



NEWS RELEASE

Ameriprise Financial Reports Second Quarter 2012 Results

2012-07-25

Second quarter 2012 net income from continuing operations attributable to Ameriprise Financial per diluted share was \$0.99. Operating earnings per diluted share were \$1.13. Results in the quarter included \$0.26 per diluted share of unfavorable impacts, including \$0.18 per diluted share from a tax-related item.

Second quarter 2012 return on equity, excluding AOCI was 12.3 percent. Operating return on equity, excluding AOCI was 15.2 percent.

MINNEAPOLIS--(BUSINESS WIRE)-- Ameriprise Financial, Inc. (NYSE: AMP) today reported second quarter 2012 net income from continuing operations attributable to Ameriprise Financial of \$224 million, or \$0.99 per diluted share, compared to \$319 million, or \$1.27 per diluted share, a year ago. Second quarter 2012 operating earnings were \$254 million, or \$1.13 per diluted share, compared to \$333 million, or \$1.33 per diluted share, a year ago. Results in the quarter included \$57 million, or \$0.26 per diluted share, of unfavorable items, including a \$40 million, or \$0.18 per diluted share, unfavorable impact from an unusual tax-related item primarily related to prior periods. In addition, the year-ago period included an \$18 million, or \$0.07 per diluted share, after-tax gain from an interest rate hedge.

Second quarter 2012 operating net revenues were \$2.5 billion, a 3 percent decline from a year ago, primarily due to lower net investment income from continued low interest rates and volatile equity markets. These market-driven impacts were partially offset by growth in fee-based revenues driven by Ameriprise advisor client net inflows.

Second quarter 2012 operating expenses were \$2.1 billion, down 1 percent from a year ago. Operating general and

administrative expenses improved from a year ago reflecting ongoing expense control initiatives and continued investments in the business.

The company maintains a strong financial foundation and continues to generate free cash flow. During the quarter, the company returned \$428 million to shareholders through share repurchases and dividends.

Return on shareholders' equity excluding accumulated other comprehensive income (AOCI) was 12.3 percent for the 12 months ended June 30, 2012. Operating return on equity excluding AOCI was 15.2 percent, compared to 15.5 percent a year ago.

"Our business results were solid considering the difficult markets during the quarter," said Jim Cracchiolo, chairman and chief executive officer.

"We experienced good advisor client and asset growth with strong net inflows in our fee-based products. In Asset Management, we completed the Columbia Management integration and now have a strong global asset management platform.

"Earlier this month, we announced our plan to transition our federal savings bank subsidiary to a non-depository national trust bank by year end. Our advisors will continue to meet clients' deposit and borrowing needs through leading third-party banks, and our shareholders will benefit from the additional capital flexibility.

"We continue to maintain our balance sheet strength and are generating strong free cash flow to both invest as well as return to shareholders. In fact, over the past six quarters we've returned more than 130 percent of our operating earnings to shareholders."

Second Quarter 2012 Summary

| Ameriprise Financial, Inc. Second Quarter Summary | | | | |
|--|------------------------|---------------|---|----------------|
| | Quarter Ended June 30, | | Per Diluted Share Quarter Ended June 30, | |
| | 2012 | 2011 | 2012 | 2011 |
| (in millions, except per share amounts, unaudited) | | | | |
| Net income attributable to Ameriprise Financial | \$ 223 | \$ 315 | \$ 0.99 | \$ 1.25 |
| Less: Loss from discontinued operations, net of tax | (1) | (4) | — | (0.02) |
| Net income from continuing operations attributable to Ameriprise Financial | 224 | 319 | 0.99 | 1.27 |
| Add: Market impact on variable annuity guaranteed living benefits, net of tax ⁽¹⁾ | 9 | 4 | 0.04 | 0.02 |
| Add: Integration/restructuring charges, net of tax ⁽¹⁾ | 17 | 14 | 0.08 | 0.06 |
| Less: Net realized gains (losses), net of tax ⁽¹⁾ | (4) | 4 | (0.02) | 0.02 |
| Operating earnings | <u>\$ 254</u> | <u>\$ 333</u> | <u>\$ 1.13</u> | <u>\$ 1.33</u> |
| Weighted average common shares outstanding: | | | | |
| Basic | 221.7 | 245.5 | | |
| Diluted | 225.6 | 251.0 | | |

(1) Calculated using the statutory tax rate of 35%.

