Ameriprise Financial

Fourth Quarter 2017 Conference Call

January 25, 2018

Forward-looking statements

Some of the statements made in our January 24, 2018 earnings release and/or in this January 25, 2018 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of January 25, 2018. 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 January 24, 2018 earnings release, a complete copy of which is available on our website and under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2016. 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 fourth quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of January 24, 2018 and may be revised in our Form 10-K for the year ended December 31, 2017.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures that our management feels best reflect the underlying performance of our operations. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure have been provided along with the presentation.

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Alicia Charity – SVP, Investor Relations:

Thank you operator and good morning. Welcome to Ameriprise Financial's fourth quarter earnings call. On the call with me today are Jim Cracchiolo, Chairman and CEO, and Walter Berman, our Chief Financial Officer. Following their remarks, we'll be happy to take your questions.

Turning to our earnings presentation materials that are available on our website, on slide 2 you will see a discussion of forward-looking statements. Specifically during the call, you will hear reference to various non-GAAP financial measures which we believe provide insight into the company's operations. Reconciliations of non-GAAP numbers to their respective GAAP numbers can be found in today's materials.

Some statements that we make on this call may be forward looking, reflecting management's expectations about future events and overall operating plans and performance. These forward-looking statements speak only as of today's date and involve a number of risks and uncertainties. A sample list of factors and risks that could cause actual results to be materially different from forward-looking statements can be found in our fourth quarter 2017 earnings release, our 2016 annual report to shareholders, and our 2016 10-K report. We make no obligation to update publicly or revise these forward-looking statements.

Consolidated fourth quarter results

GAAP Earnings	Q4 2017	Q4 2016	Better/(Worse)
Net Revenues ($M)	$3,160	$3,062	3%
Expenses ($M)	$2,560	$2,593	1%
Net Income ($M)	$181	$400	(55%)
Diluted EPS	$1.18	$2.46	(52%)
ROE, ex AOCI	24.8%	20.4%	440 bps

Tax Remeasurement Impact	Q4 2017	Q4 2016	Better/(Worse)
Operating Earnings ($M)	($320)	---	NM
Diluted EPS	($2.08)	---	NM

Operating Earnings ex. Tax Remeasurement	Q4 2017	Q4 2016	Better/(Worse)
Net Revenues ($M)	$3,162	$2,937	8%
Expenses ($M)	$2,510	$2,402	(4%)
Operating Earnings ($M)	$502	$443	13%
Diluted EPS	$3.26	$2.73	19%
ROE, ex AOCI	32.3%	22.2%	1010 bps

See non-GAAP financial measure reconciliations in appendix.

On slide 3, you see our GAAP financial results at the top of the page for the fourth quarter.

As you’re aware, the Tax Cuts & Jobs Act was established in the fourth quarter, resulting in a $320 million unfavorable charge in the quarter. Given the charge in one-time in nature, we also provided our operating results adjusted for the tax remeasurement impact.

Management believes this enhances the understanding of our business by reflecting the underlying performance of our core operations and facilitates a more meaningful trend analysis. Many of the comments that management makes on the call today will focus on operating financial results adjusted for tax remeasurement.

And with that, I'll turn it over to Jim.

Jim Cracchiolo – Chairman & CEO:

Good morning and thank you for joining today's earnings call. I'll provide my perspective on the business, Walter will speak about the numbers and then we'll be happy to take your questions.

Let's get started. I'm pleased to share that we had an excellent fourth quarter, concluding what was a very strong year for Ameriprise. Cleary the strong markets and operating environment we experienced throughout most of 2017 remained favorable in the fourth quarter. In addition, we had the beneficial impact of improving economies globally and the pro-growth agenda in Washington, which boosted financial markets and investor sentiment.

As I reflect on last year, we remained focused on what sets us apart - providing a top-quality experience to clients and advisors, supported by strong solutions while we executed and invested in our strategy for long-term value creation. We delivered strong results across the firm, with excellent momentum and returns in Advice & Wealth Management. Assets under management and administration reached a new high of $897 billion up 14% - driven by continued strength in Ameriprise client flows and equity market appreciation.

As you saw, while we took a one-time charge in the quarter for the new tax act, we expect the ongoing benefits from tax reform to be positive. The lower corporate rate will provide additional opportunity for further free cash and capital generation, which we can further invest in the business while generating a good shareholder return.

Regarding our operating numbers, excluding the tax impact we highlighted, we reached new highs on many metrics. Both earnings and earnings per share grew significantly from a year ago. Earnings were $502 million, up 13%. And, earnings per diluted share were $3.26, a 19% increase.

When we look at full year operating results, Ameriprise achieved a new record. Earnings were $1.9 billion, up 35% with earnings per share of $12.27, a 45% increase. In addition, we achieved a new high for return on equity at 32.3%, which is one of the best returns in financial services. Very few financial services companies are generating this level of ROE and capital return. And Ameriprise has consistently grown these measures at a meaningful rate.

In 2017, we continued our growth investments and excellent expense management discipline, and at the same time, maintained our strong financial foundation. And, consistent with our long-term strategy, we grew our lower-capital, fee-based businesses of wealth management and asset management to be 73% of our total operating earnings for the quarter, complemented by our protection and annuity businesses.

Let’s move to the businesses. Our Advice & Wealth Management business is powerful and growing. The consumer opportunity around the need for advice is increasing. Ameriprise is one of the largest providers in the industry and we’re very well-situated with our leadership position and advice value proposition.

