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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended: DECEMBER 31, 2002.

Commission file number: 000-32191.

Exact name of registrant as specified in its charter:
T. ROWE PRICE GROUP, INC.

State of incorporation: MARYLAND.

I.R.S. Employer Identification No.: 52-2264646.

Address and Zip Code of principal executive offices: 100 EAST PRATT STREET,
BALTIMORE, MARYLAND 21202.

Registrant's telephone number, including area code: (410) 345-2000.

Securities registered pursuant to Section 12(b) of the Act: NONE.

Securities registered pursuant to Section 12(g) of the Act:
COMMON STOCK, $.20 PAR VALUE.

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, and (2) has been subject to such filing requirements for the past 90 days. Yes [X]. No [ ].

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X]. No [ ].

State the aggregate market value of the common equity (all shares are voting) held by non-affiliates (excludes executive officers and directors) computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2002). $3.6 BILLION.

Indicate the number of shares outstanding of the registrant's common stock, as of the latest practicable date. 122,302,344 SHARES AT FEBRUARY 28, 2003.

Documents incorporated by reference: IN ITEM 9 OF PART II AND IN PART III OF THIS FORM 10-K, THE DEFINITIVE PROXY STATEMENT FOR THE 2003 ANNUAL MEETING OF STOCKHOLDERS (FORM DEF14A; ACCESSION NO. 0001113169-03-000001).

Exhibit index at Item 15(a)3 begins on page 41.

PART I.

ITEM 1. BUSINESS.

OVERVIEW. T. Rowe Price Group is a financial services holding company that derives its consolidated revenues and net income primarily from investment advisory services that its subsidiaries provide to individual and institutional investors in the sponsored T. Rowe Price mutual funds and other investment portfolios. Our investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations.

We operate our investment advisory business through our subsidiary companies, primarily T. Rowe Price Associates and T. Rowe Price International. Our advisory business was begun by the late Thomas Rowe Price in 1937 and our common stock was offered to the public for the first time in 1986. Our corporate holding company structure was put in place in December 2000.

Total assets under our management decreased $15.7 billion over the course of 2002 and ended the year at $140.6 billion, including $88.7 billion held in retirement accounts and variable annuity investment portfolios. Assets under our management at the end of 2002 included $92.9 billion of equity securities and $47.7 billion of debt securities. The five largest Price funds at December 31, 2002 - Equity Income, Mid-Cap Growth, Prime Reserve, Blue Chip Growth, and International Stock - account for 21.9% of assets under management at that time and 27.1% of 2002 investment advisory revenues. The investors that we serve are primarily domiciled in the United States of America.

Our assets under management are accumulated from a diversified client base that is accessed across several distribution methods. Our assets under management are sourced approximately 30% from individual U.S. investors, 30% from U.S. defined contribution retirement plans, 20% from third-party distribution, and 20% from institutional investors. Our international client base presently accounts for just over 2% of our assets under management and is included primarily in our assets sourced from third-party distribution and institutional investors. Our largest client account relationship, excluding the T. Rowe Price funds, accounted for about 3.5% of our investment advisory revenues in 2002.

We manage a broad range of U.S. domestic and international stock, bond, and money market mutual funds and other investment portfolios which are designed to meet the varied and changing needs and objectives of individual and institutional investors. For example, mutual fund shareholders can exchange balances among mutual funds at any time that economic and market conditions and their investment needs change. From time to time, we introduce new funds and other investment portfolios to complement and expand our investment offerings, respond to competitive developments in the financial marketplace, and meet the changing needs of our investment advisory clients. We will open a new mutual fund if we believe that its objective can be useful for investors over a long period of time.

We also provide certain administrative services as ancillary services to our investment advisory clients. These administrative services are provided by several of our subsidiary companies and include mutual fund transfer agent, accounting, and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; discount brokerage; and trust services. More than 90% of our administrative revenues in 2002 were based on the recovery of expenditures incurred in providing the related services and they, therefore, do not significantly affect our net income.

We employ fundamental and quantitative security analyses in the performance of the investment advisory function. We maintain substantial internal equity and fixed income investment research capabilities. We perform original industry and company research using such sources as inspection of corporate activities, management interviews, company-published financial and other information, financial newspapers and magazines, corporate rating services, and field checks with suppliers and competitors in the same industry and particular business sector. Our research staff operates primarily from offices located in the United States and Great Britain with additional staff resident in Argentina, France, Hong Kong, Japan, and Singapore. We also use research provided by brokerage firms in a supportive capacity and information received from private economists, political observers, commentators, government experts, and market and security analysts. Our stock selection process for some investment portfolios is based on quantitative analyses using computerized data modeling.

Investment objectives for our managed investment portfolios, including the Price funds, accommodate a variety of strategies. Investors select funds based on the distinct objectives that are detailed in each fund's prospectus. Management of other client portfolios includes approaches similar to those employed in the Price funds. Equity investment strategies may emphasize large-cap, mid-cap or small-cap investing; growth or value investing; and U.S., global, or international investing. We also offer systematic, tax-efficient, and blended equity investment strategies as well as active and systematic management strategies for fixed income investments. Our specialized advisory services include management of stable value investment contracts and a service for the disposition of equity distributions from venture capital investments.

Information concerning our revenues, results of operations, total assets, and investment assets under our management during the past three years is contained in our consolidated statements of income and in note 6 to our consolidated financial statements included in Item 8 of this Form 10-K.

RECENT DEVELOPMENTS. Weakness in financial market valuations that began in early 2000 continued through 2002 as the U.S. stock markets declined for the third straight year, the first such three-year period of decline since 1939-1941. During 2002, equity security valuations peaked in the first quarter and fell during the second half of the year, reaching a low point in October that was last seen in the first half of 1997. The equity market declines led assets under management down to $140.6 billion, the lowest year-end figure of the past five years. Despite this environment, our comparative investment performance was relatively strong as more than 80% of our mutual funds outperformed their Lipper peer groups' averages for the one-, three-, and five-years ended December 31, 2002.

The decline in equity markets this year depressed mutual fund assets from $98.0 billion at the start of 2002 to $87.3 billion at year-end. Average fund assets were down $6.6 billion to $92.1 billion. Net cash inflows to the T. Rowe Price mutual funds totaled $3.1 billion, a significant increase versus recent years and the most since 1998, but lower market valuations dropped fund assets $13.8 billion for the year. Overall, net cash inflows aggregated almost $4.9 billion in 2002.

Investors seeking positive yields added $1.9 billion to our money market and bond funds in 2002, with those seeking the highest yield adding $700 million to the High Yield Fund. Changing sentiments also saw investors return to our stock funds which had $1.2 billion of net inflows. Equity investors made net subscriptions of $2.7 billion into our U.S. domestic stock funds with value-oriented investors adding to the Equity Income, Mid-Cap Value and Small-Cap Value funds. International stock fund investing again was out of favor and those funds had net redemptions of $1.5 billion. Total advisory revenues from mutual funds declined nearly $43.5 million from 2001 when average fund assets were $6.6 billion higher.

