AMERIPRISE FINANCIAL INC
Form 10-Q
May 04, 2010
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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, 2010

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 23, 2010**
Common Stock (par value $.01 per share)	257,513,353 shares

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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,	
	2010	2009
Revenues		
Management and financial advice fees	$ 774	$ 554
Distribution fees	391	311
Net investment income	590	418
Premiums	282	266
Other revenues	255	209
Total revenues	2,292	1,758
Banking and deposit interest expense	21	42
Total net revenues	2,271	1,716
Expenses		
Distribution expenses	525	384
Interest credited to fixed accounts	228	205
Benefits, claims, losses and settlement expenses	354	100
Amortization of deferred acquisition costs	118	286
Interest and debt expense	64	26
General and administrative expense	621	581
Total expenses	1,910	1,582
Pretax income	361	134
Income tax provision	65	18
Net income	296	116
Less: Net income (loss) attributable to noncontrolling interests	82	(14)
Net income attributable to Ameriprise Financial	$ 214	$ 130
Earnings per share attributable to Ameriprise Financial common shareholders		
Basic	$ 0.82	$ 0.58
Diluted	0.81	0.58
Weighted average common shares outstanding		
Basic	260.8	222.3
Diluted	265.0	223.5
Cash dividends paid per common share	$ 0.17	$ 0.17
Supplemental Disclosures:		
Net investment income:		
Net investment income before impairment losses on securities	$ 620	$ 453
Total other-than-temporary impairment losses on securities	(32)	(25)
Portion of loss recognized in other comprehensive income	2	(10)
Net impairment losses recognized in net investment income	(30)	(35)
Net investment income	$ 590	$ 418

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	March 31, 2010 (unaudited)	December 31, 2009
Assets		
Cash and cash equivalents	$ 4,816	$ 3,097
Investments	35,765	36,938
Separate account assets	60,326	58,129
Receivables	4,768	4,435
Deferred acquisition costs	4,243	4,334
Restricted and segregated cash	1,532	1,452
Other assets	4,011	4,290
Total assets before consolidated investment entities	115,461	112,675
Consolidated Investment Entities:		
Cash	613	181
Investments, at fair value	5,349	36
Receivables (includes $39 and nil, respectively, at fair value)	80	49
Other assets, at fair value	874	833
Total assets of consolidated investment entities	6,916	1,099
Total assets	$ 122,377	$ 113,774
Liabilities and Equity		
Liabilities:		
Future policy benefits and claims	$ 30,866	$ 30,886
Separate account liabilities	60,326	58,129
Customer deposits	8,632	8,554
Debt	2,612	1,868
Accounts payable and accrued expenses	748	918
Other liabilities	2,743	3,093
Total liabilities before consolidated investment entities	105,927	103,448
Consolidated Investment Entities:		
Debt (includes $5,144 and nil, respectively, at fair value)	5,502	381
Accounts payable and accrued expenses	17	28
Other liabilities (includes $214 and $30, respectively, at fair value)	231	41
Total liabilities of consolidated investment entities	5,750	450
Total liabilities	111,677	103,898
Equity:		
Ameriprise Financial, Inc.:		
Common shares ($.01 par value; shares authorized, 1,250,000,000; shares issued, 298,578,896 and 295,839,581, respectively)	3	3
Additional paid-in capital	5,819	5,748
Retained earnings	5,451	5,282
Appropriated retained earnings of consolidated investment entities	508	
Treasury shares, at cost (41,173,408 and 40,744,090 shares, respectively)	(2,038)	(2,023)
Accumulated other comprehensive income, net of tax	365	263
Total Ameriprise Financial, Inc. shareholders equity	10,108	9,273
Noncontrolling interests	592	603
Total equity	10,700	9,876

Total liabilities and equity	$	122,377	$	113,774

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)

	Three Months Ended March 31,	
	2010	**2009**
Cash Flows from Operating Activities		
Net income	$ 296	$ 116
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Capitalization of deferred acquisition and sales inducement costs	(119)	(229)
Amortization of deferred acquisition and sales inducement costs	130	335
Depreciation, amortization and accretion, net	22	56
Deferred income tax expense	437	82
Share-based compensation	39	40
Net realized investment gains	(32)	(51)
Other-than-temporary impairments and provision for loan losses	34	39
Net (income) loss attributable to noncontrolling interests	(82)	14
Changes in operating assets and liabilities before consolidated investment entities:		
Restricted and segregated cash	127	82
Trading securities and equity method investments, net	5	(336)
Future policy benefits and claims, net	8	167
Receivables	(267)	303
Brokerage deposits	8	(151)
Accounts payable and accrued expenses	(161)	(172)
Derivatives collateral, net	(265)	(625)
Other, net	7	(229)
Changes in operating assets and liabilities of consolidated investment entities	(56)	(13)
Net cash provided by (used in) operating activities	131	(572)
Cash Flows from Investing Activities		
Available-for-Sale securities:		
Proceeds from sales	1,539	1,285
Maturities, sinking fund payments and calls	1,842	1,207
Purchases	(2,523)	(4,561)
Proceeds from sales and maturities of commercial mortgage loans	62	52
Funding of commercial mortgage loans	(49)	(34)
Proceeds from sales of other investments	36	11
Purchase of other investments	(21)	(10)
Purchase of investments by consolidated investment entities	(405)	
Proceeds from sales and maturities of investments by consolidated investment entities	454	
Return of capital in investments of consolidated investment entities	1	
Purchase of land, buildings, equipment and software	(21)	(15)
Change in policy and certificate loans, net		7
Change in consumer banking loans and credit card receivables, net	(75)	(15)
Other, net	(1)	4
Net cash provided by (used in) investing activities	839	(2,069)

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (continued)

(in millions)

	Three Months Ended March 31,	
	2010	**2009**
Cash Flows from Financing Activities		
Investment certificates and banking time deposits:		
Proceeds from additions	$ 294	$ 980
Maturities, withdrawals and cash surrenders	(607)	(866)
Change in other banking deposits	384	271
Policyholder and contractholder account values:		
Consideration received	430	2,417
Net transfers (to) from separate accounts	(39)	284
Surrenders and other benefits	(358)	(770)
Deferred premium options, net	(36)	61
Issuances of debt, net of issuance costs	744	
Repayments of debt		(113)
Dividends paid to shareholders	(45)	(37)
Repurchase of common shares	(15)	(9)
Exercise of stock options	32	
Excess tax benefits from share-based compensation	1	1
Borrowings of consolidated investment entities		9
Repayments of debt of consolidated investment entities	(1)	
Noncontrolling interests investments in subsidiaries	1	1
Distributions to noncontrolling interests	(23)	(18)
Other, net	(3)	
Net cash provided by financing activities	759	2,211
Effect of exchange rate changes on cash	(10)	(2)
Net increase (decrease) in cash and cash equivalents	1,719	(432)
Cash and cash equivalents at beginning of period	3,097	6,228
Cash and cash equivalents at end of period	$ 4,816	$ 5,796
Supplemental Disclosures:		
Interest paid on debt before consolidated investment entities	$ 4	$ 3
Income taxes paid (received), net	154	(1)

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

Three Months Ended March 31, 2010 and 2009

	Ameriprise Financial								
	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 (Loss)	Non-controlling Interests	Total
	(in millions, except share data)								
Balances at January 1, 2009	216,510,699	$ 3	$ 4,688	$ 4,592	$	$ (2,012)	$ (1,093)	$ 289	$ 6,467
Change in accounting principles, net of tax				132			(132)		
Comprehensive income:									
Net income (loss)				130				(14)	116
Other comprehensive income, net of tax:									
Change in net unrealized securities losses							96		96
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities							(2)		(2)
Foreign currency translation adjustment							(3)	(5)	(8)
Total comprehensive income									202
Dividends paid to shareholders				(37)					(37)
Noncontrolling interests investments in subsidiaries								1	1
Distributions to noncontrolling interests								(18)	(18)
Repurchase of common shares	(509,778)					(9)			(9)
Share-based compensation plans	3,136,459		31						31
Balances at March 31, 2009	219,137,380	$ 3	$ 4,719	$ 4,817	$	$ (2,021)	$ (1,134)	$ 253	$ 6,637
Balances at January 1, 2010	255,095,491	$ 3	$ 5,748	$ 5,282	$	$ (2,023)	$ 263	$ 603	$ 9,876
Change in accounting principles					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							(24)		(24)

impaired securities											
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		

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

1. Basis of Presentation

Ameriprise Financial, Inc. is a holding company, which primarily conducts business through its subsidiaries to provide financial planning and 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 Company s foreign operations in the United Kingdom are conducted 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 the consolidated 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 year 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, 2009, filed with the Securities and Exchange Commission (SEC) on February 24, 2010.

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

Consolidation of Variable Interest Entities

In June 2009, the Financial Accounting Standards Board (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 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 consolidated certain collateralized debt obligations (CDOs). As a result of the adoption, the Company recorded a cumulative effect increase of $473 million to appropriated retained earnings of consolidated investment entities, a $5.5 billion increase to assets and a $5.1 billion increase to liabilities. See Note 3 for additional information related to the application of the amended VIE consolidation model and the required disclosures.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Subsequent Events

In February 2010, the FASB amended the accounting standards related to the recognition and disclosure of subsequent events. The amendments remove the requirement to disclose the date through which subsequent events are evaluated for SEC filers. The standard is effective upon issuance and shall be applied prospectively. The Company adopted the standard in the first quarter of 2010. The adoption 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 will adopt in the first quarter of 2011. The adoption did not have any effect on the Company s consolidated results of operations and financial condition.

Recognition and Presentation of Other-Than-Temporary Impairments (OTTI)

In April 2009, the FASB updated the accounting standards for the recognition and presentation of other-than-temporary impairments. The standard amends existing guidance on other-than-temporary impairments for debt securities and requires that the credit portion of other-than-temporary impairments be recorded in earnings and the noncredit portion of losses be recorded in other comprehensive income (loss) when the entity does not intend to sell the security and it is more likely than not that the entity will not be required to sell the security prior to recovery of its cost basis. The standard requires separate presentation of both the credit and noncredit portions of other-than-temporary impairments on the financial statements and additional disclosures. This standard is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. At the date of adoption, the portion of previously recognized other-than-temporary impairments that represent the noncredit related loss component shall be recognized as a cumulative effect of adoption with an adjustment to the opening balance of retained earnings with a corresponding adjustment to accumulated other comprehensive income (loss). The Company adopted the standard in the first quarter of 2009 and recorded a cumulative effect increase to the opening balance of retained earnings of $132 million, net of DAC and DSIC amortization, certain benefit reserves and income taxes, and a corresponding increase to accumulated other comprehensive loss, net of impacts to DAC and DSIC amortization, certain benefit reserves and income taxes. See Note 4 for the required disclosures.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

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.

Variable Interest Entities

A VIE is an entity that either has equity investors that lack certain essential characteristics of a controlling financial interest (including substantive voting rights, the obligation to absorb the entity s losses, or the rights to receive the entity s returns) or has equity investors that do not provide sufficient financial resources for the entity to support its activities. A VIE is required to be assessed for consolidation under two models:

- **If the VIE is a money market fund or is an investment company, or has the financial characteristics of an investment company, and the following is true:**

· If the VIE is a money market fund or is an investment company, or has the financial characteristics of an inv

(i) the entity does not have an explicit or implicit obligation to fund the investment company s losses; and

(i) the entity does not have an explicit or implicit obligation to fund the investment company s losses; and

(ii) the investment company is not a securitization entity, asset-backed financing entity, or an entity formally considered a qualifying special purpose entity,

(ii) the investment company is not a securitization entity, asset-backed financing entity, or an entity formally co

then, the VIE will be consolidated by the entity that determines it stands to absorb a majority of the VIE s expected losses or to receive a majority of the VIE s expected residual returns. Examples of entities that are likely to be assessed for consolidation under this framework include hedge funds, property funds, private equity funds and venture capital funds.

- **If the VIE does not meet the criteria above, the VIE will be consolidated by the entity that determines it has both:**

· If the VIE does not meet the criteria above, the VIE will be consolidated by the entity that determines it has

(i) the power to direct the activities of a VIE that most significantly impact the VIE s economic performance; and

(i) the power to direct the activities of a VIE that most significantly impact the VIE s economic performance;

(ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company s CDOs are generally assessed for consolidation under this framework.

When determining whether the Company stands to absorb the majority of the VIE s expected losses or receive a majority of the VIE s expected returns, it analyzes the design of the VIE to identify the variable interests it holds. Then the Company quantitatively determines whether its variable interests will absorb a majority of the VIE s variability. If the Company determines it has control over the activities that most significantly impact the economic performance of the VIE and it will absorb a majority of the VIE s expected variability, the Company consolidates the VIE. The calculation of variability is based on an analysis of projected probability-weighted cash flows based on the design of the particular VIE. When determining whether the Company has the power and the obligation to absorb losses or rights to receive benefits from the VIE that could potentially be significant, the Company qualitatively determines if its variable interests meet these criteria. If the Company consolidates a VIE under either scenario, it is referred to as the VIE s primary beneficiary.

Investment Entities

Collateralized Debt Obligations

The Company provides collateral management services to CDOs which 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 the CDOs collateralize 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 taking an insignificant portion of the unrated, junior subordinated debt.

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.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Other Investment Products

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 three families of mutual funds: the RiverSource, Seligman 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. See Note 4 for additional information about these structured investments.

The Company s maximum exposure to loss as a result of its investment in structured investments 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.

The following tables reflect the impact of consolidated investment entities on the Consolidated Balance Sheets as of March 31, 2010 and the Consolidated Statements of Operations for the three months ended March 31, 2010:

	Before Consolidation	Consolidated Investment Entities	Eliminations	Total
		(in millions)		
Total assets	$ 115,553	$ 6,916	$ (92)	$ 122,377
Total liabilities	105,927	5,750		111,677
Total Ameriprise Financial shareholders equity	9,626	574	(92)	10,108
Noncontrolling interests equity		592		592
Total liabilities and equity	$ 115,553	$ 6,916	$ (92)	$ 122,377

	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

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following table presents the balances of assets and liabilities held by consolidated investment entities at March 31, 2010 measured at fair value on a recurring basis:

	March 31, 2010			
	Level 1	Level 2	Level 3	Total
		(in millions)		
Assets				
Investments				
Corporate debt securities	$	$ 420	$ 15	$ 435
Common stocks		32		32
Other structured investments		33	6	39
Syndicated loans		4,798		4,798
Trading securities		45		45
Total investments		5,328	21	5,349
Receivables		39		39
Other assets		4	870	874
Total assets at fair value	$	$ 5,371	$ 891	$ 6,262
Liabilities				
Debt	$	$	$ 5,144	$ 5,144
Other liabilities		214		214
Total liabilities at fair value	$	$ 214	$ 5,144	$ 5,358

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
		(in millions)		
Assets				
Investments				
Trading securities	$	$ 36	$	$ 36
Total investments		36		36
Other assets		2	831	833
Total assets at fair value	$	$ 38	$ 831	$ 869
Liabilities				
Other liabilities	$	$ 30	$	$ 30
Total liabilities at fair value	$	$ 30	$	$ 30

The following table provides a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis as of March 31:

	2010				2009
	Corporate Debt Securities	Other Structured Investments	Other Assets	Debt	Other Assets
			(in millions)		
Balance, January 1	$	$	$ 831	$	$ 287
Cumulative effect of accounting change	15	5		(4,962)	
Total gains (losses) included in:					
Net income		2(1)	55(2)	(183)(1)	(19)(2)
Comprehensive income			(50)		(6)
Purchases, sales, issuances and settlements, net		(1)	34	1	
Balance, March 31	$ 15	$ 6	$ 870	$ (5,144)	$ 262

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

(2) Included in other revenues in the Consolidated Statements of Operations.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The Company has elected the fair value option within the consolidation standards issued June 2009 for the financial assets and liabilities of the consolidated CDOs. Management believes that the use of the fair value option eliminates certain timing differences and 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 have historically been short term and the receivables have been collectible. The fair value of these assets and liabilities is classified as Level 2. The fair value of syndicated loans is obtained from nationally-recognized pricing services and is classified as Level 2. 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. Other liabilities consist primarily of short securities held in consolidated hedge funds. The fair value of these securities is obtained from nationally-recognized pricing services and is classified as Level 2. See Note 10 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 as of March 31, 2010:

		(in millions)
Syndicated loans		
Unpaid principal balance	$	5,221
Excess estimated unpaid principal over fair value		(423)
Fair value	$	4,798
Fair value of loans more than 90 days past due		209
Fair value of loans in non-accrual status		184
Difference between fair value and unpaid principal of loans more than 90 days past due, loans in non-accrual status or both		205
Debt		
Unpaid principal balance		6,021
Excess estimated unpaid principal over fair value		(877)
Carrying value at estimated fair value	$	5,144

Interest income from 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 gains and losses recognized in net investment income from fair value changes of financial assets and liabilities for which the fair value option was elected was $28 million at March 31, 2010. For syndicated loans and debt measured at fair value, the estimated amount of gains and losses included in earnings attributable to instrument-specific credit risk for the three months ended March 31, 2010 was $189 million and $(183) million, respectively. The instrument-specific credit risk gains were derived principally from the change in the observable or implied credit spread for these instruments. Credit spread is determined based on the market yield for these instruments less the applicable risk-free benchmark rate. The gains included in net investment income attributable to the narrowing of instrument-specific credit risk of debt is due to the overall tightening of credit spreads for higher yielding instruments.

Debt of the consolidated investment entities and the stated interest rates as of March 31, 2010 were as follows:

	Carrying Value	Stated Interest Rate
	(in millions)	
Debt of consolidated CDOs due 2012-2021	$ 5,144	1.0%
Floating rate revolving credit borrowings due 2013	134	4.6
Floating rate revolving credit borrowings due 2014	186	5.9
Floating rate revolving credit borrowings due 2014	38	4.9
Total	$ 5,502	

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The debt of the consolidated CDOs have 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, 2010. The carrying value of the floating rate revolving credit borrowings represent the outstanding principal amount of debt of certain consolidated pooled investment vehicles managed by Threadneedle. The fair value of this debt was $358 million as of March 31, 2010.

At March 31, 2010, future maturities of debt were as follows:

	(in millions)
2011	$
2012	32
2013	301
2014	224
2015	356
Thereafter	5,466
Total future maturities	$ 6,379

4. Investments

The following is a summary of Ameriprise Financial investments:

	March 31, 2010	December 31, 2009
	(in millions)	
Available-for-Sale securities, at fair value	$ 31,414	$ 32,546
Commercial mortgage loans, net	2,643	2,663
Trading securities	544	556
Policy loans	720	720
Other investments	444	453
Total	$ 35,765	$ 36,938

Available-for-Sale securities distributed by type were as follows:

	March 31, 2010				
Description of Securities	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit OTTI (1)

	(in millions)				
Corporate debt securities	$ 14,693	$ 987	$ (51)	$ 15,629	$ 16
Residential mortgage backed securities	7,502	255	(440)	7,317	(160)
Commercial mortgage backed securities	4,200	273	(6)	4,467	
Asset backed securities	1,937	80	(49)	1,968	(17)
State and municipal obligations	1,608	28	(67)	1,569	
U.S. government and agencies obligations	220	9		229	
Foreign government bonds and obligations	93	15		108	
Common and preferred stocks	53	2	(5)	50	
Other debt obligations	77			77	
Total	$ 30,383	$ 1,649	$ (618)	$ 31,414	$ (161)

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Description of Securities	Amortized Cost	Gross Unrealized Gains	December 31, 2009 Gross Unrealized Losses	Fair Value	Non-Credit OTTI (1)
			(in millions)		
Corporate debt securities	$ 15,336	$ 894	$ (107)	$ 16,123	$ 12
Residential mortgage backed securities	8,050	218	(498)	7,770	(152)
Commercial mortgage backed securities	4,437	196	(20)	4,613	
Asset backed securities	1,984	72	(62)	1,994	(18)
State and municipal obligations	1,472	21	(76)	1,417	
U.S. government and agencies obligations	379	9	(1)	387	
Foreign government bonds and obligations	95	14	(1)	108	
Common and preferred stocks	52	1	(10)	43	
Other structured investments	22	36		58	21
Other debt obligations	33			33	
Total	$ 31,860	$ 1,461	$ (775)	$ 32,546	$ (137)

(1) Represents the amount of other-than-temporary impairment losses in Accumulated Other Comprehensive Income. Amount includes unrealized gains and losses on impaired securities subsequent to the impairment measurement date. These amounts are included in gross unrealized gains and losses as of the end of the period.