Recently, I met with our field leadership team to kick off the year and reminded them how a year ago, our industry was facing a great deal of uncertainty with the Department of Labor rule. Ameriprise devoted considerable time and resources to ensure we were well prepared. We kept our advisors focused on serving clients and running and growing their practices while managing significant regulatory changes. The way we work with and support our advisors, reflects the strength of our culture and why Ameriprise is so attractive in the industry.

Moving to some of the key metrics for the quarter, Ameriprise retail client assets grew by 17% to $560 billion, as we continue to serve more clients, including more affluent clients, and deepen our relationships with them.

We brought in good client flows and our wrap net inflows grew 51% to $5 billion for the quarter. As a result, we continue to grow productivity nicely, with operating total net revenue per financial advisor increasing 15% year over year, adjusting for the net 12b-1 fee impact. As a result of our consistent investments and the support we provide our advisors, we’ve helped them grow at a higher rate than industry competitors over the longer term.

With good growth and productivity as well as our expense discipline, we expanded pretax operating margins in AWM significantly to 22% in the fourth quarter. And if you look at the full year, margins grew 300 basis points to 21.1 percent for the full year.

It also was another strong quarter for recruiting with 99 high-quality advisors joining the firm. In fact, it was one of our best quarters in terms of quality and quantity of advisor recruits. And we continue to see larger sized practices joining Ameriprise.

There are changes occurring in the recruiting landscape, but I believe we’re situated well to continue to attract good advisors who appreciate our advice value proposition and client-centric culture. These are important differentiators and key to our strong reputation in the industry.

In addition, we earned a number of important accolades in 2017. Number one in customer service; number one in forgiveness; number two in trust; a top performer in serving clients’ best interests; and, we’re also ranked first for the likelihood to recommend the firm to friends or colleagues. And recently, Ameriprise ranked number one for Customer loyalty in the investment industry in the 2017 Temkin Index.

We're going to continue to tell our story through our integrated TV, digital and social media platform, and we've kicked off 2018 with new ads for our Be Brilliant campaign. And we'll continue to invest in our brand and marketing, including in our digital experience to provide clients with increased capabilities and security.

As we move forward, our wealth management business is situated well. We're building off an excellent year and started 2018 in a favorable position. We know that the experience and the advice value proposition we provide to clients creates confidence, and is industry leading. And, we want to help more consumers experience it.

Let's move to Annuities and Protection. We continue to serve our clients' long term financial security needs through our annuity and protection offerings. These are solid books that we manage well. Total annuity and our VUL/UL insurance balances were up due to equity market appreciation.

Variable annuity sales overall have been at a slower pace consistent with the industry and essentially flat to last year. However, we're continuing to see a nice pick-up in sales of annuities without living benefits up 18 percent from a year ago. And on the life side, fourth quarter sales continued to show improvement over previous quarters, particularly in iUL sales.

We continue to help advisors provide these important solutions to clients – from using data analytics to improve insurance underwriting to implementing new digital and e-capabilities. In terms of the quarter, RiverSource launched our first fixed index annuity, which is a long-term retirement savings vehicle that can add stability to clients' retirement portfolios. Overall, we're focused on maintaining strong books of business in 2018.

In Auto and Home, our changes are taking hold and we're seeing good progress and results. We remain focused on increasing rates and enhancing segmentation; more disciplined underwriting; enhanced reinsurance coverage to mitigate property CAT risk; and improving claims management.

Unfortunately, like the industry, we were impacted by higher CAT losses in the quarter from the wildfires in California. Overall, aside from those CAT losses, we're seeing improvement in the underlying loss development trends and that's starting to be reflected in our financial results and reserve position.

In Asset Management, we're generating good financial returns and managing an evolving operating environment as we benefit from positive markets and our expense discipline. Regarding the business, we're focused on executing our near-term plans while positioning the firm to compete globally over the long-term.

Assets under management were up 9 percent to nearly $500 billion. And we're generating competitive financial results – in the quarter. Operating earnings were up 27% and the adjusted margin increased to more than 39%, this included a strong quarter for performance fees and CLO unwinds.

In terms of the quarter, I'll start with investment performance. We continue to generate consistent, competitive performance with about 70% of our funds – equities, fixed income and asset allocation – above Lipper medians or benchmarks for the 1-, 3- and 5-year timeframes.

We've delivered strong results in North America across domestic and international equities, as well as taxable and tax-exempt fixed income. This performance is reflected in our strong line-up of 114 four- and five-star Morningstar rated funds globally. We've also earned more than 50 investment awards around the world, including terrific recognition as Multi-Asset Manager of the Year in the UK.

On the product front, we continue to focus on our strategic products that are in high demand categories and align with investor needs. We're also adding products where we see opportunities. That includes ~~in~~ our multi-asset solutions business where we're generating solid flows in our adaptive risk and diversified real return strategies in the U.S. and UK. We continue to build upon these capabilities. We recently launched the Columbia Adaptive Retirement Series, a unique product for the defined contribution market that incorporates our adaptive risk capability.

Another key priority is increasing Columbia Threadneedle's brand awareness. We've had a good response to our ongoing advertising campaign centered on consistency. That included launching new ads on CNBC. Awareness is up in our key regions and we're pleased with the results so far.

As part of this work, we've been investing to strengthen our online presence. We were recently recognized in the U.S. as a digital leader in asset management for our website and social media channels and how they help advisors create solutions and achieve investor goals.

