



NEWS RELEASE

Ameriprise Financial Reports First Quarter 2020 Results

2020-05-06

MINNEAPOLIS--(BUSINESS WIRE)-- Ameriprise Financial, Inc. (NYSE: AMP):

Earnings Per Diluted Share		Return on Equity, ex. AOCI	
First Quarter 2020:		First Quarter 2020:	
GAAP	\$15.88	GAAP	59.5%
Adjusted Operating	\$5.41	Adjusted Operating ⁽¹⁾	39.7%

Ameriprise announced that it raised its quarterly dividend 7 percent to \$1.04 per share.

- First quarter adjusted operating earnings per diluted share was \$5.41, up 46 percent⁽¹⁾ reflecting strong business performance in a challenging environment and a tax benefit⁽²⁾ from a projected net operating loss (NOL).
- In the quarter, the sizable difference between the company's GAAP and adjusted operating results was driven by the severity of the market dislocation in March, primarily related to widening in our credit spread and the valuation of derivatives used to hedge the company's variable annuity living benefit guarantees⁽³⁾. Management believes adjusted operating results best reflect underlying performance.
- Adjusted operating net revenue grew 4 percent to \$3.0 billion⁽¹⁾ from strong client activity, net inflows and higher average equity markets, partially offset by lower interest rates.
- The company's risk management approach resulted in balance sheet fundamentals remaining strong in a challenging operating environment. Parent company liquidity was approximately \$2 billion with significant additional liquidity available in the business segments. Excess capital was \$1.7 billion after implementing VM-21, hedging strategies were 99 percent effective and the investment portfolio remains high quality with a net unrealized gain of \$0.6 billion and limited

Perspective from Jim Cracchiolo, Chairman and Chief Executive Officer

"The global pandemic has caused a healthcare and economic crisis, as well as significant equity market declines, extreme volatility and record low interest rates. During this time, we have focused on our clients as well as protecting the health and safety of our employees and advisors. Ameriprise has remained strong.

"The strength of our first quarter results reflects the commitment of our team, as well as the power of our diversified business, advice value proposition and highly effective technology infrastructure. We had a good start to the year despite the challenging operating environment. Even with the vast majority of our employees and advisors working from home, we remained focused and delivered strong growth in client flows and near record levels of gross sales in Asset Management.

"With our excellent balance sheet and risk management, we have been able to absorb considerable market impacts. We completed the quarter with a sizable excess capital position that provides important flexibility, and we also have ample liquidity. Both our financial strength and ability to generate free cash flow across market cycles differentiate Ameriprise. We are able to continue executing our long-term strategy and return capital to shareholders. This

- impairments.
- Advice & Wealth Management and Asset Management generated approximately 74 percent of the company's revenue and 76 percent of pretax adjusted operating earnings in the quarter.
- Total pretax adjusted operating margin was 22.1 percent, which was in line with last year. Advice & Wealth Management margin was 22.3 percent and Asset Management net adjusted margin was 37.9 percent, reflecting excellent business fundamentals and well-managed expenses.
- The company maintained its strong track record of capital return and free cash flow, returning \$512 million to shareholders in the quarter, with 2.5 million shares repurchased. And the company announced that it raised its quarterly dividend 7 percent to \$1.04 per share.

(1) Excluding the Auto & Home insurance business, which was sold in 2019.

(2) See page 2 for additional detail.

(3) See page 8 for reconciliation.

executing our long-term strategy and return capital to shareholders. This includes raising our regular quarterly dividend 7 percent, the 16th increase over the last 15 years.

"While market conditions and the operating environment remain fluid, Ameriprise is in a strong position."