At March 31, 2010 and December 31, 2009, fixed maturity securities comprised approximately 88% of Ameriprise Financial investments. These securities were rated by Moody s Investors Service (Moody s), Standard & Poor s Ratings Services (S&P) and Fitch Ratings Ltd. (Fitch), excep for approximately $1.2 billion of securities at March 31, 2010 and December 31, 2009, which were rated by the Company s internal analysts using criteria similar to Moody s, S&P and Fitch. Ratings on fixed maturity securities are presented using the median of ratings from Moody s, S&P and Fitch. If only two of the ratings are available, the lower rating is used. A summary of fixed maturity securities by rating was as follows:

Ratings	March 31, 2010 Amortized Cost	Fair Value	Percent of Total Fair Value	December 31, 2009 Amortized Cost	Fair Value	Percent of Total Fair Value
			(in millions, except percentages)			
AAA	$ 12,217	$ 12,746	41%	$ 13,003	$ 13,396	41%
AA	1,567	1,586	5	1,616	1,601	5
A	4,455	4,626	15	4,778	4,910	15
BBB	10,001	10,679	34	10,261	10,802	33
Below investment grade	2,091	1,727	5	2,150	1,794	6
Total fixed maturities	$ 30,331	$ 31,364	100%	$ 31,808	$ 32,503	100%

At March 31, 2010 and December 31, 2009, approximately 33% and 34%, respectively, of the securities rated AAA were GNMA, FNMA and FHLMC mortgage backed securities. No holdings of any other issuer were greater than 10% of shareholders equity.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following tables provide information about Available-for-Sale securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position:

	March 31, 2010								
	Less than 12 months			12 months or more			Total		
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
	(in millions, except number of securities)								
Corporate debt securities	113	$ 717	$ (10)	134	$ 979	$ (41)	247	$ 1,696	$ (51)
Residential mortgage backed securities	70	1,459	(35)	174	903	(405)	244	2,362	(440)
Commercial mortgage backed securities	11	68	(1)	19	178	(5)	30	246	(6)
Asset backed securities	12	136	(2)	37	187	(47)	49	323	(49)
State and municipal obligations	69	263	(6)	129	381	(61)	198	644	(67)
U.S. government and agencies obligations	4	94					4	94	
Common and preferred stocks	3			3	45	(5)	6	45	(5)
Total	282	$ 2,737	$ (54)	496	$ 2,673	$ (564)	778	$ 5,410	$ (618)

	December 31, 2009								
	Less than 12 months			12 months or more			Total		
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
	(in millions, except number of securities)								
Corporate debt securities	139	$ 1,095	$ (18)	193	$ 1,368	$ (89)	332	$ 2,463	$ (107)
Residential mortgage backed securities	80	1,566	(51)	172	904	(447)	252	2,470	(498)
Commercial mortgage backed securities	37	373	(4)	36	348	(16)	73	721	(20)
Asset backed securities	16	126	(3)	38	207	(59)	54	333	(62)
State and municipal	64	318	(10)	135	389	(66)	199	707	(76)

obligations											
U.S. government and agencies obligations	5	133	(1)				5	133	(1)		
Foreign government bonds and obligations				2	4	(1)	2	4	(1)		
Common and preferred stocks	2			3	39	(10)	5	39	(10)		
Other structured investments				6			6				
Total	343	$ 3,611	$ (87)	585	$ 3,259	$ (688)	928	$ 6,870	$ (775)		

As part of Ameriprise Financial s ongoing monitoring process, management determined that a majority of the gross unrealized losses on its Available-for-Sale securities are attributable to credit spreads. The primary driver of lower unrealized losses at March 31, 2010 was the tightening of credit spreads across sectors.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following table presents a rollforward of the cumulative amounts recognized in the Consolidated Statements of Operations for other-than-temporary impairments related to credit losses on securities for which a portion of the securities total other-than-temporary impairments was recognized in other comprehensive income (loss):

	2010	2009
	(in millions)	
Beginning balance of credit losses on securities held as of January 1 for which a portion of other-than-temporary impairment was recognized in other comprehensive income	$ 263	$ 258
Additional amount related to credit losses for which an other-than-temporary impairment was not previously recognized	15	8
Additional increases to the amount related to credit losses for which an other-than-temporary impairment was previously recognized	12	16
Ending balance of credit losses on securities held as of March 31 for which a portion of other-than-temporary impairment was recognized in other comprehensive income	$ 290	$ 282

The change in net unrealized securities gains (losses) in other comprehensive income includes three components, net of tax: (i) unrealized gains (losses) that arose from changes in the market value of securities that were held during the period; (ii) (gains) losses that were previously unrealized, but have been recognized in current period net income due to sales of Available-for-Sale securities; and (iii) other items primarily consisting of adjustments in asset and liability balances, such as DAC, DSIC, benefit reserves and reinsurance recoverables, to reflect the expected impact on their carrying values had the unrealized gains (losses) been realized as of the respective balance sheet dates. As a result of the adoption of a new accounting standard effective January 1, 2009, net unrealized investment gains (losses) arising during the period also include other-than-temporary impairment losses on Available-for-Sale securities related to factors other than credit that were recognized in other comprehensive income during the period. Additionally, reclassification of (gains) losses included in net income contains noncredit other-than-temporary impairment losses that were previously unrealized, but have been recognized in current period net income due to their reclassification as credit losses.

The following table presents a rollforward of the net unrealized investment gains (losses) on Available-for-Sale securities included in accumulated other comprehensive income (loss):

	Net Unrealized Investment Gains (Losses)	Deferred Income Tax	Accumulated Other Comprehensive Income (Loss) Related to Net Unrealized Investment Gains (Losses)
		(in millions)	
Balance at January 1, 2009	$ (1,479)	$ 518	$ (961)
Cumulative effect of accounting change	(211)(1)	74	(137)
Net unrealized investment gains arising during the period	242	(85)	157
Reclassification of gains included in net income	(16)	6	(10)
Impact of DAC, DSIC, benefit reserves and reinsurance recoverables	(74)	26	(48)
Balance at March 31, 2009	$ (1,538)	$ 539	$ (999)(2)

Balance at January 1, 2010	$ 474	$ (164)	$ 310
Net unrealized investment gains arising during the period	342	(120)	222
Reclassification of gains included in net income	(2)	1	(1)
Impact of DAC, DSIC, benefit reserves and reinsurance recoverables	(125)	44	(81)
Balance at March 31, 2010	$ 689	$ (239)	$ 450(2)

(1) Amount represents the cumulative effect of adopting a new accounting standard on January 1, 2009. See Note 2 for additional information on the adoption impact.

(2) At March 31, 2010 and 2009, Accumulated Other Comprehensive Income Related to Net Unrealized Investment Gains included $(84) million and $(134) million, respectively, of noncredit related impairments on securities and net unrealized securities losses on previously impaired securities.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Net realized gains and losses on Available-for-Sale securities, determined using the specific identification method, were as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Gross realized gains from sales	$ 33	$ 52
Gross realized losses from sales	(1)	(1)
Other-than-temporary impairments related to credit	(30)	(35)

The $30 million of other-than-temporary impairments for the three months ended March 31, 2010 primarily related to credit losses on non-agency residential mortgage backed securities. The $35 million of other-than-temporary impairments in 2009 related to credit losses on non-agency residential mortgage backed securities, corporate debt securities primarily in the gaming industries and other structured investments.

Available-for-Sale securities by contractual maturity at March 31, 2010 were as follows:

	Amortized Cost	Fair Value
	(in millions)	
Due within one year	$ 1,602	$ 1,645
Due after one year through five years	6,316	6,616
Due after five years through 10 years	4,709	5,063
Due after 10 years	4,064	4,288
	16,691	17,612
Residential mortgage backed securities	7,502	7,317
Commercial mortgage backed securities	4,200	4,467
Asset backed securities	1,937	1,968
Common and preferred stocks	53	50
Total	$ 30,383	$ 31,414

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. Residential mortgage backed securities, commercial mortgage backed securities, asset backed securities and other structured investments are not due at a single maturity date. As such, these securities, as well as common and preferred stocks, were not included in the maturities distribution.

Trading Securities

Net recognized gains related to trading securities held at March 31, 2010 and 2009 were $10 million and $4 million, respectively, for the three months then ended.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

5. Deferred Acquisition Costs and Deferred Sales Inducement Costs

The balances of and changes in DAC were as follows:

	2010	2009
	(in millions)	
Balance at January 1	$ 4,334	$ 4,383
Capitalization of acquisition costs	104	207
Amortization	(118)	(286)
Impact of change in net unrealized securities gains	(77)	(67)
Balance at March 31	$ 4,243	$ 4,237

The balances of and changes in DSIC, which is included in other assets, were as follows:

	2010	2009
	(in millions)	
Balance at January 1	$ 524	$ 518
Capitalization of sales inducement costs	15	22
Amortization	(12)	(49)
Impact of change in net unrealized securities gains	(13)	(14)
Balance at March 31	$ 514	$ 477

6. Future Policy Benefits and Claims and Separate Account Liabilities

Future policy benefits and claims consisted of the following:

	March 31, 2010	December 31, 2009
	(in millions)	
Fixed annuities	$ 16,571	$ 16,558
Equity indexed annuities (EIA) accumulated host values	141	159
EIA embedded derivatives	7	9
Variable annuities fixed sub-accounts	6,123	6,127
Variable annuity guaranteed minimum withdrawal benefits (GMWB)	121	204
Variable annuity guaranteed minimum accumulation benefits (GMAB)	78	100
Other variable annuity guarantees	10	12

Total annuities		23,051		23,169
Variable universal life (VUL)/ universal life (UL) insurance		2,609		2,595
Other life, disability income and long term care insurance		4,678		4,619
Auto, home and other insurance		386		380
Policy claims and other policyholders funds		142		123
Total	$	30,866	$	30,886

Separate account liabilities consisted of the following:

	March 31, 2010	December 31, 2009
	(in millions)	
Variable annuity variable sub-accounts	$ 50,921	$ 48,982
VUL insurance variable sub-accounts	5,446	5,239
Other insurance variable sub-accounts	45	46
Threadneedle investment liabilities	3,914	3,862
Total	$ 60,326	$ 58,129

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

7. Variable Annuity and Insurance Guarantees

The majority of the variable annuity contracts offered by the Company contain guaranteed minimum death benefit (GMDB) provisions. The Company also offers variable annuities with death benefit provisions that gross up the amount payable by a certain percentage of contract earnings, which are referred to as gain gross-up (GGU) benefits. In addition, the Company offers contracts with GMWB and GMAB provisions. The Company previously offered contracts containing guaranteed minimum income benefit (GMIB) provisions.

Certain universal life contracts offered by the Company provide secondary guarantee benefits. The secondary guarantee ensures that, subject to specified conditions, the policy will not terminate and will continue to provide a death benefit even if there is insufficient policy value to cover the monthly deductions and charges.

The following table provides information related to variable annuity guarantees for which the Company has established additional liabilities:

	March 31, 2010				December 31, 2009			
Variable annuity guarantees by benefit type(1)	**Total contract value**	**Contract value in separate accounts**	**Net amount at risk(2)**	**Weighted average attained age**	**Total contract value**	**Contract value in separate accounts**	**Net amount at risk(2)**	**Weighted average attained age**
	(in millions, except age)							
GMDB:								
Return of premium	$ 32,513	$ 29,959	$ 614	62	$ 30,938	$ 28,415	$ 974	61
Five/six-year reset	13,998	11,325	691	62	13,919	11,223	929	61
One-year ratchet	7,284	6,620	666	63	7,081	6,400	873	63
Five-year ratchet	1,309	1,223	25	59	1,256	1,171	38	59
Other	565	535	84	67	549	516	95	67
Total GMDB	$ 55,669	$ 49,662	$ 2,080	62	$ 53,743	$ 47,725	$ 2,909	61
GGU death benefit	$ 887	$ 806	$ 72	63	$ 853	$ 775	$ 70	63
GMIB	$ 631	$ 588	$ 110	63	$ 628	$ 582	$ 126	63
GMWB:								
GMWB	$ 4,273	$ 4,141	$ 322	64	$ 4,196	$ 4,067	$ 454	64
GMWB for life	16,051	15,379	526	63	14,988	14,333	795	63
Total GMWB	$ 20,324	$ 19,520	$ 848	63	$ 19,184	$ 18,400	$ 1,249	63
GMAB	$ 3,063	$ 2,986	$ 98	56	$ 2,926	$ 2,853	$ 153	56

(1) Individual variable annuity contracts may have more than one guarantee and therefore may be included in more than one benefit

type. Variable annuity contracts for which the death benefit equals the account value are not shown in this table.

(2) Represents the current guaranteed benefit amount in excess of the current contract value. GMIB, GMWB and GMAB benefits

are subject to waiting periods and payment periods specified in the contract.

Changes in additional liabilities were as follows:

	GMDB & GGU	GMIB	GMWB	GMAB	UL
			(in millions)		
Liability balance at January 1, 2009	$ 55	$ 12	$ 1,471	$ 367	$ 7
Incurred claims	23	1	(272)	(37)	2
Paid claims	(26)				
Liability balance at March 31, 2009	$ 52	$ 13	$ 1,199	$ 330	$ 9
Liability balance at January 1, 2010	$ 6	$ 6	$ 204	$ 100	$ 15
Incurred claims	3		(83)	(22)	4
Paid claims	(5)				(2)
Liability balance at March 31, 2010	$ 4	$ 6	$ 121	$ 78	$ 17

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

8. Customer Deposits

Customer deposits consisted of the following:

	March 31, 2010	December 31, 2009
	(in millions)	
Fixed rate certificates	$ 2,834	$ 3,172
Stock market based certificates	863	852
Stock market embedded derivative reserve	22	26
Other	57	59
Less: accrued interest classified in other liabilities	(29)	(33)
Total investment certificate reserves	3,747	4,076
Brokerage deposits	1,902	1,894
Banking deposits	2,983	2,584
Total	$ 8,632	$ 8,554

9. Debt

The balances and the stated interest rates of outstanding debt of Ameriprise Financial were as follows:

	Outstanding Balance		Stated Interest Rate	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
	(in millions)			
Senior notes due 2010	$ 340	$ 340	5.4%	5.4%
Senior notes due 2015	700(1)	700	5.7	5.7
Senior notes due 2019	298(1)	300	7.3	7.3
Senior notes due 2020	746(1)		5.3	
Senior notes due 2039	200	200	7.8	7.8
Junior subordinated notes due 2066	322	322	7.5	7.5
Municipal bond inverse floater certificates due 2021	6	6	0.3	0.3
Total	$ 2,612	$ 1,868		

(1) Amounts include the fair value of associated fair value hedges on the Company s long-term debt and any unamortized discounts.

On March 11, 2010, Ameriprise Financial issued $750 million aggregate principal amount of unsecured senior notes which mature on March 15, 2020, and incurred debt issuance costs of $6 million. Interest payments are due semi-annually in arrears on March 15 and September 15, commencing September 15, 2010.

During the first quarter of 2009, Ameriprise Financial extinguished $113 million aggregate principal amount of its junior subordinated notes due 2066 in open market transactions and recognized a gain of $50 million in other revenues.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

10. Fair Values of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; that is, an exit price. The exit price assumes the asset or liability is not exchanged subject to a forced liquidation or distressed sale.

Valuation Hierarchy

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company s valuation techniques. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Determination of Fair Value

The Company uses valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The Company s market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company s income approach uses valuation techniques to convert future projected cash flows to a single discounted present value amount. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The following is a description of the valuation techniques used to measure fair value and the general classification of these instruments pursuant to the fair value hierarchy.

Assets

Cash Equivalents

Cash equivalents include highly liquid investments with original maturities of 90 days or less. Actively traded money market funds are measured at their net asset value (NAV) and classified as Level 1. The Company s remaining cash equivalents are classified as Level 2 and measured at amortized cost, which is a reasonable estimate of fair value because of the short time between the purchase of the instrument and its expected realization.

Investments (Trading Securities and Available-for-Sale Securities)

When available, the fair value of securities is based on quoted prices in active markets. If quoted prices are not available, fair values are obtained from nationally-recognized pricing services, broker quotes, or other model-based valuation techniques. Level 1 securities include U.S. Treasuries and seed money in funds traded in active markets. Level 2 securities include agency mortgage backed securities, commercial mortgage backed securities, asset backed securities, municipal and corporate bonds, U.S. and foreign government and agency securities, and seed money and other investments in certain hedge funds. The fair value of these Level 2 securities is based on a market approach with prices obtained from nationally-recognized pricing services. Observable inputs used to value these securities can include: reported trades, benchmark yields, issuer spreads and broker/dealer quotes. Level 3 securities include non-agency residential mortgage backed securities, commercial mortgage backed securities, asset backed securities, corporate bonds and seed money in property funds. The fair value of these Level 3 securities is typically based on a single broker quote, except for the valuation of non-agency residential mortgage backed securities, described in detail below.

While the Company believes the market for non-agency residential mortgage backed securities is still inactive, effective March 31, 2010, the Company returned to using prices from nationally-recognized pricing services to determine the fair value of certain non-agency residential mortgage backed securities because the difference between these prices and the results of the Company s discounted cash flows was not significant.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Separate Account Assets

The fair value of assets held by separate accounts is determined by the NAV of the funds in which those separate accounts are invested. The NAV represents the exit price for the separate account. Separate account assets are classified as Level 2 as they are traded in principal-to-principal markets with little publicly released pricing information.

Other Assets

Derivatives that are measured using quoted prices in active markets, such as foreign exchange forwards, or derivatives that are exchanged-traded are classified as Level 1 measurements. The fair value of derivatives that are traded in less active over-the-counter markets are generally measured using pricing models with market observable inputs such as interest rates and equity index levels. These measurements are classified as Level 2 within the fair value hierarchy and include interest rate swaps and options. Derivatives that are valued using pricing models that have significant unobservable inputs are classified as Level 3 measurements.