The company believes the presentation of operating earnings best represents the economics of the business. Operating earnings, after-tax, exclude the consolidation of certain investment entities; net realized gains or losses; integration and restructuring charges; the market impact on variable annuity guaranteed living benefits net of hedges and related deferred acquisition costs (DAC) and deferred sales inducement costs (DSIC) amortization; and income or loss from discontinued operations.

Second quarter operating earnings included the following after-tax items:

| (in millions, except per share amounts, unaudited) | Quarter Ended June 30, | | Per Diluted Share Quarter Ended June 30, | |
|--|------------------------|--------|---|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| Net tax-related item | \$ (40) | \$ — | \$ (0.18) | \$ — |
| Market impact on insurance and annuity DAC and DSIC | \$ (8) | \$ 2 | \$ (0.04) | \$ 0.01 |
| Auto & Home catastrophe losses | \$ (5) | \$ (7) | \$ (0.02) | \$ (0.03) |
| Insurance industry guaranty fund assessments, primarily related to Executive Life of NY (unaffiliated) | \$ (4) | \$ — | \$ (0.02) | \$ — |

Information about these and other items included in operating earnings are provided in the segment summaries.

Taxes

Results in the quarter included a \$40 million, or \$0.18 per diluted share, unfavorable impact from an unusual tax-related item primarily related to prior periods. During the quarter, the company discovered it had received incomplete data from a third-party service provider for securities lending activities that resulted in the miscalculation of the company's tax position and reported earnings in prior periods. The company has resolved the data issue and stopped the securities lending that negatively impacted its tax position.

The second quarter 2012 operating effective tax rate was 36.3 percent, compared to 27.5 percent in the second quarter of 2011. As a result of the tax item, the expected full year tax rate will increase to the 28 to 30 percent range.

Second Quarter 2012 Business Highlights

- Ameriprise client assets grew 4 percent from a year ago to \$331 billion driven by strong net inflows.
- Wrap assets grew 7 percent to \$113 billion, including \$2.6 billion of wrap net inflows in the quarter, a 12 percent increase from a year ago.

- The second quarter of 2012 represented the fifth consecutive quarter of an increased advisor count. The company continued to have success recruiting experienced advisors, adding 91 advisors in the quarter and more than 400 over the last year.
- The company successfully completed the second phase of its brokerage platform conversion for franchise advisors and is on track to complete the project in the coming months.
- At June 30, 2012, the company had 116 four- and five-star Morningstar-rated funds, including 56 Columbia Management funds and 60 Threadneedle funds.
- During the quarter, Threadneedle improved its ranking to become the third largest U.K. retail fund provider by assets under management. Source: investmentuk.org.
- Columbia Management continued to expand its product offerings, launching the Columbia Risk Allocation Fund, an open-end fund focused on allocating risk, rather than capital.
- The company made several changes to its variable annuity product offerings during the quarter to appropriately manage risk in the current market environment. In May, it introduced a new variable annuity rider that requires asset allocation into a managed volatility fund and is designed to provide clients with built-in flexibility to adapt to volatile market conditions. In addition, the company ceased sales of several guarantee riders and restricted most add-on premiums.
- RiverSource Life continued to generate strong sales of its indexed universal life insurance product with total life and disability insurance cash sales increasing each of the last three quarters. Ameriprise Auto & Home continued to generate solid core business results with policies in force growing a steady 7 percent.
- The company released additional findings from its Money Across Generations IISM research study, which offers an in-depth look across three generations of Americans – baby boomers, their adult children and their aging parents – to reveal how the changing financial needs and attitudes of each generation have altered their relationship with money and with each other. For more information, visit newsroom.ameriprise.com.
- On July 10, 2012, the company announced its intention to transition its federal savings bank subsidiary, Ameriprise Bank, FSB, to a non-depository national trust bank by year-end 2012, subject to regulatory approvals. With this change, Ameriprise Financial would not be considered a savings and loan holding company. Upon completion of this transition, the company expects that the earnings per share impact will be immaterial—the financial impact to its Advice & Wealth Management segment will be largely offset by the anticipated redeployment of capital into share repurchases.

