

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 30 OF THE INVESTMENT COMPANY ACT OF 1940 AND SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2023

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. 811-00002

AMERIPRISE CERTIFICATE COMPANY

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>41-6009975</u> (I.R.S. Employer Identification No.)
<u>1099 Ameriprise Financial Center</u> (Address of principal executive offices)	<u>Minneapolis Minnesota 55474</u> (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock (par value \$10 per share)	None	None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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 registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 22, 2024
Common Stock (par value \$10 per share)	150,000 shares

All outstanding shares of the registrant are directly owned by Ameriprise Financial, Inc.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS I(1)(a) AND (b) OF FORM 10-K AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

AMERIPRISE CERTIFICATE COMPANY

FORM 10-K

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PART I**Item 1. Business****Overview**

Ameriprise Certificate Company (“ACC”) was incorporated on October 28, 1977 under the laws of Delaware. Ameriprise Financial, Inc. (“Ameriprise Financial”, collectively with its subsidiaries and affiliates, “we”, “us” and “our”), a Delaware corporation, owns 100% of the outstanding voting securities of ACC. Ameriprise Financial and its predecessor companies have nearly a 130-year history of providing solutions to help clients confidently achieve their financial objectives.

ACC is registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”) and is in the business of issuing face-amount investment certificates. Face-amount certificates issued by ACC entitle the certificate owner to receive at maturity a stated amount of money and interest or credits declared from time to time by ACC, at its discretion. ACC’s certificates are distributed and sold solely by Ameriprise Financial Services, LLC (“AFS”), an affiliate of ACC and its network of more than 10,000 advisors. AFS is registered as a broker-dealer in all 50 states, the District of Columbia and Puerto Rico.

To ACC’s knowledge, ACC is the largest issuer of face-amount certificates in the United States. However, ACC’s certificate products compete with many other banking and investment products offered by banks, savings and loan associations, asset managers, broker-dealers and others, which may be viewed by potential clients as offering a comparable or superior combination of safety and return on investment. In particular, some of ACC’s products are designed to be competitive with the types of investments offered by banks and thrifts. Since ACC’s face-amount certificates are securities, their offer and sale are subject to regulation under federal and state securities laws. ACC’s certificates are backed by ACC’s qualified assets on deposit and are not insured by any governmental agency or other entity.

ACC’s future profitability is dependent upon changes in the economic, credit and equity environments, as well as the competitive environment.

Products

As of the date of this report, ACC offered the following three types of certificate products to the public:

1. Ameriprise Cash Reserve Certificate

- Single payment certificate that permits additional payments and on which ACC guarantees interest rates in advance for a three-month term.
- Currently sold without a sales charge.
- Available as qualified investments for IRAs, 401(k) plans, and other qualified retirement plans.
- Current policy is to re-evaluate the certificate product interest crediting rates weekly to respond to marketplace changes.
- ACC refers to an independent index or source to set the rates for new sales and must set the rates for an initial purchase of the certificate within a specified range of the rate from such index or source. For renewals, ACC uses such rates as an indication of the competitors’ rates, but is not required to set rates within a specified range.
- Non-Jumbo Deposit National Rates for three-month CDs as published by the Federal Deposit Insurance Corporation (“FDIC”) are used as the guide in setting rates.
- Competes with popular short-term investment and savings vehicles such as certificates of deposit, savings accounts, and money market mutual funds that offer comparable yields, liquidity and safety of principal.
- Twenty year maturity.

2. Ameriprise Flexible Savings Certificate

- Single payment certificate that permits a limited amount of additional payments and on which ACC guarantees interest rates in advance for a term of three, six, seven, nine, twelve, thirteen, eighteen, twenty-four, thirty or thirty-six months, and potentially other terms, at ACC’s option.
- Currently sold without a sales charge.
- Currently premature surrenders incur surrender charges.
- Available as qualified investments for IRAs, 401(k) plans, and other qualified retirement plans.
- Current policy is to re-evaluate the certificate product interest crediting rates weekly to respond to marketplace changes.
- ACC refers to an independent index or source to set the rates for new sales and must set the rates for an initial purchase of the certificate within a specified range of the rate from such index or source. For renewals, ACC uses such rates as an indication of the competitors’ rates, but is not required to set rates within a specified range.
- Non-Jumbo Deposit National Rates as published by the FDIC are used as the guide in setting rates.
- Competes with popular short-term investment vehicles such as certificates of deposit, money market certificates, and money market mutual funds that offer comparable yields, liquidity and safety of principal.
- Twenty year maturity.

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3. Ameriprise Installment Certificate

- Installment payment certificate that declares interest rates in advance for a three-month period.
- Currently sold without a sales charge.
- Currently premature surrenders incur surrender charges.
- Available as qualified investments for IRAs, 401(k) plans, and other qualified retirement plans.
- Current policy is to re-evaluate the certificate product interest crediting rates weekly to respond to marketplace changes.
- As of the date of this report, ACC has set a fixed rate of 4.41% for new sales.
- Intended to help clients save systematically and may compete with passbook savings and NOW accounts.
- Ten year maturity.

ACC periodically makes changes to the products offered. Effective April 1, 2020, the Ameriprise Step-Up Rate Certificate was closed to new sales and effective August 18, 2023, the Ameriprise Stock Market Certificate was closed to new sales and add-on payments.

Within the specified maturity periods, most certificates have interest crediting rate terms ranging from three to forty-eight months. Interest crediting rates are subject to change and certificate product owners can surrender their certificates without penalty at the end of a term. Currently offered ACC certificates (listed above), as well as certain certificates previously issued by ACC (not listed above), contain renewal features which enable certificate owners to renew their certificate term until certificate maturity. Accordingly, certificate products that are currently outstanding in their renewal periods or are exercised for renewal in the future are, and continue to be, liabilities of ACC until their redemption or maturity, whether or not such certificates are available for new sales. ACC guarantees the return of principal, as well as interest once it has been credited, less any penalties that apply, for each of the certificates offered.

Distribution and Marketing Channels

ACC's certificates are offered solely by AFS and sold pursuant to a distribution agreement which is subject to annual review and approval by ACC's Board of Directors, including a majority of the directors who are not "interested persons" of AFS or ACC as that term is defined in the 1940 Act. The distribution agreement provides for the payment of distribution fees to AFS for services provided. The distribution agreement with AFS can be terminated by either party on sixty days' written notice.

Asset Management

ACC has retained Columbia Management Investment Advisers, LLC ("CMIA"), a wholly owned subsidiary of Ameriprise Financial, to manage ACC's investment portfolio under an investment management agreement, which is subject to annual review and approval by ACC's Board of Directors, including a majority of the directors who are not "interested persons" of AFS, CMIA or ACC. This investment management agreement with CMIA can be terminated by either party on sixty days' written notice.

Regulation

ACC is required to maintain cash and "qualified assets" meeting the standards of Section 28(b) of the 1940 Act, as modified by an exemptive order of the Securities and Exchange Commission ("SEC"). The amortized cost of such investments must be at least equal to ACC's net liabilities on all outstanding face-amount certificates plus \$250,000. ACC's qualified assets consist of cash and cash equivalents, residential and commercial mortgage backed securities, asset backed securities, syndicated loans, commercial mortgage loans, U.S. government and government agency obligations, state and municipal obligations, corporate debt securities, equity index options and other securities meeting specified standards. So long as ACC wishes to rely on the SEC order, as a condition to the order, ACC has agreed to maintain an amount of unappropriated retained earnings and capital equal to at least 5% of certificate reserves (less outstanding certificate loans). To the extent that payment of a dividend would decrease the capital ratio below the required 5%, payment of a dividend would be restricted. In determining compliance with this condition, qualified assets are valued in accordance with the provisions of Minnesota Statutes where such provisions are applicable.

ACC has also entered into a written understanding with the Minnesota Department of Commerce that ACC will maintain capital equal to at least 5% of the assets of ACC (less outstanding certificate loans). To the extent that payment of a dividend would decrease this ratio below the required 5%, payment of a dividend would be restricted. When computing its capital for these purposes, ACC values its assets on the basis of statutory accounting for insurance companies rather than U.S. generally accepted accounting principles ("GAAP"). ACC is subject to examination and supervision by the Minnesota Department of Commerce (Banking Division) and the SEC.

Following conversion of ACC's affiliate Ameriprise National Trust Bank into a federal savings bank ("Ameriprise Bank"), Ameriprise Financial continued to be subject to ongoing supervision by the Board of Governors for the Federal Reserve System ("FRB"). FRB regulation and supervisory oversight of Ameriprise Financial includes examinations, regular financial reporting, and prudential standards, such as capital, liquidity, risk management and parameters for business conduct and internal governance. In order to maintain Ameriprise Financial's permission under applicable bank holding company laws and regulations to engage in business activities other than banking or activities closely related to banking, each of Ameriprise Financial and Ameriprise Bank, as Ameriprise Financial's sole insured depository institution subsidiary, must remain "well-capitalized" and "well-managed" under applicable federal banking regulations, and Ameriprise Bank must receive at least a "satisfactory" rating in its most recent examination under the Community Reinvestment Act. Failure to meet one or more of certain requirements and regulations would mean, depending on the

Ameriprise Certificate Company

requirements not met and any agreement then reached with the FRB, that until cured Ameriprise Financial (and therefore ACC) could not undertake new activities, continue certain activities, or make certain acquisitions. As a subsidiary of Ameriprise Financial, ACC is (absent exclusion or exemption) required to comply with investment limitations on its portfolio and other limitations under applicable banking laws, including what is commonly referred to as the Volcker Rule.

Item 1A. Risk Factors

ACC's operations and financial results are subject to various risks and uncertainties, including those described below, that could have a material adverse effect on ACC's business, financial condition or results of operations. We believe that the following information identifies the material factors affecting ACC based on the information we currently know. However, the risks and uncertainties ACC faces are not limited to those described below. Additional risks and uncertainties which are not presently known or which are currently believed to be immaterial may also adversely affect ACC's business.

Market Risks

ACC's financial condition and results of operations may be adversely affected by market fluctuations and by economic, political and other factors.

ACC's financial condition and results of operations may be materially affected by market fluctuations and by economic and other factors. Such factors, which can be global, regional, national or local in nature, include: (i) the level and volatility of the markets, including equity prices, interest rates, commodity prices, currency values and other market indices and drivers; (ii) geopolitical strain, terrorism and armed conflicts; (iii) political dynamics or elections and social, economic and market conditions; (iv) the availability and cost of capital; (v) global health emergencies (such as the coronavirus disease 2019 ("COVID-19") pandemic); (vi) technological changes and events; (vii) U.S. and foreign government fiscal and tax policies; (viii) U.S. and foreign government ability, real or perceived, to avoid defaulting on government securities; (ix) the availability and cost of credit and hedge markets; (x) periods of elevated inflation; (xi) natural disasters such as weather catastrophes; and (xii) other factors affecting investor sentiment and confidence in the financial markets. These factors also may have an impact on ACC's ability to achieve its strategic objectives.

ACC's financial condition and results of operations are affected by the "spread," or the difference between the returns ACC earns on the investments that support its product obligations and the amounts that ACC must pay certificate holders.

Downturns and volatility in markets (including equity, fixed income and other markets) have had, and may in the future have, an adverse effect on the financial condition and results of operations of ACC. Market downturns and volatility may cause, and have caused, potential new purchasers of ACC's products to refrain from purchasing or to purchase fewer ACC certificate products. Additionally, downturns and volatility in financial markets can have, and have had, an adverse effect on the performance of ACC's investment portfolio.

Changes in interest rates may affect ACC's financial condition and results of operations.

ACC's investment products are sensitive to interest rate fluctuations and ACC's future costs associated with such variations may differ from its historical costs. As market interest rates increase, ACC may offer higher crediting rates on existing face-amount certificates to remain competitive with other products in the market. Because yields on invested assets may not increase as quickly as current interest rates, ACC may have to accept a lower spread and thus lower profitability or face a decline in sales and greater loss of existing certificates. In addition, increases in market interest rates may cause increased certificate surrenders or changes in demands of certificate products as certificate holders seek to shift assets to products with perceived higher returns. This process may lead to an earlier than expected outflow of cash from ACC's business. Also, increases in market interest rates may result in extension of certain cash flows from structured mortgage assets. Certificate withdrawals and surrenders may also require investment assets to be sold at a time when the prices of those assets are lower because of the increase in market interest rates, which may result in realized investment losses to be realized in ACC's results of operations. If higher market interest rates lead to inflows into interest sensitive face-amount certificates or other changes in product behavior, ACC's capital requirements may increase as well. Increases in crediting rates, as well as surrenders and withdrawals, could have an adverse effect on ACC's financial condition and results of operations.

If there is a return to a period of prolonged low interest rates, ACC's spread may be reduced or could become negative primarily because ACC may adjust the interest rates it credits on most of the products downward only at limited, pre-established intervals. Interest rate fluctuations also could have an adverse effect on the results of ACC's investment portfolio. During periods of declining market interest rates or stagnancy of low interest rates, the interest ACC receives on variable interest rate investments decreases. In addition, during those periods, ACC is forced to reinvest the cash it receives as interest or return of principal on its investments in lower-yielding high-grade instruments or in lower-credit instruments to maintain comparable returns. Issuers of certain callable fixed income securities also may decide to prepay their obligations in order to borrow at lower market rates which increase the risk that ACC may have to reinvest the cash proceeds of these securities in lower-yielding or lower-credit instruments. Offsetting some of these risks is the fact that a significant portion of certificate balances do not have a minimum guaranteed interest crediting rate.

For additional information regarding the sensitivity of the fixed income securities in ACC's investment portfolio to interest rate fluctuations, see Part II, Item 7A of this Annual Report on Form 10-K —"Quantitative and Qualitative Disclosures About Market Risk."

Business Risks***Intense competition could negatively affect ACC's ability to maintain or increase its market share and profitability.***

ACC's business operates in an intensely competitive industry segment. ACC competes based on a number of factors including name recognition, service, interest rates, product features and perceived financial strength. ACC's competitors include broker-dealers, banks, asset managers and other financial institutions. ACC's business faces competitors that have greater market share, offer a broader range of products, greater investments in technology and analytics or have greater financial resources. Furthermore, ACC's competitors may be better able to address trends, structural changes, or movement of assets resulting from industry changes or in response to the uncertain regulatory environment in the U.S. and around the world.

ACC's affiliated distributor may be unable to attract and retain key talent.

ACC is dependent on the financial advisors of AFS for all of the sales of its certificate products. A significant number of such financial advisors operate as independent contractors under a franchise agreement with AFS. The market for financial advisors is highly competitive, and there can be no assurance that AFS will be successful in its efforts to maintain its current network of financial advisors or to recruit and retain new advisors to its network. If AFS is unable to attract and retain quality financial advisors, fewer advisors would be available to sell ACC's certificate products and ACC's financial condition and results of operations could be materially adversely affected.

The determination of the amount of allowances taken on certain loans and investments is subject to management's evaluation and judgment and could materially impact ACC's results of operations or financial position.

The determination of the amount of allowances varies by investment type and is based upon ACC's periodic evaluation and assessment of inherent and known risks associated with the respective asset class.

Management uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for recovery. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential. The determination of the amount of allowances on loans is based upon the asset's expected life, considering past events, current conditions and reasonable and supportable economic forecasts. Such evaluations and assessments are revised as conditions change and new information becomes available. Historical trends may not be indicative of future impairments or allowances.

Some of ACC's investments are relatively illiquid, and ACC may have difficulty selling these investments.

ACC invests a portion of its assets in privately placed fixed income securities and commercial mortgage loans, which are relatively illiquid. ACC's investment manager periodically reviews ACC's private placement investment using adopted standards to categorize the investment as liquid or illiquid. As of December 31, 2023, commercial mortgage loans and private placement fixed income securities that have been categorized as illiquid represented approximately 1% of the carrying value of ACC's investment portfolio. If ACC requires significant amounts of cash on short notice in excess of its normal cash requirements, ACC may have difficulty selling its investment in a timely manner or be forced to sell them for an amount less than it would otherwise have been able to realize, or both, which could have an adverse effect on ACC's financial condition and results of operations.

Failure of ACC's service providers to perform their responsibilities could adversely affect ACC's business.

ACC's business operations, including investment management, transfer agent, custody and distribution services, are performed by affiliated service providers, or in some cases their subcontractors, pursuant to formal contracts. The failure of a service provider to fulfill its responsibilities could have an adverse effect on ACC's financial condition and results of operations that could be material.

If the counterparties to the derivative instruments ACC uses to hedge certain certificate liabilities default, ACC may be exposed to risks it had sought to mitigate, which could adversely affect ACC's financial condition and results of operations.

ACC uses derivative instruments to hedge certain certificate liabilities. ACC enters into a variety of derivative instruments with a number of counterparties. If ACC's counterparties become insolvent or fail to honor their obligations under the contracts governing such instruments, ACC's hedges of the related risk may be ineffective. That failure could have a material adverse effect on ACC's financial condition and results of operations. The risk of counterparty default may increase during periods of capital market volatility.

If ACC's reserves for future certificate redemptions and maturities are inadequate, ACC may be required to increase its reserve liabilities, which could adversely affect ACC's results of operations and financial condition.

Investment certificates may be purchased either with a lump-sum payment or by installment payments. Certificate product owners are entitled to receive, at maturity, a definite sum of money. Payments from certificate owners are credited to investment certificate reserves. Investment certificate reserves accumulate interest at specified percentage rates as declared by ACC. Reserves are also maintained for advance payments made by certificate owners, accrued interest thereon, and for additional credits in excess of minimum guaranteed rates and accrued interest thereon. On certificates allowing for the deduction of a surrender charge, the cash surrender values may be less than accumulated investment certificate reserves prior to maturity dates. Cash surrender values on certificates allowing for no surrender charge are equal to certificate reserves. The payment distribution, reserve accumulation rates, cash surrender values, reserve values and other matters are governed by the 1940 Act.

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Certain certificates offer a return based on the relative change in a stock market index. The certificates with an equity-based return contain embedded derivatives, which are carried at fair value within Certificate reserves. The fair values of these embedded derivatives incorporate current market data inputs. Changes in fair value are reflected in Provision for certificate reserves.

ACC monitors its reserve levels continually. If ACC concluded its reserves were insufficient to cover actual or expected redemptions or maturities, ACC would be required to increase its reserves and incur charges for the period in which it makes the determination. Such a determination could adversely affect ACC's financial condition and results of operations.

