Ameriprise Financial
Fourth Quarter 2008 Earning Calls

January 28, 2009

Financial planning services and investments offered through Ameriprise Financial Services, Inc. Member FINRA and SIPC.

We understand that our results this quarter are complicated, so we've posted slides on our website for you to follow. These slides will be posted with talking points later tonight.

FOURTH QUARTER 2008
EARNINGS CONFERENCE CALL

Jim Cracchiolo – Chairman and Chief Executive Officer
Walter S. Berman – Executive Vice President and CFO

<u>Jim Cracchiolo – Chairman and Chief Executive Officer</u>

Good afternoon, and thanks for joining us for our fourth quarter earnings discussion.

I want you to take away three key messages from this call. First, this was a disappointing and extremely difficult quarter because of the financial crisis we're all experiencing. Second, we have taken action to prepare the company for what we expect to be another challenging year in 2009. And finally, I want you to understand the continued strength of our balance sheet, business model and advisor-client relationships.

Let's begin with the numbers: For the quarter, we reported a net loss of $369 million, or $1.69 per share, which was primarily driven by the market impacts and our outlook for 2009. Excluding these impacts, our core operating earnings for the quarter were $176 million, or $0.80 per share.

I'm aware that our results are complicated, but we wanted to provide as much detail as we possibly could. I want to be very transparent so that you can take away a good understanding of the condition of the company.

The accelerated deterioration in the environment has affected our business and balance sheet. The S&P 500 was down 23 percent for the quarter and 38 percent for the year, the largest full-year decline since 1937. And it wasn't just the equity markets that impacted us. The slowdown in client activity, the widening of credit spreads and the near-zero percent short-term interest rates also affected our asset levels and revenues.

The non-core impacts reflect not only the severe deterioration during the fourth quarter, but also our outlook for 2009. For example, the impairments and DAC charge we recorded include significant adjustments to our valuation models—we increased our discount rate on certain securities to reflect the possibility of continued dislocation in the credit markets, and we adjusted the DAC for the equity market declines.

So we've absorbed significant impacts from the market conditions we experienced at the end of last year, while preparing for an economic scenario in which there could be more corporate bankruptcies and other credit market dislocation, further weakness in real estate markets, and no meaningful near-term recovery in equities. While these changes are significant, we believe it is more appropriate to be prudent and proactive now. On the other hand, if the economic and market trends stabilize we expect to recoup a significant amount of the other-than-temporary impairments over time. Walter will provide extensive detail on these impacts shortly.

Clearly, the fourth quarter was exceptionally difficult, but our financial foundation remains sound and continues to provide stability for our clients, advisors and the company. We are maintaining our strong capital ratios, our balance sheet is solid, and we continue to hold excess capital of approximately $700 million. Keep in mind that earlier in the year, before the severe market downturn, we repurchased over $600 million of common stock, made three all-cash acquisitions and increased our dividend by 13 percent on a per-share basis.

While we are maintaining our financial foundation, we are also significantly increasing our re-engineering efforts in response to the environment. Last week we announced a restructuring that will result in run-rate savings of over $130 million and savings of over $80 million in 2009. These expense reductions are in addition to our regular re-engineering agenda, and we expect overall re-engineering saves in 2009 of approximately $280 million.

Now, let me give you some insight into how our core business is performing. Many of our metrics, including asset flows and client activity, have been impacted by the market environment, and we expect this to continue until conditions improve. Still, our business remains in solid condition. Like everyone else, our clients are worried about the economy, and many have sought safety, but they are still working closely with their advisors and maintaining a long-term focus. As a result, our advisor and client retention remain strong.

Our business is based on comprehensive financial planning—our client relationships endure over time, even in such challenging conditions. In fact, our branded advisor financial plan net cash sales were up 6 percent over a year ago and up 17 percent over last quarter. We think this is in part a reaction by consumers to the very volatile conditions—market dislocation is causing people to see the value of advice and long-term planning, and we think this demand for our basic value proposition will continue.

In our advisor force, the acquisition of H&R Block Financial Advisors has given us the opportunity to build a new model for our employee advisor group. Approximately 950 advisors came to us as part of that transaction, and they are productive and tenured. We are capitalizing on their strengths to create a platform that is more efficient and more profitable.

