4Q07 EARNINGS CONFERENCE CALL
January 24, 2008

James M. Cracchiolo, Chairman and CEO

Good afternoon. Before I get started, I know it's been a tough few weeks for everyone given what's happening in the markets, and I'm sure you've all been pretty busy. So I appreciate your joining us for this call.

This was another good quarter for Ameriprise Financial despite some very tough market conditions. Our operating results continue to demonstrate the strength and diversity of our business. While we would obviously like to see some stability and strength in the capital markets, and while we are not immune, I feel good about our solid position. For the quarter and the full year, we generated good operating performance, our balance sheet remained solid, and we delivered on our growth goals.

For the quarter, net revenues grew 8 percent to $2.3 billion; adjusted earnings per diluted share increased14 percent to $1.16; and adjusted ROE finished the year at 12.6 percent. There are some disclosed items and investment gains in those numbers, which, all told, net out to a benefit of 13 cents per diluted share. These items are detailed in the press release, but I want to make sure we don't lose the underlying message here: our operating results were solid in the quarter.

Maybe most important of all, in this environment, our balance sheet continued to perform well. We have always taken a conservative approach to managing our balance sheet assets—we have maintained a very strict risk discipline, and while that leaves some money on the table during rising equity markets and more favorable credit markets, it also means we have been able to avoid any material investment write-downs during this time of extraordinary volatility.

Now let me review some highlights of our results during the quarter.

We serve the mass affluent and affluent market in personalized financial planning relationships, and the 10 percent growth in assets from this group of clients demonstrates that our strategy is working. We believe consumers need financial planning across market cycles, but perhaps most when markets are challenging. More people already come to us for financial planning than any other firm, and we believe the demographic trends give us great opportunity to build on our lead.

Revenue per advisor increased 11 percent, though it slowed somewhat from the third quarter due to market conditions as clients moved to higher cash positions. Our advisors continue to be focused on serving more affluent and mass affluent clients and deepening existing relationships. Meanwhile, we are focused on providing improved advisor marketing support and technology tools, as well as innovative and broad product offerings.

In fact, we are in the early stages of our largest training effort ever: We're bringing the vast majority of our branded advisors to Minneapolis over the next several months to help them implement their new marketing tools, our enhanced client experience and financial planning focus, and the new desktop technology we're rolling out. Cap Gemini has said we will have the leading technology tools in the industry for financial-planning focused advisors, and we're bringing the advisors here to make sure they get the most out of the investments we're making for them.

Overall, advisor satisfaction continued to be quite strong. In fact, our franchisee advisor retention remains very strong at 93 percent, and as you know, this is our largest, most seasoned and most productive group of advisors.

Consistent with the past several quarters, we're continuing the re-engineering of our employee advisor platform, which is the reason for our lower total advisor number. We're reducing the number of employee advisors we're hiring and focusing on advisors who are more likely to succeed. At the same time, we are further developing our efforts to recruit more experienced advisors.

Owned, managed and administered assets increased 3 percent over a year ago, to $480 billion. However, coming off a 12 percent increase for the third quarter, we saw assets decrease on a sequential basis due to market declines, foreign currency translation and continued outflows of lower-margin, Zurich-related assets at Threadneedle.

In terms of overall flows, the performance of our wrap business continued to be strong. We now have $94 billion in total wrap assets, which is up 23 percent from a year ago, with $1.8 billion in net inflows in the quarter.

For the third consecutive quarter, and despite some market-related slowing, RiverSource Funds net flows were positive—and we recorded net inflows of $500 million for all of 2007, the first year in many that we've been in net inflows. We've reached this milestone sooner than we had expected primarily because of strength in our new, innovative goal-based solutions.

Our investment performance is another key contributor to these flows, and while we faced some challenges during the quarter, when you look at our short-term performance on an asset-weighted basis, it remains competitive. In addition, our three- and five-year track records remain solid, with 68 percent of equity funds above the median on an asset-weighted basis for three-year performance, and 58 percent above median for five-year performance.

In the annuities business, we continued to realize good variable annuity inflows, with $1.1 billion of net inflows in the quarter and inflows of $4.9 billion for the year. At the same time, like many other annuities providers, we continue to manage outflows in fixed annuities based upon the interest rate environment. As we have said, we expect these fixed annuity outflows to continue over the near term.

Threadneedle's investment performance has been quite strong. In fact, their equity performance for all of 2007 was the firm's best ever. They continue to experience asset outflows, but, as I mentioned, most of that is driven by outflows of low-margin Zurich assets, partially offset by asset growth in higher-margin products. Threadneedle continues to provide valuable geographic diversity to our results, and that diversity is increasing: In 2007, the majority of Threadneedle's sales were in Continental Europe.

Our insurance businesses also produced another solid quarter, with life insurance in force growing 8 percent compared with last year and reaching $187 billion. Total Protection segment premiums increased 4 percent in a slow-growth environment. Overall, cash sales, returns and margins were solid in the Protection segment.