Ameriprise Financial, Inc. First Quarter Summary

(in millions, except per share amounts, unaudited)	Quarter Ended March 31,		% Over/ (Under)	Per Diluted Share Quarter Ended March 31,		% Over/ (Under)
	2020	2019		2020	2019	
GAAP net income	\$2,036	\$ 395	NM	\$15.88	\$ 2.82	NM
Adjusted operating earnings (see reconciliation on p. 8)	\$ 694	\$ 525	32%	\$ 5.41	\$ 3.75	44%
GAAP Return on Equity, ex. AOCI	59.5%	32.5%				
Adjusted Operating Return on Equity, ex. AOCI	39.7%	36.4%				
Percent of pretax adjusted operating earnings from Advice & Wealth Management, excluding Corporate & Other	54%	50%				
Percent of pretax adjusted operating earnings from Advice & Wealth Management and Asset Management, excluding Corporate & Other	76%	71%				
Weighted average common shares outstanding:						
Basic	126.4	138.8				
Diluted	128.2	140.1				

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

Taxes

The first quarter adjusted operating effective tax rate was negative 6.4 percent, or \$42 million. The primary driver of the tax rate in the quarter was the forecasted utilization of NOLs that will be applied to prior year tax filings during 2020. The first quarter benefit associated with these NOLs was \$144 million, or 65 percent of the forecasted full year 2020 total NOL benefit.

Ameriprise Financial, Inc. Advice & Wealth Management Segment Adjusted Operating Results

(in millions, unaudited)	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	

Net revenues	\$	1,695	\$	1,554	9%
Distribution expense		970		870	(11)%
G&A / other expense		347		334	(4)%
Pretax adjusted operating earnings	\$	<u>378</u>	\$	<u>350</u>	8%
Pretax adjusted operating margin		22.3%		22.5%	

(in billions, unless otherwise noted)	Quarter Ended March 31,		% Over/ (Under)		
	2020	2019			
Total client assets	\$	560	\$	588	(5)%
Wrap net flows	\$	6.1	\$	4.3	41%
Brokerage cash balance	\$	32.7	\$	25.3	29%
Average spread rate on brokerage cash balances (bps)		133		212	(79) bps
Adjusted operating net revenue per advisor (trailing 12 months - thousands)	\$	680	\$	628	8%

Advice & Wealth Management demonstrated continued strength with an 8 percent increase in pretax adjusted operating earnings from strong client activity and higher average equity markets that more than offset the decline in short term interest rates. Pretax adjusted operating margin of 22.3 percent remained strong.

The company's business continuity capabilities ensured that advisors have the tools and information necessary to meet and exceed client needs in this volatile environment. Our excellent client service and strong technology foundation enable advisors to provide full-service transaction and advisory services to clients.

Adjusted operating net revenues increased 9 percent to \$1.7 billion. Strong organic growth and higher average equity markets more than offset lower cash sweep revenue related to short term interest rate cuts in March. Quarter-to-date through February 2020, revenue increased 14 percent, with the market depreciation in March reducing the growth rate for the quarter. Bank assets increased \$2.4 billion in the quarter to \$6.2 billion. The bank substantially increased its fixed term investment strategy as credit spreads widened during the quarter, which will increase interest earnings going forward.

Strong business performance and higher activity levels drove an 11 percent increase in distribution expenses. General and administrative expenses, excluding bank-related expenses, increased 2 percent. This was in line with expectations as planned investments for future growth were partially offset by ongoing expense reengineering.

Total client assets grew 6 percent to \$616 billion through February from strong client flows, however, total client assets ended the quarter at \$560 billion following the market depreciation in March. Organic growth remained very strong with growth in client inflows as wrap flows reached a high of \$6.1 billion in the quarter. Client brokerage cash balances increased 29 percent to \$32.7 billion, with a significant increase in March as clients reallocated portfolios.

Adjusted operating net revenue per advisor on a trailing 12-month basis increased 8 percent to \$680,000. Total advisors were 9,878, demonstrating solid advisor retention and experienced advisor recruiting with 80 advisors moving their practices to Ameriprise in the quarter.

Ameriprise Financial, Inc.
Asset Management Segment Adjusted Operating Results

(in millions, unaudited)	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Net revenues	\$ 686	\$ 689	-
Distribution expense	231	223	(4)%
G&A / other expense	298	320	7%
Pretax adjusted operating earnings	<u>\$ 157</u>	<u>\$ 146</u>	8%
Pretax adjusted operating margin	22.9%	21.2%	
Net Pretax adjusted operating margin ⁽¹⁾	37.9%	33.6%	