At the same time, our franchise advisors remain very stable, with little attrition and remarkably high satisfaction given the external environment. We're also beginning to experience success in our experienced advisor recruiting efforts, in part because of the dislocation in the industry, but also because advisors are recognizing the value of our culture, corporate stability and our financial planning-focused model. Another factor in our high advisor satisfaction is the work we did around the Reserve Funds. While that matter has impacted us financially, we did the right thing for our clients by providing short-term liquidity and mitigating their losses in the Primary Fund, and our clients and advisors have been very appreciative of that work.

Now I'll move on to the product areas.

Owned, managed and administered assets declined by 22 percent compared with the fourth quarter of 2007 driven by market depreciation. We also experienced outflows at RiverSource and Threadneedle.

In general, despite the extremely low interest rate environment, clients continue to move from variable products, like wrap, mutual funds and variable annuities, to fixed products like certificates, FDIC-insured bank products and fixed annuities. This migration has impacted certain areas of our flows as well as our overall profitability.

Overall domestic retail fund flows were a negative $2.2 billion, primarily due to lower sales as clients resisted putting money to work in equity funds. Redemptions remained stable.

We continue to believe the Seligman acquisition will provide meaningful benefits. The transaction brought us $13 billion in assets, including about $3 billion in hedge funds, and very strong technology, growth and value teams. While assets in those funds have suffered with the rest of the market, we believe their strong performance track records will prove valuable as markets recover. We also now have a much stronger third-party distribution organization as a result of this acquisition.

Threadneedle continues to deliver competitive investment performance. In fact, Threadneedle won multiple awards in 2008, including a UK Lipper Fund Award for Best Overall Fund Group. Outflows have resulted from both the continued outflow of Zurich funds and the overall lower level of equity investing in Europe and the UK. Just as we have in the US, Threadneedle has taken steps to adjust its expenses while pursuing targeted pockets of opportunity for growth.

In the domestic market, we continued to see the mix of annuity sales shift from variable to fixed, despite interest rates. Variable annuity net inflows slowed to $509 million during the quarter, while fixed annuities reached inflows for the first time in several years. Certificates sales also increased significantly, which is another indication of clients seeking safety.

In the insurance business, cash sales have been impacted by clients' decisions to hold onto cash and other liquid products. We expect this sales trend to reverse as markets improve. Still, life insurance in-force was up 3 percent over a year ago, to $192 billion. The auto and home business continues to perform well, with policies up 6 percent over a year ago.

To summarize, the fourth quarter clearly presented a new set of challenges—for all of us in this industry—at the end of a very difficult year. Our results were disappointing, as the declining markets affected our balance sheet and income statement. We expect the tough conditions to persist through this year, so we are making the necessary steps to reduce our expense base to be more in line with our revenue opportunity and to limit our exposure to continued market dislocation.

At the same time, I want you to know that we are executing our strategy and investing for future growth opportunities. We're confident that we have the ability to rebound when markets and the economy improve, and we're just as confident that we have the ability to withstand the tough current operating environment. Our balance sheet continues to be well positioned, we hold strong capital and liquidity positions, and our debt levels are very manageable.

Just as important, our model is intact—our advisor-client relationships, the heart of our business model, remain strong, and the comprehensive nature of those relationships continues to provide revenue diversity.

So overall, it was a difficult year and an even more difficult quarter, and we expect more to come. But we continue to feel good about the decisions we're making and our long-term prospects.

Now I'll turn it over to Walter for more detail on the quarter. After that we will take your questions.

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Fourth Quarter 2008 Highlights

Disappointing results, driven by economic and financial dislocation

- External financial fundamentals drove deterioration
- Fourth quarter 2008 loss:
  - Reported loss of $1.69 per share
  - Core operating earnings of $0.80 per share
- Business metrics mixed
- Balance sheet fundamentals remain strong

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If you will turn to slide 5:

4th quarter results were clearly disappointing. The change in financial fundamentals significantly impacted our performance in the quarter.

In the 4th quarter the loss was $1.69 per share. The market downturn generated a $2.49 EPS impact in the quarter. I will provide more detail on each of these elements shortly.

In the quarter, activity metrics, GDC, and cash sales were dramatically lower as a result of the market dislocation; however, client and advisor retention remained stable.

Finally, our core balance sheet fundamentals remained strong despite the impact of the financial markets.