The other investment portfolios that we manage aggregated $53.3 billion at December 31, 2002, down $5 billion over the course of the year. These portfolios experienced lower market valuations of $6.7 billion while adding net inflows of $1.7 billion, primarily from third party distribution efforts and institutional investors outside the United States. Enabled by our 2000 acquisition of the 50% non-controlling interest in T. Rowe Price International, we now compete for the provision of investment advisory services to institutional and individual investors outside the United States. Our U.K. investment advisory subsidiary, T. Rowe Price Global Investment Services, has expanded our investment advisory business to Europe where we offer separate account management to institutional investors and a series of Luxembourg-domiciled mutual funds with both institutional and individual share classes. Our efforts have focused on institutional investors and third party distributors of the Luxembourg funds. Our European initiatives complement those that we began in 1999 in Japan through T. Rowe Price Global Asset Management, which subadvises investment assets for Daiwa SB Investments in which we hold a 10% interest. Together, our international client base now accounts for more than 2% of our total assets under management.

We have responded to the unfavorable financial market conditions by meaningfully reducing our operating expenses in each of the last two years. Our aim has been to adjust our spending levels to better reflect business realities while still sustaining our high client service standards.

Our operating cash flow and financial condition have remained strong. During 2002, we repaid $49 million of debt and expended $96 million to repurchase 2.8 million shares of our common stock.

This past year, we introduced a new Retirement series of mutual funds with asset allocations that automatically shift as an investor ages. Our third party distribution efforts through financial intermediaries were further strengthened with the introduction of an R share class for retirement plans and an increase in the number of funds offering Advisor class shares.

On the services front, we enhanced our IRA rollover programs to attract more assets from the growing retirement plan rollover market, and launched a redesigned Web site with new features and better functionality to make it easier for investors to manage their accounts. We also expanded our lineup of free educational tools by launching an online College Investment Calculator and providing Internet access to several Morningstar investment planning and guidance tools, the first products resulting from an alliance between our firms.

PRICE FUNDS. We provide investment advisory, distribution and other administrative services to the Price funds under various agreements. Investment advisory services are provided to each fund under individual investment management agreements that grant the fund the right to use the

T. Rowe Price name. The boards of the respective funds, including a majority of directors who are not interested persons of the funds or of us (as defined in the Investment Company Act of 1940, as amended), must approve the investment management agreements annually. Amendments to management agreements must be approved by fund shareholders. Each agreement automatically terminates in the event of its assignment (as defined in the Investment Company Act) and, generally, either party may terminate the agreement without penalty after a 60-day notice. The termination of one or more of these agreements could have a material adverse effect on our results of operations.

Advisory Services. Investment advisory revenues are based upon the daily net assets managed in each fund. Additional fees are earned for advisory-related administrative services as discussed below. Independent directors and trustees of the Price funds regularly review our fee structures.

The advisory fee paid by each of the Price funds generally is computed each day by multiplying a fund's net assets by a specific fee. For the majority of the Price funds, the fee is equal to the sum of a group charge that is set based on the combined net assets of those funds and an individual fund charge that is set based on the fund's specific investment objective. The 2002 fee rates determined in this manner varied from a low of 32 basis points for the U.S. Treasury Money Fund to a high of 107 basis points for the International Discovery funds. To the extent that the combined net assets of the funds increase, the group charge component of the fee and, therefore, each overall fund fee decreases. Details of each fund's fee arrangement are available in its prospectus.

Each of the Price funds has a distinct investment objective that has been developed as part of our strategy to provide a broad, comprehensive selection of investing opportunities. All Price funds can be purchased on a no-load basis, without a sales commission. No-load mutual funds offer investors a low-cost and relatively easy method of investing in a variety of stock and bond portfolios. Our Advisor and R classes of fund shares are sold through financial intermediaries and incur 12b-1 fees of up to 25 and 50 basis points, respectively, for distribution, administration, and personal services. We believe that our lower fund cost structure, distribution methods, and fund shareholder and administrative services help promote stability of fund assets through market cycles.

Each Price fund typically bears all expenses associated with its operation and the issuance and redemption of its securities. In particular, each fund pays investment advisory fees; shareholder servicing fees and expenses; fund accounting fees and expenses; transfer agent fees; custodian fees and expenses; legal and auditing fees; expenses of preparing, printing and mailing prospectuses and shareholder reports to existing shareholders; registration fees and expenses; proxy and annual meeting expenses; and independent trustee or director fees and expenses.

Several of the Price funds have different fee arrangements. The Equity Market Index funds and the Summit funds each have single, all-inclusive fees covering all investment management and operating expenses. Each of the funds in the Spectrum series and new Retirement series of mutual funds invest in a broadly diversified portfolio of other Price funds and have no separate investment advisory fee. However, they indirectly bear the expenses of the funds in which they invest. Mutual funds for institutional investors each have separate advisory fee arrangements.

We usually commit that a newly organized fund's expenses will not exceed a specified percentage of its net assets during an initial operating period. We absorb all advisory fees and other mutual fund expenses in excess of these self-imposed limits.

We bear all advertising and promotion expenses for the Price funds. Our costs include advertising and direct mail communications to potential fund shareholders as well as a substantial staff and communications capabilities to respond to investor inquiries. Marketing efforts are focused in the print media and, in recent years, promotional activities have expanded onto television and the Internet. In addition, we direct considerable marketing efforts to defined contribution plans that invest in mutual funds. Advertising and promotion expenditures vary over time based on investor interest, market conditions, new investment offerings, and the development and expansion of new marketing initiatives, including those arising from international expansion and enhancements to our Web site (www.troweprice.com).

Administrative Services. We provide advisory-related administrative services to the Price funds through our subsidiaries. T. Rowe Price Services provides mutual fund transfer agency and shareholder services, including maintenance of staff, facilities, and technology and other equipment to respond to inquiries from fund shareholders. T. Rowe Price Associates provides mutual fund accounting services, including maintenance of financial records, preparation of financial statements and reports, daily valuation of portfolio securities and computation of daily net asset values per share. T. Rowe Price Retirement Plan Services provides participant accounting, plan administration and transfer agent services for defined contribution retirement plans that invest in the Price funds. Plan sponsors compensate us for some services while the Price funds compensate us for maintaining and administering the individual participant accounts for those plans that invest in the funds.

Our trustee services are provided by another subsidiary, T. Rowe Price Trust Company. Through this Maryland-chartered limited-service trust company, we offer common trust funds for investment by qualified retirement plans and serve as trustee for retirement plans and IRAs. T. Rowe Price Trust Company may not accept deposits and cannot make personal or commercial loans.

We also provide customized investment advisory services to shareholders and potential investors in the Price funds through our subsidiary T. Rowe Price Advisory Services. These services currently include an Investment Checkup of an individual's financial situation, the Retirement Income Manager for developing an individual's personal income and investment strategy during retirement, and a Rollover Investment Service for investing retirement plan distributions.

Another subsidiary, T. Rowe Price Savings Bank, issues federally-insured certificates of deposit.

Fund Assets. At December 31, 2002, assets under our management in the Price funds aggregated nearly $87.3 billion, a decrease of $10.7 billion from the beginning of the year. The following table presents the net assets (in millions) of our largest funds (net assets in excess of $100 million) at December 31, 2001 and 2002 and the year each fund was started. The Spectrum and Retirement series of funds are not listed in the table because their assets are included in the underlying funds.