Operations Risks

A failure to protect the reputation of ACC or its affiliates could adversely affect the business of ACC.

The ability of ACC to market and sell its products is highly dependent upon external perceptions of ACC's and its affiliates' level of service, business practices and financial condition. Damage to the reputation of ACC or its affiliates could cause significant harm to the business and prospects of ACC. Reputational damage may arise from numerous sources, including litigation or regulatory actions, failing to deliver minimum standards of service and quality, compliance failures, any perceived or actual weaknesses in ACC's financial strength or liquidity, clients' or potential clients' perceived failure of how ACC addresses certain political, environmental, social or governance topics, technological breakdowns, cybersecurity attacks, or other security breaches (including attempted breaches, breaches impacting ACC's vendors or their subcontractors or inadvertent disclosures) resulting in system unavailability, improper disclosure or loss of data integrity relating to client information, unethical or improper behavior and the misconduct or error of employees of its affiliates, AFS's advisors and counterparties. Additionally, a failure to develop new products and services, or successfully manage associated operational risks, could harm ACC's reputation and potentially expose ACC to additional costs, or negative public relations or social media campaigns. Any negative incidents can quickly erode trust and confidence, particularly if they result in adverse mainstream and social media publicity, governmental audits or investigations or litigation. Adverse developments with respect to the financial industry may also, by association, negatively impact ACC's reputation or result in greater regulatory or legislative scrutiny or litigation against ACC.

Misconduct by employees of ACC's affiliates may be difficult to detect and deter and may damage ACC's reputation. This can include improper use of their authorized access to sensitive information. Misconduct or errors by employees of ACC's affiliates, AFS's advisors or counterparties could result in violations of law, regulatory sanctions and/or serious reputational or financial harm. Misconduct or mistakes can occur in ACC's business. ACC and its affiliates cannot always prevent misconduct of employees of ACC's affiliates, and the precautions its affiliates take to prevent and detect this activity may not be effective in all cases. Preventing and detecting misconduct among ACC's affiliates franchisee advisors presents additional challenges in that they control their own technology environment on a day-to-day basis and could have an adverse effect on ACC's business. ACC's reputation depends on its continued identification of and mitigation against conflicts of interest. ACC has procedures and controls that are designed to identify, address and appropriately disclose perceived conflicts of interest, though ACC's reputation could be damaged if ACC fails, or appears to fail, to address conflicts of interest appropriately.

The direct and indirect effects of climate change could adversely affect ACC's business and operations, both directly and as a result of impacts on ACC's clients, counterparties and entities whose securities it holds.

ACC operates in many regions and communities where ACC's business, and the activities of ACC's clients and counterparties, could be adversely affected by climate change. Climate change may increase the severity and frequency of weather-related catastrophes, or adversely affect ACC's investment portfolio or investor sentiment. This includes the potential for an increase in the frequency and severity of weather-related disasters and pandemics. In addition, climate change regulation may affect the prospects of companies and other entities whose securities ACC's holds, or ACC's willingness to continue to hold their securities. Climate change may also influence investor sentiment with respect to ACC and investments in ACC's portfolio. Climate risks can also arise from the inconsistencies and conflicts in the manner in which climate policy and financial regulation is implemented in the many regions where ACC operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect. Transition risks may arise from societal adjustment to a lower-carbon economy, such as changes in public policy, adoption of new technologies or changes in consumer preferences towards low-carbon goods and services. These risks could also be influenced by changes in the physical climate. Overall, ACC cannot predict or estimate the long-term impacts from climate change or related regulation.

ACC's operational systems and networks (as well as those of third parties) are subject to evolving cybersecurity or other technological risks, which could result in the disclosure of confidential information, loss of ACC's proprietary information, damage to ACC's reputation, additional costs to ACC, regulatory penalties and other adverse impacts.

The business of ACC and its affiliates is reliant upon internal and third-party controlled, developed and operated software (which includes open source software), technology systems and networks to process, transmit and store information, including current, potential and former clients', advisors' personal information, as well as proprietary information, and to conduct many business activities and transactions. Maintaining the security and integrity of the software, information and these systems and networks, and appropriately responding to any cybersecurity and privacy incidents (including attempts), is critical to the success of ACC's business operations, including ACC's reputation, to the retention of AFS's advisors and clients, and to the protection of ACC's proprietary information and clients' personal information.

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ACC and its affiliates rely on the third parties with whom it does business to identify and remediate software and other vulnerabilities before they can be exploited by bad actors, but they cannot always do so. For example, zero-day vulnerabilities in software and other technology solutions are immediately exploitable by bad actors as occasionally happens with certain of ACC's affiliates' vendors in the industry. ACC and its affiliates routinely face attacks and seek to address evolving threats of which we become aware. ACC and its affiliates have been able to identify, protect, detect, respond to and recover from these attacks to date without a material loss of client financial assets or information through the use of ongoing internal and external threat monitoring and by making continual adjustments to ACC's security and incident response capabilities.

Employees of ACC's affiliates, as well as service providers and clients, have also been threatened by, among others, phishing, vishing, and spear phishing scams, social engineering attacks (such as direct voice contact and any technology or communication mechanism to contact a person), account takeovers, introductions of malware, attempts at electronic break-ins, and the submission of fraudulent payment requests. The number of threats and events has increased substantially every year, which is expected to continue, particularly as the use of artificial intelligence makes these attempts look more legitimate. Attempted or successful breaches or interference by third parties or by insiders that may occur in the future could have a material adverse impact on ACC's business, reputation, financial condition or results of operations.

On a corporate basis, various laws and regulations, and in some cases contractual obligations, require ACC's affiliates to establish and maintain corporate policies and technical and operational measures designed to protect sensitive client, contractor and vendor information, and to respond to cybersecurity incidents in certain ways and timeframes. ACC's affiliates have established policies and implemented such technical and operational measures and have in place policies that require AFS's service providers and franchisee advisors, each of which control locally their own technology operations, to do the same. The increase in hybrid working among ACC's affiliates' employees adds complexity to monitoring and processing procedures. Changes in ACC's business or technological advancements may also require corresponding changes in ACC's systems, networks and data security and response measures. While accessing ACC and its affiliates products and services, ACC's customers may use computers and other devices that sit outside of ACC and its affiliates security control environment. In addition, the ever-increasing reliance on technology systems and networks and the occurrence and potential adverse impact of attacks on such systems and networks (including in recent well-publicized security breaches at other companies), both generally and in the financial services industry, have enhanced government and regulatory scrutiny of the measures taken by companies to protect against cybersecurity threats and report incidents they suffer. As these threats, and government and regulatory oversight of associated risks, continue to evolve, ACC may be required to expend additional resources (both direct financial resources and indirect costs like people) to enhance or expand upon the technical and operational security and response measures ACC and its affiliates currently maintain. These regulator-driven changes may adversely impact the client experience by, for example, requiring multiple means of verifying the identity of a client before they can interact with ACC.

Despite the measures ACC has taken and may in the future take to address and mitigate cybersecurity, privacy and technology risks, ACC cannot be certain that ACC and its affiliates systems and networks, or those used by its vendors, will not be subject to successful attacks, breaches or interference. Nor can ACC guarantee that AFS franchise advisors will comply with ACC and its affiliates policies and procedures in this regard, or that clients will engage in safe and secure online practices. Furthermore, human error occurs from time to time and such mistakes can lead to the inadvertent disclosure of sensitive information. ACC and its affiliates have a vendor management process, but at times, ACC and its affiliates' software or service providers could push through updates that are not fully disclosed to us (or tested by them) and that could alter the control posture of their products. Any such event may result in operational disruptions, as well as unauthorized access to or the disclosure or loss of, ACC's proprietary information or ACC's affiliates' client, employee, vendor or advisor personal information, which in turn may result in legal claims, regulatory scrutiny and liability, reputational damage, the incurrence of costs to respond to, eliminate, or mitigate further exposure, the loss of clients or AFS advisors, or other damage to ACC's business. While ACC and its affiliates maintain cyber liability insurance that provides both third-party liability and first-party liability coverages, it may not protect ACC against all cybersecurity- and privacy-related losses. Furthermore, ACC may be subject to indemnification costs and liability to third parties if ACC breaches any confidentiality or security obligations regarding vendor data or for losses related to the data. In addition, the trend toward broad consumer and general-public notification of such incidents, including those where ACC and its affiliates' vendors are the party being breached, could exacerbate the harm to ACC's business, reputation, financial condition or results of operations in the event of a breach. Even if ACC and its affiliates successfully protect ACC's technology infrastructure and the confidentiality of sensitive data and conduct appropriate incident response, ACC may incur significant expenses in connection with ACC's responses to any such attacks, as well as the adoption, implementation and maintenance of appropriate security measures. In addition, ACC and its affiliates regulators may seek to hold ACC's affiliate responsible for the acts, mistakes or omissions of vendors or AFS franchise advisors even where they procure and control much of the physical office space and technology infrastructure they use to operate their businesses locally.

Protection from system interruptions and operating errors is important to ACC's business. If ACC experiences a sustained interruption to ACC's telecommunications or data processing systems, or other failure in operational execution, it could harm ACC's business.

Operating errors and system or network interruptions could delay and disrupt ACC's operations. Interruptions could be caused by mistake, malfeasance or other operational failures by service provider staff or ACC's affiliates' employee error or malfeasance, interference by third parties, including hackers, ACC's implementation of new technology, maintenance of existing technology or natural disasters, each of which may impact ACC's ability to run its systems or encounter varying downtime. Though ACC plans for

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resiliency in its systems and test these capabilities, it could face additional downtime or data loss if its plans do not work as expected during a real event. ACC's financial, accounting, human resources, data processing or other operating systems and facilities may fail to operate or report data properly, experience connectivity disruptions or otherwise become disabled as a result of events that are wholly or partially beyond ACC's control, adversely affecting ACC's ability to process transactions or provide products and services to clients (some of which have regulatory required response times).

ACC and its affiliates rely on third-party service providers and vendors for certain communications, technology and business functions and other services, and ACC and its affiliates face the risk of their operational failure (including, without limitation, loss of staff due to widespread illness, failure caused by an inaccuracy, untimeliness or other deficiency in data reporting), technical or security failures, termination or capacity constraints of any of the third-party service providers that ACC or its affiliates use to facilitate or are component providers to ACC's activities. Any such failure, termination or constraint or flawed execution or response could adversely impact ACC's ability to effect transactions, service clients, manage exposure to risk, or otherwise achieve desired outcomes.

Risk management policies and procedures may not be fully effective in identifying or mitigating risk exposure in all market environments, products, vendors or against all types of risk, including ACC's affiliates' financial advisor misconduct.

ACC's policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating ACC's risk exposure in all market environments or against all types of risk. Many of ACC's methods of managing risk and the associated exposures are based upon observed historical market behavior or statistics based on historical models. Experience may not emerge as expected and during periods of market volatility or due to unforeseen events, the historically derived experience and correlations may not be valid. As a result, these methods may not predict future exposures accurately, which could be significantly greater than what ACC's models indicate. Further, some controls are manual and are subject to inherent limitations. This could cause ACC to incur investment losses or cause ACC's hedging and other risk management strategies to be ineffective. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that are publicly available or otherwise accessible to ACC, which may not always be accurate, complete, up-to-date or properly evaluated.

ACC's financial performance also requires ACC to develop, effectively manage, and market new or existing products and services that appropriately anticipate or respond to changes in the industry and evolving client demands. The development and introduction of new products and services require continued innovative effort and may require significant time, resources, and ongoing support. Further, avoiding introducing or encouraging certain new products (such as cryptocurrency) creates the risk of losing assets or new flows to competitors who encourage or support these products. Substantial risk and uncertainties are associated with the introduction and ongoing maintenance of new products and services, including the implementation of new and appropriate operational controls and procedures, shifting and sometimes contradictory client and market preferences, the introduction of competing products or services and compliance with regulatory requirements.

Artificial intelligence (including generative artificial intelligence) presents many benefits in terms of operating efficiency, but also new risks that ACC needs to seek to mitigate through its strategic and risk management policies, such as reliance on information that may be inaccurate or biased results. In addition, the regulatory framework and expectations relating to the use of artificial intelligence are in their early stages as is the use (and how ACC and its affiliates manage the use) of artificial intelligence in its business.

Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective in mitigating ACC's risk exposure in all market environments or against all types of risk, including those associated with ACC's or its affiliates' key vendors. Insurance and other traditional risk-shifting tools may be held by or available to ACC in order to manage certain exposures, but they are subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency.

The occurrence of natural or man-made disasters and catastrophes could adversely affect the results of operations and financial condition of ACC.

The occurrence of natural disasters and catastrophes, including earthquakes, hurricanes, floods, tornadoes, fires, blackouts, severe winter weather, explosions, pandemic disease and global health emergencies (such as COVID-19) and man-made disasters, including acts of terrorism, riots, civil unrest including large-scale protests, insurrections and military actions, could adversely affect the results of operations or financial condition of ACC. Such disasters and catastrophes may impact ACC directly by damaging its facilities, preventing service providers or employees of its affiliates from performing their roles or otherwise disturbing its ordinary business operations. These impacts could be particularly severe to the extent they affect access to physical facilities or the physical well-being of large numbers of employees of ACC's affiliates, ACC's computer-based data processing, transmission, storage and retrieval systems and destroy or release valuable data. Such disasters and catastrophes may also impact ACC indirectly by changing the condition and behaviors of its customers, business counterparties and regulators, as well as by causing declines or volatility in the economic and financial markets, which could in turn have an adverse effect on ACC's investment portfolio.

ACC cannot predict the impact that changing climate conditions may have on the frequency and severity of natural disasters or on overall economic stability and sustainability. As such, ACC cannot be sure that its actions to identify and mitigate the risks associated with such disasters and catastrophes will be effective.

Legal, Regulatory and Tax Risks

ACC's business is regulated and changes in legislation or regulation may reduce ACC's profitability and limit its growth.

ACC operates in a regulated industry. As a registered investment company, ACC must observe certain governance, disclosure, record-keeping, marketing, privacy, data protection and other operating requirements. Various regulatory and governmental bodies have the authority to review ACC's products and business practices and to bring regulatory or other legal actions against ACC if, in their view, ACC's practices are improper. Any enforcement actions, investigations or other proceedings brought against ACC or its directors or employees of its affiliates by its regulators may result in fines, injunctions or other disciplinary actions that could harm ACC's reputation or impact ACC's results of operations. Further, any future legislation or changes to the laws and regulations applicable to ACC's business such as possible changes brought about by any U.S. Department of Labor applicable regulation as well as state and other fiduciary rules, the SEC best interest standards, or similar standards such as the Certified Financial Planner Board standards pertaining to the fiduciary status of investment advice providers to retirement investors (primarily account holders in 401(k) plans and IRAs and other types of Employee Retirement Income Security Act of 1974, as amended ("ERISA") clients) and related issues. Each of these has a potential impact regarding how ERISA investment advice fiduciaries and others can provide products manufactured by affiliates to, or engage in certain principal transactions with, retirement investors, including incremental requirements, costs and risks that may be imposed on ACC as a result of such changes, may affect the operations and financial condition of ACC. In addition, after the conversion of Ameriprise Bank into a federal savings bank, Ameriprise Financial became subject to ongoing supervision by the FRB. As a subsidiary of Ameriprise Financial, ACC is (absent exclusion or exemption) required to comply with certain limits on its activity, including investment limitations on its portfolio and other limitations under applicable banking laws. Failure to meet one or more of certain requirements and regulations would mean, depending on the violation and any agreement then reached with the FRB, Ameriprise Financial (and therefore ACC) could not undertake new activities, continue certain activities, or make certain acquisitions until such violation is cured.

ACC's business is subject to comprehensive legal requirements concerning the use and protection of personal information, including client information, from a multitude of different functional regulators and law enforcement bodies. This regulatory framework is rapidly changing through an ever-increasing patchwork of state laws and regulation (such as the California Consumer Privacy Act and the California Privacy Rights Act). Further developments could negatively impact ACC's business and operations.

Changes in corporate tax laws and regulations and changes in the interpretation of such laws and regulations, as well as adverse determinations regarding the application of such laws and regulations, could adversely affect ACC's earnings.

ACC is subject to the income tax laws of the U.S., its states and municipalities. ACC must make judgments and interpretations about the application of these inherently complex tax laws when determining the provision for income taxes and must also make estimates about when in the future certain items affect taxable income in the various tax jurisdictions. In addition, changes to the Internal Revenue Code, administrative rulings or court decisions could increase ACC's provision for income taxes and reduce ACC's earnings. Furthermore, guidance issued by the U.S. Department of Treasury and others can be critical to the application and impact of new laws and in avoiding unintended impacts from legislation. The jurisdictions ACC operates in may not always provide clear guidance that is responsive to industry questions and concerns. If guidance is unclear, it could increase ACC's taxes or create a potential for disagreement about interpretation of the tax code.

Many of the products that ACC or Ameriprise Financial and its affiliates issue or on which these businesses are based receive favorable treatment under current U.S. federal income or estate tax law. Changes in U.S. federal income or estate tax law could reduce or eliminate the tax advantages of certain of Ameriprise Financial's products and thus make such products or ACC's products less attractive to clients or cause a change in client demand and activity.

Changes in and the adoption of accounting standards could have a material impact on ACC's financial statements.

ACC's accounting policies provide a standard for how it records and reports its financial condition and results of operations. ACC prepares its financial statements in accordance with U.S. generally accepted accounting principles. It is possible that accounting changes could have a material effect on ACC's financial condition and results of operations. The Financial Accounting Standards Board, the SEC and other regulators often change the financial accounting and reporting standards governing the preparation of ACC's financial statements. These changes are difficult to predict and could impose additional governance, internal control and disclosure demands. In some cases, ACC could be required to apply a new or revised standard retrospectively, resulting in restating prior period financial statements.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity**Risk Management and Strategy**

Cybersecurity is a key part of our business and client experience and is integrated into our enterprise risk management processes and policies. We maintain written policies, processes and procedures that seek to identify, protect, detect, respond to, and recover from known and emerging cybersecurity risks. Our program includes consuming threat intelligence and ongoing monitoring of known

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external threats. We also have operating policies and procedures designed to comply with applicable requirements in jurisdictions we operate in globally. Our policies and procedures are regularly reviewed and internally assessed to enhance our corporate security capabilities. We make ongoing investments in our technology infrastructure to support cybersecurity efforts and support reliability and the user experience. We offer clients and affiliated advisors a variety of options to help secure their information, including multi-factor authentication and the use of secure messaging sites. We provide our affiliated advisors with ongoing security training and periodically test their skills and understanding with various cybersecurity exercises.

