Ameriprise Financial

Fourth Quarter 2022 Conference Call

January 26, 2023

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Forward-looking statements

Some of the statements made in our January 25, 2023 earnings release and/or in this January 26, 2023 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of January 26, 2023. 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 25, 2023 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, 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 third quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of January 26, 2023 and may be revised in our Form 10-K for the year ended December 31, 2022.

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 2022 Results

GAAP	Q4 2022	Q4 2021	Over/(Under)
Net Revenues ($M)	$3,617	$3,760	(4)%
Expenses ($M)	$2,998	$2,894	(4)%
Net Income ($M)	$494	$701	(30)%
Diluted EPS	$4.43	$5.96	(26)%
ROE, ex. AOCI [1]	43.1%	51.2%	(810) bps

Adjusted Operating	Q4 2022	Q4 2021	Over/(Under)
Net Revenues ($M)	$3,645	$3,705	(2)%
Expenses ($M)	$2,672	$2,811	5%
Earnings ($M)	$773	$723	7%
Diluted EPS	$6.94	$6.15	13%
ROE, ex. AOCI [1]	45.9%	50.6%	(470) bps

Current year GAAP results include the impact of integration costs from the acquisition of BMO EMEA. Prior year GAAP results were negatively impacted by market changes that affected the valuation of derivatives.

[1] Calculated on a trailing twelve month basis.

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Q4 2022 Business & Financial Results

Walter Berman
Chief Financial Officer

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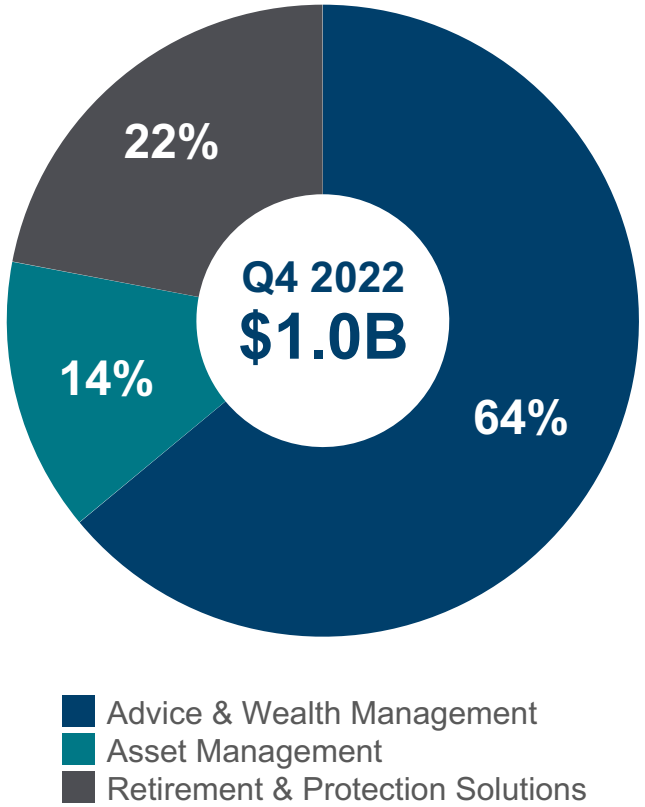
EPS[1] up 13% for the quarter and 11% for the year

- Our diversified business mix generates stable earnings across market cycles
- AWM earnings grew 41% and drove 64% of the company's earnings in the quarter, as a result of robust organic growth driven by strong underlying fundamentals and growth of Ameriprise Bank
- Asset Management navigated the challenging market environment, like the industry, while continuing to execute on strategic priorities and manage expenses
- RPS delivered strong results reflecting actions to reposition the investment portfolio and narrow our product focus to reduce the risk profile
- The strength of the Company's balance sheet and continued free cash flow generation enabled investments for business growth and a differentiated level of capital return to shareholders

Pretax Adjusted Operating Earnings[2]



(1) Excluding unlocking.
(2) Excludes the Corporate & Other Segment.

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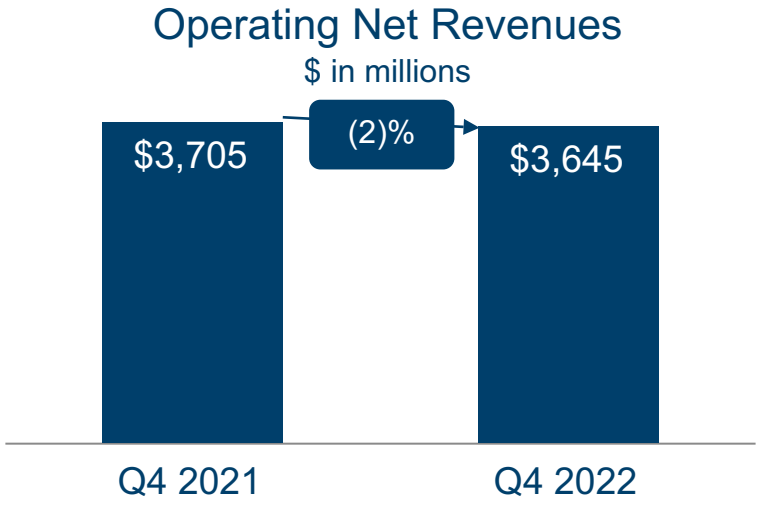
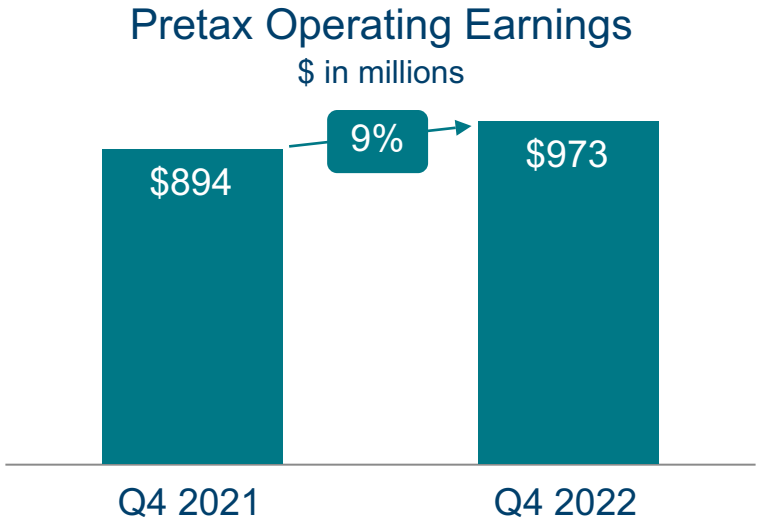
Interest earnings and business momentum more than offset market pressures