	2001	2002
Stock funds:		
Growth Stock (1950)	$ 4,685	$ 3,729
New Horizons (1960)	5,583	3,359
New Era (1969)	1,070	985
International Stock (1980)	6,515	4,447
Growth & Income (1982)	2,395	1,675
Equity Income (1985)	10,436	9,838
New America Growth (1985)	1,183	761
Capital Appreciation (1986)	1,405	1,853
Science & Technology (1987)	5,764	3,186
International Discovery (1988)	486	370
Small-Cap Value (1988)	2,037	2,554
Foreign Equity (1989)	1,842	1,146
Equity Index 500 (1990)	3,473	2,708
European Stock (1990)	847	641
New Asia (1990)	639	543
Balanced (1991)	1,791	1,582
Japan (1991)	133	100
Dividend Growth (1992)	692	531
Mid-Cap Growth (1992)	6,756	5,764
Small-Cap Stock (1992)	3,197	3,439
Blue Chip Growth (1993)	6,711	5,020
Latin America (1993)	177	129
Media & Telecommunications (1993)	675	421
Personal Strategy - Balanced (1994)	660	603
Personal Strategy - Growth (1994)	316	322
Personal Strategy - Income (1994)	252	259
Value (1994)	1,330	1,187
Emerging Markets Stock (1995)	155	170
Health Sciences (1995)	961	678
Financial Services (1996)	309	265
Mid-Cap Equity Growth (1996)	308	263
Mid-Cap Value (1996)	503	993
Real Estate (1997)	69	132
Total Equity Market Index (1998)	198	168
Institutional Small-Cap Stock (2000)	288	334
Other funds	601	493
	74,442	60,648
Bond and money market funds:		
New Income (1973)	1,803	2,018
Prime Reserve (1976)	5,878	5,662
Tax-Free Income (1976)	1,416	1,503
Tax-Exempt Money (1981)	759	703
U.S. Treasury Money (1982)	1,005	1,080
Tax-Free Short-Intermediate (1983)	448	560
High Yield (1984)	1,623	2,361
Short-Term Bond (1984)	599	904
GNMA (1985)	1,139	1,408
Tax-Free High Yield (1985)	1,089	1,119
California Tax-Free Bond (1986)	249	274
International Bond (1986)	767	1,073
New York Tax-Free Bond (1986)	208	229
New York Tax-Free Money (1986)	114	112
Maryland Tax-Free Bond (1987)	1,186	1,334
U.S. Treasury Intermediate (1989)	280	398
U.S. Treasury Long-Term (1989)	306	297
New Jersey Tax-Free Bond (1991)	128	145

Virginia Tax-Free Bond (1991)	352	402
Tax-Free Intermediate Bond (1992)	131	163
Florida Intermediate Tax-Free Bond (1993)	106	126
Maryland Short-Term Tax-Free Bond (1993)	148	217
Summit Cash Reserves (1993)	2,825	3,165
Summit GNMA (1993)	91	110
Summit Municipal Intermediate (1993)	94	110
Summit Municipal Money Market (1993)	211	241
Emerging Markets Bond (1994)	156	211
Institutional High Yield (2002)	-	158
Other funds	419	524
	23,530	26,607
	$ 97,972	$ 87,255

OTHER INVESTMENT PORTFOLIOS. We managed $53.3 billion at December 31, 2002 in investment portfolios outside of the Price funds, down $5.0 billion from the beginning of the year. We provide investment advisory services to these client accounts on a separately-managed or subadvised basis and through sponsored investment portfolios generally organized by us as common trust funds or partnerships. Several special-purpose subsidiaries serve as the general partners of our sponsored investment partnerships. These partnerships were formed in prior years through private placements and are now in the liquidation phase of their existence.

Our fees for managing these investment portfolios are computed using the value of assets under our management. Nearly 60% of these advisory fees are based on the daily valuations of the managed investment portfolios, while about 30% of the fees are based on end of billing period valuations. The remainder are based on account values at the beginning of the billing period.

We charge fees for investment management based on, among other things, the specific investment services to be provided. Our standard form of investment advisory agreement for client accounts provides that the agreement may be terminated at any time and that any unearned fees paid in advance will be refunded.

Our subsidiaries also provide other advisory services to investment clients. Stable value investment contracts, totaling $9.1 billion at December 31, 2001 and $9.9 billion at December 31, 2002, are managed by T. Rowe Price Stable Asset Management. International equity and fixed income securities held in other investment portfolios managed by T. Rowe Price International totaled $9.0 billion at the end of 2002, down from $14.2 billion at the beginning of the year.

REGULATION. T. Rowe Price Associates, T. Rowe Price International, T. Rowe Price Stable Asset Management, T. Rowe Price Global Asset Management, and T. Rowe Price Advisory Services are registered with the SEC as investment advisors under the Investment Advisers Act of 1940. T. Rowe Price Global Investment Services, T. Rowe Price Global Asset Management, and T. Rowe Price International are regulated by the Financial Services Authority in Great Britain. Our transfer agent services subsidiaries are registered under the Securities Exchange Act of 1934, and our trust company is regulated by the State of Maryland, Commissioner of Financial Regulation. T. Rowe Price Savings Bank is regulated by the Office of Thrift Supervision, U.S. Department of the Treasury.

The Price funds are distributed by our subsidiary, T. Rowe Price Investment Services, which is a registered broker-dealer and member of the National Association of Securities Dealers and the Securities Investor Protection Corporation. We provide discount brokerage services through this subsidiary primarily to complement the other services provided to shareholders of the Price funds. All discount brokerage transactions are cleared through and customer accounts are maintained by Pershing LLC, an independent clearing broker.

All aspects of our business are subject to extensive federal and state laws and regulations. These laws and regulations are primarily intended to benefit or protect our clients and the Price funds' shareholders. They generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict the conduct of our business in the event that we fail to comply with laws and regulations. Possible sanctions that may be imposed on us in the event that we fail to comply include the suspension of individual employees, limitations on engaging in certain business activities for specified periods of time, revocation of our investment adviser and other registrations, censures, and fines.

Certain of our subsidiaries are subject to net capital requirements including those of various federal, state, and foreign regulatory agencies. Our subsidiaries' net capital, as defined, has consistently met or exceeded all minimum requirements.

COMPETITION. As a member of the financial services industry, we are subject to substantial competition in all aspects of our business. A significant number of mutual funds are sold to the public by investment management firms, broker-dealers, other mutual fund companies, banks and insurance companies and include the distribution of both proprietary and other sponsors' mutual funds. We compete with brokerage and investment banking firms, insurance companies, banks, and other financial institutions in all aspects of our business and in every country in which we offer our advisory services. Many of these financial institutions have substantially greater resources than we do. We compete with other providers of investment management services primarily on the basis of the availability and objectives of investment portfolios offered, investment performance, and the scope and quality of our services.

We believe that competition within the investment management industry will increase as a result of consolidation and acquisition activity. In order to maintain and enhance our competitive position, we may review acquisition and venture opportunities and, if appropriate, engage in discussions or negotiations that could lead to acquisitions or new financial relationships.

EMPLOYEES. At December 31, 2002, we employed 3,710 associates, up just over 1% from the end of 2001. We may add additional temporary and part-time personnel to our staff from time to time to meet periodic and special project demands, primarily for technology and mutual fund administrative services.

SEC FILINGS. We make available through our Internet Web site our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. To retrieve any of this information, you may access our Internet home page at www.troweprice.com, select: Press or Company Info, and then select: Financial Information.

ITEM 2. PROPERTIES.

