

AMERIPRISE FINANCIAL INC
Form 10-Q
August 04, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ **to** _____

Commission File No. 1-32525

AMERIPRISE FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

13-3180631

(I.R.S. Employer Identification No.)

1099 Ameriprise Financial Center, Minneapolis, Minnesota

(Address of principal executive offices)

55474

(Zip Code)

Registrant's telephone number, including area code: **(612) 671-3131**

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock (par value \$.01 per share)

Outstanding at July 23, 2010
251,048,544 shares

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues				
Management and financial advice fees	\$ 955	\$ 606	\$ 1,729	\$ 1,160
Distribution fees	453	351	844	662
Net investment income	654	511	1,244	929
Premiums	299	269	581	535
Other revenues	236	175	491	384
Total revenues	2,597	1,912	4,889	3,670
Banking and deposit interest expense	20	38	41	80
Total net revenues	2,577	1,874	4,848	3,590
Expenses				
Distribution expenses	621	432	1,146	816
Interest credited to fixed accounts	231	237	459	442
Benefits, claims, losses and settlement expenses	298	587	652	687
Amortization of deferred acquisition costs	171	(125)	289	161
Interest and debt expense	74	28	138	54
General and administrative expense	716	600	1,337	1,181
Total expenses	2,111	1,759	4,021	3,341
Pretax income	466	115	827	249
Income tax provision	68	28	133	46
Net income	398	87	694	203
Less: Net income (loss) attributable to noncontrolling interests	139	(8)	221	(22)
Net income attributable to Ameriprise Financial	\$ 259	\$ 95	\$ 473	\$ 225
Earnings per share attributable to Ameriprise Financial, Inc. common shareholders				
Basic	\$ 0.99	\$ 0.41	\$ 1.81	\$ 1.00
Diluted	0.98	0.41	1.78	0.99
Weighted average common shares outstanding				
Basic	261.1	228.8	260.9	225.6
Diluted	265.3	230.0	265.1	226.8
Cash dividends paid per common share	\$ 0.18	\$ 0.17	\$ 0.35	\$ 0.34

Supplemental Disclosures:

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Net investment income:

Net investment income before impairment losses on securities	\$	655	\$	542	\$	1,275	\$	995
Total other-than-temporary impairment losses on securities				(30)		(32)		(55)
Portion of loss recognized in other comprehensive income		(1)		(1)		1		(11)
Net impairment losses recognized in net investment income		(1)		(31)		(31)		(66)
Net investment income	\$	654	\$	511	\$	1,244	\$	929

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	June 30, 2010 (unaudited)	December 31, 2009
Assets		
Cash and cash equivalents	\$ 3,827	\$ 3,097
Investments	36,526	36,938
Separate account assets	58,029	58,129
Receivables	4,906	4,435
Deferred acquisition costs	4,123	4,334
Restricted and segregated cash	1,272	1,452
Other assets	5,643	4,286
Total assets before consolidated investment entities	114,326	112,671
Consolidated Investment Entities:		
Cash	570	181
Investments, at fair value	5,437	36
Receivables (includes \$45 and nil, respectively, at fair value)	92	49
Other assets, at fair value	685	833
Total assets of consolidated investment entities	6,784	1,099
Total assets	\$ 121,110	\$ 113,770
Liabilities and Equity Liabilities:		
Future policy benefits and claims	\$ 30,677	\$ 30,886
Separate account liabilities	58,029	58,129
Customer deposits	8,421	8,554
Short-term borrowings	484	
Long-term debt	2,684	1,868
Accounts payable and accrued expenses	1,050	918
Other liabilities	3,166	3,093
Total liabilities before consolidated investment entities	104,511	103,448
Consolidated Investment Entities:		
Debt (includes \$5,048 and nil, respectively, at fair value)	5,296	381
Accounts payable and accrued expenses	21	28
Other liabilities (includes \$151 and \$30, respectively, at fair value)	163	41
Total liabilities of consolidated investment entities	5,480	450
Total liabilities	109,991	103,898
Equity:		
Ameriprise Financial, Inc.:		
Common shares (\$.01 par value; shares authorized, 1,250,000,000; shares issued, 299,053,176 and 295,839,581, respectively)	3	3
Additional paid-in capital	5,869	5,748
Retained earnings	5,658	5,276
Appropriated retained earnings of consolidated investment entities	620	
Treasury shares, at cost (47,014,926 and 40,744,090 shares, respectively)	(2,259)	(2,023)

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Accumulated other comprehensive income, net of tax	607	265
Total Ameriprise Financial, Inc. shareholders' equity	10,498	9,269
Noncontrolling interests	621	603
Total equity	11,119	9,872
Total liabilities and equity	\$ 121,110	\$ 113,770

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)

	Six Months Ended June 30,	
	2010	2009
Cash Flows from Operating Activities		
Net income	\$ 694	\$ 203
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		