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Ameriprise Financial Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. We will begin the question-and-answer session. (Operator Instructions). Our first question comes from Suneet Kamath from Sanford Bernstein. Please go ahead.

Suneet Kamath - Sanford Bernstein

Sanford Bernstein, yes. Just a couple of questions, if I could. First, with respect to the impairment charges that you've taken in your press release, have you taken those on a statutory basis as well? In other words, are they fully baked into that 450 RBC ratio as of year-end?

Question number two. I guess \$280 to \$300 million of expense savings that you've talked about. I think in the past you've sort of given us an indication of how much of that could fall to the bottom line. Just wondering if you could give us that range on that?

And then, lastly for Walter. If we go back to the Investor Day presentation, I have this chart that was almost a schematic where you showed 2008 forecasted core operating earnings, and then a bunch of other earnings considerations, leaving you with sort of flat 2009 core earnings. Is that still valid? And then can we put sort of 394 number as the core estimate for 2008 or something close to that? Thanks.

Laura Gagnon

Suneet, this is Laura. I'd like to take the impairment versus debt and we do treat our statutory impairments to same as GAAP. But what you have to realize is that the impairments that we show the aggregate amount are across the company. So it's in the bank certificate company and other legal entities aside from the RiverSource Life Company.

Walter Berman

Yes, on the second one. I am trying to actually remember the question. On the reengineering we should anticipate. Also, we have expense growth and other things but approximately two-thirds of that will flow right to the bottom line. And as we said, we will manage these situations and that's what we are planning for as of this particular time.

I am not going to be in the forecasting mode right now as it relates to 2009. Clearly, as we carry into 2009, we are going to be carrying a substantial headwind as relates to the equity markets, we are anticipating at least in our planning that we will be down close to 20 some odd percent on an average basis in 2009 versus 2008.

And again, from the standpoint of looking at core ,we do not anticipate, from a standpoint looking forward, that there will be continued deterioration in the changes; but, we certainly think we would be starting off at a lower base, both from our revenue and standpoint. So, on that basis, we feel that we are sitting in pretty consistent what I outlined in the chart without putting in the numbers.

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