Ameriprise Financial, Inc.
First Quarter 2007 Earnings
Conference Call Talking Points

Laura Gagnon – VP, Investor Relations

Thank you and welcome to the Ameriprise Financial first quarter earnings call. With me on the call today are Jim Cracchiolo, Chairman and CEO, and Walter Berman, Chief Financial Officer. After their remarks, we'd be happy to take your questions.

During the call, you will hear references to various non-GAAP financial measures like "adjusted earnings" or "adjusted premiums." Management believes that the presentation of these adjusted financial measures best reflects the underlying performance of the Company's operations. The adjusted numbers exclude non-recurring separation costs in all periods.

The presentation of adjusted earnings is consistent with the non-GAAP financial information presented in the Company's annual report and Form 10-K for the year ended 2006. Reconciliations of non-GAAP numbers discussed in this presentation to the respective GAAP numbers can be found in the Earnings Release and Statistical Supplement issued today available on our website and furnished under an 8-K filed with the Securities and Exchange Commission, as well as in the talking points we will post after the call.

Some of the statements that we make in this discussion may constitute "forward-looking statements." These statements reflect management's expectations about future events and operating plans and performance and speak only as of today's date. These forward-looking statements involve a number of risks and uncertainties. A list of factors that could cause actual results to be materially different from those expressed or implied by any of these forward-looking statements is detailed under the heading "Forward-Looking Statements" in our

2006 Annual Report to Shareholders and the Earnings Release, copies of which are available on our website, and under the heading "Risk Factors," and elsewhere in our 2006 10-K report, already on file with the SEC. We undertake no obligation to update publicly or revise these forward-looking statements for any reason.

Individual RiverSource[SM] mutual fund investment performance information and important disclosures are included in Exhibit A in our Quarterly Statistical Supplement available on our website.

With that, I'd like to turn the call over to Jim Cracchiolo.

Jim Cracchiolo, Chairman and Chief Executive Officer

Thank you, Laura. Welcome everyone.

As you saw in our release, we had another strong quarter – the fifth straight quarter where we exceeded our adjusted earnings growth target.

So, let's take a look at our results:

For the quarter,

- Revenues grew 6 percent,
- Adjusted earnings grew 16 percent, and
- Adjusted return on equity reached 12.2 percent, which represents the first time we've reached the lower end of our targeted range.

Overall, I'm feeling very good about the progress we're making and the momentum we're seeing in the business.

Based on our performance, we have the ability to redeploy our capital or return capital to shareholders. In that regard, we completed our two prior share repurchase authorizations – ahead of schedule – repurchasing more than 5.9 million shares of our common stock during the quarter. And, in March, we announced a new $1 billion, two-year share repurchase authorization and raised our quarterly dividend to 15 cents.

Now, let's take a look at our business highlights and the progress we're making in executing our strategy. Later, Walter will give you more color for our financial performance and balance sheet strength.

Our business is based on delivering a strong client experience, and that focus is helping us grow our target client base. For the quarter, our total number of mass affluent and affluent clients was up 8 percent year-over-year.

Advisor productivity continues to grow as well. At the end of the quarter, total GDC increased 18 percent compared to the first quarter last year.

Our focus is to continue driving productivity gains in the advisor force while improving the overall economics of our employee advisor channel.

As I mentioned last Fall, we're reengineering our employee advisor platform to improve its profitability. Therefore, we are:

- being more selective in new employee hires,
- enhancing productivity, and
- retaining and further tenuring our more productive advisors.

Consistent with our strategy, we've appointed about 30 percent fewer employee advisors than at this point last year. At the same time, we're now focusing more front-line leadership time to enhance per advisor productivity and profitability. Over the course of the year and as we anticipated, we expect our total employee advisor count will decrease, with the intended net effect of increasing per advisor productivity and improving the profitability of our advisor force.

Our more tenured franchisee advisor retention remains strong at 93 percent. Advisors continue to be very receptive to the enhancements we're making in:

- technology,
- marketing,
- practice management, and
- new products and services.

So very clearly, we're working to make our distribution network more efficient, by improving our economics and increasing profits. At the same time, we are increasing our ability to gather assets.

We ended the quarter with $474 billion in owned, managed and administered assets -- up 10 percent when adjusting for the transfer of administered assets with the sale of our 401(k) business last year.

I'm feeling very good about our asset growth and strong flows across the business.

During the quarter, we generated total wrap net inflows of $3 billion, a year-over-year increase of 20 percent and one of our strongest periods for wrap flows.

We also continue to generate strong flows in annuity variable accounts with $1.4 billion of net inflows. That's a 27 percent year-over-year increase. Offsetting these strong net inflows, are $1.1 billion in net outflows in annuity fixed accounts that's in line with prior quarters. We expect net outflows in these products will continue in the current interest rate environment.