Balance Sheet Summary as of June 30, 2012

Excess capital position and prudent capital management

- Cash and cash equivalents were \$2.7 billion, with \$0.7 billion at the holding company and \$1.1 billion in free cash. In addition, the holding company holds more than \$0.8 billion in high-quality, short-duration securities.
- The company's financial strength and business mix generates significant free cash flow and ability to return capital to shareholders.
 - Excess capital continues to remain above \$2.0 billion after the return of \$428 million to shareholders during the quarter through share repurchases and dividends.
 - The company repurchased 7 million shares of its common stock in the quarter for \$350 million.
- RiverSource Life Insurance Company's estimated risk-based capital ratio was approximately 525 percent.
- The company's variable annuity hedging program continued to perform within expectations, with an effectiveness of over 95 percent during a volatile quarter.

High-quality investment portfolio

- The total investment portfolio, including cash and cash equivalents, was \$41.6 billion and remains well positioned. The company's balance sheet has no holdings of sovereign debt in financially troubled European countries. There were \$8 million of impairments in the quarter entirely in residential mortgage-backed securities.
- The company's available-for-sale portfolio ended the quarter with \$2.4 billion in net unrealized gains.
- Detailed information about the company's investment portfolio is available at ir.ameriprise.com.

Segment Summaries

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

| (in millions, unaudited) | Quarter Ended June 30, | | % Better/ (Worse) |
|---|------------------------|---------------|----------------------|
| | 2012 | 2011 | |
| Advice & Wealth Management | | | |
| Net revenues | \$ 953 | \$ 957 | —% |
| Expenses | 842 | 849 | 1 |
| Pretax income | <u>\$ 111</u> | <u>\$ 108</u> | 3 |
| | | | |
| | | | |
| | | | |
| Retail client assets (billions) | \$ 331 | \$ 319 | 4% |
| Mutual fund wrap net flows (billions) | \$ 2.6 | \$ 2.3 | 12% |
| Operating net revenue per branded advisor (thousands) | \$ 97 | \$ 99 | (2)% |

Advice & Wealth Management pretax operating earnings increased 3 percent from a year ago to \$111

Asset Management pretax operating earnings declined 11 percent from a year ago to \$130 million, reflecting a year-over-year decline in assets under management, partially offset by continued expense controls.

Operating net revenues declined 6 percent to \$707 million, primarily driven by the year-over-year impact of lower average assets due to net outflows and market depreciation.

Operating expenses improved by 5 percent to \$577 million. Expenses remained well controlled and reflected the company's focus on re-engineering to fund investments in the business.

Adjusted net pretax operating margin was 33.7 percent for the second quarter of 2012, compared to 34.9 percent a year ago and 33.3 percent sequentially.

Total segment assets under management declined 5 percent from a year ago to \$446 billion, reflecting net outflows and weighted-equity market depreciation.

The Asset Management segment experienced net outflows of \$6.6 billion in the quarter, largely driven by \$5.9 billion of outflows, which included: \$5.2 billion of previously announced net outflows in former parent-company portfolios and New York 529 program assets at Columbia, as well as \$0.7 billion of outflows from a closed block of insurance assets at Threadneedle. In addition, Columbia continued to experience net outflows from a third-party subadvisor and in a portfolio where there was a manager retirement, as discussed last quarter.

Underlying flow trends at Columbia have improved despite the challenging markets. The company is making good progress distributing through intermediary channels and is in net inflows in its Focus Funds. In the institutional channel, Columbia continues to grow its third-party business, has a strong new business pipeline, and asset retention and win rates remain strong. At Threadneedle, market volatility and weak investor sentiment in Europe resulted in a slowdown in the funding of institutional mandates.