(in billions)	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Total segment AUM	\$ 426	\$ 459	(7)%
<u>Net Flows</u>			
Former parent company related new flows	\$ (0.8)	\$ (1.1)	27%
Global Retail net flows, excl. former parent flows	(2.7)	(3.4)	22%
Global Institutional net flows, excl. former parent flows	1.0	(2.7)	NM
Total segment net flows	<u>\$ (2.5)</u>	<u>\$ (7.2)</u>	66%

⁽¹⁾ See Reconciliation on page 13
NM Not Meaningful - variance equal to or greater than 100%

Asset Management pretax adjusted operating earnings were \$157 million, up \$11 million, reflecting higher average equity markets. Excluding a performance fee adjustment, pretax adjusted operating earnings were \$172 million, up 18 percent. First quarter net pretax adjusted operating margin remained strong at 37.9 percent.

Adjusted operating revenues increased 2 percent versus last year, excluding the performance fee adjustment, as growth in average equity markets and higher fee net inflows more than offset the cumulative impact of net outflows. Through February, adjusted operating revenues grew 9 percent, however, the market dislocation in March resulted in revenues for the quarter that were flat to a year ago.

Adjusted operating expenses decreased 3 percent as a 7 percent decline in general and administrative and other expenses was partially offset by higher distribution expenses.

In the quarter, retail gross sales increased 50 percent, reflecting strong execution of business growth strategies, which reduced net outflows to \$2.5 billion, a \$4.7 billion improvement from a year ago. Net inflows in January and February were \$2.1 billion⁽²⁾, with elevated redemptions in March resulting in net outflows for the quarter. Global institutional inflows were \$1.0 billion. Excluding former parent flows, total net outflows were \$1.7 billion, including a \$1.3 billion very low fee institutional redemption that was anticipated.

(2) Excluding former parent flows

Ameriprise Financial, Inc.

Annuities and Protection Segments Adjusted Operating Results

(in millions, unaudited)	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Annuities			
Net revenues	\$ 589	\$ 604	(2%)
Expenses	494	476	(4%)
Pretax adjusted operating earnings	<u>\$ 95</u>	<u>\$ 128</u>	(26%)
Variable annuity pretax adjusted operating earnings	\$ 93	\$ 115	(19%)
Fixed annuity pretax adjusted operating earnings	2	13	(85%)
Total pretax adjusted operating earnings	<u>\$ 95</u>	<u>\$ 128</u>	(26%)
Protection			
Net revenues	\$ 257	\$ 262	(2%)
Expenses	185	188	2%
Pretax adjusted operating earnings	<u>\$ 72</u>	<u>\$ 74</u>	(3%)

	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Variable annuity ending account balances (billions)	\$ 70.0	\$ 76.9	(9%)
Fixed deferred annuity ending account balances (billions)	\$ 8.2	\$ 8.6	(5%)
Life insurance in force (billions)	\$ 194.6	\$ 194.9	-

Annuities pretax adjusted operating earnings were \$95 million, down \$33 million from the prior year.

Variable annuity pretax adjusted operating earnings decreased to \$93 million. Operating net revenues increased 2 percent driven by market appreciation, which more than offset net outflows. Expenses increased 9 percent reflecting higher expected reserve accruals for living benefits that were compounded by market dislocation, as well as lower DAC amortization in the year ago quarter. Variable annuity sales improved 24 percent year-over-year to \$1.1 billion and benefited from the launch of a structured product that accounted for approximately 10 percent of sales in the quarter.

Fixed annuity pretax adjusted operating earnings were \$2 million, down from \$13 million a year ago and \$7 million last quarter, primarily reflecting continued low interest rates. Account balances declined 5 percent from limited new product sales and continued lapses.

Protection pretax adjusted operating earnings were \$72 million compared to \$74 million a year ago. Overall claims were slightly favorable but within expected ranges. VUL/UL cash sales were flat at \$56 million as higher VUL sales offset lower indexed universal life sales.

Ameriprise Financial, Inc.
Corporate & Other Segment Adjusted Operating Results

(in millions, unaudited)	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Pretax adjusted operating earnings/(loss):			
Corporate & Other (excl. LTC and Auto & Home)	\$ (52)	\$ (78)	33%
Long Term Care	\$ 2	\$ 6	(67)%

Corporate & Other pretax adjusted operating loss⁽¹⁾ was \$52 million, down \$26 million from the prior year, primarily due to the impact of share price depreciation on compensation expense and lower investment expenses.