The quarter has been very good for RiverSource retail fund flows. We had our best mutual fund sales quarter in several years and also saw good flows into our variable product funds that are available as investment options within RiverSource variable annuities and VUL products. We're down to $800 million in retail fund net outflows, compared to $2.1 billion in net outflows for the same period 12 months ago. That's a more than 60 percent improvement.

We're also seeing solid growth in institutional. During the quarter, we had approximately $700 million in net inflows and generated a 29 percent increase in year-over-year sales.

Overseas, Threadneedle is focusing on growing its higher margin hedge fund and property fund businesses while tightly controlling expenses. Consistent with prior quarters, Threadneedle is managing net outflows primarily from lower-margin Zurich-related assets.

Our protection business is also performing well. Life insurance in-force grew to $177 billion, an increase of 8 percent from first quarter 2006. In addition, we're generating solid premium growth in Auto & Home, where we're seeing favorable loss trends.

A core part of our strategy is driving future growth, and we're focused on implementing a robust investment agenda.

- Over the last year, we've launched a number of new products and have built a strong portfolio of innovative, advice-embedded products that we call goal-based solutions. *Active Portfolios*^SM is our new discretionary managed account platform, which we launched in the quarter, and we're very pleased with the initial response. This product builds on both our industry leading position in investment advisory/wrap and leverages our strong quantitative investment management capabilities. We believe *Active Portfolios* is a unique and compelling product that will be important for us going forward.
- Another major investment is our new advisor desktop technology, which is being implemented through a phased release program. The next phase begins rolling out in the second quarter, and advisors are quite positive about the greater functionality and enhanced interface.
- We're also focused on delivering a strong client experience and strengthening our leadership position in financial planning. Later this year, we'll begin rolling out improved financial planning services and tools for our advisors.
- And lastly, we're investing in building our wholesaling and the infrastructure necessary to expand our third party distribution of RiverSource mutual funds.

We've been able to fund these investments because of our focus on reengineering and gaining the related benefits. Keep in mind, we're making these and other investments while effectively managing the separation from American Express. In regard to our separation, this was an important quarter for us, as we've completed several complex technology separation tasks. We're in the final stages now, as the majority of our separation will be completed by the end of the second quarter. Overall, we're on budget and on track to complete it later this year.

In closing, I feel very good about what we've accomplished and the future for Ameriprise Financial. We're

- executing our strategy,
- using our reengineering strength to invest in the business,
- generating solid growth,
- meeting our on-average, over-time goals, and
- returning capital to shareholders.

Now I'll turn it over to Walter, and then we'll take your questions.

<u>Walter Berman, Chief Financial Officer</u>

Thanks Jim - - and good afternoon everyone.

Consistent with what Jim shared, I'd like to add some additional context for the strong performance trends we've been seeing since we went public in October 2005. I feel very good about our financial results.

- Adjusted pretax income was up 17 percent,
- Adjusted EPS was up 20 percent,
- And, adjusted ROE – including OCI – was over 12 percent for the first time

This solid financial performance was accomplished while also maintaining strong balance sheet fundamentals and a conservative risk profile which I'll touch on shortly.

In the quarter, revenue growth was 6 percent - - or 7 percent adjusted for the sale of the 401(k) recordkeeping business. When you look at where this growth was fueled, it was the result of double digit increases in management and distribution fees.

These fees were driven by strong performance in our:

- SPS and Direct Investment broker dealer products.
- And, RiverSource variable annuity and fund products which are experiencing good sales growth, positive net flow trends and improvements in the equity market.

These positives were offset by fixed account flows and lower certificate spreads, which, as you're well aware, are consistent with the situation the rest of the industry is facing.

From an expense perspective, they continue to be tightly managed. On a comparable basis, operating expense growth was under 5 percent. This includes adjusting for the Threadneedle equity participation plan (EPP) and other non-operating items. In the first quarter, we recognized the full-year EPP fair value adjustment, where as last year, we expensed it over the full year. We expect the 2007 EPP expense to be approximately the same as 2006, and to represent a lower percentage of profits and revenues.

So, our revenue and expense events helped facilitate a 14.6 percent pretax margin compared to 13.2 percent last year.

Two related areas of focus I want to touch on are the reengineering used to fuel our investment agenda and our ongoing separation from American Express.

We are on target to achieve our $175 million total year plan through actions we're taking in the technology, service delivery, distribution and procurement areas. This has sourced a very substantial investment and growth agenda for some of our key initiatives including new planning tools, third party wholesaling and new product development.

The separation is still going very well. Since we set out, we've incurred $739 million of expenses. Most of the more significant technology projects are now behind us, and those related expenses will begin winding down at the end of the second quarter.

Now, let's move to our segments.

The Asset Accumulation & Income segment generated a PTI of $232 million, up 2 percent from the prior year. This 2 percent increase jumps to 7 percent when you reflect the sale of our 401K business and the EPP expense adjustment I already mentioned.