Liabilities

Future Policy Benefits and Claims

The Company values the embedded derivative liability attributable to the provisions of certain variable annuity riders using internal valuation models. These models calculate fair value by discounting expected cash flows from benefits plus margins for profit, risk and expenses less embedded derivative fees. The projected cash flows used by these models include observable capital market assumptions (such as, market implied equity volatility and the LIBOR swap curve) and incorporate significant unobservable inputs related to contractholder behavior assumptions (such as withdrawals and lapse rates) and margins for risk, profit and expenses that the Company believes an exit market participant would expect. The fair value of these embedded derivatives also reflects a current estimate of the Company s nonperformance risk specific to these liabilities. Given the significant unobservable inputs to this valuation, these measurements are classified as Level 3. The embedded derivative liability attributable to these provisions is recorded in future policy benefits and claims. The Company uses various Black-Scholes calculations to determine the fair value of the embedded derivative liability associated with the provisions of its equity indexed annuities. The inputs to these calculations are primarily market observable and include interest rates, volatilities, and equity index levels. As a result, these measurements are classified as Level 2.

Customer Deposits

The Company uses various Black-Scholes calculations to determine the fair value of the embedded derivative liability associated with the provisions of its stock market certificates. The inputs to these calculations are primarily market observable and include interest rates, volatilities, and equity index levels. As a result, these measurements are classified as Level 2.

Other Liabilities

Derivatives that are measured using quoted prices in active markets, such as foreign exchange forwards, or derivatives that are exchanged-traded are classified as Level 1 measurements. The fair value of derivatives that are traded in less active over-the-counter markets are generally measured using pricing models with market observable inputs such as interest rates and equity index levels. These measurements are classified as Level 2 within the fair value hierarchy and include interest rate swaps and options.

Securities sold not yet purchased include highly liquid investments which are short-term in nature. Level 1 securities include U.S. Treasuries and securities traded in active markets. The remaining securities sold not yet purchased are measured using amortized cost, which is a reasonable estimate of fair value because of the short time between the purchase of the instrument and its expected realization.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following tables present the balances of assets and liabilities of Ameriprise Financial measured at fair value on a recurring basis:

	March 31, 2010			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets				
Cash equivalents	$ 83	$ 4,506	$	$ 4,589
Available-for-Sale securities:				
Corporate debt securities		14,371	1,258	15,629
Residential mortgage backed securities		3,432	3,885	7,317
Commercial mortgage backed securities		4,387	80	4,467
Asset backed securities		1,509	459	1,968
State and municipal obligations		1,569		1,569
U.S. government and agencies obligations	21	208		229
Foreign government bonds and obligations		108		108
Common and preferred stocks		46	4	50
Other debt obligations		77		77
Total Available-for-Sale securities	21	25,707	5,686	31,414
Trading securities:				
Seed money	105	69	16	190
Investments segregated for regulatory purposes	2	313		315
Other		36		36
Total Trading securities	107	418	16	541
Separate account assets		60,326		60,326
Other assets:				
Interest rate derivative contracts		169		169
Equity derivative contract		458		458
Other	2	2		4
Total Other assets	2	629		631
Total assets at fair value	$ 213	$ 91,586	$ 5,702	$ 97,501
Liabilities				
Future policy benefits and claims:				
EIA embedded derivatives	$	$ 7	$	$ 7
GMWB and GMAB embedded derivatives			193	193
Total Future policy benefits and claims		7	193	200
Customer deposits		22		22
Other liabilities:				
Interest rate derivatives contacts		197		197
Equity derivative contracts		700		700
Other	1	4		5
Total Other liabilities	1	901		902
Total liabilities at fair value	$ 1	$ 930	$ 193	$ 924

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets				
Cash equivalents	$ 57	$ 2,733	$	$ 2,790
Available-for-Sale securities:				
Corporate debt securities		14,871	1,252	16,123
Residential mortgage backed securities		3,788	3,982	7,770
Commercial mortgage backed securities		4,541	72	4,613
Asset backed securities		1,539	455	1,994
State and municipal obligations		1,417		1,417
U.S. government and agencies obligations	64	323		387
Foreign government bonds and obligations		108		108
Common and preferred stocks		39	4	43
Other structured investments			58	58
Other debt obligations		33		33
Total Available-for-Sale securities	64	26,659	5,823	32,546
Trading securities	101	436	16	553
Separate account assets		58,129		58,129
Other assets	1	815		816
Total assets at fair value	$ 223	$ 88,772	$ 5,839	$ 94,834
Liabilities				
Future policy benefits and claims	$	$ 9	$ 299	$ 308
Customer deposits		26		26
Other liabilities	1	937		938
Total liabilities at fair value	$ 1	$ 972	$ 299	$ 1,272

The following tables provide a summary of changes in Level 3 assets and liabilities of Ameriprise Financial measured at fair value on a recurring basis:

	Balance, January 1, 2010	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Other Com-prehensive Income	Purchases, Sales, Issuances and Settle-ments, Net	Transfers In/(Out) of Level 3	Balance, March 31, 2010
			(in millions)			
Available-for-Sale securities:						
Corporate debt securities	$ 1,252	$	$ 19	$ (13)	$	$ 1,258
Residential mortgage backed securities	3,982	(5)	76	(168)		3,885
Commercial mortgage backed securities	72		8			80
Asset backed securities	455	4	18	(18)		459
Common and preferred stocks	4					4
Other structured investments	58	1	5	(64)		
	5,823	(1)	126	(263)		5,686

Total Available-for-Sale securities					
Trading securities	16	1(1)	(1)		16
Future policy benefits and claims:					
GMWB and GMAB embedded derivatives	(299)	134(2)		(28)	(193)

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

(2) Included in benefits, claims, losses and settlement expenses in the Consolidated Statements of Operations.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

	Balance, January 1, 2009	Total Gains (Losses) Included in Net Income	Total Gains (Losses) Included in Other Comprehensive Income	Purchases, Sales, Issuances and Settlements, Net	Transfers In/(Out) of Level 3	Balance, March 31, 2009
			(in millions)			
Available-for-Sale securities:						
Corporate debt securities	$ 1,120	$	$ 25	$ (43)	$ (14)	$ 1,088
Residential mortgage backed securities	1,208	(8)	6	1,528		2,734
Commercial mortgage backed securities	3					3
Asset backed securities	222	2	(6)	68		286
Common and preferred stocks	10					10
Other structured investments	50	(3)	(7)	(2)		38
Other debt obligations				5		5
Total Available-for-Sale securities	2,613	(9)(1)	18	1,556	(14)(3)	4,164
Trading securities	30		(1)	(4)		25
Other assets	199	(3)(2)		(71)		125
Future policy benefits and claims	(1,832)	331(2)		(15)		(1,516)

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

(2) Included in benefits, claims, losses and settlement expenses in the Consolidated Statements of Operations.

(3) Represents a security transferred to Level 2 as the fair value is now obtained from a nationally-recognized pricing service. Previously, the fair value of the security was based on broker quotes.

The Company recognizes transfers between levels of the fair value hierarchy as of the beginning of the quarter in which each transfer occurred.

The following table presents the changes in unrealized gains (losses) included in net income related to Level 3 assets and liabilities of Ameriprise Financial held at March 31 for the three months then ended:

	2010		2009	
	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses

			(in millions)	
Available-for-Sale securities:				
Corporate debt securities	$	$	$	$
Residential mortgage backed securities		(6)		(8)
Commercial mortgage backed securities				
Asset backed securities		4		2
Other structured investments				(3)
Total Available-for-Sale securities		(2)		(9)
Trading securities				
Other assets				
Future policy benefits and claims			132	322

During the reporting period, there were no material assets or liabilities measured at fair value on a nonrecurring basis.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following table provides the carrying value and the estimated fair value of financial instruments that are not reported at fair value. All other financial instruments that are reported at fair value have been included above in the table with balances of assets and liabilities Ameriprise Financial measured at fair value on a recurring basis.

	March 31, 2010		December 31, 2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in millions)		(in millions)	
Financial Assets				
Commercial mortgage loans, net	$ 2,643	$ 2,666	$ 2,663	$ 2,652
Policy loans	720	768	720	795
Receivables	1,434	1,083	1,387	1,055
Restricted and segregated cash	1,532	1,532	1,633	1,633
Other investments and assets	420	458	451	468
Financial Liabilities				
Future policy benefits and claims	$ 15,492	$ 15,413	$ 15,540	$ 15,657
Investment certificate reserves	3,725	3,726	4,050	4,053
Banking and brokerage customer deposits	4,885	4,885	4,478	4,478
Separate account liabilities	4,324	4,324	4,268	4,268
Debt and other liabilities	2,690	2,829	2,365	2,407

Investments

The fair value of commercial mortgage loans, except those with significant credit deterioration, is determined by discounting contractual cash flows using discount rates that reflect current pricing for loans with similar remaining maturities and characteristics including loan-to-value ratio, occupancy rate, refinance risk, debt-service coverage, location, and property condition. For commercial mortgage loans with significant credit deterioration, fair value is determined using the same adjustments as above with an additional adjustment for the Company s estimate of the amount recoverable on the loan.

The fair value of policy loans is determined using discounted cash flows.

Receivables

The fair value of consumer banking loans is determined by discounting estimated cash flows and incorporating adjustments for prepayment, administration expenses, severity and credit loss estimates, with discount rates based on the Company s estimate of current market conditions.

Loans held for sale are measured at the lower of cost or market and fair value is based on what secondary markets are currently offering for loans with similar characteristics.

Brokerage margin loans are measured at outstanding balances, which are a reasonable estimate of fair value because of the sufficiency of the collateral and short term nature of these loans.

Restricted and Segregated Cash

Restricted and segregated cash is generally set aside for specific business transactions and restrictions are specific to the Company and do not transfer to third party market participants, therefore, the carrying amount is a reasonable estimate of fair value.

Amounts segregated under federal and other regulations may also reflect resale agreements and are measured at the cost at which the securities will be sold. This measurement is a reasonable estimate of fair value because of the short time between entering into the transaction and its expected realization and the reduced risk of credit loss due to pledging U.S. government-backed securities as collateral.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Other Investments and Assets

Other investments and assets primarily consist of syndicated loans. The fair value of syndicated loans is obtained from a nationally-recognized pricing service.

Future Policy Benefits and Claims

The fair value of fixed annuities, in deferral status, is determined by discounting cash flows using a risk neutral discount rate with adjustments for profit margin, expense margin, early policy surrender behavior, a provision for adverse deviation from estimated early policy surrender behavior, and the Company s nonperformance risk specific to these liabilities. The fair value of other liabilities including non-life contingent fixed annuities in payout status, equity indexed annuity host contracts and the fixed portion of a small number of variable annuity contracts classified as investment contracts is determined in a similar manner.

Customer Deposits

The fair value of investment certificate reserves is determined by discounting cash flows using discount rates that reflect current pricing for assets with similar terms and characteristics, with adjustments for early withdrawal behavior, penalty fees, expense margin and the Company s nonperformance risk specific to these liabilities.

Banking and brokerage customer deposits are liabilities with no defined maturities and fair value is the amount payable on demand at the reporting date.

Separate Account Liabilities

Certain separate account liabilities are classified as investment contracts and are carried at an amount equal to the related separate account assets. Carrying value is a reasonable estimate of the fair value as it represents the exit value as evidenced by withdrawal transactions between contractholders and the Company. A nonperformance adjustment is not included as the related separate account assets act as collateral for these liabilities and minimize nonperformance risk.

Debt and Other Liabilities

Debt fair value is based on quoted prices in active markets, when available. If quoted prices are not available fair values are obtained from nationally-recognized pricing services, broker quotes, or other model-based valuation techniques such as present value of cash flows.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

11. Derivatives and Hedging Activities of Ameriprise Financial

Derivative instruments enable the Company to manage its exposure to various market risks. The value of such instruments is derived from an underlying variable or multiple variables, including equity, foreign exchange and interest rate indices or prices. The Company primarily enters into derivative agreements for risk management purposes related to the Company s products and operations.

The Company uses derivatives as economic hedges and occasionally holds derivatives designated for hedge accounting. The following table presents the balance sheet location and the gross fair value of derivative instruments, including embedded derivatives, by type of derivative and product:

	Asset				Liability			
Derivatives designated as hedging instruments	**Balance Sheet Location**	**March 31, 2010**		**December 31, 2009**	**Balance Sheet Location**	**March 31, 2010**		**December 31, 2009**
		(in millions)				(in millions)		
Cash flow hedges								
Interest on debt	Other assets	$		$ 19		$		$
Fair value hedges								
Fixed rate debt	Other assets		3		Other liabilities		2	
Total qualifying hedges			3	19			2	
Derivatives not designated as hedging instruments								
Interest rate contracts								
GMWB and GMAB	Other assets		166	176	Other liabilities		195	280
Interest rate lock commitments	Other assets			1				
Equity contracts								
GMWB and GMAB	Other assets		326	437	Other liabilities		589	474
GMDB					Other liabilities		2	2
Equity indexed annuities	Other assets		1	2				
Equity indexed annuities embedded derivatives					Future policy benefits and claims		7	9
Stock market certificates	Other assets		131	166	Other liabilities		109	141
Stock market certificates embedded derivatives					Customer deposits		22	26
Seed money					Other liabilities			1
Foreign exchange contracts								
Seed money	Other assets		1					
Other								
GMWB and GMAB embedded derivatives(1)					Future policy benefits and claims		193	299
Total non-designated			625	782			1,117	1,232
Total derivatives		$	628	$ 801		$	1,119	$ 1,232

(1) The fair values of GMWB and GMAB embedded derivatives fluctuate primarily based on changes in equity, interest rate and credit markets.

See Note 10 for additional information regarding the Company s fair value measurement of derivative instruments.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Derivatives Not Designated as Hedges

The following table presents a summary of the impact of derivatives not designated as hedging instruments on the Consolidated Statements of Operations:

Derivatives not designated as hedging instruments	Location of Gain (Loss) on Derivatives Recognized in Income	Amount of Gain (Loss) on Derivatives Recognized in Income Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
		(in millions)	
Interest rate contracts			
GMWB and GMAB	Benefits, claims, losses and settlement expenses	$ 26	$ (123)
Equity contracts			
GMWB and GMAB	Benefits, claims, losses and settlement expenses	(183)	61
GMDB	Benefits, claims, losses and settlement expenses	(3)	
Equity indexed annuities	Interest credited to fixed accounts	1	(2)
Equity indexed annuities embedded derivatives	Interest credited to fixed accounts	2	1
Stock market certificates	Banking and deposit interest expense	3	(3)
Stock market certificates embedded derivatives	Banking and deposit interest expense	4	(2)
Seed money	Net investment income	(2)	10
Foreign exchange contracts			
Seed money	General and administrative expense	2	3
Other			
GMWB and GMAB embedded derivatives	Benefits, claims, losses and settlement expenses	106	316
Total		$ (44)	$ 261

The Company holds derivative instruments that either do not qualify or are not designated for hedge accounting treatment. These derivative instruments are used as economic hedges of equity, interest rate and foreign currency exchange rate risk related to various products and transactions of the Company.

The majority of the Company s annuity contracts contain GMDB provisions, which may result in a death benefit payable that exceeds the contract accumulation value when market values of customers accounts decline. Certain annuity contracts contain GMWB or GMAB provisions, which guarantee the right to make limited partial withdrawals each contract year regardless of the volatility inherent in the underlying investments or guarantee a minimum accumulation value of considerations received at the beginning of the contract period, after a specified holding period, respectively. The Company economically hedges the exposure related to non-life contingent GMWB and GMAB provisions using various equity futures, equity options, total return swaps, interest rate swaptions and interest rate swaps. In 2009, the Company entered into a limited number of derivative contracts to economically hedge equity exposure related to GMDB provisions on variable annuity contracts written previously in 2009. At March 31, 2010, the gross notional amount of these contracts was $36.5 billion and $78 million for the Company s GMWB and GMAB provisions and GMDB provisions, respectively. At December 31, 2009, the gross notional amount of these contracts was $38.7 billion and $77 million for the Company s GMWB and GMAB provisions and GMDB provisions, respectively. The premium associated with certain of the above options is paid or received semi-annually over the life of the option contract.

The following is a summary of the payments the Company is scheduled to make and receive for these options:

	Premiums Payable	Premiums Receivable
	(in millions)	
2010(1)	$ 166	$ 5
2011	204	4

2012	174	3
2013	151	2
2014	126	1
2015-2024	434	4

(1) 2010 amounts represent the amounts payable and receivable for the period from April 1, 2010 to December 31, 2010.

Actual timing and payment amounts may differ due to future contract settlements, modifications or exercises of options prior to the full premium being paid or received.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Equity indexed annuities and stock market certificate products have returns tied to the performance of equity markets. As a result of fluctuations in equity markets, the obligation incurred by the Company related to equity indexed annuities and stock market certificate products will positively or negatively impact earnings over the life of these products. As a means of economically hedging its obligations under the provisions of these products, the Company enters into index options and occasionally enters into futures contracts. The gross notional amount of these derivative contracts was $1.6 billion at March 31, 2010 and December 31, 2009.

The Company enters into forward contracts, futures and total return swaps to manage its exposure to price risk arising from seed money investments made in proprietary mutual funds. The gross notional amount of these contracts was $183 million and $191 million at March 31, 2010 and December 31, 2009, respectively.

The Company enters into foreign currency forward contracts to hedge its exposure to certain receivables and obligations denominated in non-functional currencies. The gross notional amount of these contracts was $5 million and $7 million at March 31, 2010 and December 31, 2009, respectively.

In the first quarter of 2010, the Company entered into a total return swap to hedge its exposure to equity price risk of Ameriprise Financial, Inc. common stock granted as part of its Deferred Equity Program for Independent Financial Advisors. As part of the contract, the Company expects to cash settle the difference between the value of a fixed number of shares at the contract date (which may be increased from time to time) and the value of those shares over an unwind period ending on December 31, 2010. The gross notional value of this contract was $31 million at March 31, 2010.

Embedded Derivatives

Certain annuities contain GMAB and non-life contingent GMWB provisions, which are considered embedded derivatives. In addition, the equity component of the equity indexed annuity and stock market investment certificate product obligations are also considered embedded derivatives. As captured in the tables above, embedded derivatives are bifurcated from their host contracts and reported on the Consolidated Balance Sheets at fair value with changes in fair value reported in earnings. As noted above, the Company uses derivatives to mitigate the financial statement impact of these embedded derivatives.

Cash Flow Hedges

The Company has designated and accounts for the following as cash flow hedges: (i) interest rate swaps to hedge interest rate exposure on debt, (ii) interest rate lock agreements to hedge interest rate exposure on debt issuances and (iii) swaptions used to hedge the risk of increasing interest rates on forecasted fixed premium product sales. The Company records amounts in accumulated other comprehensive income related to gains and losses associated with the effective portion of designated cash flow hedges. The Company reclassifies these amounts into income as the forecasted transactions impact earnings.