- AUM/A declined 17% as significant business growth and client flows were more than offset by depreciating markets
  - Equity markets down 19%
  - Fixed income markets down 12%
  - Foreign exchange: EUR down 6%, GBP down 11%
- Total Ameriprise flows were a sizeable $12 billion in the fourth quarter and $36 billion in 2022
- Operating net revenues declined only 2% and earnings increased 9% despite lower AUM
  - Significant benefits from interest earnings
  - Strong client flows
  - Continued expense discipline

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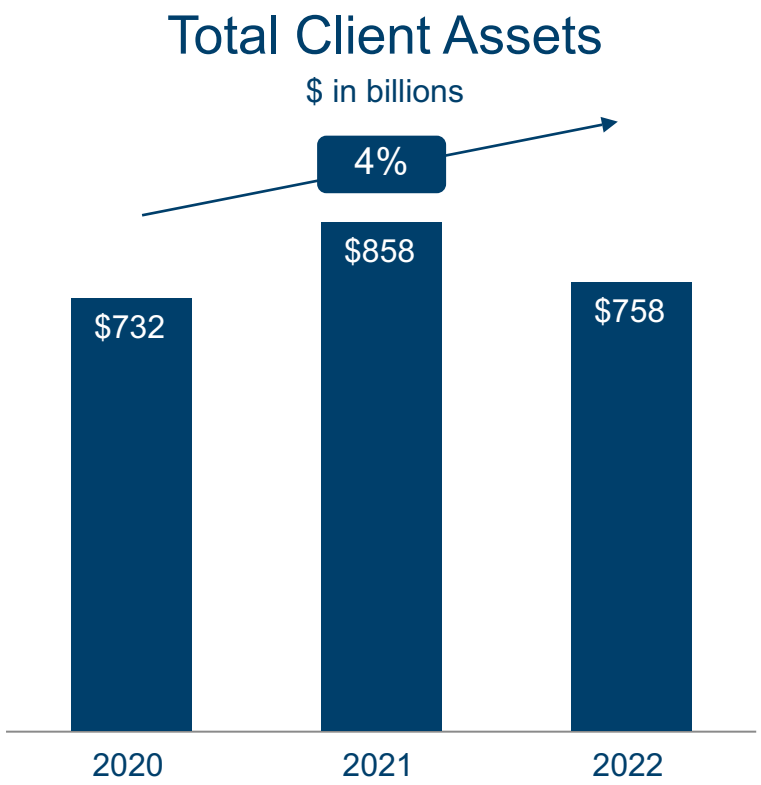
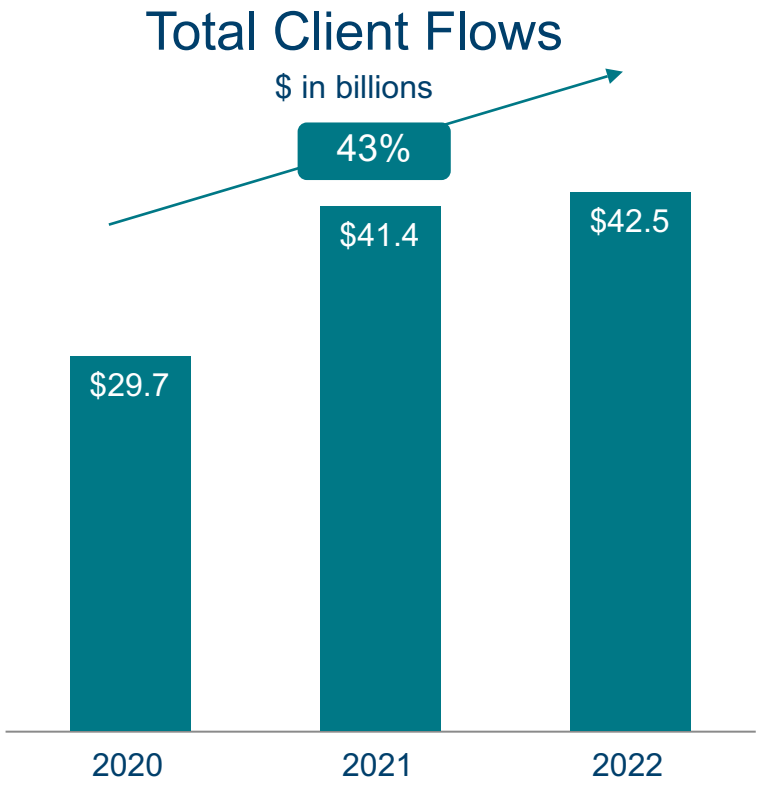
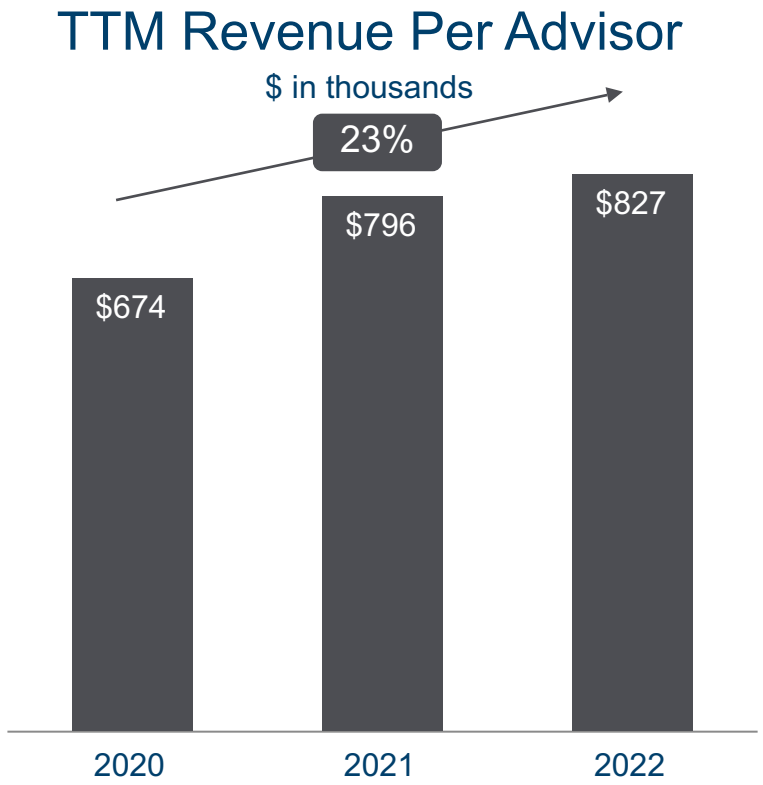
Wealth Management organic growth demonstrated the strength of our value proposition across market cycles