So in total, I think you can see that the underlying measures for the business are strong.

Now I'd like to give you some brief insight into our balance sheet and expense management. As we shared in detail on last quarter's call, we have very little exposure to the sub-prime market, and as a result we have not taken material write-downs. While the problems in the credit market have clearly expanded recently, our balance sheet remains strong, and we feel good about it. Walter will take you through more detail shortly.

We told you last quarter that we would be in the market buying back our shares and returning capital to shareholders, and we did that. We bought back 4.8 million shares at a cost of $283 million, and for the year we returned $948 million through buybacks. We continue to believe this is an effective use of our capital in the current environment.

It goes without saying that we are in a market-sensitive business, and we believe we have established the flexibility necessary to navigate through this difficult environment.

We are prepared to pull the expense levers necessary to maintain earnings. We plan to be more aggressive in our re-engineering efforts, and, while we will continue to invest in long-term growth, we are slowing our level of investment in the business. In addition, we're in the process of implementing a flexible expense plan. We're identifying expenses we can cut or defer to manage the company through a longer-term weakening of the markets and the economy, and we will implement these plans relative to the depth and breadth of the market impact.

We're confident that we have a compelling long-term opportunity, and we're going to keep pursuing that opportunity. But we're going to do so prudently.

So overall, the business performed well in the quarter and quite well for the full year. I feel good about the foundation we've put in place, including our strong balance sheet and, in particular, about our ability to weather the current markets. We've delivered on our financial targets, and we are in a solid position.

Now Walter will take you through some more of the detail from the quarter, and after that we'll take your questions.

Walter S. Berman, EVP and Chief Financial Officer

Thank you, Jim.

Before I go into the details of the quarter, I'd like to reinforce Jim's overall view of our results. It was a good, solid quarter given the markets we're operating in.

We reported adjusted earnings of $1.16 per share. That represents a 14 percent increase over last year. There were several disclosed items in the quarter that positively impacted our earnings by a net 13 cents per share. Based on normalized operating performance for both periods, we still met our growth targets.

The disclosed items are described in detail in our release and supplement, so I'm not going to go into detail here. To make sure you understand the impacts, we had two large benefits plus net investment gains, and these were partially offset by increased legal and contingency reserves, as well the impact of the extraordinary market movements. All these impacts net to a benefit of 13 cents per share.

Now I'll move on to discuss our operating results.

In the quarter, reported net revenues were up 8 percent. We had strong growth in management and financial advice fees, which were up 25 percent over a year ago. This fee growth was driven by strong wrap net flows, variable annuity flows and higher yields on our managed assets, including higher Threadneedle hedge fund performance fees. This increase was partially offset by lower distribution fees, due to the unusually high fees from REIT sales recorded in the fourth quarter of last year, and lower net investment income from declining fixed annuity balances.

On the expense side, total expenses before separation costs increased 8 percent over the fourth quarter of 2006, reflecting increased business activity and market impacts.

Our general and administrative expenses were up only 3 percent compared with a year ago. These expenses included higher hedge fund performance compensation, higher costs associated with the build-out of Ameriprise Bank, and the technology investment in the fourth quarter of 2007. These increases were partially offset by the impact of consolidations under EITF 04-5.

The technology investments, which we do not expect to continue at this level, were primarily incurred in the Advice and Wealth Management segment, and – while I won't go through every segment - I'd like to spend some time on our results in Advice and Wealth Management.

The segment generated pretax income of $34 million for the quarter, down 8 percent from last year. This was driven by three key factors:

- Lower distribution fee income due to clients reinvesting the proceeds from REIT liquidations in the fourth quarter of 2006;
- And lower earnings in the bank and certificates line due to start-up investments.
- These were offset by decreased legal and regulatory, and contingency reserves allocated to the segment.

Adjusting for the items I've just mentioned, our normalized PTI growth rate would be in the 15 to 20 percent range.

Looking at the sequential trends, there is a seasonal impact on G&A expenses in the segment. These expenses tend to be higher in the fourth quarter, and this seasonality was exacerbated by this year's higher level of investments in technology.

For the full year, on a reported basis, PTI margin in the segment was 7.5 percent, up from 5.9 percent in 2006, primarily driven by top-line growth.
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So that's what happened during the quarter. Given the market conditions, what ***didn't*** happen is equally important.

The balance sheet remains very sound. During the quarter, our total impairments were less than $3 ***million*** on a base of $35 billion.

There are four important elements that comprise our strong balance sheet position:

- Asset quality
- Investment and risk management capabilities
- Capital position

- And liquidity

I'll go into some detail on these. In case you miss anything, remember that our remarks will be posted on our website.

I'll start with asset quality. We continue to have a very high-quality portfolio that has performed well under these market stresses.

First, our exposure to financial guarantors is limited to guarantees provided on invested assets on our balance sheet. We have no wrapped transactions, no counterparty exposure, and no backup or liquidity facilities.