In November 2005, the Company terminated its swap agreements and recorded a gain in accumulated other comprehensive income. The gain on the swaps is being amortized as a reduction to interest expense over the period that the forecasted cash flows are expected to occur. As of January 2007, the Company removed the hedge designation from its swaptions due to the hedge relationship no longer being highly effective. Amounts previously recorded in accumulated other comprehensive income will be reclassified into earnings as the originally forecasted transactions occur. In March 2010, the Company terminated its rate lock agreement and recorded a gain in accumulated other comprehensive income. The gain on the rate lock is being amortized as a reduction in interest expense over the period that the forecasted cash flows are expected to occur. The following table shows the impact of the effective portion of the Company s cash flow hedges on the Consolidated Statements of Operations and the Consolidated Statements of Equity for the periods ended March 31, 2010 and 2009:

	Amount of Loss Recognized in Other Comprehensive Income on Derivatives			Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	
Derivatives designated as hedging instruments	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
	(in millions)			(in millions)	
Cash flow hedges					
Interest on debt	$ (10)	$	Interest and debt expense	$ 2	$ 2
Fixed annuity products			Net investment income	(2)	(2)
Total	$ (10)	$	Total	$	$

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At March 31, 2010, the Company expects to reclassify $2 million of net pretax gains on derivative instruments from accumulated other comprehensive income (loss) to earnings during the next 12 months. The $2 million net pretax gain is made up of an $8 million deferred gain related to interest rate swaps that will be recorded as a reduction to interest and debt expense, partially offset by a $6 million deferred loss related to interest rate swaptions that will be recorded in net investment income. For any hedge relationships that are discontinued because the forecasted transaction is not expected to occur according to the original strategy, any related amounts previously recorded in accumulated other comprehensive income are recognized in earnings immediately. No hedge relationships were discontinued during the periods ended March 31, 2010 and 2009 due to forecasted transactions no longer being expected to occur according to the original hedge strategy. For the three months ended March 31, 2010 and 2009, amounts recognized in earnings on derivative transactions that were ineffective were nil.

Currently, the longest period of time over which the Company is hedging exposure to the variability in future cash flows is 26 years and relates to forecasted debt interest payments.

Fair Value Hedges

During the first quarter of 2010, the Company entered into and designated three interest rate swaps to convert senior notes due 2015, 2019 and 2020 from fixed rate debt to floating debt. The swaps have identical terms as the underlying debt being hedged so there is no expected ineffectiveness related to the hedges. The Company recognizes gains and losses on the derivatives and the related hedged items within net interest and debt expense. The following table shows the amounts recognized in income for the period ended March 31, 2010:

Derivatives designated as hedging instruments	Location of Gain Recorded into Income	Amount of Gain Recognized in Income on Derivative (in millions)
Fair Value hedges		
Fixed rate debt	Interest and debt expense	$ 6
Total		$ 6

Credit Risk

Credit risk associated with the Company s derivatives is the risk that a derivative counterparty will not perform in accordance with the terms of the applicable derivative contract. To mitigate such risk, the Company has established guidelines and oversight of credit risk through a comprehensive enterprise risk management program that includes members of senior management. Key components of this program are to require preapproval of counterparties and the use of master netting arrangements and collateral arrangements wherever practical. As of March 31, 2010 and December 31, 2009, the Company held $47 million and $103 million, respectively, in cash and cash equivalents and recorded a corresponding liability in other liabilities for collateral the Company is obligated to return to counterparties. As of March 31, 2010 and December 31, 2009, the Company had accepted additional collateral consisting of various securities with a fair market value of nil and $22 million, respectively, which are not reflected on the Consolidated Balance Sheets. As of March 31, 2010 and December 31, 2009, the Company s maximum credit exposure related to derivative assets after considering netting arrangements with counterparties and collateral arrangements was approximately $33 million and $83 million, respectively.

Certain of the Company s derivative instruments contain provisions that adjust the level of collateral the Company is required to post based on the Company s debt rating (or based on the financial strength of the Company s life insurance subsidiaries for contracts in which those subsidiaries are the counterparty). Additionally, certain of the Company s derivative contracts contain provisions that allow the counterparty to terminate the contract if the Company s debt does not maintain a specific credit rating (generally an investment grade rating) or the Company s life insurance subsidiary does not maintain a specific financial strength rating. If these termination provisions were to be triggered, the Company s counterparty could require immediate settlement of any net liability position. At March 31, 2010 and December 31, 2009, the aggregate fair value of all derivative instruments in a net liability position containing such credit risk features was $347 million and $297 million, respectively. The aggregate fair value of assets posted as collateral for such instruments as of March 31, 2010 and December 31, 2009 was $336 million and $269 million, respectively. If the credit risk features of derivative contracts that were in a net liability position at March 31, 2010 and December 31, 2009 were triggered, the additional fair value of assets needed to settle these derivative liabilities would have been $11 million and $28 million, respectively.

12. Income Taxes

The Company s effective tax rates were 17.9% and 13.3% for the three months ended March 31, 2010 and 2009, respectively. The increase in the effective tax rate primarily reflects an increase in pretax income relative to tax advantaged items for the three months ended March 31, 2010.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The Company is required to establish a valuation allowance for any portion of the deferred tax assets that management believes will not be realized. Included in deferred tax assets is a significant deferred tax asset relating to capital losses that have been recognized for financial statement purposes but not yet for tax return purposes. Under current U.S. federal income tax law, capital losses generally must be used against capital gain income within five years of the year in which the capital losses are recognized for tax purposes. Significant judgment is required in determining if a valuation allowance should be established, and the amount of such allowance if required. Factors used in making this determination include estimates relating to the performance of the business including the ability to generate capital gains. Consideration is given to, among other things in making this determination, i) future taxable income exclusive of reversing temporary differences and carryforwards, ii) future reversals of existing taxable temporary differences, iii) taxable income in prior carryback years, and iv) tax planning strategies. Based on analysis of the Company s tax position, management believes it is more likely than not that the results of future operations and implementation of tax planning strategies will generate sufficient taxable income to enable the Company to utilize all of its deferred tax assets. Accordingly, no valuation allowance for deferred tax assets has been established as of March 31, 2010 and 2009.

Included in the Company s deferred income tax assets are tax benefits related to net operating loss carryforwards of $14 million which will expire beginning December 31, 2025. As a result of the Company s ability to file a consolidated U.S. federal income tax return including the Company s life insurance subsidiaries in 2010, as well as the expected level of taxable income management believes the Company s tax credit carryforwards will be utilized in the current year and therefore are not reflected as a deferred tax asset.

As of March 31, 2010 and December 31, 2009, the Company had $7 million of gross unrecognized tax benefits and $33 million of gross unrecognized tax expense, respectively. If recognized, approximately $79 million and $81 million, net of federal tax benefits, of unrecognized tax benefits as of March 31, 2010 and December 31, 2009, respectively, would affect the effective tax rate.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of the income tax provision. The Company recognized a net reduction of $10 million in interest and penalties for the three months ended March 31, 2010. At March 31, 2010 and December 31, 2009, the Company had a receivable of $22 million and $12 million, respectively, related to accrued interest and penalties.

It is reasonably possible that the total amounts of unrecognized tax benefits will change in the next 12 months. Based on the current audit position of the Company, it is estimated that the total amount of gross unrecognized tax benefits may increase by $20 million to $25 million in the next 12 months.

The Company or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 1997. The Internal Revenue Service (IRS), as part of the overall examination of the American Express Company consolidated return, completed its field examination of the Company s U.S. income tax returns for 1997 through 2002 during 2008 and completed its field examination of 2003 through 2004 in the third quarter of 2009. However, for federal income tax purposes these years continue to remain open as a consequence of certain issues under appeal. In the fourth quarter of 2008, the IRS commenced an examination of the Company s U.S. income tax returns for 2005 through 2007, which is expected to be completed in the second quarter of 2010. The Company s or certain of its subsidiaries state income tax returns are currently under examination by various jurisdictions for years ranging from 1998 through 2006.

On September 25, 2007, the IRS issued Revenue Ruling 2007-61 in which it announced that it intends to issue regulations with respect to certain computational aspects of the Dividends Received Deduction (DRD) related to separate account assets held in connection with variable contracts of life insurance companies. Revenue Ruling 2007-61 suspended a revenue ruling issued in August 2007 that purported to change accepted industry and IRS interpretations of the statutes governing these computational questions. Management believes that the IRS will concede this issue for open tax years and it is likely that any regulations that would result from a regulation project would apply prospectively only. Any regulations that the IRS ultimately proposes for issuance in this area will be subject to public notice and comment, at which time insurance companies and other members of the public will have the opportunity to raise legal and practical questions about the content, scope and application of such regulations. As a result, the ultimate timing and substance of any such regulations are unknown at this time, but they may result in the elimination of some or all of the separate account DRD tax benefit that we receive. Additionally, included in the Administration s 2011 Revenue Proposals is a provision to modify the DRD for life insurance companies separate accounts, which if enacted could significantly reduce the DRD tax benefits the Company would receive, prospectively, beginning in 2011.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

13. Contingencies

Owing to conditions then-prevailing in the credit markets and the isolated defaults of unaffiliated structured investment vehicles held in the portfolios of money market funds advised by its RiverSource Investments LLC subsidiary (the 2a-7 Funds), the Company closely monitored the net asset value of the 2a-7 Funds during 2008 and through the date of this report and, as circumstances warranted from time to time during 2008 and 2009, injected capital into one or more of the 2a-7 Funds. Management believes that the market conditions which gave rise to those circumstances have significantly diminished. The Company has not provided a formal capital support agreement or net asset value guarantee to any of the 2a-7 Funds.

The Company and its subsidiaries are involved in the normal course of business in legal, regulatory and arbitration proceedings, including class actions, concerning matters arising in connection with the conduct of its activities as a diversified financial services firm. These include proceedings specific to the Company as well as proceedings generally applicable to business practices in the industries in which it operates. The Company can also be subject to litigation arising out of its general business activities, such as its investments, contracts, leases and employment relationships. Uncertain economic conditions heightened volatility in the financial markets, such as those which have been experienced from the latter part of 2007 through 2009, and significant regulatory reform proposals may increase the likelihood that clients and other persons or regulators may present or threaten legal claims or that regulators increase the scope or frequency of examinations of the Company or the financial services industry generally.

As with other financial services firms, the level of regulatory activity and inquiry concerning the Company s businesses remains elevated. From time to time, the Company receives requests for information from, and/or has been subject to examination or claims by, the SEC, the Financial Industry Regulatory Authority, the Office of Thrift Supervision, state insurance and securities regulators, state attorneys general and various other governmental and quasi-governmental authorities on behalf of themselves or clients concerning the Company s business activities and practices, and the practices of the Company s financial advisors. Pending matters about which the Company has during recent periods received such information requests or claims include: sales and product or service features of, or disclosures pertaining to, mutual funds, annuities, equity and fixed income securities, insurance products, brokerage services, financial plans and other advice offerings; supervision of the Company s financial advisors; supervisory practices in connection with financial advisors outside business activities; sales practices and supervision associated with the sale of fixed and variable annuities and non-exchange traded (or private placement) securities; information security; the delivery of financial plans and the suitability of investments and product selection processes. The number of reviews and investigations has increased in recent years with regard to many firms in the financial services industry, including Ameriprise Financial. The Company has cooperated and will continue to cooperate with the applicable regulators regarding their inquiries.

These legal and regulatory proceedings and disputes are subject to uncertainties and, as such, the Company is unable to estimate the possible loss or range of loss that may result. An adverse outcome in one or more of these proceedings could result in adverse judgments, settlements, fines, penalties or other relief, in addition to further claims, examinations or adverse publicity, that could have a material adverse effect on the Company s consolidated financial condition or results of operations.

Certain legal and regulatory proceedings are described below.

In June 2004, an action captioned John E. Gallus et al. v. American Express Financial Corp. and American Express Financial Advisors Inc., was filed in the United States District Court for the District of Arizona, and was later transferred to the United States District Court for the District of Minnesota. The plaintiffs alleged that they were investors in several of the Company s mutual funds and they purported to bring the action derivatively on behalf of those funds under the Investment Company Act of 1940 (the 40 Act). The plaintiffs alleged that fees allegedly paid to the defendants by the funds for investment advisory and administrative services were excessive. Plaintiffs seek an order declaring that defendants have violated the 40 Act and awarding unspecified damages including excessive fees allegedly paid plus interest and other costs. On July 6, 2007, the Court granted the Company s motion for summary judgment, dismissing all claims with prejudice. Plaintiffs appealed the Court s decision, and on April 8, 2009, the U.S. Court of Appeals for the Eighth Circuit reversed the district court s decision, and remanded the case for further proceedings. The Company filed with the United States Supreme Court a Petition for Writ of Certiorari to review the judgment of the Court of Appeals in this case in light of the Supreme Court s anticipated review, of a similar excessive fee case captioned Jones v. Harris Associates. On March 30, 2010, the Supreme Court issued its ruling in Jones v. Harris Associates, and on April 5, 2010, the Supreme Court vacated the Eighth Circuit s decision in this case and remanded it to the Eighth Circuit for further consideration in light of the Supreme Court s

decision in Jones v. Harris Associates.

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

In July 2009, two issuers of private placement interests (Medical Capital Holdings, Inc./Medical Capital Corporation and affiliated corporations and Provident Shale Royalties, LLC and affiliated corporations) sold by the Company s subsidiary Securities America, Inc. (SAI) were placed into receivership, which has resulted in the filing of several putative class action lawsuits and numerous arbitrations naming both SAI and Ameriprise Financial as well as related regulatory inquiries and actions. The putative class actions and arbitrations generally allege violations of state and/or federal securities laws in connection with SAI s sales of these private placement interests. These actions were commenced in September 2009 and thereafter, and seek unspecified damages. Currently, two arbitrations have been scheduled for hearings later this year, in November and December 2010, with the other scheduled arbitration hearings set to begin in 2011. Motions to dismiss have been filed in three of the putative class actions. On January 26, 2010, the Commonwealth of Massachusetts filed an Administrative Complaint against SAI, and on February 16, 2010, SAI filed an Answer. At this time, an Administrative Hearing in this matter has been scheduled to commence July 20-22, 2010. On April 15, 2010, the four Medical Capital-related class actions were centralized and moved to the Central District of California United States Judicial Panel on Multidistrict Litigation under the caption In re: Medical Capital Securities Litigation. On May 27, 2010, the Judicial Panel on Multidistrict Litigation will hold a hearing regarding centralizing the Provident Shale-related class actions.

14. Guarantees

An unaffiliated third party is providing liquidity to clients of SAI registered representatives that have assets in the Reserve Primary Fund that have been blocked from redemption and frozen by the Reserve Fund since September 16, 2008. The Company has agreed to indemnify the unaffiliated third party up to $10 million until April 15, 2015, for costs incurred as a result of an arbitration or litigation initiated against the unaffiliated third party by clients of SAI registered representatives. In the event that a client defaults in the repayment of an advance, SAI has recourse to collect from the defaulting client.

Certain property fund limited partnerships that the Company consolidates have floating rate revolving credit borrowings of $358 million as of March 31, 2010. Certain Threadneedle subsidiaries guarantee the repayment of outstanding borrowings up to the value of the assets of the partnerships. The debt is secured by the assets of the partnerships and there is no recourse to Ameriprise Financial.

15. Earnings per Share Attributable to Ameriprise Financial Common Shareholders

The computations of basic and diluted earnings per share attributable to Ameriprise Financial common shareholders are as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions, except per share amounts)	
Numerator:		
Net income attributable to Ameriprise Financial	$ 214	$ 130
Denominator:		
Basic: Weighted-average common shares outstanding	260.8	222.3
Effect of potentially dilutive nonqualified stock options and other share-based awards	4.2	1.2
Diluted: Weighted-average common shares outstanding	265.0	223.5
Earnings per share attributable to Ameriprise Financial common shareholders:		
Basic	$ 0.82	$ 0.58
Diluted	$ 0.81	$ 0.58

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AMERIPRISE FINANCIAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

16. Segment Information

The Company s five segments are Advice & Wealth Management, Asset Management, Annuities, Protection and Corporate & Other.

The following is a summary of assets by segment:

	March 31, 2010	December 31, 2009
	(in millions)	
Advice & Wealth Management	$ 11,049	$ 11,098
Asset Management	6,256	5,955
Annuities	78,326	77,037
Protection	16,767	16,758
Corporate & Other	9,979	2,926
Total assets	$ 122,377	$ 113,774

The following is a summary of segment operating results:

	Three Months Ended March 31, 2010						
	Advice & Wealth Management	Asset Management	Annuities	Protection	Corporate & Other	Eliminations	Consolidated
	(in millions)						
Revenue from external customers	$ 716	$ 351	$ 580	$ 490	$ 155	$	$ 2,292
Intersegment revenue	184	19	22	17	2	(244)	
Total revenues	900	370	602	507	157	(244)	2,292
Banking and deposit interest expense	21						21
Net revenues	879	370	602	507	157	(244)	2,271
Pretax income	$ 51	$ 18	$ 120	$ 119	$ 53	$	361
Income tax provision							65
Net income							296
Less: Net income attributable to noncontrolling interests							82
Net income attributable to Ameriprise Financial							$ 214

	Three Months Ended March 31, 2009						
	Advice & Wealth Management	Asset Management	Annuities	Protection	Corporate & Other	Eliminations	Consolidated
	(in millions)						
Revenue from external customers	$ 530	$ 250	$ 477	$ 483	$ 18	$	$ 1,758
Intersegment revenue	237	10	15	13	1	(276)	

Total revenues		767		260		492		496		19		(276)		1,758
Banking and deposit interest expense		41								2		(1)		42
Net revenues		726		260		492		496		17		(275)		1,716
Pretax income (loss)	$	(61)	$	(8)	$	129	$	112	$	(38)	$			134
Income tax provision														18
Net income														116
Less: Net loss attributable to noncontrolling interests														(14)
Net income attributable to Ameriprise Financial													$	130

17. Acquisition of the Long-Term Asset Management Business of Columbia Management Group

On April 30, 2010, the Company completed its all-cash acquisition of the long-term asset management business of Columbia Management. The total consideration paid, subject to post-closing adjustment, was approximately $1 billion and was funded through the use of cash on hand. This acquisition is intended to further enhance the scale and performance of the Company s retail mutual fund and institutional management businesses.

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our consolidated financial condition and results of operations should be read in conjunction with the Forward-Looking Statements that follow and our Consolidated Financial Statements and Notes presented in Item 1. Our Management s Discussion and Analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission (SEC) on February 24, 2010 (2009 10-K), as well as our current reports on Form 8-K and other publicly available information.

Overview

We provide financial planning, products and services that are designed to be utilized as solutions for our clients cash and liquidity, asset accumulation, income, protection and estate and wealth transfer needs. Our model for delivering these solutions is centered on building long-term personal relationships between our affiliated advisors and clients, and in the case of our products distributed through unaffiliated advisors, by supporting those advisors in building strong client relationships. We believe that our focus on personal relationships, together with our strengths in financial planning and product development, allow us to better address the evolving financial needs of our clients and our primary target market segment, the mass affluent and affluent, which we define as households with investable assets of more than $100,000.

Our branded affiliated advisors financial planning and advisory process is designed to provide comprehensive advice, when appropriate, to address our clients cash and liquidity, asset accumulation, income, protection, and estate and wealth transfer needs. This approach allows us to recommend actions and a range of product solutions consisting of investment, annuity, insurance, banking and other financial products that help clients attain over time a return or form of protection while accepting what they determine to be an appropriate range and level of risk. Our focus puts us in a strong position to capitalize on significant demographic and market trends, which we believe will continue to drive increased demand for our financial planning and other financial services. Our focus on deep client-advisor relationships has been central to the ability of our business model to succeed through the extreme market conditions of 2008 and 2009, and we believe it will help us to respond to future market cycles.

