

WADDELL & REED, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Waddell & Reed Financial, Inc.)

Consolidated Balance Sheet

December 31, 2016

(In thousands)

Assets

Cash and cash equivalents	\$ 344,052
Cash and cash equivalents – restricted	31,137
Investment securities	130,547
Receivables:	
Funds and separate accounts	21,246
Customers and other	120,413
Due from affiliates	7,097
Prepaid expenses and other current assets	19,216
Income taxes receivable	466
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Total current assets	674,174
Property and equipment, net	99,430
Deferred sales commissions, net	180
Deferred income taxes	25,994
Goodwill and identifiable intangible asset	35,095
Other non-current assets	27,379
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Total assets	\$ <u><u>862,252</u></u>

Liabilities and Stockholder's Equity

Accounts payable	\$ 23,367
Payable to investment companies for securities	53,691
Payable to third party brokers	7,603
Payable to customers	82,918
Accrued compensation	31,674
Other current liabilities	14,941
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Total current liabilities	214,194
Accrued pension costs	34,146
Other non-current liabilities	20,200
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Total liabilities	268,540
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Commitments and contingencies	
Redeemable noncontrolling interests	9,239
Stockholder's equity:	
Common stock, \$1.00 par value: 1,000 shares authorized, issued, and outstanding.	1
Additional paid-in capital	247,237
Retained earnings	378,831
Accumulated other comprehensive loss	(41,596)
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Total stockholder's equity	584,473
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Total liabilities, redeemable noncontrolling interests and stockholder's equity	\$ <u><u>862,252</u></u>

See accompanying notes to consolidated financial statements.