Ameriprise Financial, Inc.
Annuities Segment Operating Results

| (in millions, unaudited) | Quarter Ended June 30, | | % Better/ (Worse) |
|---------------------------------------|------------------------|---------------|----------------------|
| Annuities | 2012 | 2011 | |
| Net revenues | \$ 628 | \$ 665 | (6)% |
| Expenses | 512 | 511 | — |
| Pretax income | <u>\$ 116</u> | <u>\$ 154</u> | (25) |
| Variable annuity pretax income | \$ 83 | \$ 88 | (6)% |
| Fixed annuity pretax income | \$ 33 | \$ 66 | (50)% |
| Items included in operating earnings: | - | - | ... |

| | | | | | |
|--|----|-------------------------------|-------------|-------|------------------------------|
| Market impact on DAC and DSIC | \$ | (11) | \$ | 3 | NM |
| Valuation model adjustments | \$ | (14) | \$ | — | NM |
| Insurance industry guaranty fund assessments, primarily related to Executive Life of NY (unaffiliated) | \$ | (6) | \$ | — | NM |
| | | | | | |
| | | <u>Quarter Ended June 30,</u> | | | |
| | | <u>2012</u> | <u>2011</u> | | <u>% Better/ (Worse)</u> |
| Variable annuity ending account balances (billions) | \$ | 65.2 | \$ | 65.2 | —% |
| Variable annuity net flows (millions) | \$ | (147) | \$ | 163 | NM |
| Fixed annuity ending account balances (billions) | \$ | 14.1 | \$ | 14.2 | (1)% |
| Fixed annuity net flows (millions) | \$ | (177) | \$ | (212) | 17% |

NM Not Meaningful — variance of greater than 100%

Annuities pretax operating earnings declined 25 percent to \$116 million. Variable annuity operating earnings were \$83 million, compared to \$88 million a year ago. Variable annuity earnings in the quarter included an \$11 million unfavorable impact from the market impact on DAC and DSIC, compared to a net benefit of \$3 million from these items a year ago. In addition, increased living benefit rider fees and lower distribution expenses from lower sales were offset by the impact of lower interest rates as well as a portion of the guaranty fund assessments. Fixed annuity operating earnings declined by half to \$33 million, reflecting a \$17 million unfavorable impact from the continued low interest rate environment, as well as \$14 million of valuation model adjustments and a portion of the guaranty fund assessments.

RiverSource variable annuity account balances were unchanged compared to a year ago at \$65 billion. Variable annuity net outflows in the quarter reflected the closed book of annuities sold through third parties and \$94 million of net inflows in the Ameriprise channel. Slower sales in the quarter reflected the impact of the introduction of a new variable annuity rider in May and the suspension or restriction of certain product offerings during the quarter. RiverSource fixed annuity account balances declined 1 percent to \$14 billion due to ongoing net outflows resulting from low client demand given current interest rates.

Ameriprise Financial, Inc.
Protection Segment Operating Results

| | | | | | |
|---|----|-------------------------------|-------------|-----------|------------------------------|
| (in millions, unaudited) | | <u>Quarter Ended June 30,</u> | | | |
| | | <u>2012</u> | <u>2011</u> | | <u>% Better/ (Worse)</u> |
| Protection | | | | | |
| Net revenues | \$ | 528 | \$ | 522 | 1% |
| Expenses | | 419 | | 430 | 3 |
| Pretax income | \$ | <u>109</u> | \$ | <u>92</u> | 18 |
| Items included in operating earnings: | | | | | |
| Market impact on DAC | \$ | (1) | \$ | — | NM |
| Auto & Home catastrophe losses ⁽¹⁾ | \$ | (8) | \$ | (11) | 27% |
| Reserve release | \$ | 9 | \$ | — | NM |
| | | | | | |
| | | <u>Quarter Ended June 30,</u> | | | |
| | | <u>2012</u> | <u>2011</u> | | <u>% Better/ (Worse)</u> |
| Life insurance in force (billions) | \$ | 191 | \$ | 192 | (1)% |
| VUL/UL ending account balances (billions) | \$ | 9.5 | \$ | 9.7 | (2)% |
| Auto & Home policies in force (thousands) | | 725 | | 677 | 7% |

⁽¹⁾ Represents above normal expected level of claims experience. On a gross basis, catastrophe losses were \$17 million and \$15 million for 2Q 2012 and 2Q 2011, respectively.