Our multi-platform network of affiliated financial advisors is the primary means by which we develop personal relationships with retail clients. As of March 31, 2010, we had a network of 11,837 financial advisors and registered representatives (affiliated financial advisors). We refer to the affiliated financial advisors who use our brand name as our branded advisors, and those who do not use our brand name but who are affiliated as registered representatives of ours, as our unbranded advisors. The financial product solutions we offer through our affiliated advisors include both our own products and services and the products of other companies. Our branded advisor network is the primary distribution channel through which we offer our investment and annuity products and services, as well as a range of banking and protection products. Our asset management, annuity and auto and home protection products are also distributed through unaffiliated advisors and affinity relationships. We offer our branded advisors training, tools, leadership, marketing programs and other field and centralized support to assist them in delivering advice and product solutions to clients. We support unaffiliated advisors with strong sales and service support and our solutions which they provide to clients. We believe our approach not only improves the products and services we provide to their clients, but allows us to reinvest in enhanced services for clients and increase support for financial advisors. Our integrated model of financial planning, diversified product manufacturing and affiliated and non-affiliated product distribution affords us a better understanding of our clients, which allows us to better manage the risk profile of our businesses. We believe our focus on meeting clients needs through personal financial planning results in more satisfied clients with deeper, longer lasting relationships with our company and a higher retention of experienced financial advisors.

We have four main operating segments: Advice & Wealth Management, Asset Management, Annuities and Protection, as well as our Corporate & Other segment. Our four main operating segments are aligned with the financial solutions we offer to address our clients needs. The products and services we provide retail clients and, to a lesser extent, institutional clients, are the primary source of our revenues and net income. Revenues and net income are significantly affected by investment performance and the total value and composition of assets we manage and administer for our retail and institutional clients as well as the distribution fees we receive from other companies. These factors, in turn, are largely determined by overall investment market performance and the depth and breadth of our individual client relationships.

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We continue to establish Ameriprise Financial as a financial services leader as we focus on meeting the financial needs of the mass affluent and affluent, as evidenced by our continued leadership in financial planning, a client retention percentage rate of 91%, and our status as a top ten ranked firm within core portions of each of our four main operating segments, including the size of our U.S. advisor force, long-term U.S. mutual fund assets, variable annuity sales and variable universal life sales.

Equity price, credit market and interest rate fluctuations can have a significant impact on our results of operations, primarily due to the effects they have on the asset management and other asset-based fees we earn, the spread income generated on our annuities, banking and deposit products and universal life (UL) insurance products, the value of deferred acquisition costs (DAC) and deferred sales inducement costs (DSIC) assets associated with variable annuity and variable UL products, the values of liabilities for guaranteed benefits associated with our variable annuities and the values of derivatives held to hedge these benefits. For additional information regarding our sensitivity to equity price and interest rate risk, see Quantitative and Qualitative Disclosures About Market Risk.

In June 2009, the Financial Accounting Standards Board (FASB) updated the accounting standards related to the required consolidation of certain variable interest entities (VIEs). We adopted the accounting standard effective January 1, 2010 and recorded as a cumulative change in accounting principle an increase to appropriated retained earnings of consolidated investment entities of $473 million and consolidated approximately $5.5 billion of client assets and $5.1 billion of liabilities in VIEs onto our Consolidated Balance Sheets that were not previously consolidated. Management views the VIE assets as client assets and the liabilities have recourse only to those assets. While the economics of our business have not changed, the financial statements were impacted. Prior to adoption, we consolidated certain property funds and hedge funds. These entities and the VIEs consolidated as of January 1, 2010, are defined as consolidated investment entities (CIEs). On a going forward basis, changes in the valuation of the CIE assets and liabilities will impact pretax income. The net income of the CIEs will be reflected in net income attributable to noncontrolling interests. The results of operations of the CIEs are reflected in the Corporate & Other segment. On a consolidated basis, the management fees we earn for the services we provide to the CIEs and the related general and administrative expenses are eliminated and the changes in the assets and liabilities related to the CIEs, primarily debt and underlying bank loans, are reflected in net investment income. We continue to include the fees in the management and financial advice fees line within our Asset Management segment.

Management believes it is important to present the Consolidated Statements of Operations excluding the CIEs to improve transparency of the underlying performance and economics of our ongoing operations. The CIEs we manage have the following characteristics:

- **They were formed on behalf of institutional investors to obtain a diversified investment portfolio and were not formed in order to obtain financing for Ameriprise Financial.**

· They were formed on behalf of institutional investors to obtain a diversified investment portfolio and wer

- **Ameriprise Financial receives customary, industry standard management fees for the services it provides to these CIEs and has a fiduciary responsibility to maximize the investors returns.**

- **Ameriprise Financial does not have any obligation to provide financial support to the CIEs, does not provide any performance guarantees of the CIEs and has no obligation to absorb the investors losses.**

- **Management excludes the impact of consolidating the CIEs on assets, liabilities, pretax income and equity for setting our financial performance targets and annual incentive award compensation targets.**

It is management s priority to increase shareholder value over a multi-year horizon by achieving our on-average, over-time financial targets.

Our financial targets are:

- **Net revenue growth excluding consolidated investment entities of 6% to 8%,**

- **Earnings per diluted share growth of 12% to 15%, and**

- **Return on equity excluding consolidated investment entities of 12% to 15%.**

- Return on equity excluding consolidated investment entities of 12% to 15%. 157

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Net revenues for the three months ended March 31, 2010 were $2.3 billion, an increase of $555 million, or 32%, from the prior year period. Net revenues excluding CIEs for the three months ended March 31, 2010 were $2.1 billion, an increase of $416 million, or 24%, from the prior year period. Net income attributable to Ameriprise Financial for the three months ended March 31, 2010 was $214 million compared to $130 million for the prior year period. Earnings per diluted share for the three months ended March 31, 2010 were $0.81 compared to $0.58 for the prior year period.

On April 30, 2010, we completed our all-cash acquisition of the long-term asset management business of Columbia Management Group (Columbia) from Bank of America, N.A. The total consideration paid, subject to post-closing adjustments, was approximately $1 billion and was funded through the use of cash on hand. This acquisition is intended to further enhance the scale and performance of our retail mutual fund and institutional management businesses. Related to the transaction, we have incurred $12 million of pretax non-recurring acquisition and integration costs through March 31, 2010, and expect to incur between $130 million and $160 million in total of such costs through 2011. These costs include system integration costs, proxy and other regulatory filing costs, employee reduction and retention costs, and investment banking, legal and other acquisition costs.

In the fourth quarter of 2008, we completed the all cash acquisitions of H&R Block Financial Advisors, Inc., subsequently renamed Ameriprise Advisor Services, Inc. (AASI), J.&W. Seligman & Co., Incorporated (Seligman) and Brecek & Young Advisors, Inc. to expand our retail distribution and asset management businesses. The cost of the acquisitions was $787 million, which included the purchase price and transaction costs. We recorded the assets and liabilities acquired at fair value and allocated the remaining costs to goodwill and intangible assets. Integration charges of $2 million and $19 million relating to these acquisitions were included in general and administrative expense for the three months ended March 31, 2010 and 2009, respectively.

Critical Accounting Policies

The accounting and reporting policies that we use affect our Consolidated Financial Statements. Certain of our accounting and reporting policies are critical to an understanding of our results of operations and financial condition and, in some cases, the application of these policies can be significantly affected by the estimates, judgments and assumptions made by management during the preparation of our Consolidated Financial Statements. These accounting policies are discussed in detail in Management s Discussion and AnalysisCritical Accounting Policies in our 2009 10-K.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements and their expected impact on our future consolidated results of operations or financial condition, see Note 2 to our Consolidated Financial Statements.

Owned, Managed and Administered Assets

Owned assets include certain assets on our Consolidated Balance Sheets for which we do not provide investment management services and do not recognize management fees, such as investments in non-affiliated funds held in the separate accounts of our life insurance subsidiaries, as well as restricted and segregated cash and receivables.

Managed assets include managed external client assets and managed owned assets. At January 1, 2010, we consolidated approximately $5.5 billion of client assets in VIEs onto our Consolidated Balance Sheets that were not previously consolidated. Prior to January 1, 2010, these assets were included in managed external client assets and were subsequently included in managed owned assets. Managed external client assets include client assets for which we provide investment management services, such as the assets of the RiverSource, Seligman and Threadneedle Asset Management Holdings Sàrl (Threadneedle) families of mutual funds, assets of institutional clients and client assets held in wrap accounts. Managed external client assets also include assets managed by sub-advisors selected by us. Managed external client assets are not reported on our Consolidated Balance Sheets. Managed owned assets include certain assets on our Consolidated Balance Sheets for which we provide investment management services and recognize management fees in our Asset Management segment, such as the assets of the general account, RiverSource Variable Product funds held in the separate accounts of our life insurance subsidiaries and client assets of CIEs.

Investors in the mutual funds and face amount certificates we advise may redeem shares on each business day, provided that redemption orders are submitted in a timely fashion. For our institutional clients, advisory contracts may generally be terminated (and managed assets redeemed) upon 30 days written notice. However, we may in limited circumstances negotiate customized termination provisions with certain clients during the contracting process, or we may waive negotiated notice periods at our discretion. Investors in the private investment funds we sponsor can generally redeem shares as of each month end upon 30-days advance written notice, with limited exceptions. In addition, the notice requirements for our private investment funds may be waived or reduced at the discretion of the applicable fund.

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Administered assets include assets for which we provide administrative services such as client assets invested in other companies products that we offer outside of our wrap accounts. These assets include those held in clients brokerage accounts. We generally record fees received from administered assets as distribution fees. We do not exercise management discretion over these assets and do not earn a management fee. These assets are not reported on our Consolidated Balance Sheets.

We earn management fees on our owned separate account assets based on the market value of assets held in the separate accounts. We record the income associated with our owned investments, including net realized gains and losses associated with these investments and other-than-temporary impairments related to credit losses on these investments, as net investment income. For managed assets, we receive management fees based on the value of these assets. We generally report these fees as management and financial advice fees. We may also receive distribution fees based on the value of these assets.

Our owned, managed and administered assets are impacted by net flows of client assets, market movements and foreign exchange rates. Owned assets are also affected by changes in our capital structure.

The following table presents detail regarding our owned, managed and administered assets:

	March 31,		
	2010	2009	Change
	(in billions, except percentages)		
Owned Assets	$ 37.6	$ 29.6	27%
Managed Assets(1):			
Domestic	152.6	125.2	22
International	97.1	68.3	42
Wrap account assets	100.0	68.2	47
Eliminations(2)	(17.9)	(8.4)	NM
Total Managed Assets	331.8	253.3	31
Administered Assets	93.9	71.1	32
Total Owned, Managed and Administered Assets	$ 463.3	$ 354.0	31%

(1) Includes managed external client assets and managed owned assets.

(2) Includes eliminations for Domestic mutual fund assets included in wrap account assets and Domestic assets sub-advised by Threadneedle.

Consolidated Results of Operations for the Three Months Ended March 31, 2010 and 2009

In June 2009, the FASB updated the accounting standards related to the required consolidation of certain VIEs. We adopted the accounting standard effective January 1, 2010 and recorded as a cumulative change in accounting principle an increase to appropriated retained earnings of consolidated investment entities of $473 million and consolidated approximately $5.5 billion of client assets and $5.1 billion of liabilities in VIEs onto our Consolidated Balance Sheets that were not previously consolidated. Management views the VIE assets as client assets and the liabilities have recourse only to those assets. While the economics of our business have not changed, the financial statements were impacted. Prior to adoption, we consolidated certain property funds and hedge funds. These entities and the VIEs consolidated as of January 1, 2010, are defined as CIEs. On a going forward basis, changes in the valuation of the CIE assets and liabilities will impact pretax income. The net income of the CIEs will be reflected in net income attributable to noncontrolling interests. On a consolidated basis, the management fees we earn for the services we provide to the CIEs and the related general and administrative expenses are eliminated and the changes in the assets and liabilities related to the CIEs, primarily debt and underlying bank loans, are reflected in net investment income. Management believes it is important to present the Consolidated Statements of Operations excluding the CIEs to improve transparency into the underlying performance and economics of our ongoing operations. For additional information on our presentation of results excluding CIEs, refer to our discussion within the Overview section above.

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The following table presents our consolidated results of operations:

	Three Months Ended March 31,							
	2010			2009				
	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs	Earnings Excluding CIEs Change	
	(in millions, unaudited)							
Revenues								
Management and financial advice fees	$ 774	$ (9)	$ 783	$ 554	$	$ 554	$ 229	41%
Distribution fees	391		391	311		311	80	26
Net investment income	590	79	511	418	1	417	94	23
Premiums	282		282	266		266	16	6
Other revenues	255	57	198	209	(12)	221	(23)	(10)
Total revenues	2,292	127	2,165	1,758	(11)	1,769	396	22
Banking and deposit interest expense	21		21	42	1	41	(20)	(49)
Total net revenues	2,271	127	2,144	1,716	(12)	1,728	416	24
Expenses								
Distribution expenses	525		525	384		384	141	37
Interest credited to fixed accounts	228		228	205		205	23	11
Benefits, claims, losses and settlement expenses	354		354	100		100	254	NM
Amortization of deferred acquisition costs	118		118	286		286	(168)	(59)
Interest and debt expense	64	40	24	26		26	(2)	(8)
General and administrative expense	621	5	616	581	2	579	37	6
Total expenses	1,910	45	1,865	1,582	2	1,580	285	18
Pretax income	361	82	279	134	(14)	148	131	89
Income tax provision	65		65	18		18	47	NM
Net income	296	82	214	116	(14)	130	84	65
Less: Net income (loss) attributable to noncontrolling interests	82	82		(14)	(14)			
Net income attributable to Ameriprise Financial	$ 214	$	$ 214	$ 130	$	$ 130	$ 84	65

Overall

Net income attributable to Ameriprise Financial for three months ended March 31, 2010 was $214 million compared to $130 million for the prior year period. The increase was driven by higher asset-based revenues, higher income from spread products and re-engineering benefits.

Net Revenues

Net revenues increased $555 million, or 32%, to $2.3 billion for the three months ended March 31, 2010 compared to $1.7 billion for the prior year period. Net revenues excluding CIEs include the management and financial advice fees we earn from services we provide to the CIEs and exclude the revenues of the CIEs. Net revenues excluding CIEs increased $416 million, or 24%, to $2.1 billion for the three months ended March 31, 2010 compared to $1.7 billion for the prior year period driven by growth in management fees from market appreciation on assets and net inflows in wrap accounts and asset management, as well as higher net investment income from higher fixed annuity account balances and higher investment yields.

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Management and financial advice fees increased $220 million, or 40%, to $774 million for the three months ended March 31, 2010 compared to $554 million for the prior year period. Management and financial advice fees excluding CIEs include the management and financial advice fees we earn from services we provide to the CIEs. Management and financial advice fees excluding CIEs increased $229 million, or 41%, to $783 million for the three months ended March 31, 2010 compared to $554 million for the prior year period primarily due to market appreciation on assets and net inflows in wrap accounts and asset management. The daily average S&P 500 Index increased 38% compared to the prior year period. Wrap account assets increased $31.8 billion, or 47%, to $100.0 billion at March 31, 2010 due to market appreciation and net inflows. Total Asset Management managed assets increased $54.9 billion, or 29%, compared to the prior year period primarily due to market appreciation, as well as net inflows in prior quarters.

Distribution fees increased $80 million, or 26%, to $391 million for the three months ended March 31, 2010 compared to $311 million in the prior year period primarily due to higher asset-based fees driven by market appreciation, as well as an increase in client activity.

Net investment income increased $172 million, or 41%, to $590 million for the three months ended March 31, 2010 compared to $418 million in the prior year period. Net investment income excluding CIEs excludes the changes in the assets and liabilities related to the CIEs, primarily debt and underlying bank loans. Net investment income excluding CIEs increased $94 million, or 23%, to $511 million for the three months ended March 31, 2010 compared to $417 million for the prior year period primarily due to an increase of $86 million in investment income on fixed maturity securities driven by higher fixed annuity account balances and higher investment yields. For the three months ended March 31, 2010, net realized gains from sales of Available-for-Sale securities were $32 million and other-than-temporary impairments recognized in earnings were $30 million, which primarily related to credit losses on non-agency residential mortgage backed securities. For the three months ended March 31, 2009, net realized gains from sales of Available-for-Sale securities were $51 million and other-than-temporary impairments recognized in earnings were $35 million, which related to credit losses on non-agency residential mortgage backed securities, corporate debt securities primarily in the gaming industries and other structured investments.

Premiums increased $16 million, or 6%, to $282 million for the three months ended March 31, 2010, primarily due to growth in Auto and Home premiums driven by higher volumes, as well as higher sales of immediate annuities with life contingencies. Auto and Home policy counts increased 9% period-over-period.

Other revenues increased $46 million, or 22%, to $255 million for the three months ended March 31, 2010 compared to $209 million in the prior year period. Other revenues excluding CIEs exclude revenues of consolidated property funds. Other revenues excluding CIEs decreased $23 million, or 10%, to $198 million for the three months ended March 31, 2010 compared to $221 million in the prior year period primarily due to a $50 million benefit in the first quarter of 2009 from repurchasing our 7.5% junior subordinated notes due 2066 (junior notes) at a discount, partially offset by a $20 million benefit from the payments related to the Reserve Funds matter in the first quarter of 2010 and an increase in our guaranteed benefit rider fees on variable annuities.

Banking and deposit interest expense decreased $21 million, or 50%, to $21 million for the three months ended March 31, 2010 compared to $42 million in the prior year period primarily due to lower crediting rates on certificate products.

Expenses

Total expenses increased $328 million, or 21%, to $1.9 billion for the three months ended March 31, 2010 compared to $1.6 billion for the prior year period. Total expenses excluding CIEs primarily exclude interest expense on CIE debt. Expenses excluding CIEs increased $285 million, or 18%, to $1.9 billion for the three months ended March 31, 2010 compared to $1.6 billion for the prior year period primarily due to an increase in distribution expenses and benefits, claims, losses and settlement expenses, partially offset by a decrease in amortization of DAC.

Distribution expenses increased $141 million, or 37%, to $525 million for the three months ended March 31, 2010 compared to $384 million in the prior year period reflecting market appreciation and higher non-deferred distribution-related costs.

Interest credited to fixed accounts increased $23 million, or 11%, to $228 million for the three months ended March 31, 2010 compared to $205 million for the prior year period primarily due to higher average fixed annuity account balances and higher average fixed annuity crediting rates. Average fixed annuities contract accumulation values increased $1.6 billion, or 12%, compared to the prior year period. The average fixed annuity crediting rate excluding capitalized interest increased to 3.9% in the first quarter of 2010 compared to 3.8% in the prior year period.

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Benefits, claims, losses and settlement expenses increased $254 million to $354 million for the three months ended March 31, 2010 compared to $100 million for the prior year period driven by an increase in expenses from variable annuity benefit guarantees. The mark-to-market impact of variable annuity living benefits, net of hedges and DSIC, increased benefits expense by $23 million in the first quarter of 2010, primarily driven by model changes, the impact of risk margins and nonperformance spread on the fair value of living benefit liabilities and basis risk. Changes to our variable product asset allocation program we will introduce in 2010 are designed, among other things, to improve the mitigation of basis risk. The mark-to-market impact of variable annuity living benefits, net of hedges and DSIC, decreased benefits expense by $231 million in the first quarter of 2009 primarily due to the impact of nonperformance spread widening on the fair value of living benefit liabilities. Benefits, claims, losses and settlement expenses related to our auto and home business and immediate annuities with life contingencies increased compared to the prior year period primarily due to higher business volumes.

