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Ameriprise Financial, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from John Nadel - Sterne, Agree & Leach.

John Nadel - Sterne, Agree & Leach

A couple quick questions, maybe one high level one, thinking about the FASB changes, and then maybe a couple of quick ones on the annuity line, if I could.

On FASB, did you shift anything from Level 1 or 2 to Level 3 and market any differently as a result of the changes from FAS 157?

Walter Berman

No.

John Nadel - Sterne, Agree & Leach

A question on the annuity segment, maybe a little bit detailed here. I'm looking at the slide in your supplement that walks through all the disclosed items and I'm looking at the annuity line and the amortization of deferred acquisition costs. And if I make the adjustments for the couple of items there and adjust that versus your reported number, it looks like DAC amortization in the quarter what you would have us think or what you would refer to us as a normal DAC number ex those items was \$38 million and I can't remember a quarter where your DAC amortization was that low.

Is there some way maybe you can give us a little bit more detail about how to think about that? Is that a function of your shift to a reversion to the mean or is there something else there?

Walter Berman

No, it is lower but it relates to the [inaudible] profit and lower surrenders, so it corresponds to that.

John Nadel - Sterne, Agree & Leach

And then just thinking similarly around the benefits line in the annuities segment, again, if we look at the negative benefits number on a reported basis and then adjust for those one-time items, we get to a normalized level of benefits of about \$65 million pre-tax. Similarly, that seems relative low.

Walter Berman

Well, the benefits, again, that you're getting the impact of the FAS 157 coming through.

John Nadel - Sterne, Agree & Leach

Walter, I'm adjusting for those one-time items from the disclosed items page, so if I take the reported number -

Laura Gagnon

I'm getting a slightly different - actually a higher - benefits number and a different DAC amortization numbers, so we can take it up after the call. I can reconcile it with you.

John Nadel - Sterne, Agree & Leach

The last item would be just to think about your definition of core earnings. I know you're guiding us to think about \$0.60, but there's a benefit in there from the early retirement of the debt. Is there some reason why we should think about that as ongoing?

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