We remain vigilant against cybersecurity risks as part of operating our business. Our cybersecurity team is led by experienced staff, including our Chief Information Officer, who has been with the company in various technology positions since 2002. Previously, he worked for other companies holding senior delivery and architecture roles and holds both a bachelor's degree in engineering and an MBA. Our Chief Information Security Officer has over 30 years of broad IT experience, with expertise in Information Security. His background also includes systems design and development, and he has expertise in database administration and database platforms across both mainframe and distributed platforms. Prior to joining the company, he worked as a consultant and a developer at other companies. Our risk management approach involves a matrixed structure of leaders who bring various levels of cybersecurity and technology expertise to their areas of risk management. Our technology team relies on their enterprise-wide colleagues' expertise when needed to plan, respond, and mitigate incidents, as needed.

We conduct regular vulnerability scanning and related remediation activities for our applications and systems. We have documented expectations for the patching and updating of our software environment and set similar expectations for our affiliated financial advisors and third-party service providers where they retain control of their environment. Our cybersecurity approach supports both business continuity and risk mitigation. Should an incident occur, we have plans in place that are designed to mitigate the impact to our operations while we respond and recover, if necessary. We run a global security operations center that continuously monitors our networks and systems and is prepared to contact the appropriate teams to respond to an incident should one occur. Depending on the incident, the response group may include participation from a wide variety of groups across the enterprise. We conduct regular exercises to verify that our business continuity plans are capable of recovering our operating capabilities in line with our business needs and expectations. In addition, our global privacy team provides oversight and support to business and staff groups in conducting annual risk assessments regarding the secure handling of personally identifiable information.

Additionally, as part of our formal procurement and vendor management process, we ask our third-party service providers to have and maintain cybersecurity programs that are consistent with our legal and regulatory obligations, and we review cybersecurity risk assessments of those third-party service providers who provide key technology and services. For third-party service providers that do go through our formal procurement process and vendor risk management assessment, our vendor risk management team assigns tiers. The tiers are based on a combination of criteria, including the services provided and the information to which they have access, to focus the most detailed reviews and the most frequent assessments on highest tiered third-party service providers, while also maintaining an appropriate level of review and monitoring on lower tiers. Some third-party service providers contracted outside of the formal procurement process may still be subject to providing information about their security programs based on services performed.

Our Vendor Risk Management Office provides oversight and support to the business teams as end-users of the third-party service providers' goods and services, while also providing a conduit through which oversight can be conducted by our management and board. When a third-party service provider is off-boarded through our procurement and vendor management process, they are subject to an off-boarding review when the relationship ends that is designed to obtain the return or destruction of our information. Our vendor management teams provide risk assessment reporting to business teams, internal risk management committees and our executive leadership. The reporting structure supports an effective design of the program, provides transparency, and drives regulatory compliance. Third-party service providers that participate in the delivery of services to us, as well as their fourth-parties, are also generally expected to have and maintain cybersecurity defenses, so long as they participate in the delivery of services to us to help protect our systems and our clients from incursions through third-party services' systems. Should one of our third-party service providers suffer a breach in their or their fourth-party systems, we rely on them to inform us and work with us to protect our systems, remediate breaches, and mitigate the impact to our clients and our technology.

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Governance

Strong ongoing governance practices and policies support our cybersecurity program. The Board of Directors and the Audit Committee are central to the oversight of the Company's cybersecurity risk management program operated by senior management. In addition to the Board of Directors receiving annual cybersecurity updates, the Audit Committee discusses with management, the General Auditor, and others the company's enterprise-wide risk assessment and risk management processes. These updates to the Board of Directors and Audit Committee include a review of prevailing material risks and exposures, including cybersecurity and data protection threats and risks, the actions taken to address these threats and mitigate these risks, and the design and effectiveness of our processes and controls in light of evolving market, business, regulatory, and other conditions. These processes and information sharing enable the Board of Directors, the Audit Committee, and our management team to remain informed and aligned about our approach to cybersecurity risk, and the monitoring of these risks and incidents, as appropriate. Our executive Vice President of Technology and Chief Information Officer, our Chief Information Security Officer, and other officers regularly review with our Board of Directors and the Audit Committee topics such as the following: the cyber threat landscape; the design, effectiveness and ongoing enhancement of our capabilities to identify, protect, detect, respond to and recover from cyber threats and events; and any incidents that merit discussion.

During 2023, the Board of Directors reviewed our identity theft prevention and privacy programs and discussed, among other topics: mandatory staff training on fraud prevention, including threats from social engineering, identity theft experience and trends; the effectiveness of existing controls and planned enhancements to those controls; and key areas of focus for the identity theft and privacy programs.

Item 2. Properties

ACC occupies office space in Minneapolis, Minnesota, which is leased or owned by Ameriprise Financial or a subsidiary thereof.

Item 3. Legal Proceedings

For a discussion of any material legal proceedings, see Note 12 to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, which is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

All of the Ameriprise Certificate Company (“ACC”) outstanding common stock is owned by Ameriprise Financial, Inc. (“Ameriprise Financial”). There is no established public trading market for ACC’s common stock.

Frequency and amount of capital transactions with Ameriprise Financial during the past two years were:

	Dividends to Ameriprise Financial	Return of Capital to Ameriprise Financial	Receipt of Capital from Ameriprise Financial
	(in millions)		
Year Ended December 31, 2023			
January 30, 2023	\$ —	\$ —	\$ 35.0
February 28, 2023	—	—	8.0
March 31, 2023	—	—	34.0
April 27, 2023	—	—	7.0
May 30, 2023	—	—	14.0
June 29, 2023	—	—	5.0
October 26, 2023	—	—	10.0
November 29, 2023	—	—	15.0
December 27, 2023	—	—	2.5
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 130.5</u>
Year Ended December 31, 2022			
March 30, 2022	\$ 4.3	\$ 7.0	\$ —
June 30, 2022	7.0	—	—
August 31, 2022	—	—	13.0
September 27, 2022	—	—	15.0
September 30, 2022	—	—	5.0
October 28, 2022	—	—	45.0
November 28, 2022	—	—	50.0
December 28, 2022	—	—	50.0
December 30, 2022	—	—	8.0
Total	<u>\$ 11.3</u>	<u>\$ 7.0</u>	<u>\$ 186.0</u>

Restriction on ACC’s present or future ability to pay dividends to Ameriprise Financial:

Appropriated retained earnings resulting from the pre-declaration of additional credits to ACC’s certificate product owners are not available for the payment of dividends by ACC. In addition, ACC will discontinue issuance of certificates subject to the pre-declaration of additional credits and will make no further pre-declaration as to outstanding certificates if at any time the calculation of ACC’s capital and unappropriated retained earnings should be less than 5% of certificate reserves (less outstanding certificate loans).

Item 6. [Reserved]

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Item 7. Management’s Narrative Analysis

The following information should be read in conjunction with Ameriprise Certificate Company’s (“ACC’s”) Consolidated Financial Statements and Notes included elsewhere in this report. The following discussion may contain forward-looking statements that reflect ACC’s plans, estimates and beliefs. Actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below under “Forward-Looking Statements” and elsewhere in this Annual Report on Form 10-K, particularly in Part 1 - Item 1A - “Risk Factors.”

ACC is a wholly owned subsidiary of Ameriprise Financial, Inc. (“Ameriprise Financial”). ACC is registered as an investment company under the Investment Company Act of 1940 and is in the business of issuing face-amount investment certificates. Face-amount investment certificates issued by ACC entitle the certificate owner to receive at maturity a stated amount of money and interest or credits declared from time to time by ACC, at its discretion. The certificates issued by ACC are not insured by any government agency. ACC’s certificates are sold primarily by Ameriprise Financial Services, LLC (“AFS”), an affiliate of ACC. AFS is registered as a broker-dealer in all 50 states, the District of Columbia and Puerto Rico. ACC’s investment portfolio is managed by Columbia Management Investment Advisers, LLC (“CMIA”), a wholly owned subsidiary of Ameriprise Financial.

Management’s narrative analysis of the results of operations is presented in lieu of Management’s Discussion and Analysis of financial condition and results of operations, pursuant to General Instructions I(2)(a) of Form 10-K.

Current Macroeconomic Environment

ACC operates its business in the broader context of the macroeconomic forces around it, including the global and U.S. economies, changes in interest and inflation rates, financial market volatility, fluctuations in foreign exchange rates, geopolitical strain, pandemics, the competitive environment, client and customer activities and preferences, and the various regulatory and legislative developments. Financial markets and macroeconomic conditions have had and will continue to have a significant impact on ACC’s operating and performance results. ACC’s success may be affected by the factors discussed in Part 1 - Item 1A “Risk Factors” in this report and other factors as discussed herein.

Recent Accounting Pronouncements and Significant Accounting Policies

For information regarding recent accounting pronouncements and their expected impact on ACC’s future results of operations or financial condition and significant accounting policies, see Note 1 to ACC’s Consolidated Financial Statements beginning on page F-9 of this Annual Report on Form 10-K.

Results of Operations

ACC’s net income is derived primarily from the after-tax yield on investments and realized investment gains (losses), less investment expenses and interest credited on certificate reserve liabilities. Net income trends occur largely due to changes in returns on ACC’s investment portfolio, from realization of investment gains (losses) and from changes in interest credited to certificate products. ACC follows U.S. generally accepted accounting principles (“GAAP”).

Net income increased \$44.3 million, or 77%, for 2023 compared to the prior year primarily due to higher investment income. This increase was partially offset by higher net provision for certificate reserves along with higher investment expenses and income taxes. ACC has experienced strong growth given the current market environment with client deposits increasing \$4.2 billion from the prior year period to \$13.5 billion.

Investment income increased \$501.0 million for 2023 compared to the prior year primarily reflecting an increase in the average invested asset yield, driven by an increase in short-term interest rates, and higher average investment balances.

Investment expenses increased \$28.7 million, or 100%, for 2023 compared to the prior year primarily due to volume-driven increases in investment advisory, distribution, and transfer agent fees.

Net provision for certificate reserves increased \$412.9 million, for 2023 compared to the prior year primarily due to higher average client crediting rates as well as higher average certificate balances.

The effective tax rate was 24.6% for 2023 compared to 24.8% for the prior year. See Note 11 to the Consolidated Financial Statements for additional discussion on income taxes.

Fair Value Measurements

ACC reports certain assets and liabilities at fair value; specifically derivatives, embedded derivatives, and most investments and cash equivalents. Fair value assumes the exchange of assets or liabilities occurs in orderly transactions and is not the result of a forced liquidation or distressed sale. ACC includes actual market prices, or observable inputs, in its fair value measurements to the extent available. Broker quotes are obtained when quotes from pricing services are not available. ACC validates 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. See Note 8 to ACC’s Consolidated Financial Statements for additional information regarding ACC’s fair value measurements.

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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. The words “believe,” “expect,” “anticipate,” “optimistic,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” “forecast,” “on track,” “project,” “continue,” “able to remain,” “resume,” “deliver,” “develop,” “evolve,” “drive,” “enable,” “flexibility,” “scenario,” “case,” “appear,” “expand” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such 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. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, which could cause actual results, performance or achievements to differ materially from expected results, performance or achievements. These statements are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements include, but are not limited to, those factors, risks and uncertainties described in Part 1 - Item 1A - “Risk Factors” and elsewhere in this Annual Report on Form 10-K. ACC’s future results of operations and financial condition, as well as any forward-looking statements contained in this report, are made only as of the date hereof. ACC undertakes no obligation to update or revise any forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

ACC has three principal components of market risk: interest rate risk, equity price risk, and credit risk. Interest rate risk results from investing in assets that are somewhat longer and reset less frequently than the liabilities they support. ACC manages interest rate risk through the use of a variety of tools that from time to time include derivative instruments, such as interest rate swaps, caps, and floors, which change the interest rate characteristics of client liabilities or investment assets. Due to certain provisions for certificates being impacted by the value of equity indices, from time to time ACC enters into risk management strategies that may include the use of equity derivative instruments, such as equity options, to mitigate ACC’s exposure to volatility in the equity markets.

Ameriprise Financial’s Financial Risk Management Committee (“FRMC”), which is comprised of senior managers, holds regularly scheduled meetings to review models projecting various interest rate scenarios and risk/return measures and their effect on various portfolios managed by Columbia Management Investment Advisers, LLC (“CMIA”), a wholly owned subsidiary of Ameriprise Financial, including that of ACC. ACC’s Board of Directors has delegated the responsibilities of the Investment Committee of ACC to the FRMC. FRMC’s objectives are to structure ACC’s portfolio of investment securities based upon the type and behavior of the certificates in the certificate reserve liabilities, to achieve targeted levels of profitability within defined risk parameters and to meet certificate contractual obligations.

ACC primarily invests in structured investments (e.g., residential mortgage backed securities, commercial mortgage backed securities and asset backed securities), U.S. government and agency obligations, corporate debt securities, and commercial mortgages to provide its certificate owners with a competitive rate of return on their certificates while managing risk. These investments provide ACC with a historically dependable and targeted margin between the interest rate earned on investments and the interest rate credited to certificate owners’ accounts. ACC does not invest in securities to generate short-term trading profits for its own account.

To evaluate interest rate and equity price risk, ACC performs sensitivity testing which measures the impact on pretax income from the sources listed below for a 12 month period following a hypothetical 100 basis point increase in interest rates and a hypothetical 10% decline in equity prices. The interest rate risk test assumes a sudden 100 basis point parallel shift in the yield curve, with rates then staying at those levels for the next 12 months. The equity price risk test assumes a sudden 10% drop in equity prices, with equity prices then staying at those levels for the next 12 months. In estimating the values of stock market certificates, ACC assumes no change in implied market volatility despite the 10% drop in equity prices.

The following tables present ACC’s estimate of the impact on pretax income from the above defined hypothetical market movements as of December 31, 2023:

	Equity Price Exposure to Pretax Income		
	Before Hedge Impact	Hedge Impact	Net Impact
Equity Price Decline 10%	(in thousands)		
Certificates	\$ 2,327	\$ (2,215)	\$ 112
	Interest Rate Exposure to Pretax Income		
	Before Hedge Impact	Hedge Impact	Net Impact
Interest Rate Increase 100 Basis Points	(in thousands)		
Certificates	\$ 1,678	\$ —	\$ 1,678

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The above results compare to an estimated negative impact to pretax income of \$8.6 million related to a 100 basis point increase in interest rates and an estimated positive impact of \$79 thousand related to a 10% equity price decline as of December 31, 2022. The change in sensitivity of a 100 basis point increase in interest rates compared to the prior year was primarily driven by assets repricing faster than liability crediting rates in a rising rate environment.

Actual results could and likely will differ materially from those illustrated above as they are based on a number of estimates and assumptions. The illustration above includes assuming that implied market volatility does not change when equity prices fall by 10% and that the 100 basis point increase in interest rates is a parallel shift of the yield curve. Furthermore, ACC has not tried to anticipate changes in client preferences for different types of assets or other changes in client behavior, nor has ACC tried to anticipate all strategic actions management might take to increase revenues or reduce expenses in these scenarios.

The selection of a 100 basis point interest rate increase as well as a 10% equity price decline should not be construed as a prediction of future market events. Impacts of larger or smaller changes in interest rates or equity prices will not be proportional to those shown for a 100 basis point increase in interest rates or a 10% decline in equity prices.

ACC has interest rate risk from its Flexible Savings Certificates and other fixed rate certificates. These products are investment certificates generally ranging in amounts from \$1 thousand to \$2 million with interest crediting rate terms ranging from three to 36 months. ACC guarantees an interest rate to the holders of these products. Payments collected from clients are primarily invested in fixed income securities to fund the client credited rate with the spread between the rate earned from investments and the rate credited to clients recorded as earned income. Client liabilities and investment assets generally differ as it relates to basis, repricing or maturity characteristics. Rates credited to clients generally reset at shorter intervals than the yield on underlying investments. This exposure is not currently hedged although ACC monitors its investment strategy and makes modifications based on changing liabilities and the expected interest rate environment. ACC also has interest rate risk from its Step-Up Rate Certificates, which was not material as of December 31, 2023. ACC had \$13.3 billion in reserves included in Certificate reserves as of December 31, 2023 to cover the liabilities associated with these products.

ACC has equity price risk from its Stock Market Certificates. Stock Market Certificates are purchased for amounts generally from \$1 thousand to \$2 million for terms of 52, 104 or 156 weeks, which can be extended to a maximum of 15 years depending on the term. For each term the certificate holder can choose to participate 100% in any percentage increase in the S&P 500[®] Index up to a maximum return or choose partial participation in any increase in the S&P 500[®] Index plus a fixed rate of interest guaranteed in advance. If partial participation is selected, the total of equity-linked return and guaranteed rate of interest cannot exceed the maximum return. ACC had \$176.9 million in reserves included in Certificate reserves as of December 31, 2023 to cover the liabilities associated with these products. Effective August 18, 2023, the Stock Market Certificate product was closed to new sales and add-on payments. The equity-linked return to investors creates equity price risk exposure. ACC seeks to minimize this exposure with purchased futures and call spreads that replicate what ACC must credit to client accounts. This risk continues to be fully hedged. Stock Market Certificates have interest rate risk as changes in interest rates affect the fair value of the payout to be made to the certificate holder. This risk is not currently hedged and was immaterial as of December 31, 2023.

Credit Risk

ACC is exposed to credit risk within its investment portfolio, including its loan portfolio, and through derivative counterparties. Credit risk relates to the uncertainty of an obligor's continued ability to make timely payments in accordance with the contractual terms of the financial instrument or contract. ACC considers its total potential credit exposure to each counterparty and its affiliates to ensure compliance with pre-established credit guidelines at the time it enters into a transaction which would potentially increase ACC's credit risk. These guidelines and oversight of credit risk are managed through ACC's comprehensive enterprise risk management program that includes members of senior management.

ACC manages the risk of credit-related losses in the event of nonperformance by counterparties by applying disciplined fundamental credit analysis and underwriting standards, prudently limiting exposures to lower-quality, higher-yielding investments, and diversifying exposures by issuer, industry, region and underlying investment type. ACC remains exposed to occasional adverse cyclical economic downturns during which default rates may be significantly higher than the long-term historical average used in pricing.

