

AMERIPRISE FINANCIAL INC  
Form 10-Q  
August 04, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2014

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-32525

AMERIPRISE FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

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  No

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

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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

Class

Outstanding at

July 25, 2014

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

187,200,583 shares

AMERIPRISE FINANCIAL, INC.

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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		Six Months Ended June	
	June 30,		30,	
	2014	2013	2014	2013
Revenues				
Management and financial advice fees	\$ 1,452	\$ 1,294	\$ 2,838	\$ 2,538
Distribution fees	470	448	946	882
Net investment income	433	451	904	940
Premiums	345	315	675	625
Other revenues	379	249	719	471
Total revenues	3,079	2,757	6,082	5,456
Banking and deposit interest expense	7	8	14	16
Total net revenues	3,072	2,749	6,068	5,440
Expenses				
Distribution expenses	810	732	1,596	1,430
Interest credited to fixed accounts	175	198	361	396
Benefits, claims, losses and settlement expenses	506	490	956	899
Amortization of deferred acquisition costs	78	92	165	167
Interest and debt expense	79	60	158	126
General and administrative expense	805	775	1,563	1,533
Total expenses	2,453	2,347	4,799	4,551
Income from continuing operations before income tax provision	619	402	1,269	889
Income tax provision	152	120	286	241
Income from continuing operations	467	282	983	648
Loss from discontinued operations, net of tax	—	(1	) (1	) (2
Net income	467	281	982	646
Less: Net income (loss) attributable to noncontrolling interests	93	(40	) 208	(10
Net income attributable to Ameriprise Financial	\$ 374	\$ 321	\$ 774	\$ 656
Earnings per share attributable to Ameriprise Financial, Inc. common shareholders				
Basic				
Income from continuing operations	\$ 1.94	\$ 1.57	\$ 3.99	\$ 3.18
Loss from discontinued operations	—	—	—	(0.01
Net income	\$ 1.94	\$ 1.57	\$ 3.99	\$ 3.17
Diluted				
Income from continuing operations	\$ 1.91	\$ 1.54	\$ 3.92	\$ 3.13
Loss from discontinued operations	—	—	—	(0.01
Net income	\$ 1.91	\$ 1.54	\$ 3.92	\$ 3.12
Cash dividends declared per common share	\$ 0.58	\$ 0.52	\$ 1.10	\$ 0.97
Supplemental Disclosures:				
Total other-than-temporary impairment losses on securities	\$—	\$(3	) \$(1	) \$(4
Portion of loss recognized in other comprehensive income (loss) (before taxes)	—	1	—	(1

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Net impairment losses recognized in net investment income      \$—              \$(2              )      \$(1              )      \$(5              )  
See Notes to Consolidated Financial Statements.

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## AMERIPRISE FINANCIAL, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income	\$467	\$281	\$982	\$646
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	38	—	53	(73 )
Net unrealized gains (losses) on securities:				
Net unrealized securities gains (losses) arising during the period	239	(661 )	478	(802 )
Reclassification of net securities (gains) losses included in net income	(1 )	1	(4 )	—
Impact on deferred acquisition costs, deferred sales inducement costs, benefit reserves and reinsurance recoverables	(76 )	201	(167 )	265
Total net unrealized gains (losses) on securities	162	(459 )	307	(537 )
Total other comprehensive income (loss), net of tax	200	(459 )	360	(610 )
Total comprehensive income (loss)	667	(178 )	1,342	36
Less: Comprehensive income (loss) attributable to noncontrolling interests	119	(40 )	243	(51 )
Comprehensive income (loss) attributable to Ameriprise Financial	\$548	\$(138 )	\$1,099	\$87

See Notes to Consolidated Financial Statements.

## AMERIPRISE FINANCIAL, INC.

## CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	June 30, 2014 (unaudited)	December 31, 2013
Assets		
Cash and cash equivalents	\$2,141	\$2,632
Cash of consolidated investment entities	718	419
Investments	35,958	35,735
Investments of consolidated investment entities, at fair value	5,626	5,002
Separate account assets	84,027	81,223
Receivables	4,782	4,538
Receivables of consolidated investment entities (includes \$84 and \$32, respectively, at fair value)	127	72
Deferred acquisition costs	2,612	2,663
Restricted and segregated cash and investments	2,344	2,360
Other assets	8,435	7,983
Other assets of consolidated investment entities, at fair value	2,390	1,949
Total assets	\$149,160	\$144,576
Liabilities and Equity		
Liabilities:		
Policyholder account balances, future policy benefits and claims	\$29,607	\$29,620
Separate account liabilities	84,027	81,223
Customer deposits	7,285	7,062
Short-term borrowings	200	500
Long-term debt	2,523	2,720
Debt of consolidated investment entities (includes \$5,511 and \$4,804, respectively, at fair value)	6,672	5,736
Accounts payable and accrued expenses	1,274	1,367
Accounts payable and accrued expenses of consolidated investment entities	47	62
Other liabilities	7,356	6,829
Other liabilities of consolidated investment entities (includes \$457 and \$193, respectively, at fair value)	492	225
Total liabilities	139,483	135,344
Equity:		
Ameriprise Financial, Inc.:		
Common shares (\$.01 par value; shares authorized, 1,250,000,000; shares issued, 319,297,647 and 316,816,851, respectively)	3	3
Additional paid-in capital	7,144	6,929
Retained earnings	7,843	7,289
Appropriated retained earnings of consolidated investment entities	320	337
Treasury shares, at cost (131,550,883 and 124,698,544 shares, respectively)	(7,802)	(6,961)
Accumulated other comprehensive income, net of tax	920	595
Total Ameriprise Financial, Inc. shareholders' equity	8,428	8,192
Noncontrolling interests	1,249	1,040
Total equity	9,677	9,232
Total liabilities and equity	\$149,160	\$144,576

See Notes to Consolidated Financial Statements.

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AMERIPRISE FINANCIAL, INC.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

(in millions, except share data)

Ameriprise Financial, Inc.

Number of Outstanding Shares	Common Shares	Additional Paid-In Capital	Retained Earnings
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