Long Term Care pretax adjusted operating earnings were \$2 million.

(1) Excluding Long Term Care and Auto & Home

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for more than 125 years. With extensive advisory, asset management and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs. For more information, or to find an Ameriprise financial advisor, visit ameriprise.com.

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Forward-Looking Statements

This news release contains forward-looking statements that reflect management's plans, estimates and beliefs. Actual results could differ materially from those described in these forward-looking statements. Examples of such forward-looking statements include:

- statements of the company's plans, intentions, positioning, expectations, objectives or goals, including those relating to asset flows, mass affluent and affluent client acquisition strategy, client retention and growth of our client base, financial advisor productivity, retention, recruiting and enrollments, the introduction, cessation, terms or pricing of new or existing products and services, acquisition integration, general and administrative costs, consolidated tax rate, return of capital to shareholders, and excess capital position and financial flexibility to capture additional growth opportunities;
- statements of the company's position, future performance and ability to pursue business strategy and return of capital to shareholders relative to the spread and impact of the COVID-19 pandemic and the related market, economic, client, governmental and healthcare system response environments;
- statements about the forecasted full year 2020 total NOL benefit;
- other statements about future economic performance, the performance of equity markets and interest rate variations and the economic performance of the United States and of global markets; and
- statements of assumptions underlying such statements.

The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," "forecast," "on track," "project," "continue," "able to remain", "resume," "deliver," "develop," "evolve," "drive," "enable," "flexibility," "scenario," "case" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from such statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Management cautions readers to carefully consider the risks described in the "Risk Factors" discussion under Part 1, Item 1A of and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019, and subsequent Quarterly Reports on Form 10-Q, available at ir.ameriprise.com. Management undertakes no obligation to update publicly or revise any forward-looking statements.

The financial results discussed in this news release represent past performance only, which may not be used to predict or project future results. The financial results and values presented in this news release and the below-referenced Statistical Supplement are based upon asset valuations that represent estimates as of the date of this news release and may be revised in the company's Form 10-Q for the quarter ended March 31, 2020. For

information about Ameriprise Financial entities, please refer to the First Quarter 2020 Statistical Supplement available at ir.ameriprise.com and the tables that follow in this news release.

Ameriprise Financial announces financial and other information to investors through the company's investor relations website at ir.ameriprise.com, as well as SEC filings, press releases, public conference calls and webcasts. Investors and others interested in the company are encouraged to visit the investor relations website from time to time, as information is updated and new information is posted. The website also allows users to sign up for automatic notifications in the event new materials are posted. The information found on the website is not incorporated by reference into this release or in any other report or document the company furnishes or files with the SEC.

Ameriprise Financial, Inc.
Reconciliation Table: Earnings

(in millions, except per share amounts, unaudited)	Quarter Ended March 31,		Per Diluted Share Quarter Ended March 31,	
	2020	2019	2020	2019
Net income	\$ 2,036	\$ 395	\$ 15.88	\$ 2.82
Less: Net Income (loss) attributable to consolidated investment entities	(2)	-	(0.02)	-
Add: Integration/restructuring charges ⁽¹⁾	1	7	0.01	0.05
Add: Market impact on variable annuity guaranteed benefits ⁽¹⁾	(1,689)	142	(13.18)	1.02
Add: Market impact on fixed index annuity benefits ⁽¹⁾	(3)	-	(0.02)	-
Add: Mean reversion-related impacts ⁽¹⁾	61	(36)	0.47	(0.26)
Add: Market impact on indexed universal life benefits ⁽¹⁾	(91)	51	(0.71)	0.36
Add: Market impact on hedges on investments ⁽¹⁾	-	10	-	0.07
Add: Net realized investment (gains) Losses ⁽¹⁾	20	(9)	0.16	(0.06)
Less: Gain on disposal of business ⁽¹⁾	-	-	-	-
Add: Tax effect of adjustment ⁽²⁾	357	(35)	2.78	(0.25)
Adjusted operating earnings	<u>\$ 694</u>	<u>\$ 525</u>	<u>\$ 5.41</u>	<u>\$ 3.75</u>
Less: Pretax impact of Auto & Home core results	-	9	-	0.06
Less: Tax effect of Auto & Home core results	-	(2)	-	(0.01)
Adjusted operating earnings excluding Auto & Home	<u>\$ 694</u>	<u>\$ 518</u>	<u>\$ 5.41</u>	<u>\$ 3.70</u>
Weighted average common shares outstanding:				
Basic	126.4	138.8		
Diluted	128.2	140.1		

⁽¹⁾ Pretax adjusted operating adjustment.

