**Ameriprise Financial**
**Third Quarter 2007 Earnings Conference Call**
**Talking Points**
**October 24, 2007**

**Jim Cracchiolo, Chairman and Chief Executive Officer:**

Thanks for joining us this afternoon.

I'd like to start off by saying that the company performed well in the third quarter despite the turbulence in the credit and equity markets. As you're well aware, it was a challenging summer for the financial services industry, but our operating results continue to demonstrate the strength and diversity of our business. I feel very good about the position we're in and the momentum we're generating. In short, we have the right strategy, and we're executing it well.

For the quarter, revenues grew 11 percent to $2.2 billion; adjusted earnings per diluted share was up 5 percent; and adjusted ROE for the trailing twelve months increased to 12.4 percent.

We continue to focus on the mass affluent and affluent market, and this group of clients has grown significantly, up 11 percent over last year. This clearly demonstrates that our client acquisition strategy, which is centered on our commitment to serving clients through financial planning relationships, is working. Our planning clients bring us more assets, and they stay with us longer. We're the market leader in financial planning, and we intend to build on this position.

In regards to advisor productivity, despite the market volatility and the historically slower summer months, our growth trend continued, with GDC up 14 percent over a year ago. Our productivity gains are the result of our advisors' focus on acquiring more affluent and mass affluent clients and deepening existing relationships. It also reflects improved advisor support and technology tools, and our innovative and broad product offering.

Our advisors continue to be very satisfied with the company, the progress we're making and the support we're giving them. In fact, our franchisee advisor retention rate remains very strong at 93 percent, and, as you know, this is the most seasoned and productive part of our advisor force.

We've been re-engineering the employee advisor force for several quarters, and it's the primary driver of our lower total advisor count. By being more selective in our hiring, we are driving greater profitability and focusing on advisors who are more likely to succeed. As a result, we expect the overall advisor number will continue to decline slightly in the near term.

We also continue to roll out enhanced technology for our advisors to drive further productivity improvements. Our new system will consolidate and link the information advisors need, and we will soon introduce new financial planning tools that will make the process far less time-consuming. The new technology makes advisors more efficient and gives them more time to grow relationships, resulting in productivity gains.

Along with the success of our advisor business, our overall product flows continue to be strong. Let me start with the very significant turnaround in RiverSource fund flows. For the second consecutive quarter, net flows were positive. We had net inflows of $400 million compared with net outflows of $600 million last year. In fact, for the first time in many years, our net flows are positive for the year-to-date period. We've reached this milestone sooner than we had expected because of strong investment performance, our new, innovative goal-based solutions and improved wholesaling.

With regard to investment performance, our longer-term track records continue to improve, with three-year equity and fixed income performance both showing good trends. We also continue to build out our product offerings. In fact, just last week we introduced three new mutual funds that give investors access to alternative investing strategies, including 130/30 and 120/20 strategy funds.

Threadneedle's investment performance has also come back quite strongly. They continue to experience asset outflows, but much of that is driven by outflows of low-margin Zurich and institutional assets, partially offset by inflows in higher-margin retail and alternative products. We are investing in Threadneedle, including its announced acquisition of Convivo Capital Management during the quarter, and we feel good about the prospects for this business.

We're also extremely pleased with the performance of our wrap business, which had $2.6 billion of net inflows in the quarter. We now have $93 billion in total wrap assets, which is up 33 percent from a year ago. One of the new successes we've had within wrap is Active Portfolios, the discretionary mutual fund wrap program we launched in February, which already has already generated over $2.2 billion in sales.

We're also seeing good flows in variable annuities. Despite challenging market conditions for these products, we realized net inflows of $1.3 billion in annuity variable accounts in the quarter. At the same time, like many other annuities providers, we continue to manage outflows in fixed annuities. We expect these outflows to continue over the near term.

Our insurance businesses also continue to perform quite well despite a slow-growth environment. Life insurance in force grew by 8 percent compared with last year, while our auto and home business generated an 8 percent increase in premiums. Overall, cash sales, returns and margins are solid. We continue to focus on growing these businesses because it will always represent a need with our clients.