Our primary corporate offices consist of approximately 299,000 square feet of space leased through late 2006 at 100 East Pratt Street in Baltimore, Maryland. Our international offices in London, Buenos Aires, Copenhagen, Hong Kong, Paris, Singapore, and Tokyo are also leased. Our leased customer service call center in Tampa, Florida moved to a newly constructed office complex in the third quarter of 2002.

In recent years, we have expanded our operating and servicing facilities to include owned properties in suburban campus settings comprising 567,000 square feet in Owings Mills, Maryland and 124,000 square feet in Colorado Springs, Colorado. We also own a 46,000 square foot technology center on a separate parcel of land in Owings Mills in close proximity to the campus facilities. Acreage that we own surrounding these three facilities will accommodate additional future development.

With the development and our occupancy of the larger suburban Owings Mills campus facilities, we may vacate and sell our separate 110,000 square foot facility in Owings Mills.

We maintain investor centers for walk-in traffic and investor meetings in leased facilities located in the Baltimore; Boston (Wellesley, Massachusetts); Chicago (Oak Brook, Illinois); Los Angeles (Woodland Hills, California); New Jersey/New York City (Short Hills, New Jersey); San Francisco (Walnut Creek, California); Tampa; and Washington (Washington, D.C. and McLean, Virginia) areas. We also have centers in our owned facilities in Colorado Springs and Owings Mills. These 11 investor centers allow us to be available to a large number of our investors within a one hour drive.

Information concerning our anticipated capital expenditures in 2003 and our future minimum rental payments under noncancelable operating leases at December 31, 2002 is set forth in the capital resources and liquidity discussion in Item 7 of this Form 10-K.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, various claims against us arise in the ordinary course of business, including employment-related claims. In the opinion of management, after consultation with counsel, it is unlikely that any adverse determination in one or more pending claims would have a material adverse effect on our financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None during the fourth quarter of 2002.

ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT.

The following information includes the names, ages, and positions of our executive officers. There are no arrangements or understandings pursuant to which any person serves as an officer. The first seven individuals are members of our management committee.

George A. Roche (61), Chairman and President (1997), Chief Financial Officer (1984-1997), and Vice President (1973-1987).
James S. Riepe (59), Vice Chairman (1997) and Vice President (1981).
M. David Testa (58), Vice Chairman (1997) and Vice President (1976).
Edward C. Bernard (47), Vice President (1989).
James A.C. Kennedy (49), Vice President (1981).
William T. Reynolds (54), Vice President (1983).
David J.L. Warren (45), Vice President (2000) and President (1998) of T. Rowe Price International.
Cristina Wasiak (49), Vice President and Chief Financial Officer (2001).
Ms. Wasiak was previously the Chief Financial Officer of DSC Logistics (2000-2001) and a Senior Vice President with ABN Amro North America (1998-2000).
Michael A. Goff (43), Vice President (1994).
Henry H. Hopkins (60), Vice President (1976).
Melody L. Jones (43), Vice President (2002). Ms. Jones was previously Vice President and Chief Human Resources Officer (1998-2002) with Aon Corporation.
Wayne D. O'Melia (50), Vice President (1991).
Charles E. Vieth (46), Vice President (1985).
Joseph P. Croteau (48), Vice President (1987) and Treasurer (2000).

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Our common stock ($.20 par value) trades on The Nasdaq National Market under the symbol "TROW". The high and low trade price information and dividends per share during the past two years were:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2001 - High price	$43.94	$37.93	$40.48	$35.23
Low price	28.56	27.81	23.44	27.08
Cash dividends declared	.15	.15	.15	.16
2002 - High price	42.69	39.15	33.62	31.67
Low price	33.83	30.53	21.50	21.25
Cash dividends declared	.16	.16	.16	.17

On February 10, 2003, there were approximately 3,900 holders of record of our outstanding common stock.

We expect to declare and pay cash dividends at the $.17 per-share quarterly rate for the first three quarters of 2003. The increase made to our quarterly dividend rate in December 2002 was the seventeenth consecutive annual increase since we became a public company in April 1986.

ITEM 6. SELECTED FINANCIAL DATA.

	Year ended December 31,				
	1998	1999	2000	2001	2002
	(in millions, except per-share data)				
Net revenues	$ 857.8	$ 999.1	$ 1,153.9	$ 995.4	$ 923.5
Net income	$ 174.1	$ 239.4	$ 269.0	$ 195.9	$ 194.3
Basic earnings per share	$ 1.46	$ 1.99	$ 2.22	$ 1.59	$ 1.58
Diluted earnings per share	$ 1.34	$ 1.85	$ 2.08	$ 1.52	$ 1.52
Cash dividends declared per share	$ .36	$ .43	$ .54	$ .61	$ .65
Weighted average shares outstanding	119.1	120.6	121.2	123.1	122.9
Weighted average shares outstanding-assuming dilution	130.0	129.2	129.6	129.0	127.7

	December 31,				
	1998	1999	2000	2001	2002
	(in millions, except as noted)				
Balance sheet data					
Goodwill	$ 3.2	$ 2.5	$ 695.0	$ 665.7	$ 665.7
Total assets	$ 796.8	$ 998.0	$ 1,469.5	$ 1,313.1	$ 1,370.4
Debt	-	$ 17.7	$ 312.3	$ 103.9	$ 55.9
Stockholders' equity	$ 614.3	$ 770.2	$ 991.1	$ 1,077.8	$ 1,133.8
Assets under management (in billions)	$ 147.8	$ 179.9	$ 166.7	$ 156.3	$ 140.6

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

GENERAL.

Our revenues and net income are derived primarily from investment advisory services provided to U.S. individual and institutional investors in our sponsored mutual funds and other investment portfolios. Investors outside the United States account for just over 2% of our assets under management.

We manage a broad range of U.S. domestic and international stock, bond, and money market mutual funds and other investment portfolios which meet the varied needs and objectives of individual and institutional investors. Investment advisory revenues depend largely on the total value and composition of assets under management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations. Total assets under our management were $140.6 billion at December 31, 2002, including $92.9 billion in equity securities and $47.7 billion in bond and money market holdings. Lower financial market valuations more than offset our net investor inflows in 2002 and decreased our assets under management by 10% or $15.7 billion over the course of the year.

Our expenditures to broaden our investor base may be significant and precede the revenues that we may obtain from any new investment advisory clients.

RESULTS OF OPERATIONS.

2002 VERSUS 2001. Net income decreased about $1.6 million, or 1%, to $194.3 million. Diluted earnings per share was unchanged at $1.52 as lower weighted average shares and share equivalents outstanding due to our repurchase of 2.8 million common shares in 2002 and our common stock's generally lower per share market value offset the decline in net income. With the adoption of the new accounting standard for goodwill on January 1, 2002, we have ceased amortizing the goodwill that is recognized in our consolidated balance sheet. After excluding the 2001 amortization of goodwill in the amount of $28.9 million, adjusted net income for 2001 was $224.8 million and adjusted diluted earnings per share was $1.74. Total revenues declined $70.6 million, or 7%, to $925.8 million and net revenues declined a similar 7% or $71.9 million to $923.5 million.

