

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

Consolidated Statement of Earnings

Year ended December 31, 2019

(In thousands)

Revenues:		
Underwriting and distribution fees	\$	465,995
Shareholder service fees		93,582
Revenue sharing and other services		99,563
Total		<u>659,140</u>
Operating expenses:		
Distribution		366,703
Compensation and benefits		149,204
General and administrative		55,076
Technology		54,737
Occupancy		24,126
Depreciation		17,596
Total		<u>667,442</u>
Operating loss		(8,302)
Investment and other income (loss)		(2,060)
Interest expense		<u>(36)</u>
Loss before income tax benefit		(10,398)
Income tax benefit		<u>(719)</u>
Net loss	\$	<u><u>(9,679)</u></u>

See accompanying notes to consolidated financial statements.