External Financial Dislocation Significantly Impacted Results

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Fourth quarter market events:

- Equity market declines:
  - S&P 500 down 23%
  - MSCI EAFE down 20%
- Credit spreads widen:
  - Investment grade (114 bps)
  - High yield (642 bps)
- Fed Funds at 0-25 bps
- Liquidity tightening
- Recessionary trends

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	Fourth Quarter 2008	**Full Year 2008**
Reported EPS	$ (1.69)	$ (0.17)
Core Operating EPS	$ 0.80	$ 3.94
Non-core Elements	$ (2.49)	$ (4.11)

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Slide 6 provides more detail on the market dislocation in the quarter

The S&P 500 dropped 23 percent in the quarter, and 38 percent for the year, while EAFE was down 20 percent in the quarter and 45 percent for the year

Credit spreads reached record highs, with the Barclays US High Grade Aggregate ending the quarter at 555 basis points, up 114 basis points in the quarter, and high yield spreads ending the quarter up 642.

The Fed funds rate dropped to a target of zero to 25 basis points, reflecting the severity of the liquidity environment. We also received ample evidence that the recession is deepening, including a 7.2 percent unemployment rate.

In total, these non-core elements resulted in losses of $2.49 per share in the quarter, and $4.11 per share for the full year, which were predominantly 3rd and 4th quarter events.

The environment also impacted our Core Operating EPS through lower fee revenues, lower net investment income on our high cash positions, and it impacted our client behavior. The impact to core operating earnings will continue to challenge us in 2009.

Let's turn to slide 7.

Non-core elements are directly correlated to the 2nd half market dislocation in financial markets

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	Fourth Quarter 2008		Full Year 2008	
Non-core Elements	$	(2.49)	$	(4.11)
Credit/liquidity related charges	$	(1.24)	$	(2.68)
DAC and DSIC charges	$	(0.75)	$	(0.97)
Other Variable Annuity charge	$	(0.26)	$	(0.23)
Restructuring and integration charges	$	(0.24)	$	(0.23)
Total non-core elements	$	(2.49)	$	(4.11)

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The $2.49 EPS negative impact is comprised of 4 elements:

We recorded a pre-tax investment loss of $420M or $1.24 on an EPS basis. $287M of this loss relates to non-agency RMBS's and $120M relates to predominately high yield corporate investments.

The other elements are DAC at a $.75 EPS impact.

Various variable annuity charges of $.26 per share and finally, Restructuring and integragtion charges of $.24 per share

I will discuss each of these elements on the following pages

Let's turn to slide 8.

$420 Million of Pre-tax Investment Losses
$1.24 Per Share

- Substantial deterioration in outlook:
  - Credit spread widening increased average discount rate to 20 percent for RMBS cash flows
  - Residential mortgage default trends deteriorating
  - Decline in home values expected to continue, modeling significant increases in severity of losses
  - Slowing economy increasing expected losses in corporate credits

In the quarter, we continued to observe deterioration in key drivers:

•Credit spreads widening, driving the discount rate on RMBS holdings up almost 600 basis points, to 20 percent.

•Mortgage defaults continued to remain high and severity trends accelerating as home values continued to decline through out the country

•Finally, pressures associated with a a deepening and extending recession on cash flows and liquidity within our investor base

Based upon these observaitons and our outlook for the 12 to 18 months, we reassessed the valuations in our portfolio, and that resulted in our actions to write off $420 million of investment losses.

Invested Asset Summary
Unrealized Losses

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Unrealized losses represent 6% of the portfolio's book value, with 40% in investment grade corporate bonds.