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States decreased $43.5 million as average fund assets under management were $92.1 billion during 2002, $6.6 billion less than in 2001. Weakness in financial market valuations that began in early 2000 have continued nearly three years. During the second half of 2002, U.S. equity market valuations fell to levels last seen in the first half of 1997. Mutual fund assets ended 2002 at almost $87.3 billion, down $10.7 billion from December 31, 2001 and nearly $4.9 billion from the 2002 average. The Price funds had $3.1 billion of net cash inflows during 2002, the highest net annual inflows since 1998; however, market depreciation, net of income and dividends paid but not reinvested, more than offset the inflows and reduced fund assets $13.8 billion in 2002. Money market and bond funds had net investor subscriptions of $1.9 billion and stock funds added an additional $1.2 billion of net inflows. Bond fund investors seeking higher yields added $704 million to the High Yield Fund in 2002. Net inflows of $2.7 billion to U.S. domestic stock funds in 2002 were led primarily by value-oriented investors in the Equity Income, Mid-Cap Value, and Small-Cap Value funds while international stock fund investors had net redemptions of $1.5 billion during the year.

Investment advisory revenues earned from the other investment portfolios that we manage were down $11.2 million in 2002 on lower assets under management that also resulted from lower market valuations. The value of the assets in these portfolios decreased $5 billion during 2002 to $53.3 billion at year end as net cash inflows of $1.7 billion were more than offset by $6.7 billion of market value losses. Additionally, performance-based advisory fees were down $5 million from 2001 to $1.2 million in 2002. We earn these fees primarily from a managed disposition service for distributions of venture capital investments and, though recurring, these fees will vary significantly over time. They have declined during the past two years as market conditions were unfavorable and investment portfolios changed.

Administrative revenues and other income decreased $12.4 million from 2001 to $207.4 million in 2002. This decrease is primarily attributable to transfer agency and participant recordkeeping services that we provide for defined contribution retirement plans and was partially offset by a $2.3 million increase in 12b-1 distribution fees received from our Advisor class of mutual fund shares. These revenue changes are generally offset by similar changes in the expenses that we incurred to provide the services and distribute the Advisor shares through third parties.

Total revenues also increased $1.5 million on greater investment income from the larger investment portfolio of our savings bank subsidiary. Our savings bank depositor base increased from $25 million at December 31, 2001 to $81 million at the end of 2002. Interest expense on the higher deposits increased $1.3 million. We manage the assets of our savings bank as a portfolio in a manner similar to that of our other investment advisory clients. The net of our investment portfolio income and depositor interest expense results in a net revenue amount that is similar to the investment advisory fees earned on the investment portfolios that we manage.

Operating expenses in 2002 were $81.2 million less than in 2001. The elimination of the amortization of goodwill accounts for $28.9 million or about 36% of the decrease. Our largest expense, compensation and related costs, decreased 7% or $27.4 million from 2001. Our average staff size, use of temporary personnel in the technology operations group, and total levels of compensation were all lower in 2002. Attrition and a late 2001 staff reduction lowered our average number of associates in 2002 by 6% from the average 2001 level. At December 31, 2002, we employed 3,710 associates, up 2% from the 2002 average. Advertising and promotion expenditures were down $5.6 million in 2002 as we again curtailed these expenditures due to weak financial market conditions that have made investors more cautious and less active. We vary our promotional spending based on market conditions and investor demand as well as our efforts to expand our investor base in the United States and abroad. We expect our advertising and promotion expenditures in the first half of 2003 to be similar to the first half of 2002. Market conditions in the second half of the year will dictate our spending then.

Occupancy and facility costs and other operating expenses in 2002 decreased $5.8 million and $12.5 million, respectively, versus 2001. These reductions primarily reflect the first half 2001 completions of several technology initiatives as well as the international facilities and infrastructure transition that resulted from the August 2000 purchase of

Robert Fleming Holdings' interest in our consolidated subsidiary, T. Rowe Price International. Through the first half of 2001, we incurred substantial costs to establish and transition this entity to new operating facilities with appropriate infrastructure support for their international investment operations. Robert Fleming affiliates previously provided the space and infrastructure support for these offices.

Overall, net operating income was up $9.3 million from 2001 to 2002 including the goodwill amortization of $28.9 million in 2001 that did not recur in 2002.

Non-operating income and expenses include the recognition of investment gains and losses as well as interest expense incurred on our indebtedness. While we recognized $31 million of net investment income in 2001, we experienced a net investment loss of $8.3 million in 2002 as interest and dividend income of $3.3 million was more than offset by losses across all of our investment portfolios. During 2002, we recognized $3.9 million of losses on dispositions and other than temporary impairments of our mutual fund holdings, $3.3 million of losses on our holdings of collateralized bond obligations, $1.4 million of losses from exchange rate fluctuations on our yen debt, and $3.0 million of valuation decreases in our private equity holdings. Our mutual fund investment holdings at December 31, 2002 include an aggregate net gain, before income taxes, of $11.3 million that is included in stockholders' equity as part of accumulated other comprehensive income. This net gain has not been recognized in our statements of income and comprises aggregate gains of $15.5 million and aggregate losses of $4.2 million that have arisen since June 30, 2002 and are considered temporary. Interest expense on our debt is down more than $9 million due to lower principal balances and interest rates in 2002. Overall, we recognized a net non-operating loss of $10.9 million in 2002 versus net non-operating income of $19.4 million in 2001.

The 2002 provision for income taxes as a percentage of pretax income is lower than that of 2001 due primarily to eliminating the amortization of nondeductible goodwill in 2002.

2001 VERSUS 2000. The presentation of our results of operations in our consolidated statements of income for 2001 and 2000 has been changed to conform to our 2002 presentation. The following narrative has been modified from that presented in our 2001 Annual Report to provide a discussion that can be read in conjunction with the new presentation in our consolidated income statement.

Net income decreased $73.2 million, or 27%, to $196 million, and diluted earnings per share fell from $2.08 to $1.52. A full year's amortization of goodwill arising from the T. Rowe Price International acquisition accounted for $.13 of the decline. Total revenues declined 14% from $1.15 billion to just under $1 billion. Net revenues also declined 14% to $995 million.

Investment advisory revenues earned from the T. Rowe Price mutual funds decreased $101 million as average fund assets under management were $98.7 billion during 2001, $15.2 billion less than in 2000. Weakness in financial market valuations that began in 2000 continued through 2001. The terrorist attacks in the United States on September 11, 2001 pushed financial markets down to their lowest levels of the year before they recovered somewhat in the fourth quarter. Mutual fund assets ended the year at $98.0 billion, down $750 million from the 2001 average and $8.3 billion from the start of 2001.

The Science & Technology Fund and the international funds accounted for $4.1 billion and $3.4 billion, respectively, of the $8.6 billion net decline in mutual fund valuations during 2001. Dividends paid by the mutual funds, net of reinvestments, were $.2 billion in 2001. Net inflows from fund investors were $.5 billion in 2001. Domestic stock funds had net investor subscriptions of more than $1.8 billion while money market and bond fund investors added almost $.7 billion. Two U.S. growth funds led the inflows with the Small-Cap Stock and Blue Chip Growth Funds adding a total of $1.4 billion from investors. International stock funds had net outflows of $2.0 billion.

Assets in the other investment portfolios that we manage fell $2.1 billion during 2001, and our advisory fees thereon were down $30.4 million. While the same financial market declines played a significant role in reducing these assets, cash inflows, primarily from third-party distribution efforts and international initiatives, added about $2.9 billion to assets under management in 2001. Additionally, adverse market conditions pushed performance-related advisory fees down $10.3 million in 2001.