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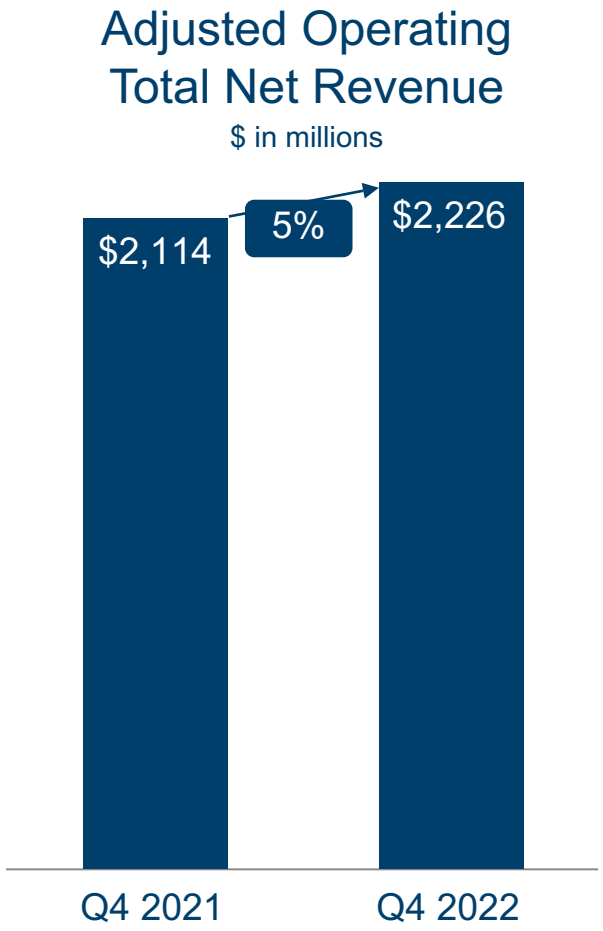
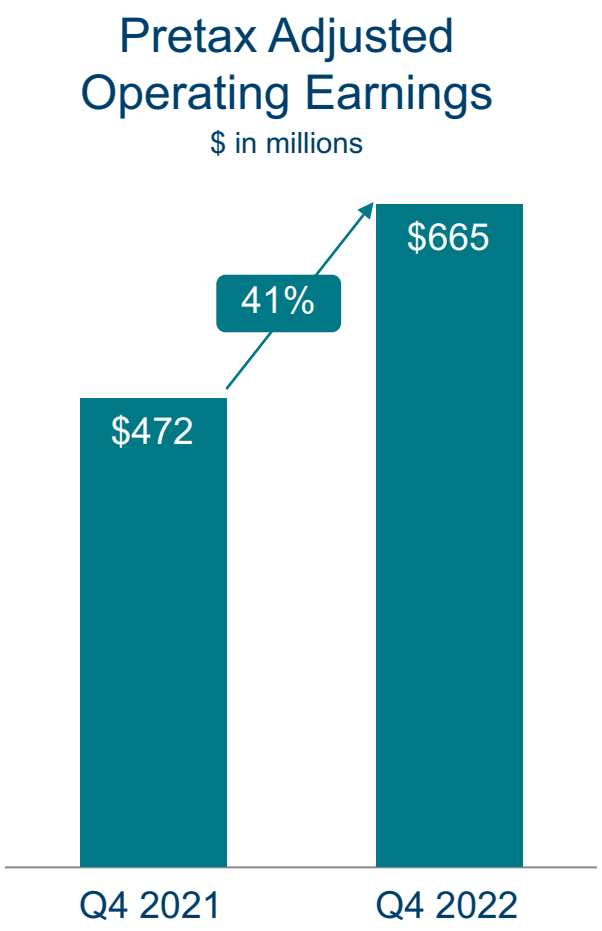
Wealth Management delivered record earnings and a new high margin of 30%