And, we continue to execute our multi-year project to move from regional operating platforms to a truly global front-, middle- and back-office operating platform. We made good progress in 2017 and once completed, we will strengthen our operating capabilities considerably, improve flexibility and our ability to offer customized solutions, and increase efficiency.

And on the regulatory front, we're managing a significant change agenda, including MIFIDII and preparing for Brexit.

In terms of flows, total net inflows were $2.4 billion, including reinvested dividends and the Lionstone acquisition.

In U.S. retail, overall, we were in net inflows of $3.8 billion, including reinvested dividends. We experienced a more normal level of outflows at U.S. Trust given the characteristics of the legacy book. I'd note fourth quarter mutual fund net sales in BD/IAD channels improved by about $2 billion, reflecting progress in our segmentation strategy and enhanced business intelligence tools. We are making progress; however, with the move to passive, there's more work to do.

In the UK and Europe retail, we had another good quarter of both gross and net sales, with net inflows of about $500 million. It was the third consecutive quarter of net inflows in UK/Europe.

And in Institutional, we had approximately $1.8 billion of former-parent related outflows. In third party, we experienced elevated outflows of $4.3 billion, which were very low fee fixed income mandates that had a weighted average fee rate of only four basis points. And, we completed the acquisition of Lionstone Investments, which complements our strength in UK property and added $5.4 billion in assets.

I would note that while we remain in net outflows - particularly low fee third party institutional and former-parent assets - our revenues and fee rate overall for the business are up year-over-year reflecting the mix of assets we manage. Overall, we're positioning the business for the long-term to deliver for clients and generate good returns.

In closing, Ameriprise had a strong quarter and an excellent year. We continue to be recognized for the way we work together as well as for our community involvement. In 2017 - Ameriprise received a 100% rating on the Corporate Equality Index. And we've earned this for the last 12 years. We were again recognized as a Best Place to Work. In the UK, Columbia Threadneedle was named Employer of the Year at the Women in Finance awards. In addition, we were again named a Military Friendly® employer – for the 4th year in a row.

And the foundation for all of this -- our employees and advisors. Our engagement with them is industry leading – as it's s been for many years. The strength of the Ameriprise culture is essential to how well-positioned we are to continue to deliver long-term value to clients and all our stakeholders.

Now, Walter will cover the financials and I'll be back to take your questions.

Q4 2017 Business & Financial Results

Walter Berman

Chief Financial Officer

Excellent financial performance in the quarter

10% Revenue Growth(1)

19% EPS Growth (2)

32% Return on Equity ex. AOCI (2)

(1) Operating results excluding tax remeasurement impact and 12b-1 fee change
(2) Operating results excluding tax remeasurement impact
See non-GAAP financial measure reconciliations in appendix.

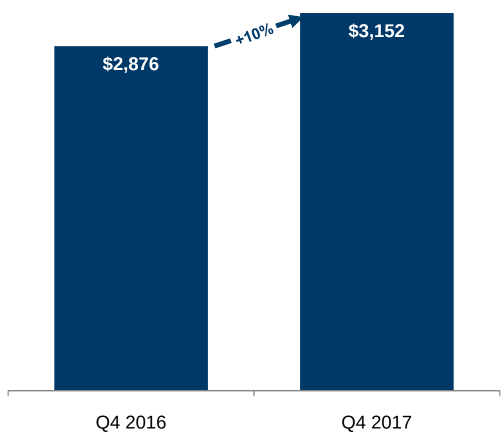
Walter Berman – Chief Financial Officer:

Thank you, Jim.

Ameriprise's results in the quarter and in the year demonstrated significant progress in obtaining our long-term shareholder objectives with strong growth in revenue, EPS and return on equity. I will go through the results in detail on the following pages.

Significant 10% revenue increase driven by wealth management

Operating Total Net Revenue
ex. 12b-1 fee change and tax reform impacts
$ in millions



Highlights

- Strong AWM revenue growth up 17%(1) driven by client asset growth and fee based wrap account net inflows
- Asset Management revenues increased 8% driven by market appreciation, as well as strong performance fees and CLO unwinds
- Auto & Home revenue declined, driven by ceded premiums for the mitigation of catastrophe exposure

(1) Excluding net 12b-1 fee change
See non-GAAP financial measure reconciliations in appendix.

Moving to slide 6. Overall revenue growth was strong – up 10 percent in the quarter driven by Advice & Wealth Management and Asset Management.

Strong growth in client assets – particularly in wrap accounts – and market appreciation drove substantial 17 percent top line growth in AWM.

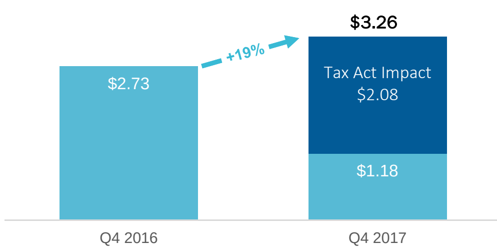
Asset Management revenue was up 8 percent from markets, performance fees in our hedge funds and U.K. property funds, and the unwinding of two CLOs.

Annuities and Life & Health insurance revenues were relatively flat, consistent with prior trends.

In the Auto & Home business, revenues declined 7 percent due to the additional reinsurance arrangements established in 2017.