($ millions)	Amortized Cost	Fair Value	Govt Amortized Cost	Unrealized Loss Excl Govt	Unrealized Loss % of Amortized Cost Excl Govt	Q4 Impairment/ Reserve Increases
Cash and cash equivalents	**$ 6,228**	**$ 6,228**	**$ -**	**$ -**		**$ -**
Available For Sale:						
Corporate debt securities - Investment Grade	12,342	11,576	-	(766)	6%	(29)
Corporate debt securities - High Yield	1,345	1,023	-	(322)	24%	(70)
Residential Mortgage backed securities - Agency	3,980	4,026	3,980	-	0%	-
Residential Mortgage backed securities - Prime	697	535	-	(162)	23%	(16)
Residential Mortgage backed securities - Alt-A	938	694	-	(244)	26%	(261)
Asset backed securities - Subprime	275	220	-	(55)	20%	(10)
Asset backed securities - Other	780	738	398	(45)	12%	-
Commercial mortgage backed securities	2,881	2,733	1,104	(172)	10%	-
State and municipal obligations	1,024	873	-	(151)	15%	-
US government and agencies obligations	257	271	257	-	0%	-
Other AFS	189	204	-	15	-8%	(3)
Total Available for Sale	**$ 24,708**	**$ 22,893**	**$ 5,739**	**$ (1,902)**	**10%**	**$ (389)**
Other Investments:						
Commercial mortgage loans, net of reserve	2,887	2,887	-	-	0%	(1)
Policy loans	729	729	-	-	0%	-
Trading securities	501	501	163	-	0%	-
Other investments (includes bank loans)	532	532	-	-	0%	(19)
Total Other Investments	**$ 4,649**	**$ 4,649**	**$ 163**	**$ -**	**0%**	**$ (20)**
Total Invested Assets	**$ 35,585**	**$ 33,770**	**$ 5,902**	**$ (1,902)**	**6%**	**$ (409)**

Notes:
Impairments do not include Low Income Housing write-down ($11mm) due to revaluation.
Does not include Gross Realized Gains ($1mm) or Gross Realized Losses ($1mm) on AFS investment dispositions during the quarter

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Moving from left to right the amortized costs of our invested assets is $35.585B. The fair value as of December 31 is $33.77 billion. Within the portfolio our US Government credits aggregate to $5.9 billion. Our unrealized losses as of December 31 ex these government assets are $1.9 billion or 6% of our portfolio.

We believe the level of unrealized losses is one of the lowest percentages of equity in the industry. Keep in mind that these unrealized losses also reflect our new discount rate assumptions on valuations and the wide spreads in the corporate sector.

Over half of the unrealized losses are in corporate credits, based on continued overall spread widening.

On our web site you'll find the underlying detail relating to each one of these categories. Our goal is to create transparency and allow you to form your own opinion as the quality of the remaining portfolio.

Invested Asset Summary

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- Diversified investment portfolio
  - Favorable risk/return characteristics, only 5% of the total invested asset portfolio is rated below investment grade
- Corporates
  - No single industry represents more than 7% of the portfolio, emphasis on industries with regulatory oversight, strong cash flows and quality assets
- RMBS-Prime
  - Seasoned portfolio, predominantly 2005 or earlier vintages, over 80% AAA rated, substantial collateral protection
- RMBS – Alt-A
  - Majority “super senior,” greater credit enhancement than required to receive a AAA rating, all non-senior Option ARM securities have been impaired
- Asset-backed – Subprime
  - Less than 1% of the total portfolio, high quality, short duration, limited negative convexity
- CMBS
  - Entirely AAA rated, seasoned collateral, predominantly 2005 vintages or earlier

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On slide 10, you’ll see a few key facts about our investment portfolio. I would encourage you to look at the complete disclosures on the web.

The portfolio remains high-quality. In fact, only 5 percent of the portfolio is rated below investment grade.

In our corporate portfolio, given our expectations that the recession could persist or worsen, we "stress tested" the integrity of the cash flows underlying each of the credits. Specifically, balance sheet strength, cash flow generating capabilities, current and near term liquidity or funding needs and other underlying metrics were reviewed to reaffirm our outlook. While we are not immune to further impacts, we are comfortable with these exposures.

Next, in our Prime MBS portfolio, we impaired three originally AA rated prime securities with poor collateral performance. The remaining $92 million AA prime bonds have performed very well from a delinquency standpoint.

The Alt-A portfolio is clearly the portion of the investment portfolio that suffered the most during the quarter as a result of the decline in the housing market. We booked a $261million impairment, including $75 million of impairments booked on subordinated Alt-A arms. The remaining option arm investments are super senior and have credit enhancements.

Finally, we are quite comfortable with our CMBS portfolio due to its vintage, its AAA-rated profile, its 20-30 percent credit enhancement and the amount of 41 percent of the portfolio that is agency-backed.

Direct commercial mortgage underwriting was slowed in 2004 period and stopped in 2007 completely as risk premiums began to look unattractive from risk reward standpoint. These holdings continue to maintain solid average LTVs, coverage and performance characteristics. This portfolio has held up well in 2008.