ACC manages its credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master netting arrangements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. Generally, ACC's current credit exposure on over-the-counter derivative contracts is limited to a derivative counterparty's net positive fair value of derivative contracts after taking into consideration the existence of netting arrangements and any collateral received. This exposure is monitored and managed to an acceptable threshold level.

Item 8. Financial Statements and Supplementary Data

See Index to Consolidated Financial Statements and Schedules on page F-1 hereof.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Ameriprise Certificate Company

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

ACC maintains 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 U.S. Securities and Exchange Commission (“SEC”) regulations, including controls and procedures designed to ensure that this information is accumulated and communicated to ACC’s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding the required disclosure. It should be noted that, because of inherent limitations, ACC’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.

ACC’s management, under the supervision and with the participation of its principal executive officer and principal financial officer, evaluated the effectiveness of ACC’s disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, ACC’s principal executive officer and principal financial officer have concluded that ACC’s disclosure controls and procedures were effective at a reasonable level of assurance as of December 31, 2023.

Changes in Internal Control over Financial Reporting

There have not been any changes in ACC’s 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 fourth fiscal quarter of the year to which this report relates that have materially affected, or are reasonably likely to materially affect, ACC’s internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Item omitted pursuant to General Instructions (I)(2)(c) of Form 10-K.

Item 11. Executive Compensation

Item omitted pursuant to General Instructions (I)(2)(c) of Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Item omitted pursuant to General Instructions (I)(2)(c) of Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Item omitted pursuant to General Instructions (I)(2)(c) of Form 10-K.

Item 14. Principal Accountant Fees and Services

The Board of Directors of ACC, at the recommendation of its Audit Committee, appointed PricewaterhouseCoopers LLP (“PwC”) as an independent registered public accounting firm to audit the Consolidated Financial Statements of ACC for the years ended December 31, 2023 and 2022.

Audit Fees

The aggregate fees billed or to be billed by PwC for each of the last two years for professional services rendered for the audit of ACC’s annual Consolidated Financial Statements and services that were provided in connection with statutory and regulatory filings were \$125,000 and \$123,000 for 2023 and 2022, respectively.

Audit-Related Fees, Tax Fees, All Other Fees

ACC was not billed by PwC for any fees for audit-related fees, tax fees or any other fees for 2023 or 2022.

Policy on Pre-Approval of Services Provided by Independent Registered Public Accountants

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the terms of the engagement of PwC are subject to the specific pre-approval of the Audit and Risk Committee of Ameriprise Financial. All audit and permitted non-audit services to be performed by PwC for ACC require pre-approval by the Audit and Risk Committee of Ameriprise Financial in accordance with pre-approval procedures established by the Audit and Risk Committee of Ameriprise Financial. The procedures require all proposed engagements of PwC for services to ACC of any kind to be directed to the General Auditor of Ameriprise Financial and then submitted for approval to the Audit and Risk Committee of Ameriprise Financial prior to the beginning of any services.

Ameriprise Certificate Company

In addition, the charter of ACC's Audit Committee requires pre-approval of any engagement, including the fees and other compensation, of PwC (1) to provide any services to ACC and prohibits the performance of certain specified non-audit services, and (2) to provide any non-audit services to Ameriprise Financial or any affiliate of Ameriprise Financial that controls, is controlled by, or under common control with Ameriprise Financial if the engagement relates directly to the operations and financial reporting of ACC. Certain exceptions apply to the pre-approval requirement.

In both 2023 and 2022, 100% of the services provided by PwC for ACC were pre-approved by the Audit and Risk Committee of Ameriprise Financial and the Audit Committee of ACC.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements:

See Index to Consolidated Financial Statements and Schedules on page F-1 hereof.

2. Consolidated Financial Statement Schedules:

See Index to Consolidated Financial Statements and Schedules on page F-1 hereof.

3. Exhibits:

The following exhibits are filed as part of this Annual Report or, where indicated, were already filed and are hereby incorporated by reference:

Exhibit Description

3(a)	Amended and Restated Certificate of Incorporation of American Express Certificate Company, dated August 1, 2005, filed electronically on or about March 10, 2006 as Exhibit 3(a) to Registrant's Form 10-K is incorporated by reference.
3(b)	By-Laws of Ameriprise Certificate Company, filed electronically on or about November 5, 2010 as Exhibit 3(b) to Registrant's Form 10-Q, are incorporated herein by reference.
10(a)	Amended and Restated Investment Advisory and Services Agreement, dated December 1, 2018, between Registrant and Columbia Management Investment Advisers, LLC filed electronically on or about February 27, 2019 as Exhibit 10(a) to Registrant's Form 10-K is incorporated by reference.
10(b)	Distribution Agreement, dated December 31, 2006, between Registrant and Ameriprise Financial Services, LLC (formerly Ameriprise Financial Services, Inc.) filed electronically on or about February 26, 2007 as Exhibit 1 to Post-Effective Amendment No. 35 to Registration Statement No. 2-95577 for Ameriprise Flexible Savings Certificate is incorporated herein by reference.
10(c)	Amendment to the Distribution Agreement, dated January 21, 2021, between Registrant and Ameriprise Financial Services, LLC, effective February 1, 2021, filed electronically on or about February 24, 2021 as Exhibit 10(c) to Registrant's Form 10-K is incorporated by reference.
10(d)	Depository and Custodial Agreement, dated December 31, 2006, between Registrant and Ameriprise Trust Company, filed electronically on or about February 26, 2007 as Exhibit 10(c) to Post-Effective Amendment No. 35 to Registration Statement No. 2-95577 for Ameriprise Flexible Savings Certificate is incorporated herein by reference.
10(e)	Amendment to the Depository and Custodial Agreement, dated December 15, 2008, between Registrant and Ameriprise Trust Company, filed on or about May 5, 2014 as Exhibit 10(c)i to Registrant's Form 10-Q, is incorporated herein by reference.
10(f)	Transfer Agent Agreement, dated December 31, 2006 between Registrant and Columbia Management Investment Services Corp. (formerly RiverSource Client Service Corporation), filed electronically on or about February 26, 2007 as Exhibit 10(e) to Post-Effective Amendment No. 35 to Registration Statement No. 2-95577 for Ameriprise Flexible Savings Certificate is incorporated herein by reference.
10(g)	First Amendment to Transfer Agent Agreement, dated January 1, 2013 between Registrant and Columbia Management Investment Services Corp. (formerly RiverSource Client Service Corporation), filed electronically on or about February 27, 2013 as Exhibit 10(d) to Registrant's Form 10-K is incorporated herein by reference.
10(h)	Second Amendment to Transfer Agent Agreement, dated January 1, 2017, between Registrant and Columbia Management Investment Services Corp. (formerly RiverSource Client Service Corporation), filed electronically on or about February 23, 2017 as Exhibit 10(d) to Registrant's Form 10-K is incorporated by reference.
10(i)	Administration and Services Agreement, dated October 1, 2005, between Columbia Management Investment Advisers, LLC (formerly RiverSource Investments, LLC) and Ameriprise Financial, Inc. filed electronically on or about March 10, 2006 as Exhibit 10(s) to Registrant's Form 10-K is incorporated by reference.
10(j)	Capital Support Agreement by and between Ameriprise Financial, Inc. and Ameriprise Certificate Company, dated as of March 2, 2009, filed electronically on or about March 3, 2009 as Exhibit 10(f) to Registrant's Form 10-K is incorporated by reference.
10(k)	First Amendment to Capital Support Agreement by and between Ameriprise Financial, Inc. and Ameriprise Certificate Company, effective April 30, 2014, filed electronically on or about May 5, 2014 as Exhibit 10(f)i to Registrant's Form 10-Q, is incorporated herein by reference.
10(l)	Federal Income Tax Sharing Agreement between or among Ameriprise Financial, Inc. and certain subsidiaries, including the Registrant, effective December 10, 2013 filed electronically on or about February 23, 2018 as Exhibit 10(l) to Registrant's Form 10-K is incorporated by reference.

Ameriprise Certificate Company

Exhibit	Description
10(m)	State Income Tax Sharing Agreement between or among Ameriprise Financial, Inc. and certain subsidiaries, including the Registrant, effective December 10, 2013 filed electronically on or about February 23, 2018 as Exhibit 10(m) to Registrant's Form 10-K is incorporated by reference.
10(n)	Agreement between Ameriprise Bank, FSB and Ameriprise Certificate Company (certain Ameriprise Rewards Fulfillment Services), dated December 1, 2022 filed electronically on or about February 23, 2023 as Exhibit 10(n) to Registrant's Form 10-K is incorporated by reference.
10(o)	Agreement between Ameriprise Financial, Inc. and Ameriprise Certificate Company (certain legacy Ameriprise Rewards Fulfillment Services), dated December 1, 2019 filed electronically on or about February 26, 2020 as Exhibit 10(o) to Registrant's Form 10-K is incorporated by reference.
10(p)	Amendment to the Federal Income Tax Sharing Agreement between or among Ameriprise Financial, Inc. and certain subsidiaries, including the Registrant, effective October 9, 2020, filed electronically on or about February 24, 2021 as Exhibit 10(p) to Registrant's Form 10-K is incorporated by reference.
14(a)	Code of Ethics under Rule 17j-1 for Ameriprise Certificate Company effective May 21, 2014, filed electronically on or about February 27, 2019 as Exhibit 14(a) to Registrant's Form 10-K is incorporated by reference.
14(b)*	Code of Ethics adopted under Rule 17j-1 for Registrant's investment adviser, dated December 2023.
14(c)*	Code of Ethics under Rule 17j-1 for Registrant's underwriter, as revised January 1, 2024.
24*	Directors' Power of Attorney, dated November 15, 2023.
31.1*	Certification of Abu M. Arif, Chief Executive Officer, pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of James R. Hill, Chief Financial Officer, pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32*	Certification of Abu M. Arif, Chief Executive Officer and James R. Hill, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed electronically herewith.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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 CERTIFICATE COMPANY
Registrant

Date: February 22, 2024 By /s/ Abu M. Arif
Abu M. Arif
Director, President and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the dates indicated.

Date: February 22, 2024 By /s/ Abu M. Arif
Abu M. Arif
Director, President and Chief Executive Officer
(Principal Executive Officer)

Date: February 22, 2024 By /s/ James R. Hill
James R. Hill
Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: February 22, 2024 By /s/ Brian L. Granger
Brian L. Granger
Vice President, Controller and Chief Accounting Officer

Date: February 22, 2024 By /s/ Ronald L. Guzior*
Ronald L. Guzior
Director

Date: February 22, 2024 By /s/ Karen M. Bohn*
Karen M. Bohn
Director

Date: February 22, 2024 By /s/ Lorna P. Gleason*
Lorna P. Gleason
Director

Date: February 22, 2024 By /s/ Robert J. McReavy*
Robert J. McReavy
Director

*By /s/ Abu M. Arif
Abu M. Arif

* Executed by Abu M. Arif pursuant to a Power of Attorney, dated November 15, 2023, filed electronically herewith as Exhibit 24 to the Registrant's Form 10-K.

Index to Consolidated Financial Statements and Schedules**Consolidated Financial Statements:**

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All other Schedules required by Article 6 of Regulation S-X are not required under the related instructions or are inapplicable and therefore have been omitted.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Ameriprise Certificate Company

Opinion on the Financial Statements

We have audited the consolidated financial statements, including the related notes and financial statement schedules, of Ameriprise Certificate Company and its subsidiary (the “Company”) as listed in the accompanying index (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of December 31, 2023 by correspondence with the custodian and the application of alternative auditing procedures where securities purchased had not been received. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Level 2 Available-for-Sale Securities

As described in Notes 1, 3, and 8 to the consolidated financial statements, available-for-sale securities are carried at fair value. As of December 31, 2023, the total fair value of available-for-sale securities was \$13,037 million, which includes \$10,379 million of level 2 securities. Level 2 securities include corporate bonds, residential mortgage backed securities, commercial mortgage backed securities, asset backed securities, state and municipal obligations and other securities. The fair value of level 2 securities is based on a market approach with prices obtained from third-party pricing services. Observable inputs used to value these securities can include, but are not limited to, reported trades, benchmark yields, issuer spreads and non-binding broker quotes.

The principal considerations for our determination that performing procedures relating to the valuation of level 2 available-for-sale securities is a critical audit matter are (i) a high degree of auditor subjectivity and effort in performing procedures and evaluating audit evidence related to the valuation and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of level 2 available-for-sale securities. These procedures also included, among others (i) developing an independent range of prices for the securities by obtaining independent pricing from third party vendors, when available, and comparing the independent range of prices to management’s estimates to evaluate the reasonableness of management’s estimate, (ii) the involvement of professionals with specialized skill and knowledge to assist in evaluating the reasonableness of management’s estimate by developing an independent range of prices for a sample of securities using independently determined assumptions related to available market inputs and comparing the independent range of prices to management’s estimate, and (iii) testing the completeness and accuracy of data provided by management.

/s/ PricewaterhouseCoopers LLP

Minneapolis, Minnesota
February 22, 2024

We have served as the Company’s auditor since 2010.

Consolidated Statements of Operations

	Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
Investment Income:			
Interest income:			
Available-for-Sale securities	\$ 587,230	\$ 135,500	\$ 59,409
Commercial mortgage loans and syndicated loans	10,613	8,286	8,116
Cash and cash equivalents	62,184	15,124	612
Certificate loans	3	4	8
Dividends	—	—	1
Other	83	182	394
Total investment income	660,113	159,096	68,540
Investment Expenses:			
Ameriprise Financial and affiliated company fees:			
Distribution	18,501	8,868	6,805
Investment advisory and services	27,819	13,138	13,790
Transfer agent	10,344	6,218	6,957
Depository	88	73	90
Other	681	444	717
Total investment expenses	57,433	28,741	28,359
Net investment income before provision for certificate reserves and income taxes	602,680	130,355	40,181
Provision for Certificate Reserves:			
According to the terms of the certificates:			
Provision for certificate reserves	424	206	249
Interest on additional credits	1	1	1
Additional credits/interest authorized by ACC	467,934	54,167	10,031
Total provision for certificate reserves before reserve recoveries	468,359	54,374	10,281
Reserve recoveries from terminations prior to maturity	(1,961)	(869)	(760)
Net provision for certificate reserves	466,398	53,505	9,521
Net investment income before income taxes	136,282	76,850	30,660
Income tax expense	33,520	19,032	7,467
Net investment income, after-tax	102,762	57,818	23,193
Net realized gain (loss) on investments:			
Securities of unaffiliated issuers before income taxes	(817)	20	2,598
Income tax expense (benefit)	(172)	4	545
Net realized gain (loss) on investments, after-tax	(645)	16	2,053
Net income	\$ 102,117	\$ 57,834	\$ 25,246

See Notes to Consolidated Financial Statements.

Ameriprise Certificate Company

Consolidated Statements of Comprehensive Income

	Years Ended December 31,		
	2023	2022	2021
		(in thousands)	
Net income	\$ 102,117	\$ 57,834	\$ 25,246
Other comprehensive income (loss), net of tax:			
Net unrealized gains (losses) on securities:			
Net unrealized gains (losses) on securities arising during the period	42,061	(131,066)	(16,097)
Reclassification of net (gains) losses on securities included in net income	197	(15)	(863)
Total other comprehensive income (loss), net of tax	42,258	(131,081)	(16,960)
Total comprehensive income (loss)	<u>\$ 144,375</u>	<u>\$ (73,247)</u>	<u>\$ 8,286</u>

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

	December 31,	
	2023	2022
	(in thousands, except share data)	
ASSETS		
Qualified Assets		
Investments in unaffiliated issuers:		
Cash and cash equivalents	\$ 913,063	\$ 1,180,868
Available-for-Sale securities:		
Fixed maturities, at fair value (amortized cost: 2023, \$13,135,364; 2022, \$8,523,011)	13,037,037	8,368,916
Commercial mortgage loans and syndicated loans, at cost (allowance for credit losses: 2023, \$1,333; 2022, \$1,472; fair value: 2023, \$178,850; 2022, \$195,252)	183,268	204,493
Certificate loans – secured by certificate reserves, at cost, which approximates fair value	34	72
Total investments	<u>14,133,402</u>	<u>9,754,349</u>
Receivables:		
Dividends and interest	48,605	22,052
Receivables from brokers, dealers and clearing organizations	8,688	2,814
Other receivables	529	71
Total receivables	<u>57,822</u>	<u>24,937</u>
Derivative assets	17,255	8,786
Total qualified assets	<u>14,208,479</u>	<u>9,788,072</u>
Other Assets:		
Deferred taxes, net	19,600	37,892
Taxes receivable from parent	3,367	—
Due from related party	17,907	—
Total other assets	<u>40,874</u>	<u>37,892</u>
Total assets	<u>\$ 14,249,353</u>	<u>\$ 9,825,964</u>

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets (continued)

	December 31,	
	2023	2022
	(in thousands, except share data)	
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Certificate reserves		
Installment certificates:		
Reserves to mature	\$ 10,272	\$ 8,413
Fully paid certificates:		
Reserves to mature	13,429,658	9,293,480
Additional credits and accrued interest	30,114	11,079
Due to unlocated certificate holders	630	433
Total certificate reserves	<u>13,470,674</u>	<u>9,313,405</u>
Accounts payable and accrued liabilities:		
Due to related party	8,092	3,047
Taxes payable to parent	122	5,708
Payables to brokers, dealers and clearing organizations	6,150	68,533
Total accounts payable and accrued liabilities	<u>14,364</u>	<u>77,288</u>
Derivative liabilities	11,496	6,649
Other liabilities	63,461	14,139
Total liabilities	<u>13,559,995</u>	<u>9,411,481</u>
Shareholder's Equity		
Common shares (\$10 par value, 150,000 shares authorized and issued)	1,500	1,500
Additional paid-in capital	612,167	481,667
Retained earnings:		
Appropriated for pre-declared additional credits and interest	27,031	15,960
Appropriated for additional interest on advance payments	15	15
Unappropriated	121,732	30,686
Accumulated other comprehensive income (loss), net of tax	(73,087)	(115,345)
Total shareholder's equity	<u>689,358</u>	<u>414,483</u>
Total liabilities and shareholder's equity	<u>\$ 14,249,353</u>	<u>\$ 9,825,964</u>

See Notes to Consolidated Financial Statements.