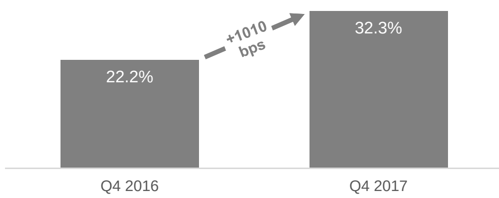
Strong underlying EPS growth and return on equity

Operating Earnings Per Diluted Share



Operating Return on Equity

ex. AOCI and Tax Act impacts



Highlights

- Robust 19% EPS growth
- AWM and Asset Management made up 73% of pretax operating earnings(1) in the quarter
  - AWM earnings up 28%
  - Asset Management earnings up 27%
- Effective and focused G&A expense management; essentially flat year-over-year after adjusting for the timing of performance-based compensation accruals, asset management performance fees and foreign exchange translation
- Significant deployment of capital in 2017
  - $1.3 billion of share repurchase
  - $502 million of dividends
  - Acquisitions of Lionstone and IPI

(1) Excluding Corporate & Other segment
See non-GAAP financial measure reconciliations in appendix.

On slide 7, Ameriprise reported operating EPS of $1.18, including the tax remeasurement impact.

Adjusting for the tax item, EPS was $3.26, up 19% from last year. This was fueled by our strong growth businesses, where AWM and Asset Management earnings were up 28% and 27%.

G&A expenses were up 6 percent. Adjusting for the timing of accruals for performance-based compensation, including asset management performance fees, and foreign exchange translation, G&A was essentially flat. Expense discipline remains a focus as we move into 2018.

We returned more than $1.8 billion to shareholders via buyback and dividends, as well as closing on two acquisitions in our growth businesses. Capital return was slower in the second half of the year, as you would expect given the share price appreciation.

Advice & Wealth Management: excellent financial results, well positioned for sustained profitable growth

Highlights

- Client assets increased 17% to $560 billion led by strong wrap flows
- AWM revenue up 17%(1), driving growth across the firm
- Expenses are well controlled; G&A up 5% adjusting for the timing of performance-based compensation accruals and the acquisition of IPI
- Delivered strong financial performance with PTI up 28% to $326M
- Significant margin expansion
  - 22.0% in the quarter – up 270 bps
  - 21.1% for the year – up 300 bps

(1) Excludes 12b-1 fees
See non-GAAP financial measure reconciliations in appendix.

Let's turn to AWM on slide 8. Advice & Wealth Management delivered an outstanding quarter and year. Revenues were up 17 percent, driven by strong wrap net inflows, improved transactional activity levels, and market appreciation.

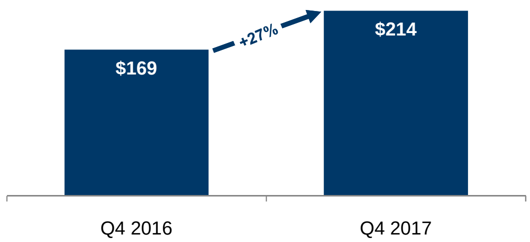
Expense growth was driven by higher distribution related expenses. G&A was elevated from the timing of performance-based compensation and the onboarding of IPI. Adjusting for these items, G&A was up 5 percent year-over-year based upon continued investment for growth and volume related items. Going forward, we will be consistent and prudently manage expenses relative to the level of revenue growth.

AWM had substantial earnings growth and margin expansion in the quarter and for the full year. The margin in the quarter was up 270 basis points to 22 percent, and up 300 basis points to 21.1 percent for the full year.

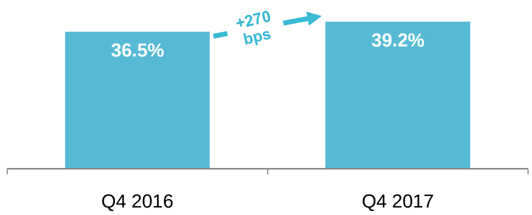
Global Asset Management: strong financial results and margins

Pretax Operating Earnings

$ in millions



Adjusted Net Pretax Operating Margin



Highlights

- Revenues up 8% driven by market appreciation, strong performance fees and gains from CLO unwinds
- G&A expenses remain well managed; elevated in the quarter from the timing of performance-based compensation
- Margin of 39% includes benefit from strong performance fees and CLO unwinds
- Strong investment performance with 114 four- and five-star Morningstar-rated funds

See non-GAAP financial measure reconciliations in appendix.

Let's turn to page 9. Asset Management financial performance remained very strong.

Revenues were up 8 percent from strong market appreciation, as well as performance fees and the unwinding of two CLOs in the period. In addition, the fee rate increased reflecting our mix of business. The CLO business provided good revenue and earnings benefits in 2017 as a number of deals unwound. We anticipate fewer deals to unwind in 2018.

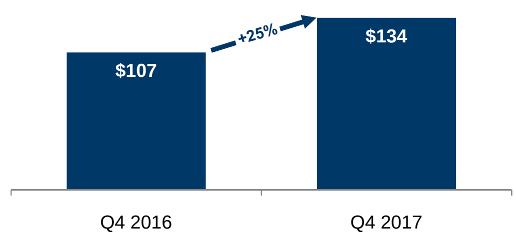
Expenses continue to be prudently managed. Due to the timing of performance-related compensation that I've previously mentioned and foreign exchange translation, G&A was up 8 percent year-over-year. Excluding those items, G&A would be up only 1 percent.

We delivered a 39% margin in the quarter supported by the strong performance fees and CLOs. We continue to expect the margin to be in the 35 to 39 percent range in the near-term.