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

Ameriprise Financial, Inc.
Reconciliation Table: Pretax Adjusted Operating Earnings and Pretax Adjusted Operating Margin

(in millions, except per share amounts, unaudited)	Quarter Ended March 31,	
	2020	2019
Total net revenues	\$ 3,001	\$ 3,118
Less: CIEs revenue	16	21
Less: Integration/restructuring charges	-	(3)
Less: Net realized investment gains (losses)	(20)	9
Less: Market impact on indexed universal life benefits	55	(17)

Less: Mean reversion related impacts	(1)	-
Less: Market impact of hedges on investments	-	(10)
Less: Gain on disposal of business	-	-
Adjusted operating total net revenues	\$ 2,951	\$ 3,118
Less: Auto & Home revenue	-	288
Adjusted operating total net revenues excluding Auto & Home	\$ 2,951	\$ 2,830
Total expenses	\$ 650	\$ 2,648
Less: CIEs expenses	18	21
Less: Integration/restructuring charges	1	4
Less: Market impact on variable annuity guaranteed benefits	(1,689)	142
Less: Market impact on indexed universal life benefits	(36)	34
Less: Market impact on fixed index annuity benefits	(3)	-
Less: Mean reversion-related impacts	60	(36)
Adjusted operating expenses	\$ 2,299	\$ 2,483
Less: Auto & Home expenses	-	279
Adjusted operating total net revenues excluding Auto & Home	\$ 2,299	\$ 2,204
Pretax income	\$ 2,351	\$ 470
Pretax adjusted operating earnings	652	635
Less: Auto & Home	-	9
Pretax adjusted operating earnings excluding Auto & Home	\$ 652	\$ 626
Pretax income margin	78.3%	15.1%
Pretax adjusted operating margin	22.1%	20.4%

Ameriprise Financial, Inc.
Reconciliation Table: Advice & Wealth Management and Asset Management
Percent of Pretax Adjusted Operating Earnings ⁽¹⁾

(in millions, unaudited)	Quarter Ended March 31,	
	2020	2019
Advice & Wealth Management pretax adjusted operating earnings	\$ 378	\$ 350
Advice & Wealth Management and Asset Management pretax adjusted operating earnings	\$ 535	\$ 496
Annuities and Protection pretax adjusted operating earnings	\$ 167	\$ 202
Percent pretax adjusted operating earnings from Advice & Wealth Management	54%	50%
Percent pretax adjusted operating earnings from Advice & Wealth Management and Asset Management	76%	71%
Percent pretax adjusted operating earnings from Annuities and Protection	24%	29%

⁽¹⁾ Excludes Corporate & Other Segment

Ameriprise Financial, Inc.
Reconciliation Table: Advice & Wealth Management and Asset Management
Percent of Adjusted Operating Net Revenues ⁽¹⁾

(in millions, unaudited)	Quarter Ended March 31,	
	2020	2019
Advice & Wealth Management pretax adjusted operating revenues	\$ 1,695	\$ 1,554
Advice & Wealth Management and Asset Management pretax adjusted operating revenues	\$ 2,381	\$ 2,243
Annuities and Protection pretax adjusted operating revenues	\$ 846	\$ 866
Percent pretax adjusted operating revenues from Advice & Wealth Management	53%	50%
Percent pretax adjusted operating revenues from Advice & Wealth Management and Asset Management	74%	72%
Percent pretax adjusted operating revenues from Annuities and Protection	26%	28%

⁽¹⁾ Excludes Corporate & Other Segment

Ameriprise Financial, Inc.
Reconciliation Table: General and Administrative Expense

