UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2011

OR

o 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)

Delaware	**13-3180631**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1099 Ameriprise Financial Center, Minneapolis, Minnesota	**55474**
(Address of principal executive offices)	(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 x No o

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 x No o

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

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

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

Class	**Outstanding at April 22, 2011**
Common Stock (par value $.01 per share)	242,284,677 shares

Table of Contents

AMERIPRISE FINANCIAL, INC.

FORM 10-Q

INDEX

Table of Contents

AMERIPRISE FINANCIAL, INC.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in millions, except per share amounts)

	Three Months Ended March 31, 2011	2010
Revenues		
Management and financial advice fees	$ 1,184	$ 774
Distribution fees	467	391
Net investment income	515	590
Premiums	292	282
Other revenues	209	255
Total revenues	2,667	2,292
Banking and deposit interest expense	13	21
Total net revenues	2,654	2,271
Expenses		
Distribution expenses	716	525
Interest credited to fixed accounts	207	228
Benefits, claims, losses and settlement expenses	384	354
Amortization of deferred acquisition costs	116	118
Interest and debt expense	75	64
General and administrative expense	885	621
Total expenses	2,383	1,910
Pretax income	271	361
Income tax provision	48	65
Net income	223	296
Less: Net income (loss) attributable to noncontrolling interests	(18)	82
Net income attributable to Ameriprise Financial	$ 241	$ 214
Earnings per share attributable to Ameriprise Financial, Inc. common shareholders		
Basic	$ 0.96	$ 0.82
Diluted	0.94	0.81
Weighted average common shares outstanding		
Basic	251.6	260.8
Diluted	257.7	265.0
Cash dividends paid per common share	$ 0.18	$ 0.17

Supplemental Disclosures:

Net investment income:				
Net investment income before impairment losses on securities	$	517	$	620
Total other-than-temporary impairment losses on securities				(32)
Portion of loss recognized in other comprehensive income		(2)		2
Net impairment losses recognized in net investment income		(2)		(30)
Net investment income	$	515	$	590

See Notes to Consolidated Financial Statements.

Table of Contents

AMERIPRISE FINANCIAL, INC.

CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	March 31, 2011 (unaudited)	December 31, 2010
Assets		
Cash and cash equivalents	$ 2,460	$ 2,861
Investments	37,457	37,053
Separate account assets	70,260	68,330
Receivables	5,505	5,037
Deferred acquisition costs	4,638	4,619
Restricted and segregated cash	1,472	1,516
Other assets	4,767	4,905
Total assets before consolidated investment entities	126,559	124,321
Consolidated Investment Entities:		
Cash	906	472
Investments, at fair value	5,363	5,444
Receivables (includes $60 and $33, respectively, at fair value)	84	60
Other assets, at fair value	920	895
Total assets of consolidated investment entities	7,273	6,871
Total assets	$ 133,832	$ 131,192
Liabilities and Equity		
Liabilities:		
Future policy benefits and claims	$ 29,817	$ 30,208
Separate account liabilities	70,260	68,330
Customer deposits	8,911	8,779
Short-term borrowings	497	397
Long-term debt	2,298	2,317
Accounts payable and accrued expenses	885	1,137
Other liabilities	3,882	3,015
Total liabilities before consolidated investment entities	116,550	114,183
Consolidated Investment Entities:		
Debt (includes $5,333 and $5,171, respectively, at fair value)	5,712	5,535
Accounts payable and accrued expenses	22	22
Other liabilities (includes $346 and $154, respectively, at fair value)	359	167
Total liabilities of consolidated investment entities	6,093	5,724
Total liabilities	122,643	119,907
Equity:		
Ameriprise Financial, Inc.:		
Common shares ($.01 par value; shares authorized, 1,250,000,000; shares issued, 302,773,507 and 301,366,044, respectively)	3	3
Additional paid-in capital	6,043	6,029
Retained earnings	6,385	6,190
Appropriated retained earnings of consolidated investment entities	530	558
Treasury shares, at cost (59,865,027 and 54,668,152 shares, respectively)	(2,952)	(2,620)
Accumulated other comprehensive income, net of tax	542	565

Total Ameriprise Financial, Inc. shareholders equity		10,551		10,725
Noncontrolling interests		638		560
Total equity		11,189		11,285
Total liabilities and equity	$	133,832	$	131,192

See Notes to Consolidated Financial Statements.