NM Not Meaningful — variance of greater than 100%

Protection pretax operating earnings increased 18 percent to \$109 million driven by favorable claims in life and disability income insurance, an improved auto and home combined ratio and a \$9 million benefit from a life insurance reserve release. These benefits were partially offset by lower long term care earnings and a modest decline in life insurance in force.

Operating net revenues increased 1 percent to \$528 million as auto and home premium growth was largely offset by a decline in life and health revenues resulting from a modest decline in life insurance in force.

Operating expenses declined 3 percent to \$419 million, primarily driven by lower life and disability income insurance claims and the release of a life insurance reserve. Catastrophe losses in Auto and Home were elevated in both the current and prior-year quarters—losses were \$8 million more than expected during the current quarter and \$11 million more a year ago.

Life insurance in force declined 1 percent to \$191 billion, and Auto & Home continued its steady growth in policies, up 7 percent compared to a year ago.

Ameriprise Financial, Inc.
Corporate & Other Segment Operating Results

| (in millions, unaudited) | Quarter Ended June 30, | | % Better/ (Worse) |
|---------------------------------------|------------------------|----------------|----------------------|
| Corporate & Other | 2012 | 2011 | |
| Net revenues | \$ 7 | \$ 22 | (68)% |
| Expenses | 74 | 63 | (17) |
| Pretax loss | <u>\$ (67)</u> | <u>\$ (41)</u> | (63) |
| Items included in operating earnings: | | | |
| Interest rate hedge gain | \$ — | \$ 27 | NM |

NM Not Meaningful — variance of greater than 100%

Corporate & Other pretax operating loss was \$67 million for the quarter compared to \$41 million a year ago, primarily reflecting a \$27 million pretax gain on an interest rate hedge in anticipation of issuing debt. Ultimately, the company did not issue debt.

At Ameriprise Financial, we have been helping people feel confident about their financial future since 1894. With outstanding asset management, advisory and insurance capabilities and a nationwide network of 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:

- the statements in this news release regarding the company's plan to transition its federal savings bank subsidiary, Ameriprise Bank, FSB, to a non-depository national trust bank by year-end 2012 and the company's expectation that advisors will continue to meet clients' deposit and borrowing needs through leading third-party banks, that shareholders will benefit from additional capital flexibility, that the earnings per share impact will be immaterial and that capital will be redeployed into share repurchases;
- the statement of belief in this news release that the company expects its full year 2012 operating effective tax rate to be in the 28 to 30 percent range;
- the statements in this news release regarding the company's new brokerage platform and the expectation that the final group of advisors is expected to transfer to this platform in the coming months;
- 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, 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;
- 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 pace,” “project” 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.

Such factors include, but are not limited to:

- conditions in the interest rate, credit default, equity market and foreign exchange environments, including changes in valuations, liquidity and volatility;
- capital and credit market conditions including the availability and cost of capital;
- changes in and the adoption of relevant accounting standards, as well as changes in the litigation and regulatory environment, including ongoing legal proceedings and regulatory actions, the frequency and extent of legal claims threatened or initiated by clients, other persons and regulators, and developments in regulation and legislation, including the rules and regulations implemented or to be implemented in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- investment management performance and distribution partner and consumer acceptance of the company's products;
- effects of competition in the financial services industry and changes in product distribution mix and distribution channels;
- changes to the company's reputation that may arise from employee or affiliated advisor misconduct, legal or regulatory actions, improper management of conflicts of interest or otherwise;
- the company's capital structure, including indebtedness, limitations on subsidiaries to pay dividends, and the extent, manner, terms and timing of any share or debt repurchases management may effect as well as the opinions of rating agencies and other analysts and the reactions of market participants or the company's regulators, advisors, distribution partners or customers in response to any change or prospect of change in any such opinion;
- risks of default, capacity constraint or repricing by issuers or guarantors of investments the company owns or by counterparties to hedge, derivative, insurance or reinsurance arrangements or by manufacturers of products the company distributes, experience deviations from the company's assumptions regarding such risks, the evaluations or the prospect of changes in evaluations of any such third parties published by rating