- Pretax earnings up 41%, as client flows and higher interest earnings more than offset market depreciation and lower transactional activity
- Cash balances remained high at $47 billion, up 8% from the prior year and 2% sequentially
  - Certificates grew 76% to nearly $10 billion
  - The gross fee yield was 373 bps, up over 300 bps from the prior year and 122 bps sequentially
- Growth in Ameriprise Bank will drive multi-year interest rate benefits
- Expenses continue to be well managed while investing for business growth
- Margin expanded 760 bps to 30%, a new high

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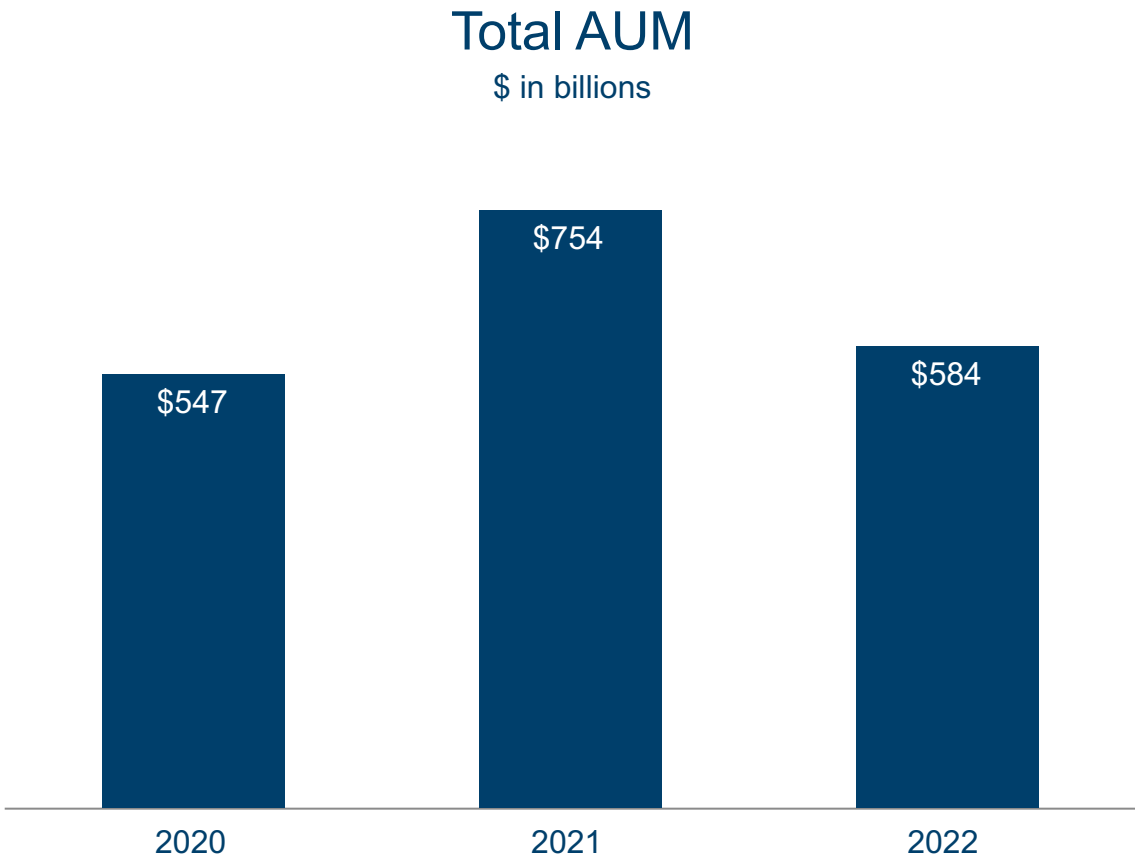
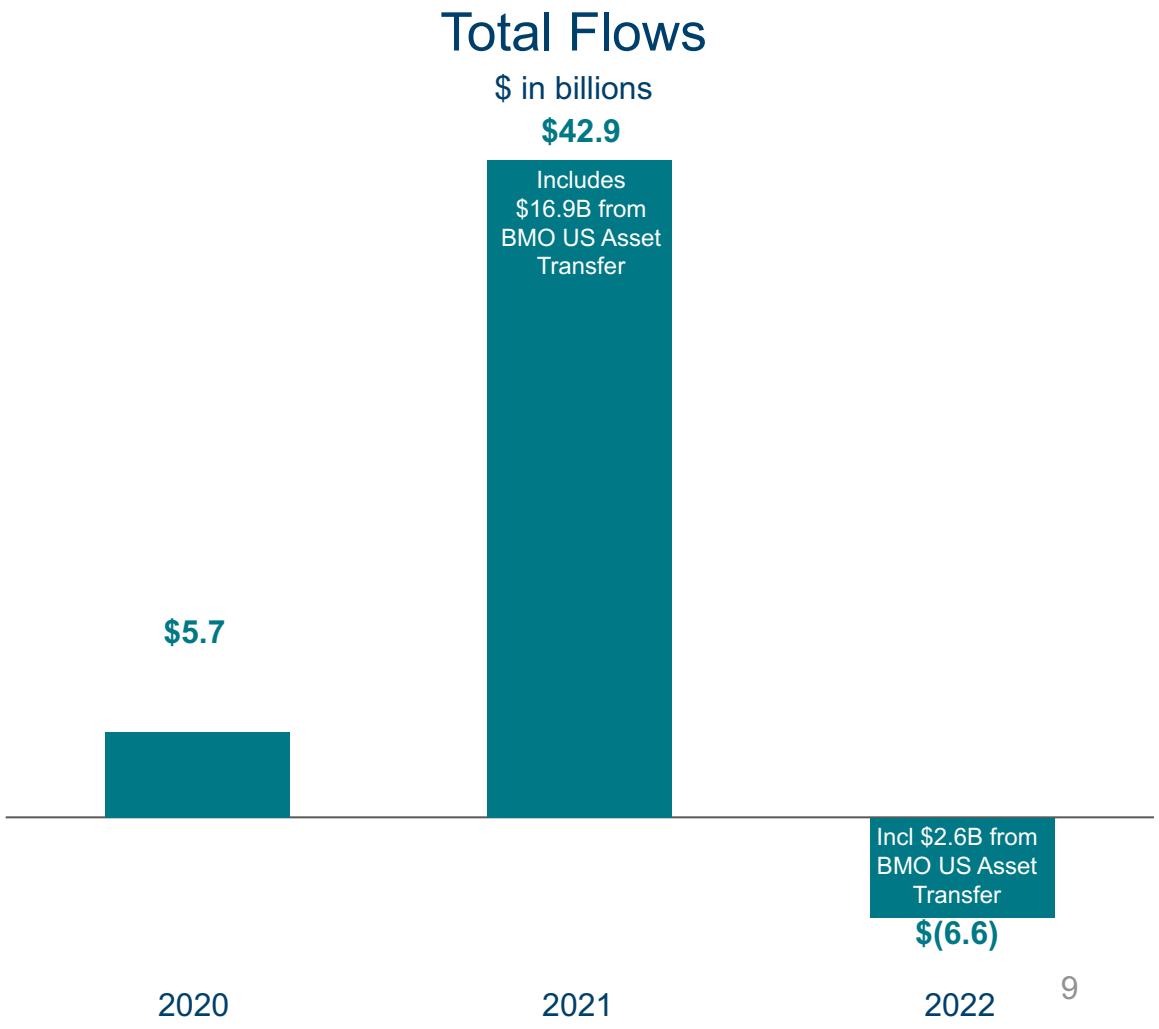
Asset Management industry remained challenged in 2022, with a 17% decline in AUM from markets and a 3% decline due to foreign currency translation