Table of Contents

AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)

	Three Months Ended March 31, 2011	2010
Cash Flows from Operating Activities		
Net income	$ 223	$ 296
Adjustments to reconcile net income to net cash provided by operating activities:		
Capitalization of deferred acquisition and sales inducement costs	(126)	(119)
Amortization of deferred acquisition and sales inducement costs	129	130
Depreciation, amortization and accretion, net	30	22
Deferred income tax expense (benefit)	(19)	437
Share-based compensation	42	39
Net realized investment gains	(1)	(32)
Other-than-temporary impairments and provision for loan losses	3	34
Net loss (income) attributable to noncontrolling interests	18	(82)
Changes in operating assets and liabilities before consolidated investment entities:		
Restricted and segregated cash	6	(59)
Trading securities and equity method investments, net	(3)	5
Future policy benefits and claims, net	57	8
Receivables	(348)	(267)
Brokerage deposits	12	8
Accounts payable and accrued expenses	(256)	(161)
Derivatives collateral, net	9	(79)
Other, net	639	(5)
Changes in operating assets and liabilities of consolidated investment entities, net	(400)	(56)
Net cash provided by operating activities	15	119
Cash Flows from Investing Activities		
Available-for-Sale securities:		
Proceeds from sales	538	825
Maturities, sinking fund payments and calls	1,516	1,842
Purchases	(2,379)	(1,809)
Proceeds from sales, maturities and repayments of commercial mortgage loans	54	62
Funding of commercial mortgage loans	(26)	(49)
Proceeds from sales of other investments	50	36
Purchase of other investments	(80)	(9)
Purchase of investments by consolidated investment entities	(629)	(405)
Proceeds from sales, maturities and repayments of investments by consolidated investment entities	1,017	454
Return of capital in investments of consolidated investment entities	4	1
Purchase of land, buildings, equipment and software	(47)	(21)
Change in policy and certificate loans, net	2	
Change in consumer banking loans and credit card receivables, net	(91)	(75)
Other, net	(2)	(1)
Net cash provided by (used in) investing activities	(73)	851

See Notes to Consolidated Financial Statements.

Table of Contents

AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (continued)

(in millions)

	Three Months Ended March 31, 2011	2010
Cash Flows from Financing Activities		
Investment certificates and banking time deposits:		
Proceeds from additions	$ 294	$ 294
Maturities, withdrawals and cash surrenders	(431)	(607)
Change in other banking deposits	244	384
Policyholder and contractholder account values:		
Consideration received	291	430
Net transfers to separate accounts	(46)	(39)
Surrenders and other benefits	(371)	(358)
Deferred premium options, net	(58)	(36)
Issuance of debt, net of issuance costs		744
Repayments of debt	(6)	
Change in short-term borrowings, net	100	
Dividends paid to shareholders	(46)	(45)
Repurchase of common shares	(393)	(15)
Exercise of stock options	39	32
Excess tax benefits from share-based compensation	14	1
Borrowings by consolidated investment entities	15	
Repayments of debt by consolidated investment entities	(32)	(1)
Noncontrolling interests investments in subsidiaries	64	1
Distributions to noncontrolling interests	(27)	(23)
Other, net	2	(3)
Net cash provided by (used in) financing activities	(347)	759
Effect of exchange rate changes on cash	4	(10)
Net increase (decrease) in cash and cash equivalents	(401)	1,719
Cash and cash equivalents at beginning of period	2,861	3,097
Cash and cash equivalents at end of period	$ 2,460	$ 4,816
Supplemental Disclosures:		
Interest paid on debt before consolidated investment entities	$ 24	$ 4
Income taxes paid, net	10	154
Non-cash investing activity:		
Affordable housing partnership commitments not yet remitted		12

See Notes to Consolidated Financial Statements.

