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Ameriprise Financial, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from Suneet Kamath. Please go ahead.

Suneet Kamath – Sanford C. Bernstein

Thank you very much. Just a couple questions on capital. Walter, you had said that your risk-based capital ratio I guess at the end of '08 will be above what you need for AA rating. I think end of last year it was well above that, close to 700%. Can you give us any sense – I know some companies have been given a sense of approximately where that would be as of third quarter-end. Can you give us a sense of that? And then sort of related, in terms of stopping the buy back program, obviously, you've done a couple acquisitions, should we assume really other than the dividend, no capital redeployment going forward, including – inclusive of acquisitions and then related, what should we be looking at? Is it the credit markets? Or the equity markets? What will give us a sign of when you might get back into the market to buy your own stock considering the valuation right now? Thanks.

Walter Berman

Okay. As you know, the RBC calculation is well – you can do it at the end of the third quarter. You still have to run through your tests for your C3 Phase II. We've preliminary run it and it's in excess of 450, but again, that's a preliminary run before we complete the C3 Phase II. It was at 700 and we have declared dividends which we moved to the parent and which we've discussed in previous calls. As it relates to the question about resuming, at this particular stage, based upon the credit and liquidity, we really don't see us getting back until we see improvement in those markets and on that basis, we just going to hold off how to drive until we feel comfortable from that standpoint. We do have excess liquidity as we talked about and excess capital position. As far as acquisitions, interesting times right now, we want to make sure that we're protecting what we have and we'll have to be in a very exceptional situation.

Jim Cracchiolo

We still feel we're in a very good position. I know many of you have questioned and think about the asset-owned portfolios of many companies. So we want to be very clear that we feel we're in a good position, we don't need equity, we don't need to go out for financing. We have a strong position of excess capital, and we'll just look and monitor the markets and when things start to ease up and people feel more comfortable, then we'll have degrees of freedom again.

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