agencies or other analysts, and the reactions of other market participants or the company's regulators, advisors, distribution partners or customers in response to any such evaluation or prospect of changes in evaluation;

- experience deviations from the company's assumptions regarding morbidity, mortality and persistency in certain annuity and insurance products, or from assumptions regarding market returns assumed in valuing or unlocking DAC and DSIC or market volatility underlying our valuation and hedging of guaranteed living benefit annuity riders, or from assumptions regarding anticipated claims and losses relating to our automobile and home insurance products;
- changes in capital requirements that may be indicated, required or advised by regulators or rating agencies;
- the impacts of the company's efforts to improve distribution economics and to grow third-party distribution of its products;
- the company's ability to pursue and complete strategic transactions and initiatives, including acquisitions, divestitures, restructurings, joint ventures and the development of new products and services;
- the company's ability to realize the financial, operating and business fundamental benefits or to obtain regulatory approvals regarding integrations we plan for the acquisitions we have completed or may pursue and contract to complete in the future, as well as the amount and timing of integration expenses;
- the ability and timing to realize savings and other benefits from re-engineering and tax planning;
- changes in the capital markets and competitive environments induced or resulting from the partial or total ownership or other support by central governments of certain financial services firms or financial assets; and
- general economic and political factors, including consumer confidence in the economy, the ability and inclination of consumers generally to invest as well as their ability and inclination to invest in financial instruments and products other than cash and cash equivalents, the costs of products and services the company consumes in the conduct of its business, and applicable legislation and regulation and changes therein, including tax laws, tax treaties, fiscal and central government treasury policy, and policies regarding the financial services industry and publicly held firms, and regulatory rulings and pronouncements.

Management cautions the reader that the foregoing list of factors is not exhaustive. There may also be other risks that management is unable to predict at this time that may cause actual results to differ materially from those in forward-looking 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 undertakes no obligation to update publicly or revise any forward-looking statements. The foregoing list of factors should be read in conjunction with 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, 2011 available at ir.ameriprise.com.

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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2012. For information about Ameriprise Financial entities, please refer to the Second Quarter 2012 Statistical Supplement available at ir.ameriprise.com and the tables that follow in this news release.

Ameriprise Financial, Inc.
Consolidated GAAP Results

| (in millions, unaudited) | Quarter Ended June 30, | | % Better/ (Worse) |
|---|------------------------|---------------|----------------------|
| | 2012 | 2011 | |
| Revenues | | | |
| Management and financial advice fees | \$ 1,152 | \$ 1,172 | (2)% |
| Distribution fees | 396 | 416 | (5) |
| Net investment income | 472 | 498 | (5) |
| Premiums | 302 | 312 | (3) |
| Other revenues | 202 | 236 | (14) |
| Total revenues | 2,524 | 2,634 | (4) |
| Banking and deposit interest expense | 10 | 11 | 9 |
| Total net revenues | 2,514 | 2,623 | (4) |
| Expenses | | | |
| Distribution expenses | 663 | 659 | (1) |
| Interest credited to fixed accounts | 209 | 212 | 1 |
| Benefits, claims, losses and settlement expenses | 396 | 405 | 2 |
| Amortization of deferred acquisition costs | 99 | 89 | (11) |
| Interest and debt expense | 72 | 75 | 4 |
| General and administrative expense | 776 | 774 | — |
| Total expenses | 2,215 | 2,214 | — |
| Income from continuing operations before income tax provision | 299 | 409 | (27) |
| Income tax provision | 128 | 118 | (8) |
| Income from continuing operations | 171 | 291 | (41) |
| Loss from discontinued operations, net of tax | (1) | (4) | 75 |
| Net income | 170 | 287 | (41) |
| Less: Net loss attributable to noncontrolling interests | (53) | (28) | (89) |
| Net income attributable to Ameriprise Financial | <u>\$ 223</u> | <u>\$ 315</u> | (29)% |