So I think you can see that our revenue streams and asset flows are strong. We're also very focused on tightly managing our expenses and expanding our margins. Those efforts are paying off. For the quarter, our controllable expenses were essentially flat compared with last year. We intend to continue to capitalize on our proven re-engineering strengths to help fund our investment agenda and drive greater profitability.

Now I'd like to briefly give you some insight into our balance sheet. As we've told you from the time of our spin, we maintain a strong and conservative balance sheet. In fact, we were able to avoid the credit issues many other companies faced during the third quarter. As we shared in detail on last quarter's call, we have very little exposure to the sub-prime market and to the broader residential real estate market, and as a result we have not had to write down the value of assets.

The markets did impact both our revenues and expenses, through impacts from our hedging program. Walter will cover this, but I want to emphasize that our overall hedging program performed well throughout this very volatile quarter. Along the way we identified opportunities to further enhance our hedging program, but overall, I am pleased with our balance sheet performance and with our risk management program.

So, in total, the business performed quite well in the quarter and for the year to date. I feel good about the foundation we've put in place. We're in a terrific position to grow, and to navigate changing market conditions. Our balance sheet strength, excess capital position and expense management focus, along with our fee-based, financial planning-driven model, give us the ability to succeed across market cycles. We have strong operating momentum on our side, and I feel good about our business.

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

**Walter Berman, EVP and Chief Financial Officer:**

Thanks, Jim.

As you just heard from Jim, our business continues to perform well, even with the ongoing market volatility we've been experiencing. We believe this is because of our consistent approach to, and the diversity of, our business.

Now, to add some additional color to what you heard from Jim, I'm going to spend time on three key areas:

- Our overall financial performance,
- A review of items we disclosed during the quarter, and their associated impacts.
- And, the continued strength of our balance sheet.

The items we disclosed in the third quarter (as well as in the third quarter last year) are detailed in the “C” pages of the supplement. Overall, these items did contribute to an increase in both revenues and expenses, and I will detail them for you in a moment.

So, beginning with our overall performance, revenues grew 11 percent. However, when you exclude disclosed items, revenues grew 7 percent. More importantly, what really drove revenue growth were the strong increases we saw in our fee-based business and solid flows into our core products such as wrap, proprietary funds and variable annuities. These increases more than offset the impact of fixed annuity outflows.

As Jim indicated, in the quarter our expenses were well managed. Controllable expenses were basically flat to last year. This strong expense management reflects our focus on reengineering and continuing investment in the business.

Consolidated expenses before separation costs increased 15 percent. Excluding the disclosed items, expenses grew 6 percent. This includes a 22 percent increase in field compensation. This is higher than our GDC growth rate of 14 percent, due primarily to a lower percentage of these costs being deferred as we continue to shift away from insurance and annuity product sales.

Adjusted earnings grew 3 percent, to $237 million. However, embedded in these results are disclosed items that increased adjusted earnings by $5 million this year, compared to a $38 million benefit last year.

I believe our adjusted earnings of $0.99 per share reflect the underlying economic reality of the business, but I want to discuss the material items in more detail. The four main items were:

- the negative impact of our third quarter DAC unlocking,
- the impact of the quarter’s volatility on our variable annuity benefits,
- the decrease in loan loss reserves for our commercial mortgages,
- and a lower effective tax rate.

First, as I mentioned, our DAC unlocking analysis resulted in a $30 million negative impact in the quarter, compared to a $25 million pretax benefit in the same quarter of 2006. That’s a swing of $55 million in pretax earnings. As you know, there are many assumptions that get reviewed and reassessed during our annual third quarter detailed DAC review. In the quarter, most of the impact is the result of changes in our persistency assumptions.

We are seeing higher exit rates on older books of fixed and variable annuities, as clients are electing to reposition assets from these older annuities after the surrender charge periods.  A strong portion of these assets are rolling into variable annuities with living benefit guarantees, as well as other Ameriprise products -- not leaving the company.