Annuities earnings up 17% from strong equity markets

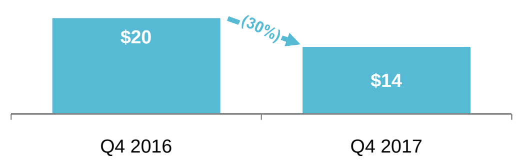
VA Pretax Operating Earnings

$ in millions



FA Pretax Operating Earnings

$ in millions



Highlights

Variable Annuities

- Pretax operating earnings up 25% primarily from improved equity markets
- Net outflows consistent with industry trends
- Sales in products without living benefit riders increased to ~33% of total VA sales
- Relative to the industry, substantially lower net amount at risk as a percent of account value: 0.3% with living benefits and 0.1% with death benefits

Fixed Annuities

- Pretax operating earnings down as account balances and portfolio yield continue to decline as expected

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Let's turn to Annuities on slide 10. The Annuities segment benefited from strong markets in 2017. Pretax operating earnings were up 17 percent year-over-year. Variable annuities earnings growth was 25 percent from strong equity markets, with fixed annuities earnings being down to $14 million as expected.

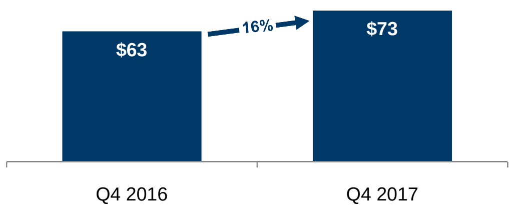
Variable annuities continue to be in outflows, similar to the industry and the trend we've seen over the past year. We've seen an uptick in sales of our variable annuity product without living benefits. Our non-living benefit product now comprises about a third of our sales, up from 29 percent of sales last year.

The quality of our VA book is excellent. Our net amount at risk is exceptionally low relative to the industry; as a percent of account value, it is only 0.3% with living benefits and 0.1% with death benefits.

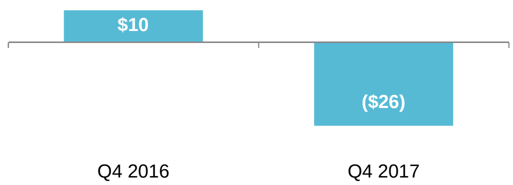
Fixed annuities pretax operating earnings declined $6 million as lapses and interest rates continue to impact results as expected.

Protection earnings impacted by severe weather events

Life & Health Pretax Operating Earnings
$ in millions



Auto & Home Pretax Operating Earnings
$ in millions



	Q4 2016	Q4 2017
Gross CATs	*$15*	*$60*
Net CATs	*$15*	*$38*

Highlights

Life & Health
- Pretax operating earnings improved 16 percent, driven by favorable disability claims experience
- Investment portfolio is short duration and well positioned to benefit from rising interest rates

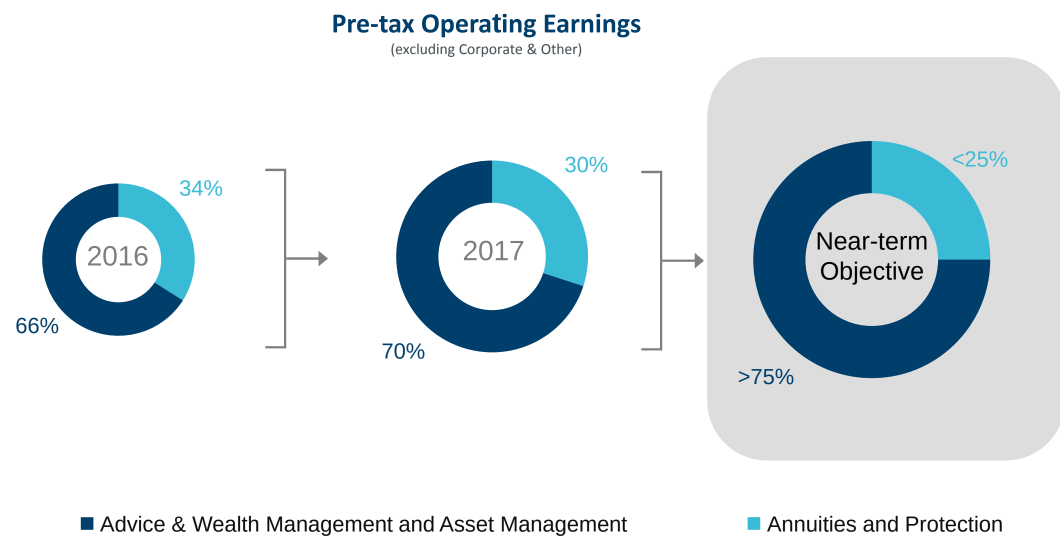
Auto & Home
- Pretax operating loss of $26 million was driven by elevated catastrophe losses of $38 million and a contractual reinstatement premium on our reinsurance programs
  - Prior year results included a $12 million benefit from a reserve release
- Improved loss performance in the underlying business
- Benefitted from reinsurance program changes in the current year; mitigation strategies will continue in 2018

Turning to Protection on slide 11.

Life & Health pretax operating earnings improved 16 percent. Overall, claims experience is in line within expected ranges, though disability claims came in favorable to last year. Interest rates continue to pressure earnings, however, the portfolio is positioned well to benefit when interest rates rise.