Ameriprise Certificate Company
Consolidated Statements of Shareholder's Equity

	Number of Outstanding Shares	Common Shares	Additional Paid-In Capital	Retained Earnings			Accumulated Other Comprehensive Income (Loss), Net of Tax	Total
				Appropriated for Pre-Declared Additional Credits and Interest	Appropriated for Additional Interest on Advance Payments	Unappropriated		
				(in thousands, except share data)				
Balance at January 1, 2021	150,000	\$ 1,500	\$ 341,700	\$ 21	\$ 15	\$ 44,812	\$ 32,696	\$ 420,744
Net income	—	—	—	—	—	25,246	—	25,246
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	(16,960)	(16,960)
Transfers between appropriated and unappropriated, net	—	—	—	(21)	—	21	—	—
Dividend to parent	—	—	—	—	—	(70,009)	—	(70,009)
Return of capital to parent	—	—	(38,991)	—	—	—	—	(38,991)
Balance at December 31, 2021	150,000	1,500	302,709	—	15	70	15,736	320,030
Net income	—	—	—	—	—	57,834	—	57,834
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	(131,081)	(131,081)
Transfers between appropriated and unappropriated, net	—	—	—	15,960	—	(15,960)	—	—
Dividend to parent	—	—	—	—	—	(11,258)	—	(11,258)
Return of capital to parent	—	—	(7,042)	—	—	—	—	(7,042)
Capital contribution from parent	—	—	186,000	—	—	—	—	186,000
Balance at December 31, 2022	150,000	1,500	481,667	15,960	15	30,686	(115,345)	414,483
Net income	—	—	—	—	—	102,117	—	102,117
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	42,258	42,258
Transfers between appropriated and unappropriated, net	—	—	—	11,071	—	(11,071)	—	—
Capital contribution from parent	—	—	130,500	—	—	—	—	130,500
Balance at December 31, 2023	150,000	\$ 1,500	\$ 612,167	\$ 27,031	\$ 15	\$ 121,732	\$ (73,087)	\$ 689,358

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
Cash Flows from Operating Activities			
Net income	\$ 102,117	\$ 57,834	\$ 25,246
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization of premiums, accretion of discounts, net	(135,331)	(22,512)	2,382
Deferred income tax expense (benefit)	4,781	(927)	1,657
Net realized (gain) loss on Available-for-Sale securities	249	(19)	(1,093)
Other net realized (gain) loss	558	45	167
Provision for credit losses	10	(46)	(1,672)
Changes in operating assets and liabilities:			
Dividends and interest receivable	49,170	(9,486)	4,560
Certificate reserves, net	20,994	8,309	(3,032)
Taxes payable to/receivable from parent, net	(8,953)	5,385	(487)
Derivatives, net of collateral	(612)	(492)	224
Other liabilities	13,531	(3,047)	(7,237)
Other receivables	(458)	332	(43)
Payables to brokers, dealers and clearing organizations	—	33,939	—
Due to/from related party, net	1,639	—	—
Other, net	(115)	1,165	1,055
Net cash provided by (used in) operating activities	47,580	70,480	21,727
Cash Flows from Investing Activities			
Available-for-Sale securities:			
Sales	113,185	—	—
Maturities, redemptions and calls	5,314,949	3,657,184	4,637,978
Purchases	(10,048,894)	(7,426,951)	(3,015,291)
Commercial mortgage loans and syndicated loans:			
Sales, maturities and repayments	48,619	53,550	74,945
Purchases and fundings	(28,337)	(35,505)	(26,486)
Equity securities:			
Sales	—	—	48
Certificate loans, net	38	11	129
Net cash provided by (used in) investing activities	(4,600,440)	(3,751,711)	1,671,323
Cash Flows from Financing Activities			
Payments from certificate holders and other additions	11,193,104	8,343,118	2,733,012
Certificate maturities and cash surrenders	(7,038,549)	(4,338,511)	(4,189,922)
Capital contribution from parent	130,500	186,000	—
Dividend to parent	—	(11,258)	(70,009)
Return of capital to parent	—	(7,042)	(38,991)
Net cash provided by (used in) financing activities	4,285,055	4,172,307	(1,565,910)
Net increase (decrease) in cash and cash equivalents	(267,805)	491,076	127,140
Cash and cash equivalents at beginning of period	1,180,868	689,792	562,652
Cash and cash equivalents at end of period	\$ 913,063	\$ 1,180,868	\$ 689,792
Supplemental disclosures including non-cash transactions:			
Cash paid (received) for income taxes	\$ 36,818	\$ 13,684	\$ 7,054
Cash paid for interest	451,689	45,485	14,721

See Notes to Consolidated Financial Statements.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements

1. Basis of Presentation, Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Nature of Business

Ameriprise Certificate Company (“ACC”) is a wholly owned subsidiary of Ameriprise Financial, Inc. (“Ameriprise Financial” or the “Parent”). ACC is registered as an investment company under the Investment Company Act of 1940 (the “1940 Act”) and is in the business of issuing face-amount investment certificates. Face-amount certificates issued by ACC entitle the certificate owner to receive at maturity a stated amount of money and interest or credits declared from time to time by ACC, at its discretion. The certificates issued by ACC are not insured by any government agency or other entity. ACC’s certificates are distributed and sold solely by Ameriprise Financial Services, LLC (“AFS”), an affiliate of ACC. AFS is registered as a broker-dealer in all 50 states, the District of Columbia and Puerto Rico.

As of December 31, 2023, ACC offered three types of certificate products to the public. Effective August 18, 2023, stock market certificates (“SMC”) were closed to new sales. ACC is impacted by significant changes in interest rates as interest crediting rates on certificate products generally reset at shorter intervals than the change in the yield on ACC’s investment portfolio. The specified maturities of most of ACC’s certificate products range from ten to twenty years. Within that maturity period, most certificates have interest crediting rate terms ranging from three to 48 months. Interest crediting rates are subject to change and certificate product owners can surrender their certificates without penalty at maturity; however, the Cash Reserve Certificate is a fully liquid product and can be surrendered at any time without penalty. In addition, two types of certificate products (neither are currently sold) have interest tied, in whole or in part, to a broad-based stock market index. In general, ACC’s certificate products are available as qualified investments for Individual Retirement Accounts, 401(k) plans and other qualified retirement plans.

ACC evaluated events or transactions that occurred after the balance sheet date for potential recognition or disclosure through the date the financial statements were issued. No subsequent events or transactions requiring recognition or disclosure were identified.

Basis of Financial Statement Presentation

The accompanying Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Certain reclassifications of prior period amounts have been made to conform with the current presentation. ACC uses the consolidation method of accounting for its wholly owned subsidiary, Investors Syndicate Development Corp.

Amounts Based on Estimates and Assumptions

Accounting estimates are an integral part of the Consolidated Financial Statements. In part, they are based upon assumptions concerning future events. Among the more significant are those that relate to investment securities valuation and the recognition of credit losses or impairments and income taxes and the recognition of deferred tax assets and liabilities. These accounting estimates reflect the best judgment of management and actual results could differ.

Interest Income

Interest income is accrued as earned using the effective interest method, which makes an adjustment of the yield for security premiums and discounts on all performing fixed maturity securities classified as Available-for-Sale so that the related security or loan recognizes a constant rate of return on the outstanding balance throughout its term. When actual prepayments differ significantly from originally anticipated prepayments, the retrospective effective yield is recalculated to reflect actual payments to date and updated future payment assumptions and a catch-up adjustment is recorded in the current period. In addition, the new effective yield, which reflects anticipated future payments, is used prospectively. Realized gains and losses on securities are recognized using the specific identification method on a trade date basis.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with original or remaining maturities at the time of purchase of 90 days or less.

Available-for-Sale Securities

Available-for-Sale securities are carried at fair value with unrealized gains (losses) recorded in Accumulated other comprehensive income (loss) (“AOCI”), net of income taxes. Available-for-Sale securities are recorded within Investments in unaffiliated issuers. Gains and losses are recognized on a trade date basis in the Consolidated Statements of Operations upon disposition of the securities.

Available-for-Sale securities are impaired when the fair value of an investment is less than its amortized cost. When an Available-for-Sale security is impaired, ACC first assesses whether or not: (i) it has the intent to sell the security (i.e., made a decision to sell) or (ii) it is more likely than not that ACC will be required to sell the security before its anticipated recovery. If either of these conditions exist, ACC recognizes an impairment by reducing the book value of the security for the difference between the investment’s amortized cost and its fair value with a corresponding charge to earnings. Subsequent increases in the fair value of Available-for-Sale securities that occur in periods after a write-down has occurred are recorded as unrealized gains in other comprehensive income (“OCI”), while subsequent decreases in fair value would continue to be recorded as reductions of book value with a charge to earnings.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

For securities that do not meet the above criteria, ACC determines whether the decrease in fair value is due to a credit loss or due to other factors. The amount of impairment due to credit-related factors, if any, is recognized as an allowance for credit losses with a related charge to Net realized gain (loss) on investments. The allowance for credit losses is limited to the amount by which the security's amortized cost basis exceeds its fair value. The amount of the impairment related to other factors is recognized in OCI.

Factors ACC considers in determining whether declines in the fair value of fixed maturity securities are due to credit-related factors include: (i) the extent to which the market value is below amortized cost; (ii) fundamental analysis of the liquidity, business prospects and overall financial condition of the issuer; and (iii) market events that could impact credit ratings, economic and business climate, litigation and government actions, and similar external business factors.

If through subsequent evaluation there is a sustained increase in cash flows expected, both the allowance and related charge to earnings may be reversed to reflect the increase in expected principal and interest payments.

In order to determine the amount of the credit loss component for corporate debt securities, a best estimate of the present value of cash flows expected to be collected discounted at the security's effective interest rate is compared to the amortized cost basis of the security. The significant inputs to cash flow projections consider potential debt restructuring terms, projected cash flows available to pay creditors and ACC's position in the debtor's overall capital structure. When assessing potential credit-related impairments for structured investments (e.g., residential mortgage backed securities, commercial mortgage backed securities and asset backed securities), ACC also considers credit-related factors such as overall deal structure and its position within the structure, quality of underlying collateral, delinquencies and defaults, loss severities, recoveries, prepayments and cumulative loss projections.

Management has elected to exclude accrued interest in its measurement of the allowance for credit losses for Available-for-Sale securities. Accrued interest on Available-for-Sale securities is recorded as earned in Receivables. Available-for-Sale securities are generally placed on nonaccrual status when the accrued balance becomes 90 days past due or earlier based on management's evaluation of the facts and circumstances of each security under review. All previously accrued interest is reversed through Investment income.

Financing Receivables

Commercial Loans

Commercial loans include commercial mortgage loans and syndicated loans and are recorded at amortized cost less the allowance for credit losses. Commercial mortgage loans and syndicated loans are recorded within Investments in unaffiliated issuers. Commercial mortgage loans are loans on commercial properties that are originated by ACC. Syndicated loans represent ACC's investment in loan syndications originated by unrelated third parties.

Interest income is accrued as earned on the unpaid principal balances of the loans. Interest income recognized on commercial mortgage loans and syndicated loans is recorded in Investment income.

Allowance for Credit Losses

The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected over the asset's expected life, considering past events, current conditions and reasonable and supportable forecasts of future economic conditions. Estimates of expected credit losses consider both historical charge-off and recovery experience as well as current economic conditions and management's expectation of future charge-off and recovery levels. Expected losses related to risks other than credit risk are excluded from the allowance for credit losses. The allowance for credit losses is measured and recorded upon initial recognition of the loan, regardless of whether it is originated or purchased.

Commercial Loans

The allowance for credit losses for commercial mortgage loans and syndicated loans utilizes a probability of default and loss severity approach to estimate lifetime expected credit losses. Actual historical default and loss severity data for each type of commercial loan is adjusted for current conditions and reasonable and supportable forecasts of future economic conditions to develop the probability of default and loss severity assumptions that are applied to the amortized cost basis of the loans over the expected life of each portfolio. The allowance for credit losses on commercial mortgage loans and syndicated loans is recorded through provisions charged to Net realized gain (loss) on investments and is reduced/increased by net charge-offs/recoveries.

Management determines the adequacy of the allowance for credit losses based on the overall loan portfolio composition, recent and historical loss experience, and other pertinent factors, including when applicable, internal risk ratings, loan-to-value ("LTV") ratios, and occupancy rates, along with reasonable and supportable forecasts of economic and market conditions. This evaluation is inherently subjective as it requires estimates, which may be susceptible to significant change. While ACC may attribute portions of the allowance to specific loan pools as part of the allowance estimation process, the entire allowance is available to absorb losses expected over the life of the loan portfolio.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Certificate Loans

Certificate loans are recorded within Investments in unaffiliated issuers. When originated, the loan balances do not exceed the cash surrender value of the underlying products. As there is minimal risk of loss related to certificate loans, ACC does not record an allowance for credit losses.

Interest income is accrued as earned on the unpaid principal balances of the loans. Interest income recognized on certificate loans is recorded in Investment income.

See Note 4 for additional information on financing receivables.

Nonaccrual Loans

Commercial mortgage loans and syndicated loans are placed on nonaccrual status when either the collection of interest or principal has become 90 days past due or is otherwise considered doubtful of collection. Interest payments received on loans on nonaccrual status are generally applied to principal unless the remaining principal balance has been determined to be fully collectible. Management has elected to exclude accrued interest in its measurement of the allowance for credit losses for commercial mortgage loans and syndicated loans.

Loan Modifications

A loan is modified when ACC makes certain concessionary modifications to contractual terms such as principal forgiveness, interest rate reductions, other-than-insignificant payment delays, and/or term extensions in an attempt to make the loan more affordable to a borrower experiencing financial difficulties. Generally, performance prior to the modification or significant events that coincide with the modification are considered in assessing whether the borrower can meet the new terms which may result in the loan being returned to accrual status at the time of the modification or after a performance period. If the borrower's ability to meet the revised payment schedule is not reasonably assured, the loan remains on nonaccrual status.

Charge-off and Foreclosure

Charge-offs are recorded when ACC concludes that all or a portion of the commercial mortgage loan or syndicated loan is uncollectible. Factors used by ACC to determine whether all amounts due on commercial mortgage loans will be collected, include but are not limited to, the financial condition of the borrower, performance of the underlying properties, collateral and/or guarantees on the loan, and the borrower's estimated future ability to pay based on property type and geographic location. Factors used by ACC to determine whether all amounts due on syndicated loans will be collected, include but are not limited to, the borrower's financial condition, industry outlook, and internal risk ratings based on rating agency data and internal analyst expectations.

If it is determined that foreclosure on a commercial mortgage loan is probable and the fair value is less than the current loan balance, expected credit losses are measured as the difference between the amortized cost basis of the asset and fair value less estimated costs to sell, if applicable. Upon foreclosure, the commercial mortgage loan and related allowance are reversed, and the foreclosed property is recorded as real estate owned.

Certificate Reserves

Investment certificates may be purchased either with a lump-sum payment or by installment payments. Certificate product owners are entitled to receive, at maturity, a definite sum of money. Payments from certificate owners are credited to Certificate reserves. Investment certificate reserves accumulate interest at specified percentage rates as declared by ACC. Reserves also are maintained for advance payments made by certificate owners, accrued interest thereon, and for additional credits in excess of minimum guaranteed rates and accrued interest thereon. On certificates allowing for the deduction of a surrender charge, the cash surrender values may be less than accumulated investment certificate reserves prior to maturity dates. Cash surrender values on certificates allowing for no surrender charge are equal to certificate reserves. The payment distribution, reserve accumulation rates, cash surrender values, reserve values and other matters are governed by the 1940 Act.

Certain certificates offer a return based on the relative change in a stock market index. The certificates with an equity-based return contain embedded derivatives, which are carried at fair value within Certificate reserves. The fair values of these embedded derivatives incorporate current market data inputs. Changes in fair value are reflected within Provision for certificate reserves.

Derivatives and Hedging Activities

Derivative instruments, consisting of options and futures contracts, if any, are classified in the Consolidated Balance Sheets at fair value. The fair value of ACC's derivative instruments is determined using either market quotes or valuation models that are based upon the net present value of estimated future cash flows and incorporate current market observable inputs to the extent available. The accounting for the change in the fair value of the derivative instrument depends on its intended use and the resulting hedge designation, if any. For derivative instruments that do not qualify for hedge accounting or are not designated as accounting hedges, changes in fair value are recognized in current period earnings. ACC's policy is to not offset fair value amounts recognized for derivatives and collateral arrangements executed with the same counterparty under the same master netting arrangement.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Due From Related Party

The balance in Due from related party includes the amounts due from its affiliated broker-dealer, AFS, related to sales of investment certificates.

Other Liabilities

Other liabilities primarily include unpaid certificate maturities and cash surrenders to certificate holders.

Income Taxes

ACC's taxable income is included in the consolidated federal income tax return of Ameriprise Financial. ACC provides for income taxes on a separate return basis, except that, under an agreement between Ameriprise Financial and ACC, tax benefits are recognized for losses to the extent they can be used in the consolidated return. It is the policy of Ameriprise Financial that it will reimburse its subsidiaries for any tax benefits recorded. The controlled group for which ACC is a member is an applicable corporation with regard to the corporate alternative minimum tax ("CAMT") and is therefore required to compute the CAMT. In accordance with the tax sharing agreement, Ameriprise Financial will be liable for any CAMT liability and expense.

ACC's provision for income taxes represents the net amount of income taxes that ACC expects to pay or to receive from various taxing jurisdictions in connection with its operations. ACC provides for income taxes based on amounts that ACC believes it will ultimately owe taking into account the recognition and measurement for uncertain tax positions. Inherent in the provision for income taxes are estimates and judgments regarding the tax treatment of certain items.

In connection with the provision for income taxes, ACC's Consolidated Financial Statements reflect certain amounts related to deferred tax assets and liabilities, which result from temporary differences between the assets and liabilities measured for financial statement purposes versus the assets and liabilities measured for tax return purposes.

ACC is required to establish a valuation allowance for any portion of the deferred tax assets that management believes will not be realized. 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. 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. See Note 11 for additional information on ACC's valuation allowance.