- At the end of the year, within our total $35 billion portfolio, we had $722 million of enhanced securities, $597 million of which was in municipals and $125 million in asset backed securities. Keep in mind that about half of municipal bonds are enhanced securities.
- It is important to note that as we evaluate securities, we base our investment decisions on the integrity of the direct investment cash flow. We do not rely on the guarantee.

Next, I want to update you on our mortgage and asset backed portfolios, all of which are performing within acceptable ranges given current market conditions.

Our structured asset portfolio totals $10.4 billion, with $6.3 billion of residential mortgage backed securities, $3 billion of commercial mortgage backed securities and $1.1 billion of asset-backed securities.

- Our residential mortgage backed securities portfolio of $6.3 billion is 96 percent triple-A rated.
  - This portfolio is seasoned, and has shorter duration and better convexity than the mortgage index
  - Over 70 percent of the portfolio—$4.5 billion—is agency backed—they are Ginnie Mae, Freddie Mac and Fannie Mae securities, which carry an explicit or implicit guarantee of the U.S. Government.
  - Our non-agency mortgage exposure totals $1.8 billion, 85 percent rated triple-A
    - This includes our Alt-A exposure of $1.2 billion, which I've discussed with you before
    - As of last week, our Alt-A portfolio had a market value of 96 percent of book.

That covers our residential mortgage-backed securities exposure. Now let's move on to our commercial mortgage-backed securities portfolio.

- Our commercial mortgage-backed securities portfolio totals $3 billion, over 99 percent triple A-rated
  - These bonds have seasoned collateral, predominantly 2005 and earlier vintages.

        - The underlying credits we hold continue to perform very well, with delinquency rates well below the overall CMBS market.
        - And as of last week, these bonds had a market value of 101 percent of book.

Next, I will cover our asset-backed securities exposure.

- Our asset backed securities portfolio of $1.1 billion is 95 percent triple A-rated
    - $449 million are securitized small business loans backed by the full faith and credit of the U.S. government.
    - $378 million are other assets, primarily credit cards, automobile loans, and student loans, 89 percent of which are triple-A rated.
    - In addition, this category contains $241 million of securities backed by subprime residential mortgages. 93 percent of this book is rated triple-A. Last quarter, we reviewed this portfolio with you. The characteristics of this high quality portfolio remain the same.
        - As of last week, this portfolio had a market value of 94 percent of book

Now let's turn to our traditional real estate loan portfolio of $3.1 billion. It is also of very high quality.

- We look at the underlying cash flows of the properties in assessing these loans.
- Cash flow coverage ratios average 1.83 times, and there are have been no delinquencies in the past 12 months.
- Loan to value ratios continue to be conservative, averaging 54 percent.
- This portfolio is diversified by both property type and geography.

We are also continuing to monitor our corporate credit exposures of $13.9 billion carefully.

- The investment grade portion is highly diversified and is positioned with a preference toward non-cyclicals, and a bias toward regulated industries and asset-rich companies.

- The below investment grade bonds of $1.7 billion and bank loans of $.3 billion, combine to form our high yield portfolio, which comprises 6 percent of our invested assets.
    - This part of the portfolio is highly diversified from an industry standpoint, with a focus on credits that can generate free cash flow through economic cycles.
    - The homebuilder sector is the component of our portfolio that is currently experiencing the most dislocation.
        - Our exposure to homebuilders is limited to $181 million, or just over one-half of one percent. As of December 31, unrealized losses on these holdings were $31 million.

So overall: Our asset quality remains strong, and the portfolio is performing as expected—there have been no surprises. We will continue to monitor our balance sheet very closely as market conditions change.

Moving to our investment and risk management capabilities…

We've built a very strong infrastructure, and believe our investment team is one of the best in the industry. We've also just completed building our enterprise risk management team and believe we have the resources – people and tools -- necessary to manage our balance sheet and market related exposures.

You'll recall that last quarter we reported an after-DAC, after-tax loss related to living benefits of $21 million, driven in part by our incomplete GMAB hedging program. With our hedging program essentially complete, our after-DAC, after-tax loss related to living benefits dropped to $9 million. This negative impact was offset by the impact of SOP 03-1.

The third component of balance sheet strength is capital. Our overall capital position remains strong. Even with the repurchase of well over $900 million in shares in 2007, we continue to hold over $1 billion in excess capital. At the end of the year, our debt to capital ratio was 20.5 percent, or 16.6 percent excluding non-recourse debt and including equity credit for hybrid notes.

Finally, our liquidity position is also very strong, with over $3.8 billion in cash and cash equivalents at the end of the year.

I know that's a lot of detail on our balance sheet, but we think it is important in the current market conditions to clearly communicate our balance sheet strength.

To reiterate, the underlying business metrics remain solid, and we met our goals for revenue and EPS growth and ROE. We're pleased with this performance and with our balance sheet, and we are committed to taking the actions necessary to manage through the current market environment.

Now we would be happy to take your questions.