Within our variable universal life business, the differences between actual surrender rates and those we had been assuming are small. The small change in persistency assumptions that are now negatively impacting earnings were a positive impact last year.

Our current DAC valuation assumptions are fully informed by the experience trends we've observed in these businesses and our best estimates of where those trends will lead.  We do not believe any of the assumption changes or resulting increase in DAC amortization reflects any fundamental problems or deterioration in our business.

Let's move to the second disclosed item. The effective tax rate on adjusted earnings in the quarter was 14.4  percent.   The lower rate is based upon our conclusion that Threadneedle's continued growth and good performance will enable it to pay ongoing dividends.  As a result, we changed certain Threadneedle entities from non-remitter to remitter status.  This change generated a $21 million benefit in the quarter, as a result of the cumulative effect. Going forward there will continue to be dividends, which will result in an ongoing benefit. However, these benefits will be at a lower level than we achieved this quarter.

Our effective tax rate on adjusted earnings was 25.2 percent last year and will be approximately 23 percent this year. Our tax department is continually looking for ways to improve our tax efficiency – taxes are a major expense for us.  For 2008, we expect our effective tax rate will be in the 26 to 27 percent range.

The third disclosed item is the impact of market volatility. As you are aware, long-term volatility increased substantially in the quarter. The net impact – after hedging, DAC and tax – was a negative $21 million due to the mark to market of our variable annuity guarantees: GMWB and GMAB.

Approximately $14 million of that impact was related to GMWB, which accounted for 86 percent of our exposures, with account values of $12 billion. As you are aware, we have a hedging strategy using long-dated static hedges. This 12 basis point impact is well within our tolerance levels, and we believe compares favorably in the industry. In addition, during the quarter, we modified our hedging to improve effectiveness and reduce costs using plain vanilla derivatives.

The remainder of the impact, approximately $7 million, was driven by GMAB, about 14 percent of our exposure, but one third of the impact. Unfortunately, we only had delta hedges in place when the volatility spiked and we are in the process or rolling out a new 3-greek approach. We currently have over 50 percent of our GMAB exposure hedged under the new program and will implement the balance over the remaining months. For all of our VA hedging, we will continue to enhance our models and approach, and are pleased with the progress we've made to date.

The last disclosed item to discuss is a $23 million benefit from lowering loan loss provisions for our commercial mortgage portfolio. While we review our loss provisions quarterly, we conducted a more detailed annual assessment that we completed in the third quarter. In addition to loan payment history, we analyzed the annual financial and operating statements for each individual property, including rent rolls, cash position and cash flows. We also do a physical inspection to assess the collateral value on all significant properties. Based on this review we determined our allowance for loan losses was more than adequate. Therefore, we reduced it to the appropriate level.

This positive was offset by losses in trading securities including seed money, resulting in "other" net investment income in our supplement reporting a $1 million dollar loss.

Let me now turn to our capital position and our share repurchase program. In the third quarter, we redeployed $171 million in share repurchases, buying over 2.9 million shares. Year to date, we've repurchased over 11.1 million shares for $665 million. Our remaining authorization at September 30 was $701 million. Our pace of share repurchases continues to remain prudent, and we continue to maintain excess capital of over $1 billion.

Our balance sheet remains strong, and asset quality is high. That positioning served us well during the quarter.

Consistent with what I shared last quarter, our exposure to subprime continues to be limited to under $260 million dollars of residential mortgage backed securities. These securities are:

- high quality --- predominantly Triple A rated bonds,
- backed by seasoned, traditional, first lien, subprime collateral,
- they include both floating rate and short-duration, fixed securities, and as of last week, were trading at 98 percent of book.

Similarly, with respect to Alt-A, we are also comfortable with our exposure. We own $1.1 billion, with the vast majority rated Triple A. None of our structures are levered. The majority of our triple A bonds are "super senior," meaning they have more collateral support or credit enhancement than required to get a triple A rating. These securities are seasoned as well. As of last week, this portfolio was also trading at 97.5 percent of book.