Recent Accounting Pronouncements**Adoption of New Accounting Standards***Financial Instruments – Credit Losses – Troubled Debt Restructurings and Vintage Disclosures*

In March 2022, the Financial Accounting Standards Board ("FASB") proposed amendments to Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments* ("Topic 326"). The update removes the recognition and measurement guidance for Troubled Debt Restructurings ("TDRs") by creditors in Subtopic 310-40, *Receivables—Troubled Debt Restructurings by Creditors*, and modifies the disclosure requirements for certain loan refinancing and restructuring by creditors when a borrower is experiencing financial difficulty. Rather than applying the recognition and measurement for TDRs, an entity must apply the loan refinancing and restructuring guidance to determine whether a modification results in a new loan or a continuation of an existing loan. The update also requires entities to disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, *Financial Instruments—Credit Losses—Measured at Amortized Cost*. The amendments are to be applied prospectively, but entities may apply a modified retrospective transition for changes to the recognition and measurement of TDRs. For entities that have adopted Topic 326, the amendments are effective for interim and annual periods beginning after December 15, 2022. ACC adopted the standard on January 1, 2023. The adoption of this update did not have an impact on ACC's consolidated results of operations and financial condition and modifications to disclosures are immaterial in the current period.

Future Adoption of New Accounting Standards*Segment Reporting – Improvements to Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, updating reportable segment disclosure requirements in accordance with Topic 280, *Segment Reporting* ("Topic 280"), primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss and contain other disclosure requirements. The amendments also expand Topic 280 disclosures to public entities with one reportable segment. The amendments are effective for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Early adoption is permitted. The Company is assessing changes to the segment related disclosures resulting from the standard. The adoption of the standard will not have an impact on the Company's consolidated results of operations and financial condition as the standard is disclosure-related only.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Income Taxes – Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, updating the accounting standards related to income tax disclosures, primarily focused on the disaggregation of income taxes paid and the rate reconciliation table. The standard is to be applied prospectively with an option for retrospective application and is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is assessing changes to the income tax related disclosures resulting from the standard. The adoption of the standard will not have an impact on the Company’s consolidated results of operations and financial condition as the standard is disclosure-related only.

2. Deposit of Assets and Maintenance of Qualified Assets

Under the provisions of its certificates and the 1940 Act, ACC was required to have cash and “qualified assets” (as defined in Section 28(b) of the 1940 Act, as modified by an exemptive order of the SEC) in the amount of \$13.5 billion and \$9.3 billion as of December 31, 2023 and 2022, respectively. ACC reported Qualified Assets of \$14.3 billion and \$9.9 billion as of December 31, 2023 and 2022, respectively. Qualified Assets exclude net unrealized pretax losses on Available-for-Sale securities of \$98.3 million and \$154.1 million as of December 31, 2023 and 2022, respectively. Additionally, Qualified Assets exclude Payables to brokers, dealers and clearing organizations of \$6.2 million and \$68.5 million as of December 31, 2023 and 2022, respectively.

Qualified Assets are valued in accordance with such provisions of Minnesota Statutes as are applicable to investments of life insurance companies. These values are the same as financial statement carrying values, except for debt securities classified as Available-for-Sale and all marketable equity securities, which are carried at fair value in the Consolidated Financial Statements but are valued at either amortized cost, market value or par value based on the state requirements for qualified asset and deposit maintenance purposes.

Pursuant to provisions of the certificates, the 1940 Act, the Depository and Custodial Agreement and requirements of various states, Qualified Assets of ACC were deposited as follows:

	December 31, 2023		
	Deposits	Required Deposits	Excess
	(in thousands)		
Deposits to meet certificate liability requirements:			
Pennsylvania and New Jersey (at market value)	\$ 212	\$ 130	\$ 82
Texas and Illinois (at par value)	262	150	112
Custodian (at amortized cost)	14,212,284	13,475,655	736,629
Total	\$ 14,212,758	\$ 13,475,935	\$ 736,823
	December 31, 2022		
	Deposits	Required Deposits	Excess
	(in thousands)		
Deposits to meet certificate liability requirements:			
Pennsylvania and New Jersey (at market value)	\$ 212	\$ 130	\$ 82
Texas and Illinois (at par value)	360	150	210
Custodian (at amortized cost)	9,886,405	9,313,729	572,676
Total	\$ 9,886,977	\$ 9,314,009	\$ 572,968

The assets on deposit with the Custodian (or its subcustodian) as of December 31, 2023 and 2022 consisted of securities and other loans having a deposit value of \$13.2 billion and \$8.6 billion, respectively, mortgage loans on real estate of \$96.6 million and \$102.2 million, respectively, and other investments of \$894.1 million and \$1.2 billion, respectively. There were \$6.2 million and \$68.5 million of Payables to brokers, dealers and clearing organizations related to these assets on deposit as of December 31, 2023 and 2022, respectively.

Ameriprise Trust Company (“ATC”) is the Custodian for ACC. ATC has appointed JPMorgan Chase Bank, N.A. as its subcustodian. See Note 7 for information on related party transactions.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

3. Investments

Investments in unaffiliated issuers were as follows:

	December 31,	
	2023	2022
(in thousands)		
Available-for-Sale securities: Fixed maturities, at fair value (allowance for credit losses: 2023 and 2022, nil; amortized cost: 2023, \$13,135,364; 2022, \$8,523,011)	\$ 13,037,037	\$ 8,368,916
Commercial mortgage loans and syndicated loans, at cost (allowance for credit losses: 2023, \$1,333; 2022, \$1,472; fair value: 2023, \$178,850; 2022, \$195,252)	183,268	204,493
Certificate loans — secured by certificate reserves, at cost, which approximates fair value	34	72
Total	\$ 13,220,339	\$ 8,573,481

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

Description of Securities	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(in thousands)				
Corporate debt securities	\$ 1,722,491	\$ 3,100	\$ (4,586)	\$ 1,721,005
Residential mortgage backed securities	4,217,845	18,865	(101,830)	4,134,880
Commercial mortgage backed securities	1,913,637	4,708	(25,900)	1,892,445
Asset backed securities	2,640,240	8,575	(1,701)	2,647,114
State and municipal obligations	1,250	—	(67)	1,183
U.S. government and agency obligations	2,639,901	1,158	(649)	2,640,410
Total	\$ 13,135,364	\$ 36,406	\$ (134,733)	\$ 13,037,037

Description of Securities	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(in thousands)				
Corporate debt securities	\$ 800,596	\$ 497	\$ (8,151)	\$ 792,942
Residential mortgage backed securities	2,210,633	4,202	(114,971)	2,099,864
Commercial mortgage backed securities	1,976,401	872	(28,521)	1,948,752
Asset backed securities	1,463,147	2,599	(10,474)	1,455,272
State and municipal obligations	9,451	—	(296)	9,155
U.S. government and agency obligations	2,062,783	819	(671)	2,062,931
Total	\$ 8,523,011	\$ 8,989	\$ (163,084)	\$ 8,368,916

As of December 31, 2023 and 2022, accrued interest of \$47.4 million and \$20.8 million, respectively, is excluded from the amortized cost basis of Available-for-Sale securities in the tables above and is recorded in Receivables.

As of December 31, 2023 and 2022, fixed maturity securities comprised approximately 92% and 86%, respectively, of ACC's total investments. Rating agency designations are based on the availability of ratings from Nationally Recognized Statistical Rating Organizations ("NRSROs"), including Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services ("S&P"), and Fitch Ratings Ltd. ("Fitch"). ACC uses the median of available ratings from Moody's, S&P and Fitch, or if fewer than three ratings are available, the lower rating is used. When ratings from Moody's, S&P and Fitch are unavailable, as is the case for many private placement securities, ACC may utilize ratings from other NRSROs or rate the securities internally. As of December 31, 2023 and 2022, \$16.9 million and \$8.7 million, respectively, worth of securities were internally rated by Columbia Management Investment Advisers, LLC ("CMIA"), an affiliate of ACC.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

A summary of fixed maturity securities by rating was as follows:

Ratings	December 31, 2023			December 31, 2022		
	Amortized Cost	Fair Value	Percent of Total Fair Value	Amortized Cost	Fair Value	Percent of Total Fair Value
	(in thousands, except percentages)					
AAA	\$ 6,497,442	\$ 6,432,988	49 %	\$ 7,504,912	\$ 7,361,766	88 %
AA	4,667,593	4,633,823	36	104,049	100,303	1
A	458,233	457,526	3	165,663	164,265	2
BBB	1,506,666	1,507,511	12	732,811	727,450	9
Below investment grade	5,430	5,189	—	15,576	15,132	—
Total fixed maturities	<u>\$ 13,135,364</u>	<u>\$ 13,037,037</u>	<u>100 %</u>	<u>\$ 8,523,011</u>	<u>\$ 8,368,916</u>	<u>100 %</u>

As of December 31, 2023, approximately 85% of securities rated AA were GNMA, FNMA and FHLMC mortgage backed securities. These issuers were downgraded in the third quarter of 2023 from AAA to AA due to the downgrade of the U.S. Government long-term credit rating. As of December 31, 2022, approximately 34% of securities rated AAA were GNMA, FNMA and FHLMC mortgage backed securities. As of December 31, 2023, ACC had nine issuers with holdings totaling \$774.2 million that individually were between 10% and 19% of total shareholder's equity. As of December 31, 2022, ACC had 18 issuers with holdings totaling \$868.0 million that individually were between 10% and 15% of total shareholder's equity. There were no other holdings of any other issuer greater than 10% of total shareholder's equity as of December 31, 2023 and 2022.

The following tables summarize the fair value and gross unrealized losses on Available-for-Sale securities, aggregated by major investment type and the length of time that individual securities have been in a continuous unrealized loss position:

Description of Securities	December 31, 2023								
	Less than 12 months			12 months or more			Total		
	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
	(in thousands, except number of securities)								
Corporate debt securities	56	\$ 865,152	\$ (2,433)	28	\$ 342,354	\$ (2,153)	84	\$ 1,207,506	\$ (4,586)
Residential mortgage backed securities	24	1,195,734	(9,911)	255	1,516,870	(91,919)	279	2,712,604	(101,830)
Commercial mortgage backed securities	11	325,203	(3,515)	59	781,839	(22,385)	70	1,107,042	(25,900)
Asset backed securities	39	640,049	(1,002)	26	320,391	(699)	65	960,440	(1,701)
State and municipal obligations	—	—	—	2	1,183	(67)	2	1,183	(67)
U.S. government and agency obligations	10	954,302	(648)	1	55	(1)	11	954,357	(649)
Total	<u>140</u>	<u>\$3,980,440</u>	<u>\$ (17,509)</u>	<u>371</u>	<u>\$2,962,692</u>	<u>\$(117,224)</u>	<u>511</u>	<u>\$6,943,132</u>	<u>\$(134,733)</u>

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

December 31, 2022

Description of Securities	Less than 12 months			12 months or more			Total		
	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
	(in thousands, except number of securities)								
Corporate debt securities	48	\$ 598,028	\$ (8,151)	—	\$ —	\$ —	48	\$ 598,028	\$ (8,151)
Residential mortgage backed securities	208	1,609,795	(83,810)	78	253,759	(31,161)	286	1,863,554	(114,971)
Commercial mortgage backed securities	64	1,396,001	(16,637)	21	379,588	(11,884)	85	1,775,589	(28,521)
Asset backed securities	42	816,065	(8,671)	5	87,706	(1,803)	47	903,771	(10,474)
State and municipal obligations	7	8,251	(200)	1	904	(96)	8	9,155	(296)
U.S. government and agency obligations	11	559,320	(671)	—	—	—	11	559,320	(671)
Total	380	\$4,987,460	\$(118,140)	105	\$ 721,957	\$ (44,944)	485	\$5,709,417	\$(163,084)

As part of ACC's ongoing monitoring process, management determined the decrease in gross unrealized losses on its Available-for-Sale securities for which an allowance for credit losses has not been recognized during the year ended December 31, 2023 is primarily attributable to the impact of lower interest rates and tighter credit spreads. ACC did not recognize these unrealized losses in earnings because it was determined that such losses were due to non-credit factors. ACC does not intend to sell these securities and does not believe that it is more likely than not that ACC will be required to sell these securities before the anticipated recovery of the remaining amortized cost basis. As of December 31, 2023 and 2022, approximately 97% and 96%, respectively, of the total of Available-for-Sale securities with gross unrealized losses were considered investment grade.

There were no amounts recognized in the allowance for credit losses on Available-for-Sale securities during the years ended December 31, 2023, 2022 and 2021.

The change in net unrealized gains (losses) on securities in OCI includes two components, net of tax: (i) unrealized gains (losses) that arose from changes in the fair value of securities that were held during the period and (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 due to the reclassification of noncredit losses to credit losses.

The following table presents a rollforward of the net unrealized gains (losses) on Available-for-Sale securities included in AOCI:

	Net Unrealized Gains (Losses) on Securities	Deferred Income Tax	Accumulated Other Comprehensive Income (Loss) Related to Net Unrealized Gains (Losses) on Securities
	(in thousands)		
Balance at January 1, 2021	\$ 40,810	\$ (8,114)	\$ 32,696
Net unrealized gains (losses) on securities arising during the period ⁽¹⁾	(21,208)	5,111	(16,097)
Reclassification of net (gains) losses on securities included in net income ⁽²⁾	(1,093)	230	(863)
Balance at December 31, 2021	18,509	(2,773)	15,736
Net unrealized gains (losses) on securities arising during the period ⁽¹⁾	(172,584)	41,518	(131,066)
Reclassification of net (gains) losses on securities included in net income ⁽²⁾	(19)	4	(15)
Balance at December 31, 2022	(154,094)	38,749	(115,345)
Net unrealized gains (losses) on securities arising during the period ⁽¹⁾	55,519	(13,458)	42,061
Reclassification of net (gains) losses on securities included in net income ⁽²⁾	249	(52)	197
Balance at December 31, 2023	<u>\$ (98,326)</u>	<u>\$ 25,239</u>	<u>\$ (73,087)</u>

⁽¹⁾ Net unrealized gains (losses) on securities arising during the period include impairments on Available-for-Sale securities related to factors other than credit that were recognized in OCI during the period.

⁽²⁾ Reclassification amounts are reported in Net realized gain (loss) on investments.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Net realized gains and losses on Available-for-Sale securities, determined using the specific identification method, recognized in Net realized gain (loss) on investments were as follows:

	Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
Gross realized gains	\$ 314	\$ 19	\$ 1,132
Gross realized losses	(563)	—	(39)
Total	<u>\$ (249)</u>	<u>\$ 19</u>	<u>\$ 1,093</u>

Available-for-Sale securities by contractual maturity as of December 31, 2023 were as follows:

	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	\$ 3,651,134	\$ 3,647,866
Due after one year through five years	712,508	714,732
	<u>4,363,642</u>	<u>4,362,598</u>
Residential mortgage backed securities	4,217,845	4,134,880
Commercial mortgage backed securities	1,913,637	1,892,445
Asset backed securities	2,640,240	2,647,114
Total	<u>\$ 13,135,364</u>	<u>\$ 13,037,037</u>

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 and asset backed securities are not due at a single maturity date. As such, these securities were not included in the maturities distribution.

4. Financing Receivables

Financing receivables are comprised of commercial loans and certificate loans. See Note 1 for information regarding ACC's accounting policies related to loans and the allowance for loan losses.

Allowance for Credit Losses

The following table presents a rollforward of the allowance for credit losses:

	Commercial Loans (in thousands)
Balance at January 1, 2021	\$ 3,190
Provisions	(1,672)
Balance at December 31, 2021	<u>1,518</u>
Provisions	(46)
Balance at December 31, 2022	<u>1,472</u>
Provisions	10
Charge-offs	(149)
Balance at December 31, 2023	<u>\$ 1,333</u>

As of both December 31, 2023 and 2022, accrued interest on commercial loans was \$1.2 million and is recorded in Receivables and excluded from the amortized cost basis of commercial loans.

Purchases and Sales

During the years ended December 31, 2023, 2022 and 2021, ACC purchased \$19.4 million, \$25.2 million and \$11.2 million, respectively, of syndicated loans, and sold \$3.6 million, \$1.1 million and \$13.7 million, respectively, of syndicated loans.

ACC has not acquired any loans with deteriorated credit quality as of the acquisition date.

Credit Quality Information

Nonperforming loans were \$1.1 million and \$1.5 million as of December 31, 2023 and 2022, respectively. All other loans were considered to be performing.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Commercial Loans
Commercial Mortgage Loans

ACC reviews the credit worthiness of the borrower and the performance of the underlying properties in order to determine the risk of loss on commercial mortgage loans. Loan-to-value ratio is the primary credit quality indicator included in this review.

Based on this review, the commercial mortgage loans are assigned an internal risk rating, which management updates when credit risk changes. There were no commercial mortgage loans which management has assigned its highest risk rating as of both December 31, 2023 and 2022. Loans with the highest risk rating represent distressed loans which ACC has identified as impaired or expects to become delinquent or enter into foreclosure within the next six months. There were no commercial mortgage loans past due as of both December 31, 2023 and 2022.

The tables below present the amortized cost basis of commercial mortgage loans by year of origination and loan-to-value ratio:

Loan-to-Value Ratio	December 31, 2023						
	2023	2022	2021	2020	2019	Prior	Total
	(in thousands)						
> 100%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,146	\$ 3,146
80% - 100%	—	5,420	—	—	—	—	5,420
60% - 80%	4,000	—	—	—	—	4,000	8,000
40% - 60%	1,075	—	3,948	3,969	5,000	5,117	19,109
< 40%	2,600	1,480	6,273	3,000	8,719	39,202	61,274
Total	<u>\$ 7,675</u>	<u>\$ 6,900</u>	<u>\$ 10,221</u>	<u>\$ 6,969</u>	<u>\$ 13,719</u>	<u>\$ 51,465</u>	<u>\$ 96,949</u>

Loan-to-Value Ratio	December 31, 2022						
	2022	2021	2020	2019	2018	Prior	Total
	(in thousands)						
> 100%	\$ —	\$ —	\$ —	\$ —	\$ 3,211	\$ —	\$ 3,211
80% - 100%	5,500	—	—	—	—	—	5,500
60% - 80%	—	1,727	—	—	—	3,411	5,138
40% - 60%	—	4,963	4,062	10,630	2,570	8,299	30,524
< 40%	1,628	4,544	3,000	3,646	6,589	38,834	58,241
Total	<u>\$ 7,128</u>	<u>\$ 11,234</u>	<u>\$ 7,062</u>	<u>\$ 14,276</u>	<u>\$ 12,370</u>	<u>\$ 50,544</u>	<u>\$ 102,614</u>

Loan-to-value ratio is based on income and expense data provided by borrowers at least annually and long-term capitalization rate assumptions based on property type. For the year ended December 31, 2023, write-offs of commercial mortgage loans were not material.