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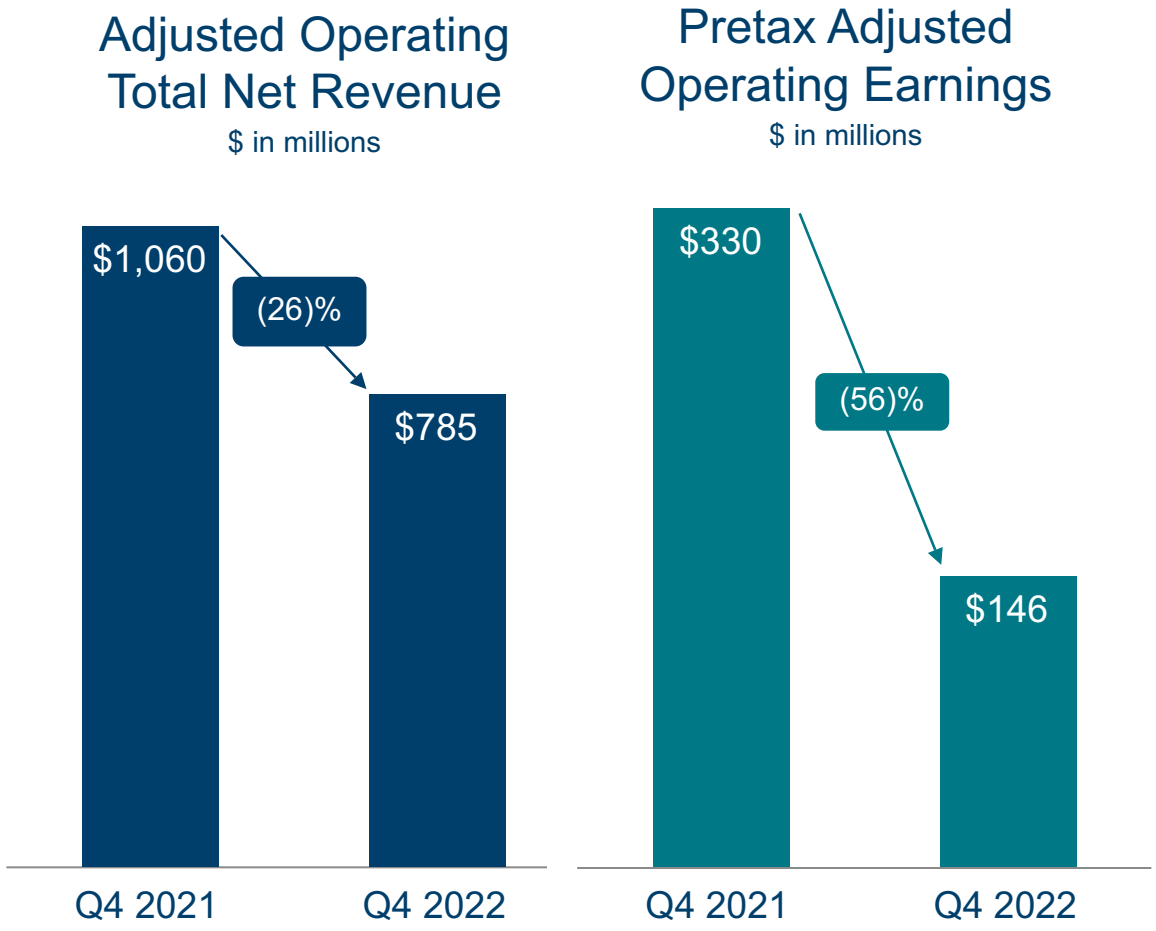
Asset Management results reflect the challenging market environment consistent with industry