Ameriprise Financial, Inc.
Second Quarter Summary

| (in millions, except per share amounts, unaudited) | Quarter Ended June 30, | | Per Diluted Share Quarter Ended June 30, | |
|--|------------------------|---------------|---|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Net income attributable to Ameriprise Financial | \$ 223 | \$ 315 | \$ 0.99 | \$ 1.25 |
| Less: Loss from discontinued operations, net of tax | (1) | (4) | — | (0.02) |
| Net income from continuing operations attributable to Ameriprise Financial | 224 | 319 | 0.99 | 1.27 |
| Add: Market impact on variable annuity guaranteed living benefits, net of tax ⁽¹⁾ | 9 | 4 | 0.04 | 0.02 |
| Add: Integration/restructuring charges, net of tax ⁽¹⁾ | 17 | 14 | 0.08 | 0.06 |
| Less: Net realized gains (losses), net of tax ⁽¹⁾ | (4) | 4 | (0.02) | 0.02 |
| Operating earnings | <u>\$ 254</u> | <u>\$ 333</u> | <u>\$ 1.13</u> | <u>\$ 1.33</u> |

| | | |
|---|-------|-------|
| Weighted average common shares outstanding: | | |
| Basic | 221.7 | 245.5 |
| Diluted | 225.6 | 251.0 |

(1) Calculated using the statutory tax rate of 35%.

Ameriprise Financial, Inc.
Reconciliation Table: Total Net Revenues

| (in millions, unaudited) | Quarter Ended June 30, | |
|-----------------------------------|------------------------|-----------------|
| | 2012 | 2011 |
| Total net revenues | \$ 2,514 | \$ 2,623 |
| Less: CIEs revenue | 1 | 25 |
| Less: Net realized gains (losses) | (5) | 6 |
| Operating total net revenues | <u>\$ 2,518</u> | <u>\$ 2,592</u> |

Ameriprise Financial, Inc.
Reconciliation Table: Total Expenses

| (in millions, unaudited) | Quarter Ended June 30, | |
|--|------------------------|-----------------|
| | 2012 | 2011 |
| Total expenses | \$ 2,215 | \$ 2,214 |
| Less: CIEs expenses | 54 | 53 |
| Less: Market impact on variable annuity guaranteed living benefits | 16 | 7 |
| Less: Integration/restructuring charges | 26 | 21 |
| Operating expenses | <u>\$ 2,119</u> | <u>\$ 2,133</u> |

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

| (in millions, unaudited) | Quarter Ended June 30, | |
|---|------------------------|---------------|
| | 2012 | 2011 |
| General and administrative expenses | \$ 776 | \$ 774 |
| Less: CIEs expenses | 6 | 2 |
| Less: Integration/restructuring charges | 26 | 21 |
| Operating general and administrative expenses | <u>\$ 744</u> | <u>\$ 751</u> |

Ameriprise Financial, Inc.
Reconciliation Table: Effective Tax Rate

| (in millions, unaudited) | Quarter Ended June 30, 2012 | |
|---|-----------------------------|---------------|
| | GAAP | Operating |
| Income from continuing operations before income tax provision | \$ 299 | \$ 399 |
| Less: Pretax loss attributable to noncontrolling interests | (53) | — |
| Income from continuing operations before income tax provision excluding consolidated investment entities (CIEs) | <u>\$ 352</u> | <u>\$ 399</u> |
| Income tax provision from continuing operations | \$ 128 | \$ 145 |
| Effective tax rate ⁽¹⁾ | 42.8% | 36.3% |
| Effective tax rate excluding noncontrolling interests ⁽¹⁾ | 36.4% | 36.3% |