Table of Contents

AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

(in millions, except share data)

	Ameriprise Financial, Inc.								
	Number of Outstanding Shares	**Common Shares**	**Additional Paid-In Capital**	**Retained Earnings**	**Appropriated Retained Earnings of Consolidated Investment Entities**	**Treasury Shares**	**Accumulated Other Comprehensive Income**	**Non-controlling Interests**	**Total**
Balances at January 1, 2010	255,095,491	$ 3	$ 5,748	$ 5,282	$	$ (2,023)	$ 263	$ 603	$ 9,876
Change in accounting principle					473				473
Comprehensive income:									
Net income				214				82	296
Net income reclassified to appropriated retained earnings					35			(35)	
Other comprehensive income, net of tax:									
Change in net unrealized securities gains							164		164
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities							(24)		(24)
Change in net unrealized derivatives losses							(7)		(7)
Foreign currency translation adjustment							(31)	(36)	(67)
Total comprehensive income									362
Dividends paid to shareholders				(45)					(45)
Noncontrolling interests investments in subsidiaries								1	1
Distributions to noncontrolling interests								(23)	(23)
Repurchase of common shares	(429,318)					(15)			(15)
Share-based compensation plans	2,739,315		71						71
Balances at March 31, 2010	257,405,488	$ 3	$ 5,819	$ 5,451	$ 508	$ (2,038)	$ 365	$ 592	$ 10,700
Balances at January 1, 2011	246,697,892	$ 3	$ 6,029	$ 6,190	$ 558	$ (2,620)	$ 565	$ 560	$ 11,285
Comprehensive income:									
Net income (loss)				241				(18)	223
Net loss reclassified to appropriated retained					(28)			28	

earnings									
Other comprehensive loss, net of tax:									
Change in net unrealized securities gains							(50)		(50)
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities							16		16
Change in net unrealized derivatives gains							(3)		(3)
Foreign currency translation adjustment							14	14	28
Total comprehensive income									214
Dividends paid to shareholders				(46)					(46)
Noncontrolling interests investments in subsidiaries								64	64
Distributions to noncontrolling interests								(27)	(27)
Repurchase of common shares	(6,863,309)					(413)			(413)
Share-based compensation plans	3,073,897		14			81		17	112
Balances at March 31, 2011	242,908,480	$ 3	$ 6,043	$ 6,385	$ 530	$ (2,952)	$ 542	$ 638	$ 11,189

See Notes to Consolidated Financial Statements.

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

Ameriprise Financial, Inc. is a holding company, which primarily conducts business through its subsidiaries to provide financial planning, products and services that are designed to be utilized as solutions for clients cash and liquidity, asset accumulation, income, protection and estate and wealth transfer needs. The foreign operations of Ameriprise Financial, Inc. are conducted primarily through its subsidiary, Threadneedle Asset Management Holdings Sàrl (Threadneedle).

The accompanying Consolidated Financial Statements include the accounts of Ameriprise Financial, Inc., companies in which it directly or indirectly has a controlling financial interest and variable interest entities (VIEs) in which it is the primary beneficiary (collectively, the Company). The income or loss generated by consolidated entities which will not be realized by the Company s shareholders is attributed to noncontrolling interests in the Consolidated Statements of Operations. Noncontrolling interests are the ownership interests in subsidiaries not attributable, directly or indirectly, to Ameriprise Financial, Inc. and are classified as equity within the Consolidated Balance Sheets. The Company excluding noncontrolling interests is defined as Ameriprise Financial. All material intercompany transactions and balances have been eliminated in consolidation. See Note 3 for additional information related to VIEs.

The interim financial information in this report has not been audited. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated results of operations and financial position for the interim periods have been made. All adjustments made were of a normal recurring nature.

The accompanying Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain reclassifications of prior period amounts have been made to conform to the current presentation. Results of operations reported for interim periods are not necessarily indicative of results for the entire year. These Consolidated Financial Statements and Notes should be read in conjunction with the Consolidated Financial Statements and Notes in the Company s Annual Report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission (SEC) on February 28, 2011.

The Company evaluated events or transactions that may have occurred after the balance sheet date for potential recognition or disclosure through the date the financial statements were issued.

2. Recent Accounting Pronouncements

Adoption of New Accounting Standards

How Investments Held through Separate Accounts Affect an Insurer s Consolidation Analysis of Those Investments

In April 2010, the Financial Accounting Standards Board (FASB) updated the accounting standards regarding investment funds determined to be VIEs. Under this standard an insurance enterprise would not be required to consolidate a voting-interest investment fund when it holds the majority of the voting interests of the fund through its separate accounts. In addition, the enterprise would not consider the interests held through separate accounts in evaluating its economic interests in a VIE, unless the separate account contract holder is a related party. The standard is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2010. The adoption of the standard did not have any effect on the Company s consolidated results of operations and financial condition.