- AUM declined 23% year-over-year from significant equity and fixed market depreciation, as well as foreign exchange translation and outflows
- Pretax adjusted operating earnings were $146 million
  - Impacted by market depreciation and net outflows
  - Includes $12 million of unfavorable items primarily related to mark-to-market adjustments
  - Performance fees were $30 million lower than the prior year
- Fee rate remained stable at 48 bps
- Adjusted operating expenses down 12% and remain well managed
- Net pretax adjusted operating margin of 29%

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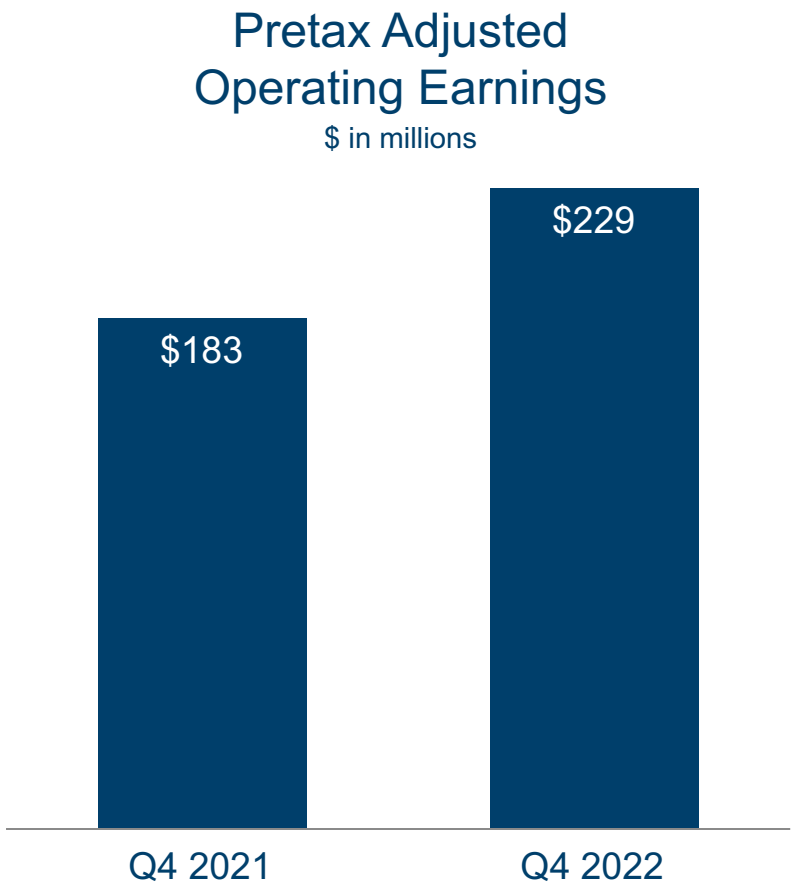
Retirement & Protection Solutions delivered strong earnings and free cash flow



- Pretax operating earnings of $229 million benefited from:
  - Enhanced yield by repositioning the investment portfolio
  - Lower amortization of deferred acquisition costs
  - Lower sales levels
- Sales continued to reflect muted overall industry sales levels, as well as management actions to exit product sales to optimize our business mix
- RPS remained well capitalized with RBC at approximately 545% and the business continued to generate strong free cash flow