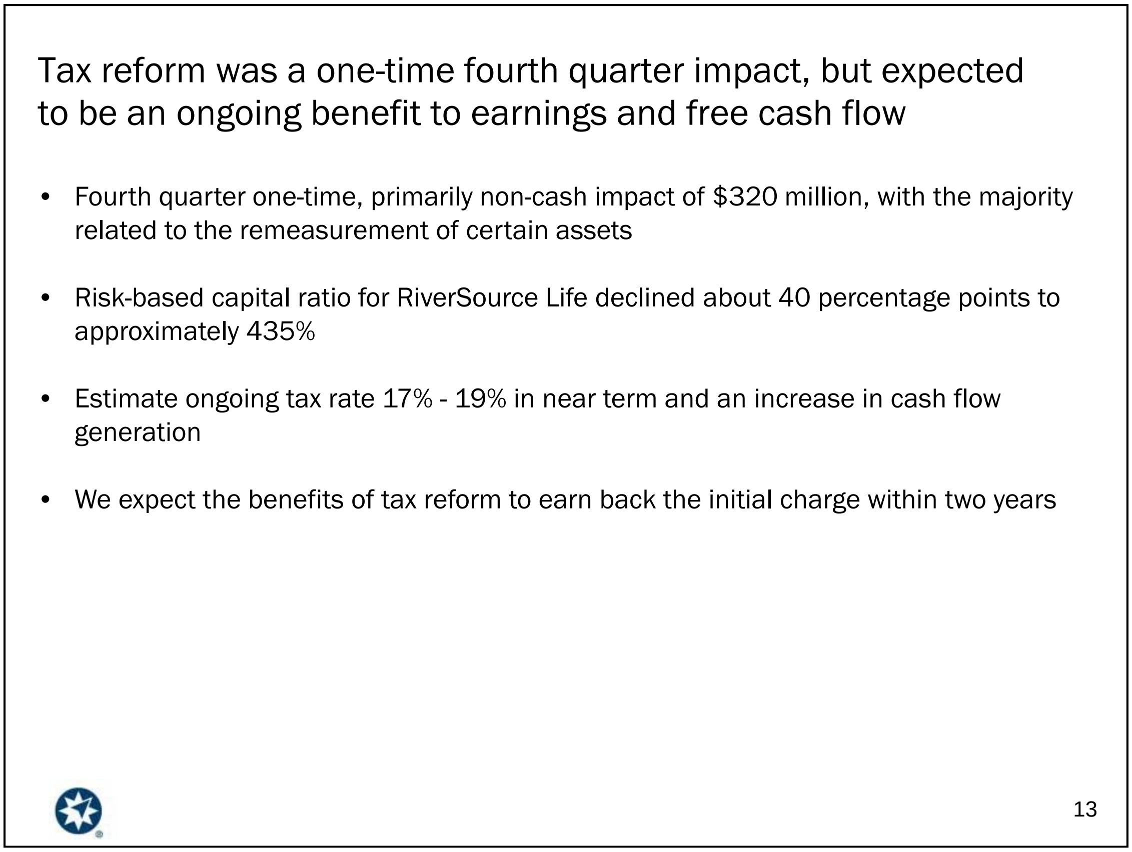
In the Auto & Home business, pretax operating results in the quarter were impacted by elevated CAT losses of $38 million, as well as the contractual reinstatement premium on our reinsurance program. The prior year benefited from a $12 million reserve release and lower CAT losses. On an underlying basis, Auto & Home earnings were up from last year.

We're continuing our mix shift with 70% of 2017 operating earnings from our fee-based, lower-capital businesses



Excludes unlocking impacts in both periods.
See non-GAAP financial measure reconciliations in appendix.

Let's turn to slide 12. We are continuing to grow our Advice & Wealth Management and Asset Management businesses at a faster pace than Insurance & Annuities. Advice & Wealth Management made up nearly 45 percent of the earnings in the quarter. Combined with Asset Management, the fee-based businesses made up 70 percent of our earnings for the full year, and 73 percent for the fourth quarter. This mix shift supports on strong free cash flow generation.



Let's turn to slide 13. As we announced earlier in January, Ameriprise had a one-time, primarily non-cash impact in the fourth quarter related to the Tax Cut and Jobs Act of $320 million. This charge was related to the remeasurement of net deferred tax assets, repatriation tax and lower future tax benefits from low income housing assets.

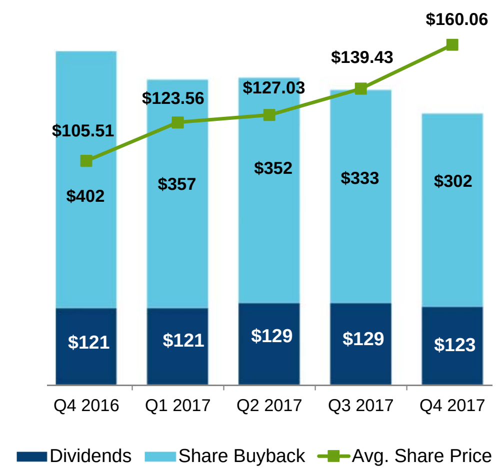
On a statutory basis, this impacted our RBC ratio by about 40 percentage points, but the ratio remains quite strong at about 435 percent. We expect RBC to improve as we move through 2018.

Going forward, tax reform will be advantageous to Ameriprise. We estimate our ongoing effective tax rate to be between 17 to 19 percent, driving an improvement in our cash flow generation – particularly in AWM and Asset Management.

Within 2 years, we expect to earn back the charge taken in the fourth quarter.