Amortization of DAC decreased $168 million, or 59%, to $118 million for the three months ended March 31, 2010 compared to $286 million in the prior year period. DAC amortization in the first quarter of 2010 was reduced by $13 million due to market impacts, including $6 million offsetting higher variable annuity guaranteed living benefit expenses, net of hedges. DAC amortization in the first quarter of 2009 was increased by $186 million due to market impacts, including a $146 million expense offsetting gains on variable annuity guaranteed living benefits, net of hedges. The benefit to DAC amortization from market impacts compared to the prior year period was partially offset by an increase in variable annuity amortization due to higher period-over-period account values and associated asset fees.

Interest and debt expense increased $38 million to $64 million for the three months ended March 31, 2010 compared to $26 million in the prior year period. Interest and debt expense excluding CIEs excludes interest expense on CIE debt. Interest and debt expense excluding CIEs decreased $2 million, or 8%, to $24 million for the three months ended March 31, 2010 compared to $26 million in the prior year period.

General and administrative expense increased $40 million, or 7%, to $621 million for the three months ended March 31, 2010 compared to $581 million for the prior year period. General and administrative expense excluding CIEs increased $37 million, or 6%, to $616 million for the three months ended March 31, 2010 primarily due to a $27 million expense related to recognizing a substantial increase in Threadneedle s estimated market valuation attributable to its incentive compensation program compared to the 2009 market valuation. The charge reflects a valuation that increased more than 100% from the prior year and is higher than the year-end 2007 estimated valuation. We use this annual valuation to mark-to-market all current and historical reserves for the program. General and administrative expense in the first quarter of 2009 included a benefit of $10 million related to this valuation.

Income Taxes

Our effective tax rate on net income including net income (loss) attributable to noncontrolling interests was 17.9% for the three months ended March 31, 2010, compared to 13.3% for the three months ended March 31, 2009. The increase in the effective tax rate primarily reflects an increase in pretax income relative to tax advantaged items for the three months ended March 31, 2010.

On September 25, 2007, the Internal Revenue Service (IRS) issued Revenue Ruling 2007-61 in which it announced that it intends to issue regulations with respect to certain computational aspects of the Dividends Received Deduction (DRD) related to separate account assets held in connection with variable contracts of life insurance companies. Revenue Ruling 2007-61 suspended a revenue ruling issued in August 2007 that purported to change accepted industry and IRS interpretations of the statutes governing these computational questions. Management believes that the IRS will concede this issue for open tax years and it is likely that any regulations that would result from a regulation project would apply prospectively only. Any regulations that the IRS ultimately proposes for issuance in this area will be subject to public notice and comment, at which time insurance companies and other members of the public will have the opportunity to raise legal and practical questions about the content, scope and application of such regulations. As a result, the ultimate timing and substance of any such regulations are unknown at this time, but they may result in the elimination of some or all of the separate account DRD tax benefit that we receive. Additionally, included in the Administration s 2011 Revenue Proposals is a provision to modify the DRD for life insurance companies separate accounts, which if enacted could significantly reduce the DRD tax benefits we would receive, prospectively, beginning in 2011.

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Results of Operations by Segment for the Three Months Ended March 31, 2010 and 2009

The following tables present summary financial information by segment:

	Three Months Ended March 31,					
	2010			2009		
	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs
	(in millions, unaudited)					
Advice & Wealth Management						
Net revenues	$ 879	$	$ 879	$ 726	$	$ 726
Expenses	828		828	787		787
Pretax income (loss)	$ 51	$	$ 51	$ (61)	$	$ (61)
Asset Management						
Net revenues	$ 370	$	$ 370	$ 260	$	$ 260
Expenses	352		352	268		268
Pretax income (loss)	$ 18	$	$ 18	$ (8)	$	$ (8)
Annuities						
Net revenues	$ 602	$	$ 602	$ 492	$	$ 492
Expenses	482		482	363		363
Pretax income	$ 120	$	$ 120	$ 129	$	$ 129
Protection						
Net revenues	$ 507	$	$ 507	$ 496	$	$ 496
Expenses	388		388	384		384
Pretax income	$ 119	$	$ 119	$ 112	$	$ 112
Corporate & Other						
Net revenues	$ 157	$ 136	$ 21	$ 17	$ (12)	$ 29
Expenses	104	54	50	55	2	53
Pretax loss	53	82	(29)	(38)	(14)	(24)
Less: Net income (loss) attributable to noncontrolling interests	82	82		(14)	(14)	
Pretax loss attributable to Ameriprise Financial	$ (29)	$	$ (29)	$ (24)	$	$ (24)
Eliminations						
Net revenues	$ (244)	$ (9)	$ (235)	$ (275)	$	$ (275)
Expenses	(244)	(9)	(235)	(275)		(275)
Pretax income	$	$	$	$	$	$

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	Three Months Ended March 31,			
	2010	Percent Share of Total	2009	Percent Share of Total
	(in millions, except percentages)			
Total net revenues excluding CIEs				
Advice & Wealth Management	$ 879	41%	$ 726	42%
Asset Management	370	17	260	15
Annuities	602	28	492	28
Protection	507	24	496	29
Corporate & Other	21	1	29	2
Eliminations	(235)	(11)	(275)	(16)
Total net revenues	$ 2,144	100%	$ 1,728	100%
Total expenses excluding CIEs				
Advice & Wealth Management	$ 828	44%	$ 787	50%
Asset Management	352	19	268	17
Annuities	482	26	363	23
Protection	388	21	384	24
Corporate & Other	50	3	53	3
Eliminations	(235)	(13)	(275)	(17)
Total expenses	$ 1,865	100%	$ 1,580	100%
Pretax income (loss) attributable to Ameriprise Financial				
Advice & Wealth Management	$ 51	18%	$ (61)	(41)%
Asset Management	18	6	(8)	(5)
Annuities	120	43	129	87
Protection	119	43	112	76
Corporate & Other	(29)	(10)	(24)	(17)
Pretax income	$ 279	100%	$ 148	100%

Advice & Wealth Management

Our Advice & Wealth Management segment provides financial planning and advice, as well as full service brokerage and banking services, primarily to retail clients through our financial advisors. Our affiliated financial advisors utilize a diversified selection of both affiliated and non-affiliated products to help clients meet their financial needs. A significant portion of revenues in this segment is fee-based, driven by the level of client assets, which is impacted by both market movements and net asset flows. We also earn net investment income on owned assets primarily from certificate and banking products. This segment earns revenues (distribution fees) for distributing non-affiliated products and earns intersegment revenues (distribution fees) for distributing our affiliated products and services provided to our retail clients. Intersegment expenses for this segment include expenses for investment management services provided by the Asset Management segment.

In addition to purchases of affiliated and non-affiliated mutual funds and other securities on a stand-alone basis, clients may purchase mutual funds, among other securities, in connection with investment advisory fee-based wrap account programs or services, and pay fees based on a percentage of their assets.

The following table presents the changes in wrap account assets:

	Three Months Ended March 31,	
	2010	2009
	(in billions)	
Balance at January 1	$ 94.9	$ 72.8
Net flows	2.5	1.3
Market appreciation/(depreciation)	2.6	(5.9)
Balance at March 31	$ 100.0	$ 68.2

Wrap account assets had net inflows of $2.5 billion for the three months ended March 31, 2010 compared to $1.3 billion in the prior year period and market appreciation of $2.6 billion in the first quarter of 2010 compared to market depreciation of $5.9 billion in the prior year period.

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We provide securities execution and clearing services for our retail and institutional clients through our registered broker-dealer subsidiaries. As of March 31, 2010, we administered $93.9 billion in assets for clients, an increase of $22.8 billion compared to the prior year period primarily due to market appreciation.

The following table presents the results of operations of our Advice & Wealth Management segment:

	Three Months Ended March 31,			
	2010	2009	Change	
	(in millions, except percentages)			
Revenues				
Management and financial advice fees	$ 368	$ 268	$ 100	37%
Distribution fees	436	431	5	1
Net investment income	74	51	23	45
Other revenues	22	17	5	29
Total revenues	900	767	133	17
Banking and deposit interest expense	21	41	(20)	(49)
Total net revenues	879	726	153	21
Expenses				
Distribution expenses	536	462	74	16
General and administrative expense	292	325	(33)	(10)
Total expenses	828	787	41	5
Pretax income (loss)	$ 51	$ (61)	$ 112	NM

NM Not Meaningful.

Our Advice & Wealth Management segment pretax income was $51 million for the three months ended March 31, 2010 compared to a loss of $61 million in the prior year period.

Net Revenues

Net revenues were $879 million for the three months ended March 31, 2010 compared to $726 million in the prior year period, an increase of $153 million, or 21%, driven by an increase in management and financial advice fees and net investment income, as well as a decrease in banking and deposit interest expense.

Management and financial advice fees increased $100 million, or 37%, to $368 million for the three months ended March 31, 2010, driven by market appreciation on assets and net inflows in wrap accounts. The daily average S&P 500 Index increased 38% compared to the prior year period. Wrap account assets increased $31.8 billion, or 47%, to $100.0 billion at March 31, 2010 due to market appreciation and net inflows. Financial planning fees were higher for the three months ended March 31, 2010 compared to the prior year period.

Distribution fees increased $5 million, or 1%, to $436 million for the three months ended March 31, 2010, primarily due to higher asset-based fees driven by market appreciation, as well as an increase in client activity. This increase was partially offset by lower intersegment distribution fees due to slow sales of annuities compared to the prior year period.

Net investment income increased $23 million, or 45%, to $74 million for the three months ended March 31, 2010 compared to $51 million for the prior year period primarily due to lower net realized investment losses, higher client loan interest and an increase in income related to the mark-to-market of trading securities. Net realized investment losses were $1 million in the first quarter of 2010 compared to $10 million in the prior year period due to lower impairments on Available-for-Sale securities.

Banking and deposit interest expense decreased $20 million, or 49%, to $21 million for the three months ended March 31, 2010, primarily due to lower crediting rates on certificates.

Expenses

Total expenses increased $41 million, or 5%, to $828 million for the three months ended March 31, 2010, due to an increase in distribution expenses partially offset by a decrease in general and administrative expense.

Distribution expenses increased $74 million, or 16%, to $536 million for the three months ended March 31, 2010, primarily reflecting market appreciation.

General and administrative expense decreased $33 million, or 10%, from the prior year period primarily due to expense controls, as well as a decrease in integration costs related to our 2008 acquisition of H&R Block Financial Advisors, Inc. These decreases were partially offset by expenses in the first quarter of 2010 related to a new advertising campaign and increased investment in the business, primarily the continued roll-out of an enhanced brokerage platform.

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Asset Management

Our Asset Management segment provides investment advice and investment products to retail and institutional clients. RiverSource Investments predominantly provides U.S. domestic products and services and Threadneedle predominantly provides international investment products and services. U.S. domestic retail products are primarily distributed through the Advice & Wealth Management segment and also through unaffiliated advisors. International retail products are primarily distributed through third parties. Retail products include mutual funds, variable product funds underlying insurance and annuity separate accounts, separately managed accounts and collective funds. Asset Management products are also distributed directly to institutions through an institutional sales force. Institutional asset management products include traditional asset classes, separate accounts, collateralized loan obligations, hedge funds and property funds. Revenues in this segment are primarily earned as fees based on managed asset balances, which are impacted by both market movements and net asset flows. The asset management teams serving our Asset Management segment provide all intercompany asset management services for Ameriprise Financial, and the fees for all such services are reflected within the Asset Management segment results through intersegment allocations. Intersegment expenses for this segment include distribution expenses for services provided by the Advice & Wealth Management, Annuities and Protection segments.

We provide investment advisory, distribution and other services to three families of mutual funds: the RiverSource, Seligman and Threadneedle mutual fund families.

Our RiverSource family of mutual funds consists of the RiverSource Funds, a group of retail mutual funds; the RiverSource Variable Series Trust Funds (VST Funds), a group of variable product funds available as investment options in variable insurance and annuity products; the Seligman Funds, a group of retail funds formerly managed by J. & W. Seligman Co. prior to its acquisition by RiverSource Investments, LLC; the Seligman Variable Insurance Trusts (VITs), a group of variable product funds; and the Seligman closed-end funds.

The following table presents the total assets and number of funds managed by our RiverSource family of mutual funds as of March 31, 2010:

		Managed Assets (in billions)	Number of Funds
RiverSource Funds	$	42.7	72
RiverSource VST Funds		26.9	24
Seligman Funds		8.7	26
Seligman VITs		0.3	3
	$	78.6	125

Threadneedle manages four Open Ended Investment Companies (OEICs) and two Societe d Investissement A Capital Variable (SICAV) offerings. The four OEICs are Threadneedle Investment Funds ICVC (TIF), Threadneedle Specialist Investment Funds ICVC (TSIF), Threadneedle Focus Investment Funds (TFIF) and Threadneedle Advantage Portfolio Funds (TPAF). TIF, TSIF, TFIF and TPAF are structured as umbrella companies with a total of 51 (33, 13, 2 and 3, respectively) sub funds covering the world s bond and equity markets. The two SICAVs are the Threadneedle (Lux) SICAV (T(Lux)) and World Express Funds 2 (WEF2). T(Lux) and WEF2 are structured as umbrella companies with a total of 32 (30 and 2 respectively) sub funds covering the world s bond and equity markets. In addition, Threadneedle manages 13 unit trusts, 10 of which invest into the OEICs, 6 property unit trusts and 1 property fund of funds.

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The following table presents the mutual fund performance of our retail Domestic and International funds:

	March 31, 2010	March 31, 2009
Mutual Fund Performance		
Domestic		
Equal Weighted Mutual Fund Rankings in top 2 Lipper Quartiles(1)		
Equity - 12 month	58%	35%
Fixed income - 12 month	50%	77%
Equity - 3 year	45%	44%
Fixed income - 3 year	68%	71%
Equity - 5 year	71%	51%
Fixed income - 5 year	63%	72%
Asset Weighted Mutual Fund Rankings in top 2 Lipper Quartiles(2)		
Equity - 12 month	78%	31%
Fixed income - 12 month	51%	62%
Equity - 3 year	56%	39%
Fixed income - 3 year	59%	40%
Equity - 5 year	75%	63%
Fixed income - 5 year	58%	63%
International		
Equal Weighted Mutual Fund Rankings in top 2 S&P Quartiles(1)		
Equity - 12 month	31%	93%
Fixed income - 12 month	60%	64%
Equity - 3 year	93%	93%
Fixed income - 3 year	80%	73%
Equity - 5 year	93%	93%
Fixed income - 5 year	78%	70%

(1) Equal Weighted Rankings in Top 2 Quartiles: Counts the number of Class A funds with above median ranking divided by the total number of Class A funds. Asset size is not a factor.

(2) Asset Weighted Rankings in Top 2 Quartiles: Sums the assets of the Class A funds with above median ranking divided by the total Class A assets. Funds with more assets will receive a greater share of the total percentage above or below median.

Aggregated data shows only actively-managed mutual funds by affiliated investment managers.

Aggregated data does not include mutual funds sub-advised by advisors not affiliated with Ameriprise Financial, Inc., RiverSource S&P 500 Index Fund, RiverSource Cash Management Fund and RiverSource Tax Free Money Market Fund.

Aggregated equity rankings include RiverSource Portfolio Builder Series and other balanced and asset allocation funds that invest in both equities and fixed income. RiverSource Portfolio Builder Series funds are funds of mutual funds that may invest in third-party sub-advised

funds.

RiverSource Investments continued to improve equity investment performance and reported more than half of equity and fixed income assets above Lipper peer group medians for 1-, 3- and 5-year time periods, as of March 31, 2010. Threadneedle continues to maintain strong longer-term track records in both equity and fixed income portfolios.

We also offer Separately Managed Accounts (SMAs), management of Institutional Owned Assets, management of collateralized debt obligations (CDOs), sub-advisory services for certain domestic and international mutual funds, hedge funds and RiverSource Trust Collective Funds and separate accounts for Ameriprise Trust Company clients.

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The following tables present the changes in Domestic and International managed assets:

	December 31, 2009	Net Flows	Market Appreciation/ (Depreciation)	Foreign Exchange	Other	March 31, 2010
			(in billions)			
Domestic Managed Assets:						
Retail Funds	$ 76.9	$ (1.1)	$ 2.8	$	$	$ 78.6
Institutional Funds	54.9	0.1	0.8		0.7	56.5
Alternative Funds	9.9	0.2				10.1
Trust Funds	7.4		0.1			7.5
Less: Eliminations	(0.1)					(0.1)
Total Domestic Managed Assets	149.0	(0.8)	3.7		0.7	152.6
International Managed Assets:						
Retail Funds	29.1	1.3	1.8	(1.8)		30.4
Institutional Funds	66.8	(1.3)	3.0	(3.9)	0.4	65.0
Alternative Funds	1.9			(0.2)		1.7
Total International Managed Assets	97.8		4.8	(5.9)	0.4	97.1
Less: Sub-Advised Eliminations	(3.6)				(0.1)	(3.7)
Total Managed Assets	$ 243.2	$ (0.8)	$ 8.5	$ (5.9)	$ 1.0	$ 246.0

	December 31, 2008	Net Flows	Market Appreciation/ (Depreciation)	Foreign Exchange	Other	March 31, 2009
			(in billions)			
Domestic Managed Assets:						
Retail Funds	$ 63.9	$ (1.2)	$ (2.9)	$	$	$ 59.8
Institutional Funds	46.3	2.0	(0.2)		(0.1)	48.0
Alternative Funds	9.4	(0.6)	0.3			9.1
Trust Funds	8.4					8.4
Less: Eliminations	(0.1)					(0.1)
Total Domestic Managed Assets	127.9	0.2	(2.8)		(0.1)	125.2
International Managed Assets:						
Retail Funds	16.3	0.7	(1.1)	(0.3)		15.6
Institutional Funds	55.3	(1.3)	(3.1)	(1.1)	0.4	50.2
Alternative Funds	2.6	0.3	(0.3)	(0.1)		2.5
Total International Managed Assets	74.2	(0.3)	(4.5)	(1.5)	0.4	68.3
Less: Sub-Advised Eliminations	(2.5)				0.2	(2.3)
Total Managed Assets	$ 199.6	$ (0.1)	$ (7.3)	$ (1.5)	$ 0.5	$ 191.2

Total managed assets were $246.0 billion at March 31, 2010, up 29% compared to the prior year period. Domestic managed assets experienced solid net inflows in alternative funds and institutional funds. Domestic institutional net inflows included $0.6 billion in outflows reflecting expected negative synergies from the Columbia acquisition, offset by solid growth in institutional mandates. Domestic managed assets also experienced $1.1 billion in retail net outflows, which included the negative impact of lower period-over-period flows into variable products.

Threadneedle continued to shift its managed assets toward higher yielding asset classes. International retail net inflows continued to be strong at $1.3 billion, while institutional net outflows of $1.3 billion were driven by Zurich-related net outflows.

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The following table presents the results of operations of our Asset Management segment:

	Three Months Ended March 31, 2010	2009	Change
	(in millions, except percentages)		
Revenues			
Management and financial advice fees	$ 307	$ 209	$ 98 47%
Distribution fees	58	47	11 23
Net investment income	4	(2)	6 NM
Other revenues	1	6	(5) (83)
Total revenues	370	260	110 42
Banking and deposit interest expense			
Total net revenues	370	260	110 42
Expenses			
Distribution expenses	106	82	24 29
Amortization of deferred acquisition costs	6	6	
General and administrative expense	240	180	60 33
Total expenses	352	268	84 31
Pretax income (loss)	$ 18	$ (8)	$ 26 NM

NM Not Meaningful.

Our Asset Management segment pretax income was $18 million for the three months ended March 31, 2010 compared to a loss of $8 million in the prior year period.