In addition, our high yield bond portfolio of $1.7 billion, or 4.8 percent of total investments, is in the top end of that credit spectrum.  As a result of our solid credit positioning, we've taken no impairments in the quarter, other than $300,000 that we are required to consolidate under FIN 46.   We've had no rating downgrades of subprime or Alt-A related securities.  In fact, we've had very little market value impact, with our overall unrealized losses under FAS 115 declining in the quarter.  We are very pleased with how our portfolio has performed, and the benefits of a comparatively conservative risk profile.

In addition, we continue to retain a very strong liquidity position, with cash and short term investments of $4 billion.  We implemented planned dividends from subsidiaries, as part of a broader philosophy to retain only required capital at the subsidiary level.  In addition to normal dividend flows, we took a $550 million dividend from RiverSource Life, and in the fourth quarter, we've already taken $172 million from our Auto & Home subsidiary, reflecting both excess capital and the proceeds from the sale of AMEX Assurance to American Express.

So, in conclusion, I continue to feel very good about the platform we've built and the strong position we're in, reflected by our performance during the quarter.

Now, Jim and I will take any questions that you have.

## Ameriprise Financial, Inc.
## Reconciliation Table: Revenue Growth Excluding Disclosed Items

| (in millions, unaudited) | Three Months Ended September 30, 2007 | 2006 | % Change |
|---|---|---|---|
| Total revenues | $ 2,202 | $ 1,977 | 11 % |
| Less disclosed items: | | | |
| DAC unlocking impact | - | (1) | |
| Loan provision reserve adjustment | 23 | - | |
| Variable annuity rider hedge impact | 57 | - | |
| Investment gains | 15 | 14 | |
| Trading securities loss | - | (20) | |
| Long-term care premium adjustment | - | 15 | |
| Total revenues excluding disclosed items | $ 2,107 | $ 1,969 | 7 % |

## Ameriprise Financial, Inc.
## Reconciliation Table: Consolidated Expense Growth Excluding Disclosed Items

| (in millions, unaudited) | Three Months Ended September 30, 2007 | 2006 | % Change |
|---|---|---|---|
| Total expenses before separation costs | $ 1,925 | $ 1,673 | 15 % |
| Less disclosed items: | | | |
| DAC unlocking impact | 30 | (26) | |
| Variable annuity rider impact | 89 | - | |
| Total expenses before separation costs excluding disclosed items | $ 1,806 | $ 1,699 | 6 % |

**Reconciliation Table: Calculation of Contribution Margin and Contribution Margin Excluding Disclosed Items**

(in millions, unaudited)

| | Three Months Ended September 30, 2007 |
|---|---|
| **Calculation of Contribution Margin** | |
| Total revenues | $ 2,202 |
| Compensation and benefits - Field | 522 |
| Interest credited to account values | 282 |
| Benefits, claims, losses and settlement expenses | 383 |
| Total contribution margin expenses | 1,187 |
| Total revenues less total contribution margin expenses | $ 1,015 |
| Contribution margin | 46.1 % |
| **Contribution Margin Excluding Disclosed Items** | |
| Total revenues | $ 2,202 |
| Less disclosed items: | |
| Loan provision reserve adjustment | 23 |
| Variable annuity rider hedge impact | 57 |
| Investment gains | 15 |
| Total revenues excluding disclosed items | 2,107 |
| Compensation and benefits - Field | 522 |
| Interest credited to account values | 282 |
| Benefits, claims, losses and settlement expenses | 383 |
| Less disclosed items: | |
| DAC unlocking impact | 14 |
| Variable annuity rider benefits impact | 123 |
| Total contribution margin expenses excluding disclosed items | 1,050 |
| Total revenues excluding disclosed items less total contribution margin expenses excluding disclosed items | $ 1,057 |
| Contribution margin excluding disclosed items | 50.2 % |