Turn to slide 11

Deferred Acquisition Cost (DAC) Charges, and Other Variable Annuity Charges

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		Fourth Quarter 2008
EPS Impacts		
DAC charge lower account values - mean reversion	$	(0.24)
DAC charge - unlocking	$	(0.51)
Total DAC charge	$	(0.75)
Death Benefit/Income Benefit	$	(0.19)
Hedged Living Benefits	$	(0.07)
Total Variable Annuity Impact	$	(0.26)

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Utliizing our normal mean reversion methodology would have resulted in a DAC charge of $.24 per share. An additional $.51 per share was realized due to the unlocking of future return assumptions.

The market declines of 23 percent also caused a substantial portion of death and income benefits to go into the money, resulting in a negative impact of 19 cents per share.

In addition, hedge ineffectiveness resulted in a loss of 7 cents per share.

The 7 cents equates to a $25 million pretax loss, comprised of three items:

• Spread widening led to a FAS 157 benefit offset by basis risk, primarily related to fixed sub-accounts, for a net benefit after DAC of $117 million.

•Underlying hedge effectiveness, after DAC, was a pretax loss of $76 million

•We wrote off $66 million in DAC, based on the assumption that credit default spreads would narrow and not contribute to future profitability levels.

I should note that our hedging program was 95 percent effective, which we believe is strong performance given the severity of the market declines. The issues is that liabilities increased $1.6 billion in the quarter, and that 5% ineffectiveness resulted in a large number.

Fourth Quarter 2008
Restructuring and Integration Charges

- $51 million in after-tax restructuring and integration charges:
  - $39 million after-tax in restructuring charges:
    - Expect to achieve over approximately $80 million in savings in 2009, with $130 million annual run-rate savings by the end of the year beginning in 2010
    - High quality client and advisor service largely unaffected
  - $12 million after-tax integration costs for HRBFA and Seligman acquisitions
- Targeting 2009 decline in pre-acquisition G&A expenses of approximately 10%

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On slide 12, you can see some detail on the two charges we announced previously.

Our restructuring charges of $39 million after tax, or $60 million pretax, was predominantly severance and benefits. This charge will result in savings of over $130 million annually on a run-rate basis, and we expect to achieve approximately $80 million of savings in 2009

In addition, our total re-engineering savings in 2009 are expected to be in the range of $280 to $300 million. As a result, and netted against our continuing investment agenda, we expect pre-acquisition G&A expenses to decline by approximately 10 percent this year

Note that our acquisition-related charge is $12 million, lower than originally estimated — that's primarily because we were able to negotiate a favorable lease termination

Maintaining Strong Balance Sheet Fundamentals

- Large liquidity pool
  - $6.2 billion in cash and cash equivalents
- Conservative capital position
  - Excess capital of $0.7 billion
  - Estimated RBC ratio above 450
- No debt maturities until Nov. 2010
- Diversified, high quality investment portfolio