(1) Includes impact of disclosed tax related item

Ameriprise Financial, Inc.
Reconciliation Table: Effective Tax Rate

| (in millions, unaudited) | Quarter Ended June 30, 2011 | |
|---|-----------------------------|---------------|
| | GAAP | Operating |
| Income from continuing operations before income tax provision | \$ 409 | \$ 459 |
| Less: Pretax loss attributable to noncontrolling interests | (28) | — |
| Income from continuing operations before income tax provision excluding consolidated investment entities (CIEs) | <u>\$ 437</u> | <u>\$ 459</u> |

| | | | | |
|---|----|-------|----|-------|
| Income tax provision from continuing operations | \$ | 118 | \$ | 126 |
| Effective tax rate | | 29.0% | | 27.5% |
| Effective tax rate excluding noncontrolling interests | | 27.1% | | 27.5% |

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

| (in millions, unaudited) | Quarter Ended | | |
|---|------------------|------------------|-------------------|
| | June 30, 2012 | June 30, 2011 | March 31, 2012 |
| Operating total net revenues | \$ 707 | \$ 753 | \$ 711 |
| Less: Distribution pass through revenues | 203 | 218 | 207 |
| Less: Subadvisory and other pass through revenues | 95 | 96 | 96 |
| Adjusted operating revenues | <u>\$ 409</u> | <u>\$ 439</u> | <u>\$ 408</u> |
| Pretax operating earnings | \$ 130 | \$ 146 | \$ 131 |
| Less: Operating net investment income | 2 | 3 | 5 |
| Add: Amortization of intangibles | 10 | 10 | 10 |
| Adjusted operating earnings | <u>\$ 138</u> | <u>\$ 153</u> | <u>\$ 136</u> |
| Adjusted net pretax operating margin | 33.7% | 34.9% | 33.3% |

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

| (in millions, unaudited) | Twelve Months Ended June 30, | |
|---|------------------------------|-----------------|
| | 2012 | 2011 |
| Net income attributable to Ameriprise Financial | \$ 1,027 | \$ 1,053 |
| Less: Income (loss) from discontinued operations, net of tax | 13 | (103) |
| Net income from continuing operations attributable to Ameriprise Financial, as reported | 1,014 | 1,156 |
| Less: Adjustments ⁽¹⁾ | (172) | (89) |
| Operating earnings | <u>\$ 1,186</u> | <u>\$ 1,245</u> |
| Total Ameriprise Financial, Inc. shareholders' equity | \$ 9,072 | \$ 9,359 |
| Less: Assets and liabilities held for sale | 16 | 51 |
| Less: Accumulated other comprehensive income, net of tax | 804 | 743 |
| Total Ameriprise Financial, Inc. shareholders' equity from continuing operations excluding AOCI | 8,252 | 8,565 |
| Less: Equity impacts attributable to the consolidated investment entities | 427 | 558 |
| Operating equity | <u>\$ 7,825</u> | <u>\$ 8,007</u> |
| Return on equity from continuing operations, excluding AOCI | 12.3% | 13.5% |
| Operating return on equity excluding CIEs and AOCI ⁽²⁾ | 15.2% | 15.5% |

(1) Adjustments reflect the trailing twelve months' sum of after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits net of hedges and related DSIC and DAC amortization; and integration/restructuring charges.

(2) Operating return on equity excluding consolidated investment entities and accumulated other comprehensive income is calculated using the trailing twelve months of earnings excluding the after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits, net of hedges and related DSIC and DAC amortization; integration/restructuring charges; and discontinued operations in the numerator, and Ameriprise Financial shareholders' equity excluding accumulated other comprehensive income; the impact of consolidating investment entities; and the assets and liabilities held for sale using a five-point average of quarter-end equity in the denominator.

Ameriprise Financial

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