This profit growth is driven by strong performance in variable annuities, retail funds and our fee based brokerage activities. Also contained within this number are fixed annuities and certificate accounts which are negative versus the prior year. These spreads were further impacted by our decision to liquidate externally managed hedge fund investments. For the year, I anticipate this segment's results to be within our targeted profitability range.

In our protection segment, pretax income was $101 million or 36 percent higher than last year. This improvement was driven primarily by strong performance in our Auto and Home, UL/VUL and health insurance products. Auto and home policy count is up 8 percent with continued favorable trends in the loss ratio. Our VUL / UL in-force continues to grow and benefits expenses are well contained. LTC and DI actual claims experience is performing as expected.

Now, let's move to our capital position, balance sheet and risk profile.

In March, we announced the authorization to add $1 billion to our initial share repurchase authorization and increased our quarterly dividend to fifteen cents per share. This action was predicated upon our strong financial performance and continued commitment to maintain strong balance sheet fundamentals and a prudent risk decision framework.

Our asset quality reflects the strong fundamentals in our balance sheet.

For instance:

- Our "Available for sale" portfolio -- primarily backing our spread products --- has declined from 35 percent of assets to 28 percent of assets.
- Meanwhile separate accounts --- where the client assumes the investment risk --- have increased from 47 percent to 54 percent of our assets.

▪ Within our Available for Sale portfolio, we continue to be risk / return balanced. For several periods now, we've indicated that the market is not providing adequate compensation for taking additional credit exposure. As a result:

- High yield bonds declined to 6 percent. Even within our high yield holdings, we have moved to the top end of the credit spectrum.
    - Because of our positioning on credit, we have avoided the major write-downs for credit disasters over the past two years, and again this quarter.
    - We also don’t hold any debt related to the recent sub prime mortgage lender bankruptcies.
- We believe our residential MBS and CMO portfolio is also very high quality.
    - The entire $7.4 billion portfolio is very highly rated; with 96 percent rated AAA and 4 percent rated AA.
    - The majority of the portfolio is in structured senior traunches which result in its short duration of 2.3 years and favorable convexity characteristics.
    - Within this high quality portfolio, we have approximately $350 million of highly rated bonds backed by sub prime collateral. All but about $25 million are AAA rated, with the remainder rated AA.

Next, we maintain both strong leverage ratios and capital positions, providing us with access to contingent capital if needed. Excluding non-recourse debt and with 75 percent equity credit for our hybrids, our debt to total capital is 16.7 percent. Our life company reported an RBC ratio of 595 percent at the end of 2006.

And, finally, we continue to maintain ample liquidity with substantial dividend capacity from both our insurance and non-insurance subsidiaries.

In addition to the strong balance sheet fundamentals, we have established an enterprise risk process to identify and manage our credit, market and operational risk associated with our products and other company exposures.

As you're aware, our variable annuity hedging program is one such activity, and has two main goals:

- Manage economic risk
- And mitigate earnings volatility.

We believe our program is working effectively, and while we are continuing to fine-tune it around the edges, we're particularly pleased with its performance levels given the equity market volatility in the first quarter.

That concludes my formal remarks. I'd like to ask the operator to open the lines for Q&A.

You should consider the investment objectives, risks, charges and expenses of a mutual fund or variable product carefully before investing. For a free prospectus, which contains this and other important information about the funds or variable products, call 888-791-3380. Read the prospectus carefully before investing.

Investment products, including shares of mutual funds, are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Past performance is not a guarantee of future results.

RiverSource® mutual funds are distributed by RiverSource Distributors, Inc. and Ameriprise Financial Services, Inc., Members NASD, and managed by RiverSource Investments, LLC.

The Threadneedle group of companies constitutes the Ameriprise Financial international investment platform. The group consists of wholly owned subsidiaries of Ameriprise Financial, Inc. and provides services independent from Ameriprise Financial Services, Inc., including Ameriprise Financial Services' broker-dealer business.

Ameriprise Financial Services, Inc. offers financial advisory services, investments, insurance and annuity products. RiverSource Insurance and Annuity products are issued by RiverSource Life Insurance Company, and in New York only by RiverSource Life Insurance Co. of New York, Albany, NY. Only RiverSource Life Insurance Co. of New York is authorized to sell insurance and annuity products in the state of NY. These companies are all part of Ameriprise Financial, Inc., which is no longer owned by the American Express Company.

Access the following link to the RiverSource mutual fund performance page on www.riversource.com:

http://www.riversource.com/rvsc/investments/individual-investors/funds-performance/default.asp

Reconciliation table for Non-GAAP reference

AA&I PTI Growth ($ in millions)	Reported	Impact of EPP	Impact of 401(k) business	Non-GAAP reference
2006 PTI	$228		$(4)	$232
2007 PTI	$232	$(16)		$248
Percent growth	2%			7%