(in millions, unaudited)	Quarter Ended March 31,	
	2020	2019
General and administrative expense	\$ 753	\$ 805
Less: CIE expenses	1	1
Less: Integration/restructuring charges	1	4
Adjusted operating general and administrative expense	<u>\$ 751</u>	<u>\$ 800</u>

Ameriprise Financial, Inc.
Reconciliation Table: Effective Tax Rate

(in millions, unaudited)	Quarter Ended March 31, 2020	
	GAAP	Adjusted Operating
Pretax income	\$ 2,351	\$ 652
Income tax provision	\$ 315	\$ (42)
Effective tax rate	13.4%	(6.4%)

Ameriprise Financial, Inc.
Reconciliation Table: Effective Tax Rate

(in millions, unaudited)	Quarter Ended March 31, 2019	
	GAAP	Adjusted Operating
Pretax income	\$ 470	\$ 635
Income tax provision	\$ 75	\$ 110
Effective tax rate	15.9%	17.3%

Ameriprise Financial, Inc.
Reconciliation Table: Advice & Wealth Management Revenues

	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
AWM general and administrative expenses	\$ 345	\$ 331	(4%)
Less: Bank general and administrative expenses	11	4	NM
Adjusted AWM general and administrative expenses	<u>\$ 334</u>	<u>\$ 327</u>	(2%)

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

Ameriprise Financial, Inc.
Reconciliation Table: Asset Management Revenues

	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Net revenues	\$ 686	\$ 689	-
Less: Performance fee adjustment	(19)	-	NM
Adjusted net revenues	<u>\$ 705</u>	<u>\$ 689</u>	2%

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

Ameriprise Financial, Inc.
Reconciliation Table: Asset Management Pretax Operating Earnings

	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Pretax adjusted operating earnings	\$ 157	\$ 146	8%
Less: Performance fee adjustment	(15)	-	NM
Pretax adjusted operating earnings	<u>\$ 172</u>	<u>\$ 146</u>	18%

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

Ameriprise Financial, Inc.
Reconciliation Table: Asset Management Net Pretax Adjusted Operating Margin

(in millions, unaudited)	Quarter Ended March 31,	
	2020	2019
Adjusted operating total net revenues	\$ 686	\$ 689
Less: Distribution pass through revenues	186	179
Less: Subadvisory and other pass through revenues	78	81
Net adjusted operating revenues	<u>\$ 422</u>	<u>\$ 429</u>
Pretax adjusted operating earnings	\$ 157	\$ 146
Less: Adjusted operating net investment income	-	6
Add: Amortization of intangibles	3	4
Net adjusted operating earnings	<u>\$ 160</u>	<u>\$ 144</u>
Pretax adjusted operating margin	22.9%	21.2%
Net adjusted operating revenues	37.9%	33.6%

Ameriprise Financial, Inc.
Reconciliation Table: Return on Equity (ROE) Excluding Accumulated Other Comprehensive Income "AOCI"

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

(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; 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; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; mean reversion related impacts; gain or loss on disposal of business that is not considered discontinued operations; 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 deferred sales inducement costs ("DSIC") and deferred acquisition costs ("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; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; mean reversion related impacts; gain or loss on disposal of business that is not considered discontinued operations; 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%.

Ameriprise Financial, Inc. Consolidated GAAP Results

	Quarter Ended March 31,		% Over/ (Under)
	2020	2019	
Revenues			
Management and financial advice fees	\$ 1,770	\$ 1,627	9%
Distribution fees	464	480	(3)%
Net investment income	328	397	(17)%
Premiums	91	371	(75)%
Other revenues	373	278	34%
Gain on Disposal of Business	-	-	-
Total revenues	3,026	3,153	(4)%
Banking and deposit interest expense	25	35	(29)%
Total net revenues	3,001	3,118	(4)%
Expenses			
Distribution expenses	995	900	(11)%
Interest credited to fixed accounts	91	204	55%
Benefits, claims, losses and settlement expenses	(1,747)	670	NM
Amortization of deferred acquisition costs	512	16	NM
Interest and debt expense	46	53	13%
General and administrative expense	753	805	6%

Total expenses	650	2,648	75%
Pretax income	2,351	470	NM
Income tax provision	315	75	NM
Net income	<u>\$ 2,036</u>	<u>\$ 395</u>	NM

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

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