Administrative revenues and other income were down $17.5 million from 2000. Discount brokerage commissions fell $10.0 million from the prior year as investor trading activity and average commission rates were lower. Other administrative revenues declined $7.5 million but were mostly offset by reduced costs of the services that we provide to the mutual funds and defined contribution retirement plans.

Our savings bank subsidiary's customer deposits increased in 2001 and added $1.1 million to total revenues and $.3 million to net revenues versus 2000.

Operating expenses declined about 8% from $744 million in 2000 to $684 million in 2001. Compensation and related costs is our largest expense and was up only 1% or $4.3 million from 2000. Our average staff size was up about 2% versus 2000 but total compensation levels, including bonus expense and the use of temporary personnel by our information technology operations, were down in 2001. Staff reductions, primarily in November 2001, together with attrition during the year reduced our staff to 3,650 associates at December 31, 2001, a 9% reduction from the end of 2000. Our advertising and promotion expense decreased almost 27% or $23.6 million to $64.6 million in 2001 as we curtailed these expenditures due to weak financial market conditions that made investors more cautious and less active.

International investment research fees were eliminated in August 2000 at the time of the T. Rowe Price International acquisition. Depreciation and amortization of property and equipment was $9.8 million higher in 2001 due primarily to additional amortization from recently completed software and technology projects, as well as depreciation of new operating facilities. We completed our move into new space in London in the first quarter of 2001 and in Colorado Springs in the fourth quarter of 2000. Occupancy and facility costs are down from 2000 as the temporary facilities and other additional costs associated with the moves were eliminated.

A full year's amortization of goodwill arising from the T. Rowe Price International acquisition added $17.0 million to our 2001 expenses. Other operating expenses decreased 25% or $29.1 million from 2000. As the international transition and several technology initiatives have been brought to a close, we have substantially reduced other operating expenses.

Overall, net operating income was down $98 million from 2000 to 2001, including the additional $17 million of goodwill expense.

Net non-operating income was also down more than $29 million from 2000. Net investment income declined $27.2 million to $31.0 million, with smaller cash and mutual fund holdings as well as lower interest rates in 2001 accounting for the decline. Gains from our venture capital investments in 2000 that did not recur in 2001 were mostly offset by $11.3 million of greater realized gains from 2001 dispositions of our available-for-sale mutual fund holdings. Interest expense on our debt increased almost $2.2 million as our acquisition indebtedness was outstanding for only five months in 2000.

The 2001 provision for income taxes as a percentage of pretax income is higher than that of 2000 largely due to the full year's amortization of nondeductible goodwill.

Minority interests declined due to the 2000 acquisition and the elimination of the interests in a remaining venture in the first quarter of 2001.

CAPITAL RESOURCES AND LIQUIDITY.

During the three years ended December 31, 2002, stockholders' equity increased from $770 million to more than $1.1 billion. Stockholders' equity at December 31, 2002 includes $8.6 million of unrealized investment holding gains, after provision for income taxes, and $42 million which is restricted as to use under various regulations and agreements arising in the ordinary course of business. Net liquid assets of more than $175 million are available at the beginning of 2003. Unused committed credit facilities at the beginning of 2003 include $458 million expiring in June 2005 and $100 million expiring in June 2003.

During 2002, we repaid $49 million of our debt and expended $96 million in the repurchase of our common shares. These cash outflows were funded by existing cash balances, proceeds of $25 million from exercises of our stock options, and cash provided by our operating activities.

Operating activities provided cash flows of $269 million in 2002 as compared to $290 million in 2001. Net cash expended in investing activities increased $86 million from 2001 to $95 million in 2002. In 2001 we made net redemptions of our sponsored mutual fund holdings of $53 million versus net investments of $10 million in 2002. Investments in property and equipment in 2002 were down $15 million versus 2001 while our savings bank subsidiary increased its investment portfolio more than $60 million as a result of increasing its customer deposits. Cash used in financing activities was down about $140 million in 2002 versus 2001. Bank borrowings were reduced $49 million in 2002 versus $205 million in 2001. With our debt having been substantially reduced, we used our cash flows to step up our share repurchase activity and, on a net basis after increased option exercises, expended nearly $53 million more for share repurchases in 2002.

Anticipated property and equipment expenditures in 2003 are approximately $36 million. These capital expenditures, further debt reductions, and additional share repurchases are expected to be funded from existing cash balances and 2003 operating cash flows.

Under the terms of existing operating leases, we are contractually obliged to make certain future lease payments. These aggregate commitments are discussed in Note 8 to our financial statements included elsewhere in this

2002 Annual Report and include $19.2 million in 2003, $14.6 million in 2004, $28.8 million in 2005 - 2007, and $47.1 million thereafter. We have historically funded our operating lease payments from current year cash flows from operations and expect to continue to do so in the foreseeable future.

CRITICAL ACCOUNTING POLICIES.

The preparation of financial statements often requires the selection of specific accounting methods and policies from among several acceptable alternatives. Further, significant estimates and judgments may be required in selecting and applying those methods and policies in the recognition of the assets and liabilities in our balance sheet, the revenues and expenses in our statement of income, and the information that is contained in our significant accounting policies and notes to the financial statements. Making these estimates and judgments requires the analysis of information concerning events that may not yet be complete and of facts and circumstances that may change over time. Accordingly, actual amounts or future results could differ materially from those estimates that we include currently in our financial statements and notes thereto.

We have historically presented those significant accounting policies that we use in the preparation of our financial statements as an integral part of those statements and have done so again in this 2002 Annual Report. In the following discussion, we highlight and explain further certain of those policies that are most critical to the preparation and understanding of our financial statements. The application of these policies often requires significant judgments and estimates.

OTHER THAN TEMPORARY IMPAIRMENTS OF AVAILABLE FOR SALE SECURITIES. We classify our investment holdings in sponsored mutual funds and the debt securities held in the investment portfolio of our savings bank subsidiary as available for sale. At the end of each quarter, we mark the carrying amount of each investment holding to fair value and recognize an unrealized gain or loss in other comprehensive income within stockholders' equity. We next review each individual security position that has an unrealized loss to determine if that loss is other than temporary.

A mutual fund holding that has had an unrealized loss for more than six months is presumed to have an other than temporary loss and an impairment is recognized in our statement of income unless there is persuasive evidence, such as an increase in value subsequent to quarter end, to overcome that presumption. We may also recognize an other than temporary loss of less than six months in our statement of income if the particular circumstances of the underlying investment do not warrant our belief that a near-term recovery is possible. A debt security held by our savings bank subsidiary is considered impaired and an other than temporary loss is recognized whenever we determine that we will probably not collect all contractual amounts due under the terms of the security based on the issuer's financial condition and our intent to hold that security.

GOODWILL. As a result of the adoption of a new financial accounting standard on January 1, 2002, we ceased recording recurring charges to amortize the carrying amount of goodwill in our balance sheet. The new standard instead now requires that we evaluate goodwill for possible impairment on an annual basis using a fair value approach. We make that evaluation in the third quarter of each year. Goodwill is considered impaired whenever the carrying amount of the related reporting unit exceeds the fair value of that unit. We attribute all goodwill to our single reportable business segment and reporting unit, our investment advisory business.