Returned over $1.8 billion of capital to shareholders in 2017

Capital Returned to Shareholders
$ in millions



Highlights

- Dividends and buyback were 96% of operating earnings[1] in 2017
  - Deployed additional capital for the acquisitions of Lionstone and IPI
- Excess capital position of $1.3 billion and estimated RBC ratio of ~435%, both of which declined due to tax remeasurement
- Operating return on equity of 32%[2]

[1] Percent of operating earnings (excluding tax remeasurement) returned to shareholders via dividend and share repurchase
[2] Operating ROE excluding AOCI and tax remeasurement
See non-GAAP financial measure reconciliations in appendix.

Turning to slide 14, Ameriprise's balance sheet quality, cash flow generation and capital return remain very strong.

Ameriprise's capital position remains strong with $1.3 billion of excess capital, reflecting the impact of tax reform.

In the year, we returned about $1.8 billion of capital to shareholders, which was 96 percent of our operating earnings. As we moved through 2017, our share price appreciated substantially, we lowered our share repurchase levels and allocated some of those resources to acquisitions.

With that, we will take your questions.

Reconciliation tables

Operating net revenues

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
Total net revenues	$ 3,062	$ 3,160	3%
Less: CIEs revenue	51	24	
Less: Net realized investment gains (losses)	11	11	
Less: Market impact on indexed universal life benefits	6	8	
Less: Market impact of hedges on investments	57	6	
Operating total net revenues	2,937	3,111	6%
Less: Tax impact on low income housing assets	-	(51)	
Operating total net revenues normalized for tax impacts	2,937	3,162	8%
Less: Net impacts of transitioning advisory accounts to share classes without 12b-1 fees	61	10	
Operating total net revenues normalized for 12b-1 and tax impacts	$ 2,876	$ 3,152	10%

Reconciliation tables

Operating expenses

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
Total expenses	$ 2,593	$ 2,560	1%
Less: CIEs expenses	52	24	
Less: Integration/restructuring charges	-	4	
Less: Market impact on variable annuity guaranteed benefits	138	34	
Less: Market impact on indexed universal life benefits	1	(12)	
Less: DAC/DSIC offset to net realized investment gains (losses)	-	-	
Operating expenses	$ 2,402	$ 2,510	(4)%

Reconciliation tables

Operating earnings per diluted share

($ in millions, except per share amounts)	Q4 2016	Q4 2017	Per Diluted Share Q4 2016	Per Diluted Share Q4 2017
Net income	$ 400	$ 181	$ 2.46	$ 1.18
Less net income (loss) attributable to the CIEs	(1)	-	(0.01)	-
Integration/restructuring charges[1]	-	4	-	0.02
Market impact on variable annuity guaranteed benefits[1]	138	34	0.85	0.22
Market impact on indexed universal life benefits[1]	(5)	(20)	(0.03)	(0.13)
Market impact of hedges on investments[1]	(57)	(6)	(0.35)	(0.04)
Net realized investment losses (gains)[1]	(11)	(11)	(0.07)	(0.07)
Tax effect of adjustments[2]	(23)	-	(0.14)	-
Operating earnings	443	182	2.73	1.18
Tax Act impact:				
Less: Tax impact on low income housing assets	-	(51)	-	(0.33)
Less: Tax effect of adjustments[3]	-	(269)	-	(1.75)
Total Tax Act impact	-	(320)	-	(2.08)
Operating earnings excluding Tax Act impact	$ 443	$ 502	$ 2.73	$ 3.26
Weighted average common shares outstanding:				
Basic	160.4	151.0		
Diluted	162.4	153.8		

(1) Pretax operating adjustments.
(2) Calculated using the statutory tax rate of 35%.
(3) Amounts represent the impact of the Tax Act including remeasurement of net deferred tax assets using the lowered corporate tax rate, repatriation tax and the tax effect of low income housing assets.

Reconciliation tables

Operating earnings per diluted share

($ in millions, except per share amounts)	Full Year 2016	Full Year 2017	Per Diluted Share Full Year 2016	Per Diluted Share Full Year 2017
Net income attributable to Ameriprise Financial	$ 1,314	$ 1,480	$ 7.81	$ 9.44
Less net income (loss) attributable to the CIEs	(2)	1	(0.01)	-
Integration/restructuring charges[1]	-	5	-	0.03
Market impact on variable annuity guaranteed benefits[1]	216	232	1.28	1.48
Market impact on indexed universal life benefits[1]	(36)	(4)	(0.21)	(0.02)
Market impact of hedges on investments[1]	(3)	2	(0.02)	0.01
Net realized investment losses (gains)[1]	(6)	(44)	(0.03)	(0.28)
Tax effect of adjustments[2]	(60)	(67)	(0.36)	(0.43)
Operating earnings	1,427	1,603	8.48	10.23
Tax Act impact:				
Less: Tax impact on low income housing assets	-	(51)	-	(0.32)
Less: Tax effect of adjustments[3]	-	(269)	-	(1.72)
Total Tax Act impact	-	(320)	-	(2.04)
Operating earnings excluding Tax Act impact	$ 1,427	$ 1,923	$ 8.48	$ 12.27
Weighted average common shares outstanding:				
Basic	166.3	154.1		
Diluted	168.2	156.7		

(1) Pretax operating adjustments.
(2) Calculated using the statutory tax rate of 35%.
(3) Amounts represent the impact of the Tax Act including remeasurement of net deferred tax assets using the lowered corporate tax rate, repatriation tax and the tax effect of low income housing assets.