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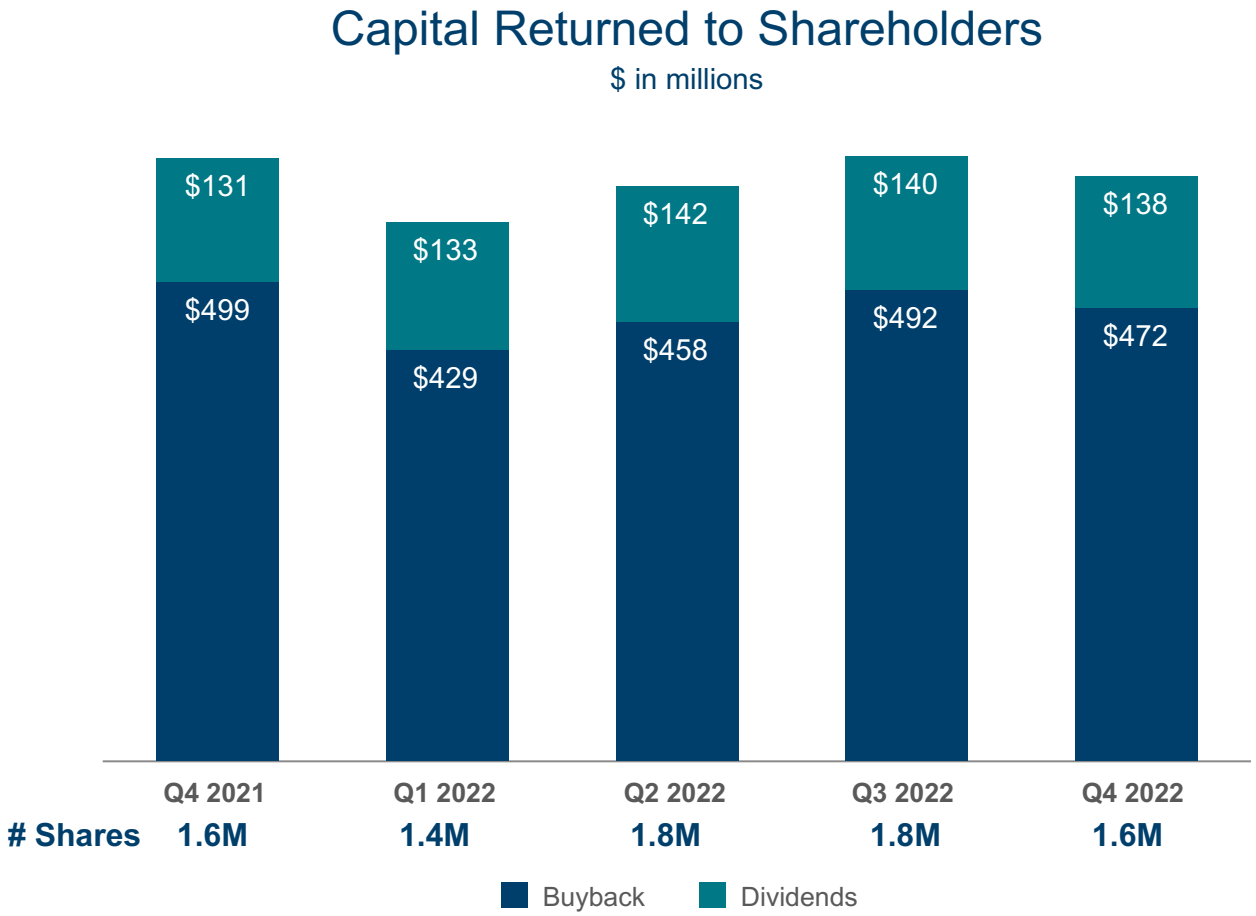
Strong balance sheet and free cash flow generation supported $2.4 billion capital return in 2022



- Strong balance sheet fundamentals and free cash flow generation enabled continued capital return
  - Strong excess capital and holding company liquidity
  - High-quality ‘AA’ rated investment portfolio
  - New asset purchases ‘AA+’ average credit quality with yields that are accretive to the overall portfolio
  - VA hedge effectiveness[1] of 97% in a volatile market environment
- Adjusted operating ROE ex. AOCI of 46%
- Repurchased 1.6 million shares in the quarter, consistent with the prior year
  - For the full year, repurchased 6.6 million shares
  - Reduced net share count by 28% over the past 5 years

(1) Excludes structured variable annuities

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Reconciliation Tables

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2022	Quarter Ended December 31, 2021	Per Diluted Share Quarter Ended December 31, 2022	Per Diluted Share Quarter Ended December 31, 2021	% Over/ (Under)
Net income	$ 494	$ 701	$ 4.43	$ 5.96	(26)%
Less: Net realized investment gains (losses) [1]	(7)	9	(0.06)	0.08	
Add: Market impact on non-traditional long-duration products [1]	360	79	3.24	0.67	
Add: Mean reversion-related impacts [1]	(31)	(45)	(0.28)	(0.38)	
Add: Market impact of hedges on investments [1]	—	(18)	—	(0.15)	
Add: Integration/restructuring charges [1]	15	18	0.13	0.15	
Less: Net income (loss) attributable to consolidated investment entities	(2)	(2)	(0.02)	(0.02)	
Add: Tax effect of adjustments [2]	(74)	(5)	(0.66)	(0.04)	
Adjusted operating earnings	$ 773	$ 723	$ 6.94	$ 6.15	13%
Weighted average common shares outstanding:					
Basic	108.9	114.6			
Diluted	111.4	117.6			

[1] Pretax adjusted operating adjustment.

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

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Year-to-date December 31, 2022	Year-to-date December 31, 2021	Per Diluted Share Year-to-date December 31, 2022	Per Diluted Share Year-to-date December 31, 2021	% Over/ (Under)
Net income	$ 2,559	$ 2,760	$ 22.51	$ 23.00	(2)%
Less: Net realized investment gains (losses) [1]	(97)	87	(0.85)	0.73	
Add: Market impact on non-traditional long-duration products [1]	(211)	656	(1.86)	5.47	
Add: Mean reversion-related impacts [1]	268	(152)	2.36	(1.27)	
Add: Market impact of hedges on investments [1]	—	22	—	0.18	
Less: Block transfer reinsurance transaction impacts [1]	—	521	—	4.34	
Add: Integration/restructuring charges [1]	50	32	0.44	0.27	
Less: Net income (loss) attributable to consolidated investment entities	(4)	(3)	(0.04)	(0.03)	
Add: Tax effect of adjustments [2]	(43)	11	(0.38)	0.09	
Adjusted operating earnings	$ 2,724	$ 2,724	$ 23.96	$ 22.70	6%
Less: Pretax impact of annual unlocking/loss recognition	(169)	(8)	(1.49)	(0.07)	
Less: Tax effect of annual unlocking/loss recognition	35	2	0.31	0.02	
Adjusted operating earnings excluding Unlocking	$ 2,858	$ 2,730	$ 25.14	$ 22.75	11%
Weighted average common shares outstanding:					
Basic	111.3	117.3			
Diluted	113.7	120.0			

[1] Pretax adjusted operating adjustment.