In addition, ACC reviews the concentrations of credit risk by region and property type. Concentrations of credit risk of commercial mortgage loans by U.S. region were as follows:

	Loans		Percentage	
	December 31,		December 31,	
	2023	2022	2023	2022
	(in thousands)			
East North Central	\$ 8,226	\$ 9,116	8 %	9 %
East South Central	5,514	2,239	6	2
Middle Atlantic	15,466	14,640	16	14
Mountain	8,756	9,135	9	9
New England	6,308	6,542	7	6
Pacific	30,024	36,432	31	36
South Atlantic	13,023	12,003	13	12
West North Central	3,403	4,215	4	4
West South Central	6,229	8,292	6	8
Total	<u>\$ 96,949</u>	<u>\$ 102,614</u>	<u>100 %</u>	<u>100 %</u>

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Concentrations of credit risk of commercial mortgage loans by property type were as follows:

	Loans		Percentage	
	December 31,		December 31,	
	2023	2022	2023	2022
	(in thousands)			
Apartments	\$ 31,125	\$ 29,969	32 %	29 %
Industrial	23,596	25,668	24	25
Mixed use	10,126	10,658	11	11
Office	11,336	16,293	12	16
Retail	14,574	17,592	15	17
Other	6,192	2,434	6	2
Total	\$ 96,949	\$ 102,614	100 %	100 %

Syndicated Loans

The investment in syndicated loans as of December 31, 2023 and 2022 was \$87.7 million and \$103.4 million, respectively. ACC's syndicated loan portfolio is diversified across industries and issuers. Syndicated loans past due as of December 31, 2023 and 2022 were \$1.1 million and nil, respectively. ACC assigns an internal risk rating to each syndicated loan in its portfolio ranging from 1 through 5, with 5 reflecting the lowest quality. For the year ended December 31, 2023, write-offs of syndicated loans were not material.

The tables below present the amortized cost basis of syndicated loans by origination year and internal risk rating:

Internal Risk Rating	December 31, 2023						
	2023	2022	2021	2020	2019	Prior	Total
	(in thousands)						
Risk 5	\$ —	\$ 1,131	\$ —	\$ —	\$ —	\$ —	\$ 1,131
Risk 4	111	—	—	1,199	1,925	—	3,235
Risk 3	1,963	—	5,050	2,460	1,207	8,106	18,786
Risk 2	20,347	1,998	8,437	2,377	4,658	1,981	39,798
Risk 1	8,557	2,261	6,104	1,993	4,162	1,625	24,702
Total	\$ 30,978	\$ 5,390	\$ 19,591	\$ 8,029	\$ 11,952	\$ 11,712	\$ 87,652

Internal Risk Rating	December 31, 2022						
	2022	2021	2020	2019	2018	Prior	Total
	(in thousands)						
Risk 5	\$ 1,132	\$ —	\$ —	\$ —	\$ 337	\$ —	\$ 1,469
Risk 4	—	—	—	1,937	—	1,786	3,723
Risk 3	—	3,561	717	3,058	4,740	6,859	18,935
Risk 2	2,948	7,993	5,387	6,813	5,284	16,242	44,667
Risk 1	3,342	4,423	2,556	3,467	7,880	12,889	34,557
Total	\$ 7,422	\$ 15,977	\$ 8,660	\$ 15,275	\$ 18,241	\$ 37,776	\$ 103,351

Certificate Loans

Certificate loans do not exceed the cash surrender value at origination. As there is minimal risk of loss related to certificate loans, ACC does not record an allowance for credit losses.

Modifications with Borrowers Experiencing Financial Difficulty

Modifications of financing receivables with borrowers experiencing financial difficulty by ACC were not material during the year ended December 31, 2023.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

5. Certificate Reserves

Reserves maintained on outstanding certificates have been computed in accordance with the provisions of the certificates and Section 28 of the 1940 Act. The average rates of accumulation on certificate reserves were as follows:

	December 31, 2023		
	Reserve Balance	Average Gross Accumulation Rates ⁽³⁾	Average Additional Credit Rates ⁽⁴⁾
(in thousands, except percentages)			
Installment certificates:			
Reserves to mature:			
Without guaranteed rates ⁽¹⁾	\$ 10,272	4.87 %	4.87 %
Fully paid certificates:			
Reserves to mature:			
With guaranteed rates	3,441	3.19 %	0.01 %
Without guaranteed rates ⁽¹⁾	13,262,238	4.67 %	4.67 %
Equity indexed ⁽²⁾	163,980	N/A	N/A
Additional credits and accrued interest:			
With guaranteed rates	12	3.04 %	—
Without guaranteed rates ⁽¹⁾	30,101	N/A	N/A
Due to unlocated certificate holders	630	N/A	N/A
Total	\$ 13,470,674		

	December 31, 2022		
	Reserve Balance	Average Gross Accumulation Rates ⁽³⁾	Average Additional Credit Rates ⁽⁴⁾
(in thousands, except percentages)			
Installment certificates:			
Reserves to mature:			
Without guaranteed rates ⁽¹⁾	\$ 8,413	4.09 %	4.09 %
Fully paid certificates:			
Reserves to mature:			
With guaranteed rates	4,032	3.22 %	0.01 %
Without guaranteed rates ⁽¹⁾	9,079,145	2.97 %	2.97 %
Equity indexed ⁽²⁾	210,303	N/A	N/A
Additional credits and accrued interest:			
With guaranteed rates	17	3.07 %	—
Without guaranteed rates ⁽¹⁾	11,062	N/A	N/A
Due to unlocated certificate holders	433	N/A	N/A
Total	\$ 9,313,405		

N/A Not Applicable

⁽¹⁾ There is no minimum rate of accrual on these reserves. Interest is declared periodically, quarterly, or annually in accordance with the terms of the separate series of certificates.

⁽²⁾ Ameriprise Stock Market Certificate and Ameriprise Market Strategy Certificate enable the certificate owner to participate in any relative rise in a major stock market index up to a cap without risking loss of principal. The certificates have market participation terms of 52, 104 or 156 weeks and may continue for up to 15 years. The reserve balances on these certificates as of December 31, 2023 and 2022 were \$176.9 million and \$220.5 million, respectively.

⁽³⁾ The average gross accumulation rate is the additional credit rate plus the guaranteed minimum rate, if applicable, based on the weighted average reserves as of December 31, 2023 and 2022.

⁽⁴⁾ The average additional credit rate is the declared interest rate in excess of the guaranteed minimum rate, if applicable, based on the weighted average reserves as of December 31, 2023 and 2022.

On certain series of single payment certificates, additional interest is pre-declared for periods greater than one year. The retained earnings appropriated for the pre-declared additional interest as of December 31, 2023 and 2022 was \$27.0 million and \$16.0 million, respectively, which reflects the difference between certificate reserves on these series, calculated on a statutory basis, and the reserves maintained per books.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

The carrying amounts of net certificate reserves consisted of the following:

	December 31,	
	2023	2022
(in thousands)		
Reserves with terms of one year or less	\$ 12,354,258	\$ 8,927,109
Other	1,116,416	386,296
Total certificate reserves	13,470,674	9,313,405
Unapplied certificate transactions	39,628	6,858
Certificate loans and accrued interest	(35)	(73)
Total	<u>\$ 13,510,267</u>	<u>\$ 9,320,190</u>

6. Regulation and Dividend Restrictions

ACC is required to maintain cash and “qualified assets” meeting the standards of Section 28(b) of the 1940 Act, as modified by an exemptive order of the SEC. The amortized cost of such investments must be at least equal to ACC’s net liabilities on all outstanding face-amount certificates plus \$250,000. ACC’s qualified assets consist of cash and cash equivalents, residential and commercial mortgage backed securities, asset backed securities, syndicated loans, commercial mortgage loans, U.S. government and government agency obligations, state and municipal obligations, corporate debt securities, equity index options and other securities meeting specified standards. So long as ACC wishes to rely on the SEC order, as a condition to the order, ACC has agreed to maintain an amount of unappropriated retained earnings and capital equal to at least 5% of certificate reserves (less outstanding certificate loans). To the extent that payment of a dividend would decrease the capital ratio below the required 5%, payment of a dividend would be restricted. In determining compliance with this condition, qualified assets are valued in accordance with the provisions of Minnesota Statutes where such provisions are applicable.

ACC has also entered into a written understanding with the Minnesota Department of Commerce that ACC will maintain capital equal to at least 5% of the assets of ACC (less outstanding certificate loans). To the extent that payment of a dividend would decrease this ratio below the required 5%, payment of a dividend would be restricted. When computing its capital for these purposes, ACC values its assets on the basis of statutory accounting for insurance companies rather than GAAP. ACC is subject to examination and supervision by the Minnesota Department of Commerce (Banking Division) and the SEC. ACC was in compliance with the capital requirements of the SEC and the Minnesota Department of Commerce during the years ended December 31, 2023, 2022 and 2021.

Ameriprise Financial and ACC entered into a Capital Support Agreement on March 2, 2009, pursuant to which Ameriprise Financial agrees to commit such capital to ACC as is necessary to satisfy applicable minimum capital requirements. Effective April 30, 2014, this agreement was amended to revise the maximum commitment to \$50.0 million. For the years ended December 31, 2023, 2022 and 2021, Ameriprise Financial did not infuse any additional capital into ACC under this agreement.

7. Related Party Transactions

Distribution Services

Distribution fees payable to AFS on sales of ACC’s certificates are based upon terms of agreements giving AFS the right to distribute the certificates covered under the agreements. The agreements provide for payment of fees over a period of time.

The following is a general description of the basis for determining distribution fees for ACC’s products:

- Ameriprise Cash Reserve Certificates have contractual distribution fee rates of 0.02% of the initial payment on the issue date of the certificate and 0.02% of the certificate’s reserve at the beginning of the second and subsequent quarters from issue date.
- Ameriprise Flexible Savings Certificates have contractual distribution fee rates of 0.04% of the initial investment amount on the first day of the certificate’s term and 0.04% of the certificate’s reserve at the beginning of the second and subsequent quarters from issue date or at the end of the renewal grace period when the renewal corresponds with the quarterly reserve payment for all terms except seven and thirteen months. For seven month terms, Ameriprise Flexible Savings Certificates have contractual distribution fee rates of 0.04% of the initial investment amount on the first day of the certificate’s term, 0.04% of the certificate’s reserve at the beginning of the second quarter from issue date and 0.014% of the certificate’s reserve at the beginning of the last month of the certificate term. For thirteen month terms, Ameriprise Flexible Savings Certificates have contractual distribution fee rates of 0.04% of the initial investment amount on the first day of the certificate’s term, 0.04% of the certificate’s reserve at the beginning of the second, third and fourth quarters from issue date and 0.014% of the certificate’s reserve at the beginning of the last month of the certificate term.
- Ameriprise Stock Market Certificates have contractual distribution fee rates of 0.16%, 0.32% and 0.48% for the 52, 104 and 156 week terms, respectively, of each payment made prior to the beginning of the first certificate’s participation term and of the certificate’s reserve at the beginning of each subsequent participation term.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

- Ameriprise Market Strategy Certificates have contractual distribution fee rates of 0.16% of the certificate's reserve at the beginning of each participation term.
- Ameriprise Installment Certificates have contractual distribution fee rates of 0.25% of all payments received on or after issue of the certificate until the certificate's maturity date.
- Ameriprise Step-Up Rate Certificates have contractual distribution fee rates of 0.04% of the initial investment amount on the first day of the certificate's term and 0.04% of the certificate's reserve at the beginning of the second and subsequent quarters from issue date or at the end of the renewal grace period when the renewal corresponds with the quarterly reserve payment.

Investment Advisory and Services

CMIA provides investment advice, operational support and other administrative services to ACC. The agreement provides for a graduated scale of fees equal on an annual basis to 0.35% on the first \$250 million of net invested assets of ACC (as defined in the agreement), 0.30% on the next \$250 million, 0.25% on the next \$500 million and 0.20% on the amount in excess of \$1 billion. The fee is payable monthly in an amount equal to one-twelfth of each of the percentages set forth above.

The fee paid to CMIA for managing and servicing syndicated loans, which are excluded from the computation of net invested assets above, is equal to 0.35%. The fee is payable monthly and is equal to one-twelfth of 0.35%, computed each month on the basis of the loans amortized cost less the allowance for loan losses and payable for loans purchased as of the close of business on the last full business day of the preceding month.

Transfer Agent Fees

The basis of computing transfer agent fees paid or payable to Columbia Management Investment Services Corp. ("CMIS") is under a Transfer Agent Agreement to maintain certificate owner accounts and records. ACC pays CMIS a monthly fee of one-twelfth of \$30.00 per certificate account for this service in addition to certain out-of-pocket expenses.

Depository Fees

ATC has an agreement with a subcustodian to provide depository services for ACC's assets. The depository fees paid to ATC are asset-based with additional charges for transactional custody fees charged by the subcustodian.

ACC's fees payable for distribution, investment advisory, transfer agent and depository services are included in Due to related party. The fees ACC incurred for these services are included in Ameriprise Financial and affiliated company fees.

Dividends and Contributions

ACC received cash contributions of \$130.5 million, \$186.0 million and nil from Ameriprise Financial during the years ended December 31, 2023, 2022 and 2021, respectively. ACC received these contributions to maintain compliance with capital requirements and these contributions were outside of the Capital Support Agreement between Ameriprise Financial and ACC. See Note 6 for additional information on the Capital Support Agreement.

ACC paid dividends of nil, \$11.3 million and \$70.0 million to Ameriprise Financial during the years ended December 31, 2023, 2022 and 2021, respectively.

ACC returned contributed capital of nil, \$7.0 million and \$39.0 million to Ameriprise Financial during the years ended December 31, 2023, 2022 and 2021, respectively. The payments to Ameriprise Financial were recognized as a reduction of additional paid-in capital as it was in excess of the amount of unappropriated retained earnings available to be paid as a dividend.

8. 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

ACC categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by ACC'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.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

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

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Assets				
Cash equivalents	\$ —	\$ 894,121	\$ —	\$ 894,121
Available-for-Sale securities:				
Corporate debt securities	—	1,703,151	17,854	1,721,005
Residential mortgage backed securities	—	4,134,880	—	4,134,880
Commercial mortgage backed securities	—	1,892,445	—	1,892,445
Asset backed securities	—	2,647,114	—	2,647,114
State and municipal obligations	—	1,183	—	1,183
U.S. government and agency obligations	2,640,410	—	—	2,640,410
Total Available-for-Sale securities	2,640,410	10,378,773	17,854	13,037,037
Equity derivative contracts	—	17,255	—	17,255
Total assets at fair value	<u>\$ 2,640,410</u>	<u>\$ 11,290,149</u>	<u>\$ 17,854</u>	<u>\$ 13,948,413</u>
Liabilities				
Stock market certificate embedded derivatives	\$ —	\$ 9,300	\$ —	\$ 9,300
Equity derivative contracts	16	11,480	—	11,496
Total liabilities at fair value	<u>\$ 16</u>	<u>\$ 20,780</u>	<u>\$ —</u>	<u>\$ 20,796</u>

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Assets				
Cash equivalents	\$ —	\$ 1,159,470	\$ —	\$ 1,159,470
Available-for-Sale securities:				
Corporate debt securities	—	783,289	9,653	792,942
Residential mortgage backed securities	—	2,099,864	—	2,099,864
Commercial mortgage backed securities	—	1,948,752	—	1,948,752
Asset backed securities	—	1,450,381	4,891	1,455,272
State and municipal obligations	—	9,155	—	9,155
U.S. government and agency obligations	2,062,931	—	—	2,062,931
Total Available-for-Sale securities	2,062,931	6,291,441	14,544	8,368,916
Equity derivative contracts	—	8,786	—	8,786
Total assets at fair value	<u>\$ 2,062,931</u>	<u>\$ 7,459,697</u>	<u>\$ 14,544</u>	<u>\$ 9,537,172</u>
Liabilities				
Stock market certificate embedded derivatives	\$ —	\$ 3,572	\$ —	\$ 3,572
Equity derivative contracts	8	6,641	—	6,649
Total liabilities at fair value	<u>\$ 8</u>	<u>\$ 10,213</u>	<u>\$ —</u>	<u>\$ 10,221</u>

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

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

	Available-for-Sale Securities		
	Corporate Debt Securities	Asset Backed Securities	Total
	(in thousands)		
Balance at January 1, 2023	\$ 9,653	\$ 4,891	\$ 14,544
Total gains (losses) included in:			
Net income	148	183	331 ⁽¹⁾
Other comprehensive income (loss)	234	(74)	160
Purchases	15,851	—	15,851
Settlements	(8,032)	(5,000)	(13,032)
Balance at December 31, 2023	<u>\$ 17,854</u>	<u>\$ —</u>	<u>\$ 17,854</u>

Changes in unrealized gains (losses) in net income relating to assets held at December 31, 2023	\$ 106	\$ —	\$ 106 ⁽¹⁾
Changes in unrealized gains (losses) in other comprehensive income (loss) relating to assets held at December 31, 2023	\$ 182	\$ —	\$ 182

	Available-for-Sale Securities			
	Corporate Debt Securities	Residential Mortgage Backed Securities	Asset Backed Securities	Total
	(in thousands)			
Balance at January 1, 2022	\$ 6,004	\$ —	\$ 4,891	\$ 10,895
Total gains (losses) included in:				
Net income	45	—	38	83 ⁽¹⁾
Other comprehensive income (loss)	(214)	(504)	(193)	(911)
Purchases	9,818	99,956	17,582	127,356
Settlements	(6,000)	—	—	(6,000)
Transfers out of Level 3	—	(99,452)	(17,427)	(116,879)
Balance at December 31, 2022	<u>\$ 9,653</u>	<u>\$ —</u>	<u>\$ 4,891</u>	<u>\$ 14,544</u>
Changes in unrealized gains (losses) in net income relating to assets held at December 31, 2022	\$ 45	\$ —	\$ 38	\$ 83 ⁽¹⁾
Changes in unrealized gains (losses) in other comprehensive income (loss) relating to assets held at December 31, 2022	\$ (212)	\$ —	\$ (38)	\$ (250)

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

	Available-for-Sale Securities		
	Corporate Debt Securities	Asset Backed Securities	Total
	(in thousands)		
Balance at January 1, 2021	\$ 6,057	\$ 4,891	\$ 10,948
Total gains (losses) included in:			
Net income	—	15	15 ⁽¹⁾
Other comprehensive income (loss)	(53)	(15)	(68)
Transfers into Level 3	3	—	3
Transfers out of Level 3	(3)	—	(3)
Balance at December 31, 2021	<u>\$ 6,004</u>	<u>\$ 4,891</u>	<u>\$ 10,895</u>
Changes in unrealized gains (losses) in net income relating to assets held at December 31, 2021	\$ —	\$ 15	\$ 15 ⁽¹⁾
Changes in unrealized gains (losses) in other comprehensive income (loss) relating to assets held at December 31, 2021	\$ (53)	\$ (15)	\$ (68)

⁽¹⁾ Included in Investment income.