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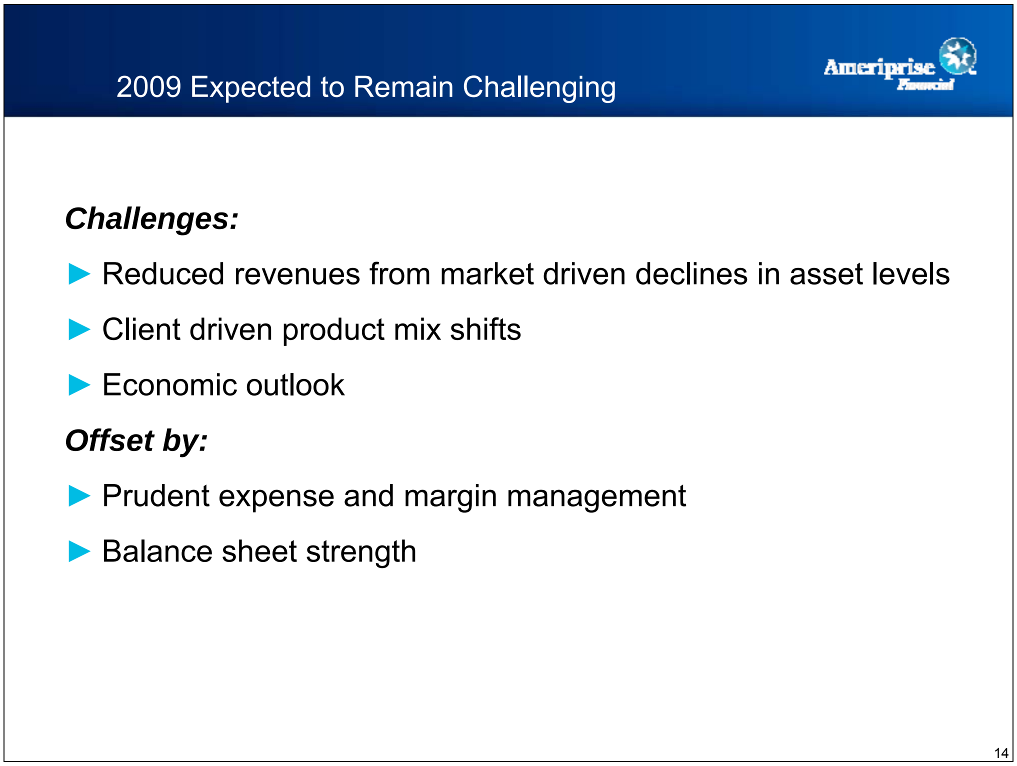
Let’s move on to our capital, slide 13.

We continue to maintain strong liquidity, with $6.2 billion in cash and cash equivalents, with free cash of about $4 billion, and with $700 million of cash at the holding company level. A portion of the cash balances, about $1.5 billion, relates to collateral on our VA living benefit hedging program. This portion of the balance will vary with market conditions.

We have no debt coming due until late 2010, and, as I said, our asset portfolio remains diversified and high quality

I’d encourage you to compare our invested assets to our peers. We believe we are well positioned to weather this environment.



As we exit 2008, we are facing substantial challenges that will impact our earnings. These are:

Reduced fee revenues base caused by lower asset valuations.

A client shift away from traditional products which will impact activitiy levels and margins.

A continue uncertain economic outlook.

To offset these challenges, we are prudently managing expenses and we will be maintaining a strong balance sheet that allows us to continue to focus on business fundamentals and our strategy.

In addition, in 2009 we will

2009 Expected to Remain Challenging

Continued focus on:

- Reengineering to align expenses with revenue opportunity
- Revising variable annuity product and pricing
- Developing new products to address client needs
- Investing in medium- to long-term growth opportunities
- Maintaining strong enterprise risk management and decision support process

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In 2009 we will continue to focus on:

We remain focused on re-engineering

We are revising our variable annuity products and pricing to better reflect market conditions

As Jim said, we are continuing to innovate-we're developing new products to met client needs

And we are continuing to invest for future growth while making prudent risk decisions. Even in this environment, we're continuing to see increasing interest in experienced advisors and expect our experienced advisor recruiting program to continue to contribute to our growth.

Lastly, we continue to focus on, and invest in, enterprise risk management and our decision support process to help us maintain our foundational strength, manage through these challenging times, and position the company for growth.

Now we'll take your questions.

Forward-looking statement

Some of the statements made in our Jan. 28, 2009 earnings release and/or in this presentation (including, our statement to the effect that economic loss on certain RMBS and corporate credits may be expected to be less over time than what we determined for the purpose of reporting our fourth-quarter 2008 earnings) constitute forward-looking statements. These statements reflect management's estimates, beliefs and expectations, and speak only as of Jan. 28, 2009. These forward-looking statements involve a number of risks and uncertainties. A list of certain factors that could cause actual results to be materially different from those expressed or implied by any of these forward-looking statements is set forth under the heading "Forward-Looking Statements" in our Jan. 28, 2009 earnings release, a complete copy of which is available on our website, under the heading "Forward-Looking Statements" in our Form 8-K dated January 20, 2009 on file with the SEC, and under the heading “Risk Factors” and elsewhere in our 2007 10-K report and in our 10-Q report for the quarter ended September 30, 2008, also on file with the SEC. We undertake no obligation to update publicly or revise these forward-looking statements for any reason. In addition, the financial results and values presented in our Jan. 28, 2009 earnings release and/or in this presentation are based upon asset valuations that represent estimates as of Jan. 28, 2009 and may be revised in our 2008 10-K report.