Fair Value

In January 2010, the FASB updated the accounting standards related to disclosures on fair value measurements. The standard expands the current disclosure requirements to include additional detail about significant transfers between Levels 1 and 2 within the fair value hierarchy and presents activity in the rollforward of Level 3 activity on a gross basis. The standard also clarifies existing disclosure requirements related to the level of disaggregation to be used for assets and liabilities as well as disclosures on the inputs and valuation techniques used to measure fair value. The standard is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosure requirements related to the Level 3 rollforward, which are effective for interim and annual periods beginning after December 15, 2010.
The Company adopted the standard in the first quarter of 2010, except for the additional disclosures related to the Level 3 rollforward, which the Company adopted in the first quarter of 2011. The adoption did not have any effect on the Company s consolidated results of operations and financial condition. See Note 3 and Note 11 for the required disclosures.

Consolidation of Variable Interest Entities

In June 2009, the FASB updated the accounting standards related to the consolidation of VIEs. The standard amends the guidance on the determination of the primary beneficiary of a VIE from a quantitative model to a qualitative model and requires additional disclosures about an enterprise s involvement in VIEs. Under the new qualitative model, the primary

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

beneficiary must have both the power to direct the activities of the VIE and the obligation to absorb losses or the right to receive gains that could be potentially significant to the VIE. In February 2010, the FASB amended this guidance to defer application of the consolidation requirements for certain investment funds. The standards are effective for interim and annual reporting periods beginning after November 15, 2009. The Company adopted the standards effective January 1, 2010 and as a result consolidated certain consolidated debt obligations (CDOs). At adoption, the Company recorded a $5.5 billion increase to assets and a $5.1 billion increase to liabilities. The difference between the fair value of the assets and liabilities of the CDOs was recorded as a cumulative effect increase of $473 million to appropriated retained earnings of consolidated investment entities. Such amounts are recorded as appropriated retained earnings as the CDO note holders, not Ameriprise Financial, ultimately will receive the benefits or absorb the losses associated with the assets and liabilities of the CDOs. Subsequent to the adoption, the net change in fair value of the assets and liabilities of the CDOs will be recorded as net income attributable to noncontrolling interests and as an adjustment to appropriated retained earnings of consolidated investment entities. See Note 3 for additional information related to the application of the amended VIE consolidation model and the required disclosures.

Future Adoption of New Accounting Standards

Receivables

In April 2011, the FASB updated the accounting standards for troubled debt restructurings. The new standard includes indicators that a lender should consider in determining whether a borrower is experiencing financial difficulties and provides clarification for determining whether the lender has granted a concession to the borrower. The standard sets the effective dates for troubled debt restructuring disclosures required by recent guidance on credit quality disclosures. The standard is effective for interim and annual periods beginning on or after June 15, 2011, and is to be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. For purposes of measuring impairments of receivables that are considered impaired as a result of applying the new guidance, the standard should be applied prospectively for the interim or annual period beginning on or after June 15, 2011. The adoption of the standard is not expected to have a material impact on the Company s consolidated results of operations and financial condition.

Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts

In October 2010, the FASB updated the accounting standards for deferred acquisition costs (DAC). Under this new standard, only the following costs incurred in the acquisition of new and renewal insurance contracts would be capitalizable as DAC: (i) incremental direct costs of a successful contract acquisition, (ii) portions of employees salaries and benefits directly related to time spent performing specified acquisition activities (that is, underwriting, policy issuance and processing, medical and inspection, and sales force contract selling) for a contract that has actually been acquired, (iii) other costs related to the specified acquisition activities that would not have been incurred had the acquisition contract not occurred, and (iv) advertising costs that meet the capitalization criteria in other GAAP guidance for certain direct-response marketing. All other costs are to be expensed as incurred. The standard is effective for interim and annual periods beginning after December 15, 2011, with earlier adoption permitted if it is at the beginning of an entity s annual reporting period. The standard is to be applied prospectively; however, retrospective application to all prior periods presented is permitted but not required. The Company will adopt the standard on January 1, 2012. The Company is currently evaluating the impact of the standard on its consolidated results of operations and financial condition.

3. Consolidated Investment Entities

The Company provides asset management services to various CDOs and other investment products (collectively, investment entities), which are sponsored by the Company for the investment of client assets in the normal course of business. Certain of these investment entities are considered to be VIEs while others are considered to be voting rights entities (VREs). The Company consolidates certain of these investment entities.