Because our testing in 2002 demonstrated that the fair value of our investment advisory business exceeded our carrying amount (basically, our stockholders' equity), we concluded that no impairment exists. Should we reach a different conclusion when we conduct our evaluation in subsequent years, additional work would be performed to ascertain the amount of the non-cash charge needed to recognize the impairment. We must also perform impairment testing at other times if an event or circumstance occurs indicating that it is more likely than not that an impairment has been incurred. The maximum possible future impairment charge that we could incur is the amount recognized in our balance sheet, $666 million at December 31, 2002.

PROVISION FOR INCOME TAXES. After compensation and related costs, our provision for income taxes on our earnings is our second largest annual expense. We operate in several states and several other countries through our various subsidiaries, and must allocate income, expenses, and earnings under the various laws and regulations of each of these taxing jurisdictions. Accordingly, our provision for income taxes represents our total estimate of the liability that we have incurred for doing business in all locations. Annually, we file tax returns which represent our filing positions with each jurisdiction and settle our return liabilities. Each jurisdiction has the right to audit those returns and may take different positions with respect to income and expense allocations and taxable earnings determinations. From time-to-time, we may also provide for estimated liabilities associated with uncertain tax return filing positions that are subject to, or in the process of, being audited by various tax authorities. Because the determinations of our annual provisions are subject to judgments and estimates, it is possible that actual results will vary from those recognized in our financial statements. In such cases, it is possible that additional expense for prior reporting periods may be recorded in subsequent periods as actual tax returns and tax audits are settled.

STOCK OPTIONS. The summary of significant accounting policies includes certain pro forma disclosures as if a fair value based method had been used to recognize compensation expense associated with our stock option grants. The fair value method uses a valuation model for shorter-term, market-traded financial instruments to theoretically value our stock option grants even though they are not available for trading purposes and are of longer duration. The model includes the input of certain variables that are dependent on future expectations, including the expected lives of our options from grant date to exercise date, the volatility of our underlying common shares in the market over that time period, and the rate of dividends that we will pay during that time. Additionally, the recognition of expense fluctuates based on the forfeiture rate for unvested options when employees leave the company.

Our estimates for the variables used in the valuation model are made for the purpose of theoretically determining an expense for each reporting period and are not subsequently adjusted. Unlike almost all other expenses, the resulting theoretical charge to earnings using a fair value based method is a non-cash charge that is never measured by a cash outflow.

NEWLY ISSUED ACCOUNTING PRONOUNCEMENT.

On January 17, 2003, the Financial Accounting Standards Board (FASB) issued an interpretation of accounting principles that have existed since 1959. In its Interpretation No. 46, Consolidation of Variable Interest Entities, the FASB defines a variable interest entity as a corporation, partnership, limited liability company, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. The Interpretation requires a variable interest entity to be consolidated by a company if that company is subject to, among other things, a majority of the risk of loss from the variable interest entity's residual returns. A company that is required to consolidate a variable interest entity is referred to as the primary beneficiary of that entity.

We are presently reviewing the accounting requirements of this interpretation to determine its applicability to our consolidated financial statements. While our review is not complete at this time, we have initially determined that we hold residual interests in two $300 million high-yield collateralized bond obligations (CBOs) for which we may be required to apply the provisions of this interpretation beginning July 1, 2003. These entities are non-recourse, limited liability companies in which we hold a portion, though not a majority, of the interests in their residual returns. We are also the collateral manager of each CBO and receive a market-based fee for performance of that service. We may also receive a market-based performance fee, though none were recognized in 2002.

Our maximum exposure to future losses from these interests is the $10 million carrying amount in other assets at December 31, 2002.

FORWARD-LOOKING INFORMATION.

From time to time, information or statements provided by or on behalf of T. Rowe Price, including those within this 2002 Annual Report to our stockholders, may contain certain forward-looking information, including information or anticipated information relating to changes in our revenues and net income, changes in the amount and composition of our assets under management, our expense levels, and our expectations regarding financial markets and other conditions. Readers are cautioned that any forward-looking information provided by or on behalf of T. Rowe Price is not a guarantee of future performance. Actual results may differ materially from those in forward-looking information as a result of various factors, including but not limited to those discussed below. Further, forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

Our future revenues and results will fluctuate due to many factors, including: the total value and composition of assets under our management; cash inflows and outflows in the T. Rowe Price mutual funds and other managed investment portfolios; fluctuations in the financial markets around the world that result in appreciation or depreciation of the assets under our management; the relative investment performance of the Price mutual funds and other managed investment portfolios as compared to competing offerings and market indices; the extent to which we earn performance-based investment advisory fees; the expense ratios of the Price mutual funds;

investor sentiment and investor confidence; the ability to maintain our investment management and administrative fees at appropriate levels; competitive conditions in the mutual fund, asset management, and broader financial services sectors; our introduction of new mutual funds and investment portfolios; our ability to contract with the Price mutual funds for payment for investment advisory-related administrative services provided to the funds and their shareholders; changes in retirement savings trends favoring participant-directed investments and defined contribution plans; the amount and timing of income or loss from our private equity, high yield, mutual fund, and other investments; and our level of success in implementing our strategy to expand our business internationally. Our revenues are substantially dependent on fees earned under contracts with the Price funds and could be adversely affected if the independent directors of one or more of the Price funds determined to terminate or significantly alter the terms of the investment management or related administrative services agreements.

Our future results are also dependent upon the level of our expenses, which are subject to fluctuation for the following or other reasons: changes in the level of our advertising expenses in response to market conditions, including our efforts to expand our investment advisory business to investors outside the United States and to further penetrate our distribution channels within the United States; variations in the level of total compensation expense due to, among other things, bonuses, changes in our employee count and mix, and competitive factors; any goodwill impairment that may arise; fluctuation in foreign currency exchange rates applicable to the costs of our international operations and our yen-denominated debt; expenses and capital costs, such as technology assets, depreciation, amortization, and research and development, incurred to maintain and enhance our administrative and operating services infrastructure; unanticipated costs that may be incurred to protect investor accounts and the goodwill of our clients; and disruptions of services, including those provided by third parties such as facilities, communications, power, and the mutual fund transfer agent system.

Our business is also subject to substantial governmental regulation, and changes in legal, regulatory, accounting, tax, and compliance requirements may have a substantial effect on our operations and results, including but not limited to effects on costs that we incur and effects on investor interest in mutual funds and investing in general, or in particular classes of mutual funds or other investments.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Our revenues and net income are based primarily on the value of assets under our management. Accordingly, declines in financial market values directly and negatively impact our investment advisory revenues and net income.

We invest in our sponsored mutual funds, which are market risk sensitive financial instruments held for purposes other than trading; we do not invest in derivative financial or commodity instruments. Mutual fund investments have inherent market risk in the form of equity price risk; that is, the potential future loss of value that would result from a decline in the fair values of the mutual fund shares. Each fund and its underlying net assets are also subject to market risk which may arise from changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates.

The following table (in thousands of dollars) presents the equity price risk from investments in sponsored mutual funds by assuming a hypothetical decline in the fair values of mutual fund shares. This potential future loss of value, before any income tax benefits, reflects the valuation of mutual fund investments at year end using each fund's lowest fair value per share during the past year. In considering this presentation, it is important to note that: all funds did not experience their lowest fair value per share on the same day; it is likely that the composition of the mutual fund investment portfolio would be changed if adverse market conditions persist; and we could experience future losses in excess of those presented below.

