

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

Consolidated Statement of Changes in Stockholder's Equity

Year ended December 31, 2018

(In thousands)

	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Retained earnings</b>	<b>Accumulated other comprehensive income</b>	<b>Total stockholder's equity</b>	<b>Redeemable non- controlling interests</b>
	<b>Shares</b>	<b>Amount</b>					
Balance at December 31, 2017	1,000	\$ 1	247,237	95,076	379	342,693	2,626
Adoption of reclassification of tax effects from accumulated other comprehensive income guidance (ASU 2018-02) on January 1, 2018	—	—	—	(107)	107	—	—
Net income	—	—	—	28,101	—	28,101	(9)
Net redemption of redeemable noncontrolling interests in sponsored funds	—	—	—	—	—	—	(2,515)
Dividends / return of capital to parent – cash	—	—	(11,633)	(110,367)	—	(122,000)	—
W&R Capital Management Group, Inc & Waddell & Reed Investment Management Company mergers	—	—	(42,153)	(3,744)	173	(45,724)	—
Other comprehensive income	—	—	—	—	642	642	—
Balance at December 31, 2018	<u>1,000</u>	<u>\$ 1</u>	<u>193,451</u>	<u>8,959</u>	<u>1,301</u>	<u>203,712</u>	<u>102</u>

See accompanying notes to consolidated financial statements.