The CDOs managed by the Company are considered VIEs. These CDOs are asset backed financing entities collateralized by a pool of assets, primarily syndicated loans and, to a lesser extent, high-yield bonds. Multiple tranches of debt securities are issued by a CDO, offering investors various maturity and credit risk characteristics. The debt securities issued by the CDOs are non-recourse to the Company. The CDO s debt holders have recourse only to the assets of the CDO. The assets of the CDOs cannot be used by the Company. Scheduled debt payments are based on the performance of the CDO s collateral pool. The Company generally earns management fees from the CDOs based on the par value of outstanding debt and, in certain instances, may also receive performance-based fees. In the normal course of business, the Company has invested in certain CDOs, generally an insignificant portion of the unrated, junior subordinated debt.

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For certain of the CDOs, the Company has determined that consolidation is required as it has power over the CDOs and holds a variable interest in the CDOs for which the Company has the potential to receive significant benefits or the potential obligation to absorb significant losses. For other CDOs managed by the Company, the Company has determined that consolidation is not required as the Company does not hold a variable interest in the CDOs.

The Company provides investment advice and related services to private, pooled investment vehicles organized as limited partnerships, limited liability companies or foreign (non-U.S.) entities. Certain of these pooled investment vehicles are considered VIEs while others are VREs. For investment management services, the Company generally earns management fees based on the market value of assets under management, and in certain instances may also receive performance-based fees. The Company provides seed money occasionally to certain of these funds. For certain of the pooled investment vehicles, the Company has determined that consolidation is required as the Company stands to absorb a majority of the entity s expected losses or receive a majority of the entity s expected residual returns. For other VIE pooled investment vehicles, the Company has determined that consolidation is not required because the Company is not expected to absorb the majority of the expected losses or receive the majority of the expected residual returns. For the pooled investment vehicles which are VREs, the Company consolidates the structure when it has a controlling financial interest.

The Company also provides investment advisory, distribution and other services to the Columbia and Threadneedle mutual fund families. The Company has determined that consolidation is not required for these mutual funds.

In addition, the Company may invest in structured investments including VIEs for which it is not the sponsor. These structured investments typically invest in fixed income instruments and are managed by third parties and include asset backed securities, commercial mortgage backed securities, and residential mortgage backed securities. The Company includes these investments in Available-for-Sale securities. The Company has determined that it is not the primary beneficiary of these structures due to its relative size, position in the capital structure of these entities, and the Company s lack of power over the structures. The Company s maximum exposure to loss as a result of its investment in structured investments that it does not consolidate is limited to its carrying value. The Company has no obligation to provide further financial or other support to these structured investments nor has the Company provided any support to these structured investments. See Note 4 for additional information about these structured investments.

The following tables reflect the impact of consolidated investment entities on the Consolidated Balance Sheets and the Consolidated Statements of Operations:

	March 31, 2011			
	Before Consolidation	Consolidated Investment Entities	Eliminations	Total
	(in millions)			
Total assets	$ 126,617	$ 7,273	$ (58)	$ 133,832
Total liabilities	$ 116,550	$ 6,093	$	$ 122,643
	10,050	559	(58)	10,551

Total Ameriprise Financial shareholders equity								
Noncontrolling interests equity		17		621				638
Total liabilities and equity	$	126,617	$	7,273	$	(58)	$	133,832

	December 31, 2010							
		Before Consolidation		Consolidated Investment Entities		Eliminations		Total
	(in millions)							
Total assets	$	124,379	$	6,871	$	(58)	$	131,192
Total liabilities	$	114,183	$	5,724	$		$	119,907
Total Ameriprise Financial shareholders equity		10,196		587		(58)		10,725
Noncontrolling interests equity				560				560
Total liabilities and equity	$	124,379	$	6,871	$	(58)	$	131,192

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

	Three Months Ended March 31, 2011			
	Before Consolidation	Consolidated Investment Entities	Eliminations	Total
	(in millions)			
Total net revenues	$ 2,617	$ 47	$ (10)	$ 2,654
Total expenses	2,328	65	(10)	2,383
Pretax income (loss)	289	(18)		271
Income tax provision	48			48
Net income (loss)	241	(18)		223
Net loss attributable to noncontrolling interests		(18)		(18)
Net income attributable to Ameriprise Financial	$ 241	$	$	$ 241