Net Revenues

Net revenues increased $110 million, or 42%, to $370 million for the three months ended March 31, 2010, primarily due to an increase in management and financial advice fees.

Management and financial advice fees increased $98 million, or 47%, to $307 million for the three months ended March 31, 2010, primarily due to market appreciation on assets. The daily average S&P 500 Index increased 38% compared to the prior year period. Total Asset Management managed assets increased $54.8 billion, or 29%, compared to the prior year period primarily due to market appreciation, as well as net inflows in prior quarters.

Distribution fees increased $11 million, or 23%, to $58 million for the three months ended March 31, 2010, primarily due to higher 12b-1 fees driven by higher assets.

Net investment income was $4 million for the three months ended March 31, 2010 compared to net investment loss of $2 million in the prior year period primarily due to favorable mark-to-market adjustments on seed money investments in the first quarter of 2010 and net realized losses of $3 million recognized in the prior year period.

Expenses

Total expenses increased $84 million, or 31%, to $352 million for the three months ended March 31, 2010, due to an increase in distribution expenses and general and administrative expense.

Distribution expenses increased $24 million, or 29%, to $106 million for the three months ended March 31, 2010, primarily due to higher average assets.

General and administrative expense increased $60 million, or 33%, to $240 million for the three months ended March 31, 2010, primarily due to a $27 million expense related to recognizing a substantial increase in Threadneedle s estimated market valuation attributable to its incentive compensation program compared to the 2009 market valuation. The charge reflects a valuation that increased more than 100% from the prior year and is higher than the year-end 2007 estimated valuation. We use this annual valuation to mark-to-market all current and historical reserves for the program. General and administrative expense in the first quarter of 2009 included a benefit of $10 million related to this valuation. Variable compensation also increased in the first quarter of 2010 primarily due to period-over-period timing differences in investment performance compensation accruals.

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Annuities

Our Annuities segment provides variable and fixed annuity products of RiverSource Life companies to retail clients primarily distributed through our affiliated financial advisors and to the retail clients of unaffiliated advisors through third-party distribution. Revenues for our variable annuity products are primarily earned as fees based on underlying account balances, which are impacted by both market movements and net asset flows. Revenues for our fixed annuity products are primarily earned as net investment income on assets supporting fixed account balances, with profitability significantly impacted by the spread between net investment income earned and interest credited on the fixed account balances. We also earn net investment income on owned assets supporting reserves for immediate annuities and for certain guaranteed benefits offered with variable annuities and on capital supporting the business. Intersegment revenues for this segment reflect fees paid by the Asset Management segment for marketing support and other services provided in connection with the availability of RiverSource VST Funds under the variable annuity contracts. Intersegment expenses for this segment include distribution expenses for services provided by the Advice & Wealth Management segment, as well as expenses for investment management services provided by the Asset Management segment.

Variable annuity ending balances increased 37% to $57.0 billion at March 31, 2010 driven by market appreciation on assets. Slower sales in the first quarter of 2010 resulted in net inflows of $98 million. Variable annuity exit rates improved over 150 basis points from the prior year period. Fixed annuity balances were $14.6 billion, up 6% from the prior year period reflecting strong sales growth in the first two quarters of 2009. Fixed annuity net outflows of $166 million in the first quarter of 2010 were primarily due to lower sales from our decision to lower crediting rates on new contracts. Fixed annuity redemption rates also improved materially from the prior year period.

The following table presents the results of operations of our Annuities segment:

	Three Months Ended March 31,			
	2010	2009	Change	
	(in millions, except percentages)			
Revenues				
Management and financial advice fees	$ 127	$ 90	$ 37	41%
Distribution fees	70	57	13	23
Net investment income	330	289	41	14
Premiums	31	24	7	29
Other revenues	44	32	12	38
Total revenues	602	492	110	22
Banking and deposit interest expense				
Total net revenues	602	492	110	22
Expenses				
Distribution expenses	61	56	5	9
Interest credited to fixed accounts	192	169	23	14
Benefits, claims, losses and settlement expenses	118	(129)	247	NM
Amortization of deferred acquisition costs	60	219	(159)	(73)
General and administrative expense	51	48	3	6
Total expenses	482	363	119	33
Pretax income	$ 120	$ 129	$ (9)	(7)%

NM Not Meaningful.

Our Annuities segment pretax income was $120 million for the three months ended March 31, 2010 compared to $129 million in the prior year period.

Net Revenues

Net revenues increased $110 million, or 22%, to $602 million for the three months ended March 31, 2010, primarily driven by an increase in management and financial advice fees, distribution fees and net investment income.

Management and financial advice fees increased $37 million, or 41%, to $127 million for the three months ended March 31, 2010, due to higher fees on variable annuities driven by higher assets. Average variable annuities contract accumulation values increased $14.0 billion, or 40%, from the prior year period primarily due to market appreciation.

Distribution fees increased $13 million, or 23%, to $70 million for the three months ended March 31, 2010, due to higher fees on variable annuities driven by higher assets.

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Net investment income increased $41 million, or 14%, to $330 million for the three months ended March 31, 2010, due to an increase of $65 million in investment income on fixed maturity securities, partially offset by a decrease in net realized investment gains of $17 million compared to the prior year period. The increase in investment income on fixed maturity securities was driven by higher fixed annuity account balances and higher investment yields. In the first quarter of 2010, management took action related to the introduction of changes in our variable product asset allocation program, increasing liquidity in general account assets in preparation to move those assets to separate accounts. This negatively impacted net investment income in the first quarter of 2010 by $5 million. In addition, net investment income in the first quarter of 2010 was negatively impacted by lower commercial mortgage loan fees and the absence of consent fees and call premiums.

Premiums increased $7 million, or 29%, to $31 million for the three months ended March 31, 2010, due to higher sales of immediate annuities with life contingencies.

Other revenues increased $12 million, or 38%, to $44 million for the three months ended March 31, 2010, due to an increase in guaranteed benefit rider fees on variable annuities.

Expenses

Total expenses increased $119 million, or 33%, to $482 million for the three months ended March 31, 2010, primarily due to an increase in benefits, claims, losses and settlement expenses partially offset by a decrease in amortization of DAC.

Distribution expenses increased $5 million, or 9%, to $61 million for the three months ended March 31, 2010, primarily due to higher non-deferred distribution-related costs.

Interest credited to fixed accounts increased $23 million, or 14%, to $192 million for the three months ended March 31, 2010, primarily due to higher average fixed annuity account balances and higher average fixed annuity crediting rates. Average fixed annuities contract accumulation values increased $1.6 billion, or 12%, compared to the prior year period. The average fixed annuity crediting rate excluding capitalized interest increased to 3.9% in the first quarter of 2010 compared to 3.8% in the prior year period.

Benefits, claims, losses and settlement expenses increased $247 million to $118 million for the three months ended March 31, 2010, primarily driven by an increase in expenses from variable annuity benefit guarantees. The mark-to-market impact of variable annuity living benefits, net of hedges and DSIC, increased benefits expense by $23 million in the first quarter of 2010, primarily driven by model changes, the impact of risk margins and nonperformance spread on the fair value of living benefit liabilities and basis risk. Changes to our variable product asset allocation program we will introduce in 2010 are designed, among other things, to improve the mitigation of basis risk. The mark-to-market impact of variable annuity living benefits, net of hedges and DSIC, decreased benefits expense by $231 million in the first quarter of 2009 primarily due to the impact of nonperformance spread widening on the fair value of living benefit liabilities. Benefits, claims, losses and settlement expenses related to immediate annuities with life contingencies increased compared to the prior year period primarily due to higher business volumes.

Amortization of DAC decreased $159 million, or 73%, to $60 million for the three months ended March 31, 2010 compared to $219 million in the prior year period. DAC amortization in the first quarter of 2010 was reduced by $12 million due to market impacts, including $6 million offsetting higher variable annuity guaranteed living benefit expenses, net of hedges. DAC amortization in the first quarter of 2009 was increased by $181 million due to market impacts, including a $146 million expense offsetting gains on variable annuity guaranteed living benefits, net of hedges. The benefit to DAC amortization from market impacts compared to the prior year period was partially offset by an increase in variable annuity amortization due to higher period-over-period account values and associated asset fees.

Protection

Our Protection segment offers a variety of protection products to address the protection and risk management needs of our retail clients including life, disability income and property-casualty insurance. Life and disability income products are primarily distributed through our branded advisors. Our property-casualty products are sold direct, primarily through affinity relationships. We issue insurance policies through our life insurance subsidiaries and the property casualty companies. The primary sources of revenues for this segment are premiums, fees, and charges that we receive to assume insurance-related risk. We earn net investment income on owned assets supporting insurance reserves and capital supporting the business. We also receive fees based on the level of assets supporting variable universal life separate account balances. This segment earns intersegment revenues from fees paid by the Asset Management segment for marketing support and other services provided in connection with the availability of RiverSource VST Funds under the variable universal life contracts. Intersegment expenses for this segment include distribution expenses for services provided by the Advice & Wealth Management segment, as well as expenses for investment management services provided by the Asset Management segment.

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The following table presents the results of operations of our Protection segment:

	Three Months Ended March 31,		Change	
	2010	2009		
	(in millions, except percentages)			
Revenues				
Management and financial advice fees	$ 13	$ 10	$ 3	30%
Distribution fees	24	24		
Net investment income	103	100	3	3
Premiums	257	247	10	4
Other revenues	110	115	(5)	(4)
Total revenues	507	496	11	2
Banking and deposit interest expense				
Total net revenues	507	496	11	2
Expenses				
Distribution expenses	8	5	3	60
Interest credited to fixed accounts	36	36		
Benefits, claims, losses and settlement expenses	236	229	7	3
Amortization of deferred acquisition costs	52	61	(9)	(15)
General and administrative expense	56	53	3	6
Total expenses	388	384	4	1
Pretax income	$ 119	$ 112	$ 7	6%

Our Protection segment pretax income was $119 million for the three months ended March 31, 2010, an increase of $7 million, or 6%, from $112 million in the prior year period.

Net Revenues

Net revenues increased $11 million, or 2%, to $507 million for the three months ended March 31, 2010, primarily due to an increase in premiums.

Management and financial advice fees increased $3 million, or 30%, to $13 million for the three months ended March 31, 2010, due to higher fees on variable universal life (VUL) products driven by market appreciation.

Net investment income increased $3 million, or 3%, to $103 million for the three months ended March 31, 2010, primarily due to a $14 million increase in investment income earned on fixed maturity securities compared to the prior year period driven by higher investment yields and increased general account assets, partially offset by a $7 million decrease in net realized investment gains compared to the prior year period.

Premiums increased $10 million, or 4%, to $257 million for the three months ended March 31, 2010, due to growth in Auto and Home premiums driven by higher volumes. Auto and Home policy counts increased 9% period-over-period.

Expenses

Total expenses increased $4 million, or 1%, to $388 million for the three months ended March 31, 2010.

Benefits, claims, losses and settlement expenses increased $7 million, or 3%, to $236 million for the three months ended March 31, 2010, primarily driven by weather-related auto and home claims, offset by favorable life and disability income insurance claims.

Amortization of DAC decreased $9 million, or 15%, to $52 million for the three months ended March 31, 2010, primarily due to the unfavorable market impact in the prior year period.

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Corporate & Other

Our Corporate & Other segment consists of net investment income on corporate level assets, including excess capital held in our subsidiaries and other unallocated equity and other revenues from various investments as well as unallocated corporate expenses.

The Corporate & Other segment also includes the results of operations of CIEs. For additional information on the required consolidation of CIEs and our presentation of results excluding CIEs, refer to our discussion within the Overview section above.

The following table presents the results of operations of our Corporate & Other segment:

	Three Months Ended March 31,							
	2010			2009				
	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs	GAAP Earnings	Less: CIEs	Earnings Excluding CIEs	GAAP Earnings Excluding CIEs Change	
	(in millions, unaudited)							
Revenues								
Net investment income (loss)	$ 79	$ 79	$	$ (20)	$ 1	$ (21)	$ 21	100%
Other revenues	78	57	21	39	(12)	51	(30)	(59)
Total revenues	157	136	21	19	(11)	30	(9)	(30)
Banking and deposit interest expense				2	1	1	(1)	(100)
Total net revenues	157	136	21	17	(12)	29	(8)	(28)
Expenses								
Distribution expenses				1		1	(1)	(100)
Interest and debt expense	64	40	24	26		26	(2)	(8)
General and administrative expense	40	14	26	28	2	26		
Total expenses	104	54	50	55	2	53	(3)	(6)
Pretax income (loss)	53	82	(29)	(38)	(14)	(24)	(5)	(21)
Less: Net income (loss) attributable to noncontrolling interests	82	82		(14)	(14)			
Pretax loss attributable to Ameriprise Financial	$ (29)	$	$ (29)	$ (24)	$	$ (24)	$ (5)	(21)%

Our Corporate & Other segment pretax loss attributable to Ameriprise Financial was $29 million for the three months ended March 31, 2010 compared to $24 million in the prior year period.

Net revenues excluding CIEs decreased $8 million compared to the prior year period. Net investment loss excluding CIEs for the first quarter of 2009 reflects the transfer priced interest income allocated to the Annuities and Protection segments for maintaining excess liquidity. Other revenues excluding CIEs decreased $30 million compared to the prior year period due to a $50 million benefit in the first quarter of 2009 from

repurchasing our junior notes at a discount, partially offset by a $20 million benefit from the payments related to the Reserve Funds matter in the first quarter of 2010.

Total expenses excluding CIEs decreased $3 million compared to the prior year period. Interest and debt expense excluding CIEs decreased $2 million compared to the prior year period. On March 11, 2010, we issued $750 million of 10-year senior notes with a 5.3% coupon. In addition, we swapped $1.4 billion of debt from fixed to floating, consistent with our asset-liability matching strategy.

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Fair Value Measurements

We report certain assets and liabilities at fair value; specifically, separate account assets, derivatives, embedded derivatives, properties held by our consolidated property funds, and most investments and cash equivalents. Fair value assumes the exchange of assets or liabilities occurs in orderly transactions. Companies are not permitted to use market prices that are the result of a forced liquidation or distressed sale. We include actual market prices, or observable inputs, in our fair value measurements to the extent available. Broker quotes are obtained when quotes from pricing services are not available. We validate prices obtained from third parties through a variety of means such as: price variance analysis, subsequent sales testing, stale price review, price comparison across pricing vendors and due diligence reviews of vendors.

Non-Agency Residential Mortgage Backed Securities Backed by Sub-prime, Alt-A or Prime Collateral

Sub-prime mortgage lending is the origination of residential mortgage loans to customers with weak credit profiles. Alt-A mortgage lending is the origination of residential mortgage loans to customers who have credit ratings above sub-prime but may not conform to government-sponsored standards. Prime mortgage lending is the origination of residential mortgage loans to customers with good credit profiles. We have exposure to these types of loans predominantly through mortgage backed and asset backed securities. The slow down in the U.S. housing market, combined with relaxed underwriting standards by some originators, has led to higher delinquency and loss rates for some of these investments. Market conditions have increased the likelihood of other-than-temporary impairments for certain non-agency residential mortgage backed securities. As a part of our risk management process, an internal rating system is used in conjunction with market data as the basis of analysis to assess the likelihood that we will not receive all contractual principal and interest payments for these investments. For the investments that are more at risk for impairment, we perform our own assessment of projected cash flows incorporating assumptions about default rates, prepayment speeds, loss severity, and geographic concentrations to determine if an other-than-temporary impairment should be recognized.

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The following table presents, as of March 31, 2010, our non-agency residential mortgage backed and asset backed securities backed by sub-prime, Alt-A or prime mortgage loans by credit rating and vintage year:

	AAA		AA		A		BBB		BB & Below		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)											
Sub-prime												
2003 & prior	$ 2	$ 2	$	$	$	$	$	$	$	$	$ 2	$ 2
2004	14	13	7	4	8	8			9	8	38	33
2005	60	58	48	47	17	16	8	8	18	13	151	142
2006			8	7			5	5	68	49	81	61
2007					5	5			6	1	11	6
2008			7	6							7	6
Re-Remic(1)	41	41					17	17			58	58
Total Sub-prime	$ 117	$ 114	$ 70	$ 64	$ 30	$ 29	$ 30	$ 30	$ 101	$ 71	$ 348	$ 308
Alt-A												
2003 & prior	$ 20	$ 20	$	$	$	$	$	$	$	$	$ 20	$ 20
2004	12	12	62	56	21	18	11	6	17	7	123	99
2005	5	4	51	38	30	24	3	2	263	174	352	242
2006			2	2					175	110	177	112
2007									211	110	211	110
2008												
Total Alt-A	$ 37	$ 36	$ 115	$ 96	$ 51	$ 42	$ 14	$ 8	$ 666	$ 401	$ 883	$ 583
Prime												
2003 & prior	$ 270	$ 266	$	$	$	$	$	$	$	$	$ 270	$ 266
2004	72	72	27	25	33	32	33	29	22	7	187	165
2005	16	19	48	52	77	77	50	42	147	95	338	285
2006	20	22			6	2	33	37	4	3	63	64
2007	42	43							14	11	56	54
2008												
Re-Remic(1)	2,289	2,396									2,289	2,396
Total Prime	$ 2,709	$ 2,818	$ 75	$ 77	$ 116	$ 111	$ 116	$ 108	$ 187	$ 116	$ 3,203	$ 3,230
Grand Total	$ 2,863	$ 2,968	$ 260	$ 237	$ 197	$ 182	$ 160	$ 146	$ 954	$ 588	$ 4,434	$ 4,121

(1) Re-Remics of mortgage backed securities are prior vintages with cash flows structured into senior and subordinated bonds. Credit enhancement on senior bonds is increased through the Re-Remic process. Total exposure to subordinate tranches was nil as of March 31, 2010.

Fair Value of Liabilities and Nonperformance Risk

Companies are required to measure the fair value of liabilities at the price that would be received to transfer the liability to a market participant (an exit price). Since there is not a market for our obligations of our variable annuity riders, we consider the assumptions participants in a hypothetical market would make to reflect an exit price. As a result, we adjust the valuation of variable annuity riders by updating certain contractholder assumptions, adding explicit margins to provide for profit, risk and expenses, and adjusting the rates used to discount expected cash flows to reflect a current market estimate of our nonperformance risk. The nonperformance risk adjustment is based on broker quotes for credit default swaps that are adjusted to estimate the risk of our life insurance company subsidiaries not fulfilling these liabilities. Consistent with general market conditions, this estimate resulted in a spread over the LIBOR swap curve as of March 31, 2010. As our estimate of this

spread widens or tightens, the liability will decrease or increase. If this nonperformance credit spread moves to a zero spread over the LIBOR swap curve, the reduction to net income would be approximately $47 million, net of DAC and DSIC amortization and income taxes, based on March 31, 2010 credit spreads.

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Liquidity and Capital Resources

Overview

We maintained substantial liquidity during the first quarter of 2010. At March 31, 2010, we had $4.8 billion in cash and cash equivalents compared to $3.1 billion at December 31, 2009. We have additional liquidity available through an unsecured revolving credit facility for $750 million that expires in September 2010, which we anticipate re-establishing before expiration. Under the terms of the underlying credit agreement, we can increase this facility to $1.0 billion. Available borrowings under this facility are reduced by any outstanding letters of credit. We have had no borrowings under this credit facility and had $2 million of outstanding letters of credit at March 31, 2010.