Securities transferred from Level 3 primarily represent securities with fair values that are now obtained from a third-party pricing service with observable inputs. Securities transferred to Level 3 represent securities with fair values that are now based on a single non-binding broker quote.

The following tables provide a summary of the significant unobservable inputs used in the fair value measurements developed by ACC or reasonably available to ACC of Level 3 assets:

	December 31, 2023				
	Fair Value (in thousands)	Valuation Technique	Unobservable Input	Range	Weighted Average
Corporate debt securities (private placements)	\$ 17,851	Discounted cash flow	Yield/spread to U.S. Treasuries	1.0 % – 1.1%	1.0%
	December 31, 2022				
	Fair Value (in thousands)	Valuation Technique	Unobservable Input	Range	Weighted Average
Corporate debt securities (private placements)	\$ 9,650	Discounted cash flow	Yield/spread to U.S. Treasuries	1.1 % – 1.1%	1.1%

The weighted average for the yield/spread to U.S. Treasuries for corporate debt securities (private placements) is weighted based on the security's market value as a percentage of the aggregate market value of the securities.

Level 3 measurements not included in the tables above are obtained from non-binding broker quotes where unobservable inputs utilized in the fair value calculation are not reasonably available to ACC.

Uncertainty of Fair Value Measurements

Significant increases (decreases) in the yield/spread to U.S. Treasuries used in the fair value measurement of Level 3 corporate debt securities in isolation would have resulted in a significantly lower (higher) fair value measurement.

Determination of Fair Value

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

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

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 time deposits and other highly liquid investments with original or remaining maturities at the time of purchase of 90 days or less. U.S. Treasuries are classified as Level 1. ACC'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.

Available-for-Sale and Equity 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 third-party pricing services, non-binding broker quotes, or other model-based valuation techniques.

Level 1 securities include U.S. Treasuries.

Level 2 securities include corporate bonds, residential mortgage backed securities, commercial mortgage backed securities, asset backed securities, state and municipal obligations and other securities. The fair value of these Level 2 securities is based on a market approach with prices obtained from third-party pricing services. Observable inputs used to value these securities can include, but are not limited to, reported trades, benchmark yields, issuer spreads and non-binding broker quotes.

Level 3 securities include certain corporate bonds, non-agency residential mortgage backed securities, commercial mortgage backed securities and asset backed securities with fair value typically based on a single non-binding broker quote. The underlying inputs used for some of the non-binding broker quotes are not readily available to ACC. ACC's privately placed corporate bonds are typically based on a single non-binding broker quote.

Management is responsible for the fair values recorded on the financial statements. Prices received from third-party pricing services are subjected to exception reporting that identifies investments with significant daily price movements as well as no movements. ACC reviews the exception reporting and resolves the exceptions through reaffirmation of the price or recording an appropriate fair value estimate. ACC also performs subsequent transaction testing. ACC performs annual due diligence of third-party pricing services. ACC's due diligence procedures include assessing the vendor's valuation qualifications, control environment, analysis of asset-class specific valuation methodologies, and understanding of sources of market observable assumptions and unobservable assumptions, if any, employed in the valuation methodology. ACC also considers the results of its exception reporting controls and any resulting price challenges that arise.

Derivatives

Derivatives that are measured using quoted prices in active markets, such as derivatives that are exchange-traded, are classified as Level 1 measurements. The variation margin on futures contracts is classified as Level 1. The fair value of derivatives that are traded in less active over-the-counter ("OTC") markets is 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 options. The counterparties' nonperformance risk associated with uncollateralized derivative assets was immaterial as of both December 31, 2023 and 2022. See Note 9 and Note 10 for further information on the credit risk of derivative instruments and related collateral.

Liabilities*Stock Market Certificate Embedded Derivatives*

ACC uses Black-Scholes models to determine the fair value of the embedded derivative liability associated with the provisions of its SMC. 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.

Derivatives

Derivatives that are measured using quoted prices in active markets, such as derivatives that are exchange-traded, are classified as Level 1 measurements. The variation margin on futures contracts is classified as Level 1. The fair value of derivatives that are traded in less active OTC markets is 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 options. The Company's nonperformance risk associated with uncollateralized derivative liabilities was immaterial as of both December 31, 2023 and 2022. See Note 9 and Note 10 for further information on the credit risk of derivative instruments and related collateral.

Fair Value on a Nonrecurring Basis

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

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

Assets and Liabilities Not Reported at Fair Value

The following tables provide the carrying value and the estimated fair value of financial instruments that are not reported at fair value:

	December 31, 2023				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
		(in thousands)			
Financial Assets					
Syndicated loans	\$ 86,697	\$ —	\$ 80,832	\$ 4,899	\$ 85,731
Commercial mortgage loans	96,571	—	—	93,119	93,119
Certificate loans	34	—	34	—	34
Financial Liabilities					
Certificate reserves	\$ 13,461,374	\$ —	\$ —	\$ 13,420,205	\$ 13,420,205

	December 31, 2022				
	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
		(in thousands)			
Financial Assets					
Syndicated loans	\$ 102,330	\$ —	\$ 96,552	\$ 3,024	\$ 99,576
Commercial mortgage loans	102,163	—	—	95,676	95,676
Certificate loans	72	—	72	—	72
Financial Liabilities					
Certificate reserves	\$ 9,309,833	\$ —	\$ —	9,253,304	\$ 9,253,304

See Note 4 for additional information on syndicated, commercial mortgage and certificate loans. Certificate reserves represent customer deposits for fixed rate certificates and SMC.

9. Offsetting Assets and Liabilities

Certain derivative instruments are eligible for offset in the Consolidated Balance Sheets. ACC's derivative instruments are subject to master netting and collateral arrangements and qualify for offset. A master netting arrangement with a counterparty creates a right of offset for amounts due to and from that same counterparty that is enforceable in the event of a default or bankruptcy. ACC's policy is to recognize amounts subject to master netting arrangements on a gross basis in the Consolidated Balance Sheets.

The following tables present the gross and net information about ACC's assets subject to master netting arrangements:

	December 31, 2023					
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Amounts of Assets Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments ⁽¹⁾	Cash Collateral	
	(in thousands)					
Derivatives:						
OTC	\$ 17,255	\$ —	\$ 17,255	\$ (11,480)	\$ (4,903)	\$ 872
Total	\$ 17,255	\$ —	\$ 17,255	\$ (11,480)	\$ (4,903)	\$ 872

	December 31, 2022					
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Amounts of Assets Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments ⁽¹⁾	Cash Collateral	
	(in thousands)					
Derivatives:						
OTC	\$ 8,786	\$ —	\$ 8,786	\$ (6,641)	\$ (1,893)	\$ 252
Total	\$ 8,786	\$ —	\$ 8,786	\$ (6,641)	\$ (1,893)	\$ 252

⁽¹⁾ Represents the amount of assets that could be offset by liabilities with the same counterparty under master netting or similar arrangements that management elects not to offset on the Consolidated Balance Sheets.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

The following tables present the gross and net information about ACC's liabilities subject to master netting agreements:

	December 31, 2023						
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Amounts of Liabilities Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets			Net Amount
				Financial Instruments ⁽¹⁾	Cash Collateral		
	(in thousands)						
Derivatives:							
OTC	\$ 11,480	\$ —	\$ 11,480	\$ (11,480)	\$ —		\$ —
Exchange-traded	16	—	16	—	—		16
Total	<u>\$ 11,496</u>	<u>\$ —</u>	<u>\$ 11,496</u>	<u>\$ (11,480)</u>	<u>\$ —</u>		<u>\$ 16</u>
	December 31, 2022						
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Amounts of Liabilities Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets			Net Amount
				Financial Instruments ⁽¹⁾	Cash Collateral		
	(in thousands)						
Derivatives:							
OTC	\$ 6,641	\$ —	\$ 6,641	\$ (6,641)	\$ —		\$ —
Exchange-traded	8	—	8	—	—		8
Total	<u>\$ 6,649</u>	<u>\$ —</u>	<u>\$ 6,649</u>	<u>\$ (6,641)</u>	<u>\$ —</u>		<u>\$ 8</u>

⁽¹⁾ Represents the amount of liabilities that could be offset by assets with the same counterparty under master netting or similar arrangements that management elects not to offset on the Consolidated Balance Sheets.

In the tables above, the amount of assets or liabilities presented are offset first by financial instruments that have the right of offset under master netting or similar arrangements, then any remaining amount is reduced by the amount of cash and securities collateral. The actual collateral may be greater than amounts presented in the tables.

When the fair value of collateral accepted by ACC is less than the amount due to ACC, there is a risk of loss if the counterparty fails to perform or provide additional collateral. To mitigate this risk, ACC monitors collateral values regularly and requires additional collateral when necessary. When the value of collateral pledged by ACC declines, it may be required to post additional collateral.

Freestanding derivative instruments are reflected in Derivative assets and Derivative liabilities. Cash collateral accepted by ACC is reflected in Other liabilities. See Note 10 for additional disclosures related to ACC's derivative instruments.

10. Derivatives and Hedging Activities

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

ACC uses derivatives as economic hedges of equity risk related to SMC. ACC does not designate any derivatives for hedge accounting. The following table presents the notional value and the gross fair value of derivative instruments, including embedded derivatives:

	December 31, 2023			December 31, 2022		
	Notional	Gross Fair Value		Notional	Gross Fair Value	
		Assets	Liabilities		Assets	Liabilities
	(in thousands)					
Derivatives not designated as hedging instruments						
Equity contracts ⁽¹⁾	\$ 219,404	\$ 17,255	\$ 11,496	\$ 283,681	\$ 8,786	\$ 6,649
Embedded derivatives						
Stock market certificates ⁽²⁾	N/A	—	9,300	N/A	—	3,572
Total derivatives	<u>\$ 219,404</u>	<u>\$ 17,255</u>	<u>\$ 20,796</u>	<u>\$ 283,681</u>	<u>\$ 8,786</u>	<u>\$ 10,221</u>

N/A Not applicable

⁽¹⁾ The gross fair value of equity contracts is included in Derivative assets and Derivative liabilities.

⁽²⁾ The gross fair value of SMC embedded derivatives is included in Certificate reserves.

See Note 8 for additional information regarding ACC's fair value measurement of derivative instruments.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

As of December 31, 2023 and 2022, investment securities with a fair value of \$446 thousand and \$182 thousand, respectively, were pledged to meet contractual obligations under derivative contracts.

The following table presents a summary of the impact of derivatives not designated as hedging instruments, including embedded derivatives, 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		
		Years Ended December 31,		
		2023	2022	2021
(in thousands)				
Equity contracts				
Stock market certificates	Net provision for certificate reserves	\$ 4,324	\$ (580)	\$ 1,403
Stock market certificates embedded derivatives	Net provision for certificate reserves	(5,046)	439	(1,173)
Total		<u>\$ (722)</u>	<u>\$ (141)</u>	<u>\$ 230</u>

Ameriprise SMC offer a return based upon the relative change in a major stock market index between the beginning and end of the certificate's term. The SMC product contains an embedded derivative. The equity based return of the certificate must be separated from the host contract and accounted for as a derivative instrument. As a result of fluctuations in equity markets and the corresponding changes in value of the embedded derivative, the amount of expenses incurred by ACC related to the SMC product will positively or negatively impact reported earnings. As a means of hedging its obligations under the provisions for these certificates, ACC purchases and writes call options on the S&P 500® Index. ACC views this strategy as a prudent management of equity market sensitivity, such that earnings are not exposed to undue risk presented by changes in equity market levels. ACC also purchases futures on the S&P 500® Index to economically hedge its obligations. The futures are marked-to-market daily and exchange traded, exposing ACC to minimal counterparty risk.

Credit Risk

Credit risk associated with ACC'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, ACC 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 and collateral arrangements whenever practical. See Note 9 for additional information on ACC's credit exposure related to derivative assets.

11. Income Taxes

The components of income tax provision were as follows:

	Years Ended December 31,		
	2023	2022	2021
(in thousands)			
Current income tax			
Federal	\$ 24,615	\$ 16,874	\$ 5,738
State and local	3,952	3,089	617
Total current income tax	<u>28,567</u>	<u>19,963</u>	<u>6,355</u>
Deferred income tax			
Federal	4,027	(778)	1,397
State and local	754	(149)	260
Total deferred income tax	<u>4,781</u>	<u>(927)</u>	<u>1,657</u>
Total income tax provision	<u>\$ 33,348</u>	<u>\$ 19,036</u>	<u>\$ 8,012</u>

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

The principal reasons that the aggregate income tax provision is different from that computed by using the U.S. statutory rate of 21% were as follows:

	Years Ended December 31,		
	2023	2022	2021
Tax at U.S. statutory rate	21.0 %	21.0 %	21.0 %
Changes in taxes resulting from:			
State income tax, net	2.7	3.0	2.1
Other	0.9	0.8	1.0
Income tax provision	<u>24.6 %</u>	<u>24.8 %</u>	<u>24.1 %</u>

Deferred income tax assets and liabilities result from temporary differences between the assets and liabilities measured for GAAP reporting versus income tax return purposes. Deferred income tax assets and liabilities are measured at the statutory rate of 21% as of both December 31, 2023 and 2022. The significant components of ACC's deferred income tax assets, which are included in Other Assets: Deferred taxes, net, were as follows:

	December 31,	
	2023	2022 ⁽¹⁾
(in thousands)		
Deferred income tax assets		
Investments including net unrealized on Available-for-Sale securities	\$ 11,177	\$ 35,126
Certificate reserves	8,423	2,766
Total deferred income tax assets	<u>\$ 19,600</u>	<u>\$ 37,892</u>

⁽¹⁾ Prior period amounts have been reclassified to conform to current year presentation which relates to presenting investments inclusive of net unrealized on Available-for-Sale securities.

Based on analysis of ACC's tax position, management believes it is more likely than not that ACC's results of future operations and implementation of tax planning strategies will generate sufficient taxable income to enable ACC to utilize all of the deferred tax assets. Accordingly, no valuation allowance for deferred tax assets has been established as of both December 31, 2023 and 2022.

A reconciliation of the beginning and ending amount of unrecognized tax benefits was as follows:

	2023	2022	2021
	(in thousands)		
Balance at January 1	\$ 4,342	\$ 3,826	\$ 3,531
Additions for tax positions related to the current year	1,179	586	316
Additions for tax positions of prior years	230	—	82
Reductions for tax positions of prior years	—	(33)	—
Reductions due to lapse of statutes of limitations	(229)	(37)	(103)
Balance at December 31	<u>\$ 5,522</u>	<u>\$ 4,342</u>	<u>\$ 3,826</u>

If recognized, approximately \$4.4 million, \$3.4 million and \$3.0 million, net of federal tax benefits, of unrecognized tax benefits as of December 31, 2023, 2022 and 2021, respectively, would affect the effective tax rate.

It is reasonably possible that the total amount of unrecognized tax benefits will change in the next 12 months. ACC estimates that the total amount of gross unrecognized tax benefits may decrease by approximately \$1.4 million in the next 12 months primarily due to state statutes of limitations expirations.

ACC recognizes interest and penalties related to unrecognized tax benefits as a component of the income tax provision. ACC recognized a net increase of \$249 thousand, \$163 thousand and \$102 thousand in interest and penalties for the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023 and 2022, ACC had a payable of \$1 million and \$778 thousand, respectively, related to accrued interest and penalties.

ACC files income tax returns as part of its inclusion in the consolidated federal income tax return of Ameriprise Financial in the U.S. federal jurisdiction and various state jurisdictions. As of December 31, 2023, the federal statutes of limitations are closed on years through 2018. A previously open item for 2014 and 2015 was resolved in the second quarter of 2023. Also in the second quarter of 2023, the Internal Revenue Service ("IRS") audit for tax years 2016 through 2018 was finalized. The IRS is currently auditing Ameriprise Financial's U.S. income tax returns for 2019 and 2020. The state income tax returns of Ameriprise Financial and its subsidiaries, including ACC, are currently under examination by various jurisdictions for years ranging from 2017 through 2021.

Ameriprise Certificate Company
Notes to Consolidated Financial Statements (Continued)

12. Commitments and Contingencies

Commitments

ACC's commercial mortgage loan funding commitments were \$2.6 million and \$1.1 million as of December 31, 2023 and 2022, respectively.

Contingencies

The level of regulatory activity and inquiry in the financial services industry remains elevated. From time to time, ACC receives requests for information from, and/or has been subject to examination by, both the SEC and the Minnesota Department of Commerce concerning its business activities and practices.

ACC may in the normal course of business be a party to legal, regulatory or arbitration proceedings concerning matters arising in connection with the conduct of its business activities. The outcome of any such proceeding cannot be predicted with any certainty. ACC believes that it is not a party to, nor are any of its properties the subject of, any pending legal, regulatory or arbitration proceedings that are reasonably likely to have a material adverse effect on ACC's results of operations, financial condition or liquidity. Notwithstanding the foregoing, it is possible that the outcome of any such legal, arbitration or regulatory proceedings could have a material impact on ACC's results of operations, financial condition or liquidity in any particular reporting period as the proceedings are resolved.

CERTIFICATION

I, Abu M. Arif, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ameriprise Certificate Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2024

By /s/ Abu M. Arif

Abu M. Arif
Chief Executive Officer

CERTIFICATION

I, James R. Hill, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ameriprise Certificate Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2024

By /s/ James R. Hill

James R. Hill
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Ameriprise Certificate Company (the “Company”) for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Abu M. Arif, as Chief Executive Officer of the Company, and James R. Hill, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2024

By /s/ Abu M. Arif
Abu M. Arif
Chief Executive Officer

Date: February 22, 2024

By /s/ James R. Hill
James R. Hill
Chief Financial Officer