	Three Months Ended March 31, 2010			
	Before Consolidation	Consolidated Investment Entities	Eliminations	Total
	(in millions)			
Total net revenues	$ 2,144	$ 136	$ (9)	$ 2,271
Total expenses	1,865	54	(9)	1,910
Pretax income	279	82		361
Income tax provision	65			65
Net income	214	82		296
Net income attributable to noncontrolling interests		82		82
Net income attributable to Ameriprise Financial	$ 214	$	$	$ 214

The following tables present the balances of assets and liabilities held by consolidated investment entities measured at fair value on a recurring basis:

	March 31, 2011			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets				
Investments				
Corporate debt securities	$	$ 373	$ 6	$ 379
Common stocks	33	78	26	137
Other structured investments		66		66
Syndicated loans		4,565	216	4,781
Total investments	33	5,082	248	5,363
Receivables		60		60
Other assets			920	920
Total assets at fair value	$ 33	$ 5,142	$ 1,168	$ 6,343
Liabilities				
Debt	$	$	$ 5,333	$ 5,333

Other liabilities		346		346
Total liabilities at fair value	$	$ 346	$ 5,333	$ 5,679

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets				
Investments				
Corporate debt securities	$	$ 418	$ 6	$ 424
Common stocks	26	53	11	90
Other structured investments		39	22	61
Syndicated loans		4,867		4,867
Trading securities		2		2
Total investments	26	5,379	39	5,444
Receivables		33		33
Other assets		8	887	895
Total assets at fair value	$ 26	$ 5,420	$ 926	$ 6,372
Liabilities				
Debt	$	$	$ 5,171	$ 5,171
Other liabilities		154		154
Total liabilities at fair value	$	$ 154	$ 5,171	$ 5,325

The following tables provide a summary of changes in Level 3 assets and liabilities held by consolidated investment entities measured at fair value on a recurring basis:

	Corporate Debt Securities	Common Stocks	Other Structured Investments	Syndicated Loans	Other Assets	Debt
	(in millions)					
Balance, January 1, 2011	$ 6	$ 11	$ 22	$	$ 887	$ (5,171)
Total gains (losses) included in:						
Net income		5(1)		4(1)	4(2)	(184)(1)
Other comprehensive income					24	
Purchases				26	12	
Sales	(1)			(2)	(15)	
Issuances						(10)
Settlements				(3)	1	32
Transfers in to (out of) of Level 3	1(3)	10(4)	(22)(5)	191(3)	7(3)	
Balance, March 31, 2011	$ 6	$ 26	$	$ 216	$ 920	$ (5,333)
Changes in unrealized gains (losses) included in income relating to assets held at March 31, 2011	$	$ 5(1)	$	$ 4(1)	$ 13(6)	$ (184)(1)

(1) Included in net investment income in the Consolidated Statements of Operations.

(2) Represents a $3 million gain included in other revenues and a $1 million gain included in net investment income in the Consolidated Statements of Operations.

(3) Represents securities that were transferred to Level 3 as the fair value of these securities is now based on a single broker quote.

(4)

Represents securities with a fair value of $1 million that were transferred to Level 2 as the fair value of the securities is now obtained from a nationally-recognized pricing service with observable inputs and securities with a fair value of $11 million that were transferred to Level 3 as the fair value of the securities is now based on a single broker quote.

(5) Represents securities that were transferred to Level 2 as the fair value of these securities is now obtained from a nationally-recognized pricing service with observable inputs.

(6) Represents a $12 million gain included in other revenues and a $1 million gain included in net investment income in the Consolidated Statements of Operations.

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

	Corporate Debt Securities	Other Structured Investments	Other Assets	Debt
		(in millions)		
Balance, January 1, 2010	$	$	$ 831	$
Cumulative effect of accounting change	15	5		(4,962)
Total gains (losses) included in:				
Net income		2(1)	37(2)	(183)(1)
Other comprehensive income			(50)	
Purchases, sales, issuances and settlements, net		(1)	52	1
Balance, March 31, 2010	$ 15	$ 6	$ 870	$ (5,144)
Changes in unrealized gains (losses) including in income relating to assets held at March 31, 2010	$	$ 2(1)	$ 37(2)	$ (183)(1)

(1) Included in net investment income in the Consolidated Statements of Operations.
(2) Included in other revenues in the Consolidated Statements of Operations.