Reconciliation tables

Operating return on equity

($ in millions)	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2017
Net income	$ 1,314	$ 1,480
Less: Adjustments [1]	(113)	(123)
Operating earnings	1,427	1,603
Less: Tax Act impact	-	(320)
Operating earnings excluding Tax Act impact	$ 1,427	$ 1,923
Total Ameriprise Financial, Inc. shareholders' equity	$ 6,877	$ 6,214
Less: Accumulated other comprehensive income, net of tax	426	251
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	6,451	5,963
Less: Equity impacts attributable to the consolidated investment entities	27	1
Operating equity	$ 6,424	$ 5,962
Return on equity, excluding AOCI	20.4%	24.8%
Operating return on equity, excluding AOCI [2]	22.2%	26.9%
Operating return on equity, excluding AOCI and Tax Act impact	22.2%	32.3%

[1] Adjustments reflect the trailing twelve months' sum of after-tax net realized investment gains/losses, net of deferred sales inducement costs ("DSIC") and deferred acquisition costs ("DAC") amortization, unearned revenue amortization and the reinsurance accrual; the market impact on variable annuity guaranteed benefits, net of hedges and related DSIC and DAC amortization; the market impact on indexed universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; the market impact on fixed indexed annuity benefits, net of hedges and the related DAC amortization; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; integration/restructuring charges; and the impact of consolidating certain investment entities. After-tax is calculated using the statutory tax rate of 35%.

[2] Operating return on equity excluding accumulated other comprehensive income (AOCI) is calculated using the trailing twelve months of earnings excluding the after-tax net realized investment gains/losses, net of DSIC and DAC amortization, unearned revenue amortization and the reinsurance accrual; market impact on variable annuity guaranteed benefits, net of hedges and related DSIC and DAC amortization; the market impact on indexed universal life benefits, net of hedges and related DAC amortization, unearned revenue amortization, and the reinsurance accrual; the market impact on fixed indexed annuity benefits, net of hedges and the related DAC amortization; the market impact of hedges to offset interest rate changes on unrealized gains or losses for certain investments; integration/restructuring charges; the impact of consolidating certain investment entities; and discontinued operations in the numerator, and Ameriprise Financial shareholders' equity excluding AOCI and the impact of consolidating investment entities using a five-point average of quarter-end equity in the denominator. After-tax is calculated using the statutory tax rate of 35%.

Reconciliation tables

Operating general and administrative expenses

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
General and administrative expense	$ 756	$ 807	(7)%
Less: CIEs expenses	-	-	
Less: Integration/restructuring charges	-	4	
Operating general and administrative expense	756	803	(6)%
Less: Timing of accruals	-	27	
Less: Payments for performance-related compensation	14	24	
Less: Foreign exchange translation	-	7	
Operating general and administrative expense excluding items	$ 742	$ 745	0%

Reconciliation tables

Advice & Wealth Management operating net revenues

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
Operating total net revenues	$ 1,316	$ 1,480	12%
Less: Net impact of transitioning advisory accounts to share classes without 12b-1 fees	61	10	
Operating total net revenues normalized for 12b-1 impact	$ 1,255	$ 1,470	17%

Reconciliation tables

Advice & Wealth Management operating general and administrative expenses

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
Operating general and administrative expense	$ 263	$ 286	(9)%
Less: Timing of accruals	-	6	
Less: IPI	-	4	
Operating general and administrative expense excluding items	$ 263	$ 276	(5)%

Reconciliation tables

Asset Management adjusted net pretax operating margin

($ in millions)	Q4 2016	Q4 2017
Operating total net revenues	$ 761	$ 825
Less: Distribution pass through revenues	204	203
Less: Subadvisory and other pass through revenues	94	94
Adjusted operating revenues	$ 463	$ 528
Pretax operating earnings	$ 169	$ 214
Less: Operating net investment income	5	12
Add: Amortization of intangibles	5	5
Adjusted operating earnings	$ 169	$ 207
Pretax operating margin	22.2%	25.9%
Adjusted net pretax operating margin	36.5%	39.2%

Reconciliation tables

Asset Management operating general and administrative expenses

($ in millions)	Q4 2016	Q4 2017	% Better/ (Worse)
Operating general and administrative expense	$ 325	$ 352	(8)%
Less: Timing of accruals	-	8	
Less: Payments for performance-related compensation	14	24	
Less: Foreign exchange translation	-	7	
Operating general and administrative expense excluding items	$ 311	$ 313	(1)%

Reconciliation tables

Mix Shift

($ in millions)	Full Year 2016	Full Year 2017
Advice & Wealth Management and Asset Management pretax operating earnings	$ 1,532	$ 1,903
Less: Annual unlocking	-	-
Pretax operating earnings excluding annual unlocking	$ 1,532	$ 1,903
Annuities and Protection pretax operating earnings	$ 592	$ 926
Less: Annual unlocking	(198)	100
Pretax operating earnings excluding annual unlocking	$ 790	$ 826
Percent pretax operating earnings from Advice & Wealth Management and Asset Management	72%	67%
Percent pretax operating earnings from Annuities and Protection	28%	33%
Percent pretax operating earnings from Advice & Wealth Management and Asset Management excluding annual unlocking	66%	70%
Percent pretax operating earnings from Annuities and Protection excluding annual unlocking	34%	30%

Excludes Corporate & Other Segment