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

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Reconciliation tables

Ameriprise Financial Operating Expenses

(in millions, except per share amounts, unaudited)	Year-to-date December 31, 2022	Year-to-date December 31, 2021	% Over/ (under)
Total Ameriprise operating expenses	$ 10,873	$ 10,557	3%
BMO operating expenses	363	54	NM
Total Ameriprise operating expenses excluding BMO	$ 10,510	$ 10,503	—

NM Not Meaningful - variance equal to or greater than 100%

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Reconciliation tables

Adjusted Operating Net Revenues & Expenses

(in millions, unaudited)	Quarter Ended December 31, 2022	2021	% Over / (Under)
Total net revenues	$ 3,617	$ 3,760	(4)%
Less: Net realized investment gains (losses)	(9)	9	
Less: Market impact on non-traditional long-duration products	(50)	13	
Less: Mean Reversion related impacts	—	—	
Less: Market impact of hedges on investments	—	18	
Less: Integration/restructuring charges	—	—	
Less: CIEs revenue	31	15	
Adjusted operating total net revenues	$ 3,645	$ 3,705	(2)%
Total expenses	$ 2,998	$ 2,894	(4)%
Less: CIEs expenses	34	18	
Less: Integration/restructuring charges	15	18	
Less: Market impact on non-traditional long-duration products	310	92	
Less: Mean reversion-related impacts	(31)	(45)	
Less: DAC/DSIC offset to net realized investment gains (losses)	(2)	—	
Adjusted operating expenses	$ 2,672	$ 2,811	5%
Pretax income	$ 619	$ 866	
Pretax adjusted operating earnings	$ 973	$ 894	
Pretax income margin	17.1 %	23.0 %	
Pretax adjusted operating margin	26.7 %	24.1 %	

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Reconciliation tables

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

(in millions, unaudited)	Twelve Months Ended December 31, 2022	2021
Net income	$ 2,559	$ 2,760
Less: Adjustments [1]	(165)	36
Adjusted operating earnings	$ 2,724	$ 2,724
Less: Annual unlocking/loss recognition, net of tax	(134)	(6)
Adjusted Operating earnings excluding annual unlocking/loss recognition	2,858	2,730
Total Ameriprise Financial, Inc. shareholders' equity	$ 4,453	$ 5,944
Less: Accumulated other comprehensive income, net of tax	(1,487)	556
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	5,940	5,388
Less: Equity impacts attributable to the consolidated investment entities	—	2
Adjusted operating equity	$ 5,940	$ 5,386
Return on equity excluding AOCI	43.1 %	51.2 %
Adjusted operating return on equity excluding AOCI [2]	45.9 %	50.6 %
Adjusted operating return on equity excluding AOCI and annual unlocking/loss recognition [2]	48.1 %	50.7 %

[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 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; the impact of consolidating certain investment entities; and discontinued operations. 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

Pretax Adjusted Operating Earnings Mix Shift

(in millions, unaudited)	Quarter Ended December 31, 2022	2021
Advice & Wealth Management	$ 665	$ 472
Asset Management	146	330
RPS	229	183
Subtotal pretax adjusted operating earnings	**$ 1,040**	**$ 985**
Advice & Wealth Management	64 %	48 %
Asset Management	14 %	33 %
RPS	22 %	19 %
Total	100 %	100 %

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Reconciliation tables

Advice and Wealth Management Pretax Adjusted Operating Margin

(in millions, unaudited)	4 Qtr 2022	4 Qtr 2021	% Over/ (Under)	3 Qtr 2022	% Over/ (Under)
Revenues					
Management and financial advice fees:					
Advisory fees	$ 1,084	$ 1,209	(10)%	$ 1,107	(2)%
Financial planning fees	117	114	3%	97	21%
Transaction and other fees	90	96	(6)%	93	(3)%
Total management and financial advice fees	1,291	1,419	(9)%	1,297	-
Distribution fees:					
Mutual funds	171	220	(22)%	180	(5)%
Insurance and annuity	203	256	(21)%	205	(1)%
Off-Balance sheet brokerage cash [1]	144	14	NM	110	31%
Other products	81	81	-	84	(4)%
Total distribution fees	599	571	5%	579	3%
Net investment income	331	68	NM	219	51%
Other revenues	61	58	5%	57	7%
Total revenues	2,282	2,116	8%	2,152	6%
Banking and deposit interest expense	56	2	NM	15	NM
Adjusted operating total net revenues	2,226	2,114	5%	2,137	4%
Expenses					
Distribution expenses	1,153	1,275	10%	1,149	-
Interest and debt expense	2	2	-	3	33%
General and administrative expense	406	365	(11)%	390	(4)%
Adjusted operating expenses	1,561	1,642	5%	1,542	(1)%
Pretax adjusted operating earnings	$ 665	$ 472	41%	$ 595	12%
Pretax adjusted operating margin	29.9 %	22.3 %	760 bps	27.8 %	210 bps

[1] Prior to Q1 2022, Off-Balance sheet brokerage cash was included in Other products. Prior periods have been restated.

NM Not Meaningful - variance equal to or greater than 100%

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Reconciliation tables

Advice and Wealth Management Full Year G&A Expense

(in millions, unaudited)	Year-to-date December 31, 2022	2021	
Total G&A expenses	$ 1,540	$ 1,426	8%

Asset Management Net Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2022	2021
Adjusted operating total net revenues	$ 785	$ 1,060
Distribution pass thru revenues	(179)	(234)
Subadvisory and other pass thru revenues	(88)	(97)
Net adjusted operating revenues	$ 518	$ 729
Pretax adjusted operating earnings	$ 146	$ 330
Adjusted operating net investment income	(3)	(2)
Amortization of intangibles	5	5
Net adjusted operating earnings	$ 148	$ 333
Pretax adjusted operating margin	18.6 %	31.1 %
Net pretax adjusted operating margin [1]	28.6 %	45.7 %

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

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