The Company has elected the fair value option for the financial assets and liabilities of the consolidated CDOs. Management believes that the use of the fair value option better matches the changes in fair value of assets and liabilities related to the CDOs.

For receivables, other assets and other liabilities of the consolidated CDOs, the carrying value approximates fair value as the nature of these assets and liabilities has historically been short term and the receivables have been collectible. The fair value of these assets and liabilities is classified as Level 2. Other liabilities consist primarily of securities purchased not yet settled held by consolidated CDOs. The fair value of syndicated loans obtained from nationally-recognized pricing services is classified as Level 2. The fair value of syndicated loans obtained from a single broker quote is classified as Level 3. Other assets consist primarily of properties held in consolidated pooled investment vehicles managed by Threadneedle. The fair value of these properties is determined using discounted cash flows and market comparables. Inputs into the valuation of these properties include: rental cash flows, current occupancy, historical vacancy rates, tenant history and assumptions regarding how quickly the property can be occupied and at what rental rates. Given the significance of the unobservable inputs to these measurements, these assets are classified as Level 3. The fair value of the CDO s debt is valued using a discounted cash flow methodology. Inputs used to determine the expected cash flows include assumptions about default and recovery rates of the CDO s underlying assets. Given the significance of the unobservable inputs to this fair value measurement, the CDO debt is classified as Level 3. See Note 11 for a description of the Company s determination of the fair value of investments.

The following table presents the fair value and unpaid principal balance of assets and liabilities carried at fair value under the fair value option:

	March 31, 2011	December 31, 2010
	(in millions)	

Syndicated loans				
Unpaid principal balance	$	4,894	$	5,107
Excess estimated unpaid principal over fair value		(113)		(240)
Fair value	$	4,781	$	4,867
Fair value of loans more than 90 days past due	$	40	$	71
Fair value of loans in non-accrual status		40		71
Difference between fair value and unpaid principal of loans more than 90 days past due, loans in non-accrual status or both		31		62
Debt				
Unpaid principal balance	$	5,871	$	5,893
Excess estimated unpaid principal over fair value		(538)		(722)
Fair value	$	5,333	$	5,171

Table of Contents

AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Interest income from syndicated loans, bonds and structured investments is recorded based on contractual rates in net investment income. Gains and losses related to changes in the fair value of investments and gains and losses on sales of investments are recorded in net investment income. Interest expense on debt is recorded in interest and debt expense with gains and losses related to changes in the fair value of debt recorded in net investment income.

Total net gains and (losses) recognized in net investment income related to changes in the fair value of financial assets and liabilities for which the fair value option was elected were $(33) million and $28 million for the three months ended March 31, 2011 and 2010, respectively. The majority of the syndicated loans and debt have floating rates; as such, changes in their fair values are primarily attributable to changes in credit spreads.

Debt of the consolidated investment entities and the stated interest rates were as follows:

	Carrying Value		Stated Interest Rate	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	(in millions)			
Debt of consolidated CDOs due 2012-2021	$ 5,333	$ 5,171	1.0%	1.0%
Floating rate revolving credit borrowings due 2014	196	191	5.9	5.9
Floating rate revolving credit borrowings due 2014	142	138	5.1	5.1
Floating rate revolving credit borrowings due 2015	29	28	5.0	5.0
Floating rate revolving credit borrowings due 2015	12	7	3.8	6.0
Total	$ 5,712	$ 5,535		

The debt of the consolidated CDOs has both fixed and floating interest rates. The stated interest rate of the debt of consolidated CDOs is a weighted average rate based on the principal and stated interest rate according to the terms of each CDO structure, which range from 0% to 14.1%. The carrying value of the debt of the consolidated CDOs represents the fair value of the aggregate debt as of March 31, 2011 and December 31, 2010. The carrying value of the floating rate revolving credit borrowings represents the outstanding principal amount of debt of certain consolidated pooled investment vehicles managed by Threadneedle. The fair value of this debt was $379 million and $364 million as of March 31, 2011 and December 31, 2010, respectively.

4. Investments

The following is a summary of Ameriprise Financial investments:

	March 31, 2011	December 31, 2010
	(in millions)	
Available-for-Sale securities, at fair value	$ 33,030	$ 32,619
Commercial mortgage loans, net		