In March 2010, we issued $750 million of 5.30% senior notes due 2020. A portion of the proceeds will be used to retire $340 million of debt maturing in November 2010. On April 30, 2010, we completed our acquisition of the long-term asset management business of Columbia Management. The total consideration paid, subject to post-closing adjustments, was approximately $1 billion and was funded through the use of cash on hand. Our subsidiaries, Ameriprise Bank, FSB and RiverSource Life, are members of the Federal Home Loan Bank (FHLB) of Des Moines, which provides these subsidiaries with access to collateralized borrowings. As of March 31, 2010, we had no borrowings from the FHLB. We believe cash flows from operating activities, available cash balances and our availability of revolver borrowings will be sufficient to fund our operating liquidity needs.

Various ratings organizations publish financial strength ratings, which measure an insurance company s ability to meet contractholder and policyholder obligations, and credit ratings. The following table summarizes the ratings for Ameriprise Financial, Inc. and certain of its insurance subsidiaries as of the date of this filing:

	A.M. Best Company, Inc.	Standard & Poor s Ratings Services	Moody s Investors Service	Fitch Ratings Ltd.
Financial Strength Ratings				
RiverSource Life	A+	AA-	Aa3	AA-
IDS Property Casualty Insurance Company	A	N/R	N/R	N/R
Credit Ratings				
Ameriprise Financial, Inc.	a-	A	A3	A-

As of March 31, 2010, A.M. Best Company, Inc., Standard & Poor s Ratings Services, and Fitch Ratings Ltd. retained negative outlooks on Ameriprise Financial, Inc. and RiverSource Life and the life insurance industry as a whole. Moody s Investors Service changed their outlook on Ameriprise Financial, Inc. and RiverSource Life from negative to stable effective March 8, 2010. For information on how changes in our financial strength or credit ratings could affect our financial condition and results of operations, see the Risk Factors discussion included in Part I, Item 1A in our 2009 Form 10-K and Part II, Item 1A of this Quarterly Report on Form 10-Q.

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Dividends from Subsidiaries

Ameriprise Financial is primarily a parent holding company for the operations carried out by our wholly owned subsidiaries. Because of our holding company structure, our ability to meet our cash requirements, including the payment of dividends on our common stock, substantially depends upon the receipt of dividends or return of capital from our subsidiaries, particularly our life insurance subsidiary, RiverSource Life, our face-amount certificate subsidiary, Ameriprise Certificate Company (ACC), AMPF Holding Corporation, which is the parent company of our retail introducing broker-dealer subsidiary, Ameriprise Financial Services, Inc. (AFSI) and our clearing broker-dealer subsidiary, American Enterprise Investment Services, Inc. (AEIS), our auto and home insurance subsidiary, IDS Property Casualty Insurance Company (IDS Property Casualty), doing business as Ameriprise Auto & Home Insurance, Threadneedle, RiverSource Service Corporation and our investment advisory company, RiverSource Investments, LLC. The payment of dividends by many of our subsidiaries is restricted and certain of our subsidiaries are subject to regulatory capital requirements.

Actual capital and regulatory capital requirements for our wholly owned subsidiaries subject to regulatory capital requirements were as follows:

	Actual Capital		Regulatory Capital Requirements	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
	(in millions)			
RiverSource Life(1)(2)	$ 3,324	$ 3,450	N/A	$ 803
RiverSource Life of NY(1)(2)	313	286	N/A	44
IDS Property Casualty(1)(3)	416	405	135	133
Ameriprise Insurance Company(1)(3)	46	46	2	2
ACC(4)(5)	228	293	208	231
Threadneedle(6)	215	201	146	155
Ameriprise Bank, FSB(7)	261	255	247	231
AFSI(3)(4)	133	79	1	1
Ameriprise Captive Insurance Company(3)	29	28	20	12
Ameriprise Trust Company(3)	39	36	36	32
AEIS(3)(4)	115	133	29	29
Securities America, Inc.(3)(4)	15	15	#	#
RiverSource Distributors, Inc.(3)(4)	40	41	#	#
RiverSource Fund Distributors, Inc.(3)(4)	18	13	#	#

Amounts are less than $1 million.

N/A Not Applicable.

(1) Actual capital is determined on a statutory basis.

(2) Regulatory capital requirement is based on the statutory risk-based capital filing.

(3) Regulatory capital requirement is based on the applicable regulatory requirement, calculated as of March 31, 2010 and December 31, 2009.

(4) Actual capital is determined on an adjusted GAAP basis.

(5) ACC is required to hold capital in compliance with the Minnesota Department of Commerce and SEC capital requirements.

(6) Actual capital and regulatory capital requirements are determined in accordance with U.K. regulatory legislation.

(7) Ameriprise Bank is required to hold capital in compliance with the Office of Thrift Supervision (OTS) regulations and policies, which currently require a Tier 1 (core) capital ratio of not less than 7.5%.

In addition to the particular regulations restricting dividend payments and establishing subsidiary capitalization requirements, we take into account the overall health of the business, capital levels and risk management considerations in determining a dividend strategy for payments to our company from our subsidiaries, and in deciding to use cash to make capital contributions to our subsidiaries.

In the first quarter of 2010, the parent holding company received cash dividends from its subsidiaries of $530 million and contributed cash to its subsidiaries of $15 million. Of the dividends received, $425 million came from RiverSource Life. In the first quarter of 2009, the parent holding company received cash dividends from its subsidiaries of $1 million and contributed cash to its subsidiaries of $193 million.

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Dividends Paid to Shareholders, Debt Repurchases and Share Repurchases

We paid regular quarterly cash dividends to our shareholders totaling $45 million and $37 million for the three months ended March 31, 2010 and 2009, respectively. On April 26, 2010, our Board of Directors declared a quarterly cash dividend of $0.18 per common share. The dividend will be paid on May 21, 2010 to our shareholders of record at the close of business on May 7, 2010.

Our share repurchase program expired April 22, 2010. Since September 2008 through the expiration, we had suspended our stock repurchase program. Pursuant to the Amended and Restated Ameriprise Financial 2005 Incentive Compensation Plan, we reacquired 0.4 million shares of our common stock in the first quarter of 2010 through the surrender of restricted shares upon vesting and paid in the aggregate $15 million related to the holders income tax obligations on the vesting date.

In the first quarter of 2009, we extinguished $113 million principal amount of our junior notes. In the future, we may from time to time seek to retire or purchase additional outstanding debt through cash purchases in the open market, privately negotiated transactions or otherwise, without prior notice. Such repurchases, if any, will depend upon market conditions and other factors. The amounts involved could be material.

Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2010 was $131 million compared to net cash used in operating activities of $572 million for the three months ended March 31, 2009. In the first quarter of 2009, operating cash was reduced by $625 million due to a decrease in net cash collateral held related to derivative instruments, compared to a decrease of $265 million in the first quarter of 2010. In addition, in the first quarter of 2009, operating cash was reduced by $435 million due to purchases within our bond trading portfolio.

Investing Activities

Our investing activities primarily relate to our Available-for-Sale investment portfolio. Further, this activity is significantly affected by the net flows of our investment certificate, fixed annuity and universal life products reflected in financing activities.

Net cash provided by investing activities for the three months ended March 31, 2010 was $839 million compared to net cash used in investing activities of $2.1 billion for the three months ended March 31, 2009. Cash used for purchases of Available-for-Sale securities decreased $2.0 billion and proceeds from sales and maturities, sinking fund payments and calls of Available-for-Sale securities increased $0.9 billion compared to the prior year period.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2010 was $759 million compared to $2.2 billion for the three months ended March 31, 2009, a decrease in cash of $1.5 billion. Net cash received from policyholder and contractholder account values decreased $1.9 billion compared to the prior year period primarily due to lower net inflows of fixed annuities. This decrease in cash was partially offset by cash received of $744 million from the issuance of our senior notes in March 2010, net of issuance costs.

Contractual Commitments

There have been no material changes to our contractual obligations disclosed in our 2009 10-K.

Off-Balance Sheet Arrangements

There have been no material changes in our off-balance sheet arrangements disclosed in our 2009 10-K.

Forward-Looking Statements

This report contains forward-looking statements that reflect management s plans, estimates and beliefs. Actual results could differ materially from those described in these forward-looking statements. Examples of such forward-looking statements include:

- **statements of the Company s plans, intentions, expectations, objectives or goals, including those relating to asset flows, mass affluent and affluent client acquisition strategy, client retention, financial advisor retention, recruiting and enrollments, general and administrative costs; consolidated tax rate (including any expectations regarding the effectiveness or other terms of any regulatory change or interpretation applicable to the DRD), and excess capital position;**

- **other statements about future economic performance, the performance of equity markets and interest rate variations and the economic performance of the United States and of global markets; and**

- **statements of assumptions underlying such statements.**

· statements of assumptions underlying such statements. 211

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The words believe, expect, anticipate, optimistic, intend, plan, aim, will, may, should, could, would, likely, forecas expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from such statements.

Such factors include, but are not limited to:

- **changes in the valuations, liquidity and volatility in the interest rate, credit default, equity market, and foreign exchange environments;**

· changes in the valuations, liquidity and volatility in the interest rate, credit default, equity market, and foreign ex

- **changes in the litigation and regulatory environment, including ongoing legal proceedings and regulatory actions, the frequency and extent of legal claims threatened or initiated by clients, other persons and regulators, and developments in regulation and legislation;**

· changes in the litigation and regulatory environment, including ongoing legal proceedings and regulatory action

- **investment management performance and consumer acceptance of the Company s products;**

· investment management performance and consumer acceptance of the Company s products;

- **the ability of the Company to implement planned changes to its variable product asset allocation program and the effectiveness of those changes in improving the mitigation of basis risk;**

· the ability of the Company to implement planned changes to its variable product asset allocation program and t

- **effects of competition in the financial services industry and changes in product distribution mix and distribution channels;**

· effects of competition in the financial services industry and changes in product distribution mix and distribution

• **changes to the Company s reputation that may arise from employee or affiliated advisor misconduct, legal or regulatory actions, improper management of conflicts of interest or otherwise;**

· changes to the Company s reputation that may arise from employee or affiliated advisor misconduct, legal or r

• the Company s capital structure, including indebtedness, limitations on subsidiaries to pay dividends, and the extent, manner, terms and timing of any share or debt repurchases management may effect as well as the opinions of rating agencies and other analysts and the reactions of market participants or the Company s regulators, advisors, distribution partners or customers in response to any change or prospect of change in any such opinion;

· the Company s capital structure, including indebtedness, limitations on subsidiaries to pay dividends, and the e

• changes to the availability of liquidity and the Company s credit capacity that may arise due to shifts in market conditions, the Company s credit ratings and the overall availability of credit;

· changes to the availability of liquidity and the Company s credit capacity that may arise due to shifts in market

- **risks of default, capacity constraint or repricing by issuers or guarantors of investments the Company owns or by counterparties to hedge, derivative, insurance or reinsurance arrangements or by manufacturers of products the Company distributes, experience deviations from the Company s assumptions regarding such risks, the evaluations or the prospect of changes in evaluations of any such third parties published by rating agencies or other analysts, and the reactions of other market participants or the Company s regulators, advisors, distribution partners or customers in response to any such evaluation or prospect of changes in evaluation;**

· risks of default, capacity constraint or repricing by issuers or guarantors of investments the Company owns or b

- **with respect to VIE pooled investments the Company has determined do not require consolidation under GAAP, the realization by the Company that it does not have the power over the VIE pooled investments or hold a variable interest in these investments for which the Company has the potential to receive significant benefits or the potential obligation to absorb significant losses;**

· with respect to VIE pooled investments the Company has determined do not require consolidation under GAAP

• experience deviations from the Company s assumptions regarding morbidity, mortality and persistency in certain annuity and insurance products, or from assumptions regarding market returns assumed in valuing DAC and DSIC or market volatility underlying our valuation and hedging of guaranteed living benefit annuity riders;

· experience deviations from the Company s assumptions regarding morbidity, mortality and persistency in certa

- **changes in capital requirements that may be indicated, required or advised by regulators or rating agencies;**

· changes in capital requirements that may be indicated, required or advised by regulators or rating agencies;

- **the impacts of the Company s efforts to improve distribution economics and to grow third-party distribution of its products;**

· the impacts of the Company s efforts to improve distribution economics and to grow third-party distribution of it

- **the ability to complete the acquisition opportunities the Company negotiates;**

· the ability to complete the acquisition opportunities the Company negotiates;

• the Company s ability to realize the financial, operating and business fundamental benefits or to obtain regulatory approvals regarding integrations we plan for the acquisitions we have completed or have contracted to complete, as well as the amount and timing of integration expenses;

- **the ability and timing to realize savings and other benefits from re-engineering and tax planning;**

· the ability and timing to realize savings and other benefits from re-engineering and tax planning;

• changes in the capital markets and competitive environments induced or resulting from the partial or total ownership or other support by central governments of certain financial services firms or financial assets; and

· changes in the capital markets and competitive environments induced or resulting from the partial or total owne

• general economic and political factors, including consumer confidence in the economy, the ability and inclination of consumers generally to invest as well as their ability and inclination to invest in financial instruments and products other than cash and cash equivalents, the costs of products and services the Company consumes in the conduct of its business, and applicable legislation and regulation and changes therein, including tax laws, tax treaties, fiscal and central government treasury policy, and policies regarding the financial services industry and publicly-held firms, and regulatory rulings and pronouncements.

· general economic and political factors, including consumer confidence in the economy, the ability and inclinatio

Management cautions the reader that the foregoing list of factors is not exhaustive. There may also be other risks that management is unable to predict at this time that may cause actual results to differ materially from those in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Management undertakes no obligation to update publicly or revise any forward-looking statements. The foregoing list of factors should be read in conjunction with the Risk Factors discussion included in Part I, Item 1A of our 2009 10-K and Part II, Item 1A of this Quarterly Report on Form 10-Q.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the Quantitative and Qualitative Disclosures About Market Risk discussion included as Part II, Item 7A of our 2009 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) designed to provide reasonable assurance that the information required to be reported in the Exchange Act filings is recorded, processed, summarized and reported within the time periods specified in and pursuant to SEC regulations, including controls and procedures designed to ensure that this information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure. It should be noted that, because of inherent limitations, our company s disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our company s Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at a reasonable level of assurance as of March 31, 2010.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our company s internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 13 to the Consolidated Financial Statements in Part I, Item 1 is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Part I, Item 1A of our 2009 10-K sets forth information relating to the material risks and uncertainties that affect our business and common stock. In addition to those risk factors, we believe the following risk factor is also relevant to an understanding of our business, financial condition and results of operations.

Changes in accounting standards could have a material impact on our financial statements.

From time to time, the FASB, the SEC, and other regulators change the financial accounting and reporting standards governing the preparation of our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements. These changes are difficult to predict and can materially impact how we record and report our financial condition and results of operations and other financial data, even in instances where they may not have an economic impact on our business.

For example, the FASB updated the accounting standard related to the required consolidation of certain VIEs, effective January 1, 2010. We adopted the accounting standard effective January 1, 2010 and recorded as a cumulative change in accounting principle an increase to appropriated retained earnings of consolidated investment entities and consolidated client assets and liabilities in VIEs onto our consolidated balance sheets that were not previously consolidated. While the economics of our business have not changed, the financial statements were impacted. See Adoption of New Accounting Standards Consolidation of Variable Interest Entities in Note 2 to the Consolidated Financial Statements set forth in this report, which portion is incorporated herein by reference. Further revisions to this standard may have an additional impact on us, which cannot be predicted at this time.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents the information with respect to purchases made by or on behalf of Ameriprise Financial, Inc. or any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934), of our common stock during the first quarter of 2010:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as part of Publicly Announced Plans or Programs(1)	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(1)
January 1 to January 31, 2010				
Share repurchase program(1)		$		$ 1,304,819,604
Employee transactions(2)	109,519	$ 39.58	N/A	N/A
February 1 to February 28, 2010				
Share repurchase program(1)		$		$ 1,304,819,604
Employee transactions(2)	285,880	$ 38.69	N/A	N/A
March 1 to March 31, 2010				
Share repurchase program(1)		$		$ 1,304,819,604
Employee transactions(2)	747	$ 40.64	N/A	N/A
Totals				
Share repurchase program		$		
Employee transactions	396,146	$ 38.94	N/A	
	396,146			

(1) On April 22, 2008, we announced that our Board of Directors authorized us to repurchase up to $1.5 billion worth of our common stock, which authorization expired April 22, 2010.

(2) Restricted shares withheld pursuant to the terms of awards under the amended and revised Ameriprise Financial 2005 Incentive Compensation Plan (the Plan) to offset tax withholding obligations that occur upon vesting and release of restricted shares. The Plan provides that the value of the shares withheld shall be the closing price of common stock of Ameriprise Financial, Inc. on the date the relevant transaction occurs.

ITEM 6. EXHIBITS

The list of exhibits required to be filed as exhibits to this report are listed on page E-1 hereof, under Exhibit Index, which is incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERIPRISE FINANCIAL, INC.
(Registrant)

Date: May 4, 2010

By /s/ Walter S. Berman
Walter S. Berman
Executive Vice President and Chief Financial Officer

Date: May 4, 2010

By /s/ David K. Stewart
David K. Stewart
Senior Vice President and Controller
(Principal Accounting Officer)

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EXHIBIT INDEX

Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed certain agreements as exhibits to this Quarterly Report on Form 10-Q. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in our public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe our actual state of affairs at the date hereof and should not be relied upon.

The following exhibits are filed as part of this Quarterly Report on Form 10-Q. The exhibit numbers followed by an asterisk (*) indicate exhibits electronically filed herewith. All other exhibit numbers indicate exhibits previously filed and are hereby incorporated herein by reference.

Exhibit	Description
3.1	Amended Restated Certificate of Incorporation of Ameriprise Financial, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, File No. 1-32525, filed on April 30, 2010).
3.2	Amended and Restated Bylaws of Ameriprise Financial, Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K, File No. 1-32525, filed on April 30, 2010).
4.1	Form of Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 3 to Form 10 Registration Statement, File No. 1-32525, filed on August 19, 2005).
	Other instruments defining rights of holders of long-term debt securities of the registrant are omitted pursuant to Section (b)(4)(iii)(A) of Item 601 of Regulation S-K. The registrant agrees to furnish copies of these instruments to the SEC upon request.
10.1	Ameriprise Financial 2005 Incentive Compensation Plan, as amended and restated effective April 28, 2010 (incorporated by reference to Exhibit B to the Proxy Statement for the Annual Meeting of Shareholders held on April 28, 2010, File No. 001-32525, filed on March 19, 2010).
10.2*	Ameriprise Financial Deferred Compensation Plan, as amended and restated effective April 1, 2010.
10.3*	Ameriprise Financial Supplemental Retirement Plan, as amended and restated effective April 1, 2010.
31.1*	Certification of James M. Cracchiolo pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Walter S. Berman pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32*	Certification of James M. Cracchiolo and Walter S. Berman pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from Ameriprise Financial, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, formatted in XBRL: (i) Consolidated Statements of Operations for the three months ended March 31, 2010 and 2009; (ii)

Consolidated Balance Sheets at March 31, 2010 and December 31, 2009; (iii) Consolidated Statements of Cash Flows for the three months ended March 31, 2010 and 2009; (iv) Consolidated Statements of Equity for the three months ended March 31, 2010 and 2009; and (v) Notes to the Consolidated Financial Statements, tagged as blocks of text.