millions, unaudited)	Twelve Months Ended December 31, 2021	2020	% Over/ (Under)
Advice & Wealth Management	$ 1,743	$ 1,321	
Asset Management	1,096	697	
Total Advice & Wealth Mangement and Asset Management	2,839	2,030	**41 %**
Retirement & Protection Solutions	735	480	
Less: unlocking	(5)	(295)	
Retirement & Protection Solutions ex unlocking	740	775	
Pretax adjusted operating earnings ex Corporate & unlocking	**3,579**	**2,793**	
Corporate	(270)	(369)	
Less: unlocking	(3)	(147)	
Corporate ex unlocking	(267)	(222)	
Pretax adjusted operating earnings ex unlocking	**3,312**	**2,571**	**29 %**
Advice & Wealth Management	49 %		
Asset Management	31 %		
Retirement & Protection Solutions	20 %		
Pretax adjusted operating earnings ex unlocking	100 %		
AWM & AM	*80 %*		

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