	Fair value at December 31, 2002	% of Portfolio	Potential lower value	% of Portfolio	Potential loss	
Stock funds	$ 72,929	59	$ 63,799	60	$ 9,130	13%
Bond funds	50,243	41	43,203	40	7,040	14
	$123,172	100	$107,002	100	$16,170	13

The comparable potential loss of value shown in last year's annual report was $15.7 million on sponsored mutual fund investments of $123.2 million at the end of 2001. During 2002, we actually experienced net unrealized losses of $10.2 million in the value of our fund investments.

Investments in mutual funds generally moderate market risk because funds, by their nature, invest in a number of different financial instruments. T. Rowe Price further manages its exposure to market risk by diversifying its investments among many domestic and international funds. In addition, investment holdings may be altered from time to time, in response to changes in market risks and other factors, as deemed appropriate by management.

Interest rates on our outstanding debt under the credit facility expiring in June 2005 are reset at one- to six-month intervals. Our borrowing rate on this debt is presently only 1.76%. Should our cost of funds increase back to the 7.1% that we experienced in early 2001, and we make no repayments of principal on the existing outstanding balance of $42 million, our interest expense for a full year would increase by $2.2 million.

The investment portfolio and customer deposit liabilities of our savings bank subsidiary are subject to interest rate risk. If interest rates change 1%, the change in the net value of these assets and liabilities would not be material.

The U.S. dollar weakened versus the Japanese yen again in 2002, and an exchange rate loss was recognized on our yen borrowing. In evaluating exchange rate sensitivity, a loss of $1.3 million would be recognized if the yen strengthened 10% from December 31, 2002. Other foreign currency denominated assets and liabilities are not material.

We also make other investments that we include in our balance sheet in other assets. We are at risk for further losses on these investments should market conditions deteriorate as they have in the past three years. At December 31, 2002, we hold investments in a sponsored high-yield collateralized bond obligation issued in 2001 that is recognized in our balance sheet at $10 million and in private equity and other entities totaling nearly $7 million. During 2002, we recognized nearly $6.4 million of losses on these investments and similar ones that we previously held.

Our risk of future loss on these investments cannot exceed the $17 million recognized in our balance sheet. Additionally, we have recognized our 10% interest in Daiwa SB Investments (Japan) at $15 million using the cost basis of accounting. Our market risk on this investment is primarily limited to foreign currency exchange rate fluctuations between the U.S. dollar and the Japanese yen because the functional currency of Daiwa SB Investments is the yen.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEPENDENT AUDITORS' REPORT FOR 2001 and 2002

The Board of Directors and Stockholders of
T. Rowe Price Group, Inc.:

We have audited the accompanying consolidated balance sheets of T. Rowe Price Group, Inc. and subsidiaries as of December 31, 2001 and 2002, and the related consolidated statements of income, cash flows, and stockholders' equity for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of T. Rowe Price Group, Inc. and subsidiaries as of December 31, 2001 and 2002, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the consolidated financial statements, effective January 1, 2002, the Company adopted the provisions of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets.

/s/ KPMG LLP

Baltimore, Maryland
January 30, 2003

REPORT OF INDEPENDENT ACCOUNTANTS FOR 2000

To the Stockholders and Board of Directors
of T. Rowe Price Group, Inc.

In our opinion, the consolidated statements of income, of cash flows and of stockholders' equity for the year ended December 31, 2000 present fairly, in all material respects, the results of operations and cash flows of T. Rowe Price Group, Inc. and its subsidiaries for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland
January 23, 2001

CONSOLIDATED BALANCE SHEETS

	December 31, 2001	December 31, 2002
	(in thousands)	
ASSETS		
Cash and cash equivalents (Note 1)	$ 79,741	$ 111,418
Accounts receivable (Note 6)	104,001	96,787
Investments in sponsored mutual funds (Note 1)	123,247	123,172
Debt securities held by savings bank subsidiary (Note 1)	30,961	92,908
Property and equipment (Note 2)	241,825	215,590
Goodwill (Note 3)	665,692	665,692
Other assets (Notes 4 and 7)	67,648	64,866
	$1,313,115	$1,370,433
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses (Notes 4 and 5)	$ 42,782	$ 43,902
Accrued compensation and related costs	43,498	34,640
Dividends payable	19,699	20,860
Customer deposits at savings bank subsidiary	25,422	81,292
Debt and accrued interest (Note 7)	103,889	55,899
Total liabilities	235,290	236,593
Commitments and contingent liabilities (Note 8)		
Stockholders' equity (Notes 5 and 8)		
Preferred stock, undesignated, $.20 par value - authorized and unissued 20,000,000 shares	--	--
Common stock, $.20 par value - authorized 500,000,000 shares; issued 123,088,795 shares in 2001 and 122,648,696 shares in 2002	24,618	24,530
Additional capital in excess of par value	67,965	80,744
Retained earnings	973,472	1,019,925
Accumulated other comprehensive income	11,770	8,641
Total stockholders' equity	1,077,825	1,133,840
	$1,313,115	$1,370,433

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31, 2000	2001	2002
	(in thousands, except per-share amounts)		
Revenues (Note 6)			
Investment advisory fees	$ 916,358	$ 775,074	$ 715,365
Administrative fees and other income	237,318	219,848	207,409
Investment income of savings bank subsidiary	433	1,535	3,055
Total revenues	1,154,109	996,457	925,829
Interest expense on savings bank deposits	209	1,011	2,327
Net revenues	1,153,900	995,446	923,502
Operating expenses			
Compensation and related costs (Notes 2, 5, and 8)	380,636	384,959	357,586
Advertising and promotion	88,215	64,638	59,056
Depreciation and amortization of property and equipment	41,813	51,567	50,578
Occupancy and facility costs (Note 8)	68,645	66,611	60,788
International investment research fees	36,665	--	--
Goodwill amortization (Note 3)	11,879	28,921	--
Other operating expenses	116,561	87,519	74,983
	744,414	684,215	602,991
Net operating income	409,486	311,231	320,511
Other investment income (loss) (Note 1)	58,218	31,039	(8,273)
Other interest expense (Note 7)	9,512	11,681	2,634
Net non-operating income (expense)	48,706	19,358	(10,907)
Income before income taxes and minority interests	458,192	330,589	309,604
Provision for income taxes (Note 4)	174,818	135,078	115,350
Income from consolidated companies	283,374	195,511	194,254
Minority interests in consolidated subsidiaries	14,345	(357)	--
Net income	$ 269,029	$ 195,868	$ 194,254
Earnings per share			
Basic	$ 2.22	$ 1.59	$ 1.58
Diluted	$ 2.08	$ 1.52	$ 1.52

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2000	2001	2002
		(in thousands)	
Cash flows from operating activities			
Net income	$ 269,029	$ 195,868	$ 194,254
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization of property and equipment	41,813	51,567	50,578
Minority interests in consolidated subsidiaries	14,345	(357)	--
Goodwill amortization	11,879	28,921	--
Other changes in assets and liabilities	(14,331)	14,355	24,466
Net cash provided by operating activities	322,735	290,354	269,298
Cash flows from investing activities			
Acquisition of minority interests in T. Rowe Price International	(783,194)	--	--
Investments in sponsored mutual funds	(42,576)	(35,968)	(15,547)
Dispositions of sponsored mutual funds	67,068	88,968	5,453
Increase in debt securities held by savings bank subsidiary	(16,398)	(14,135)	(60,638)
Additions to property and equipment	(85,612)	(41,375)	(26,047)
Other investment activity	(374)	(6,460)	1,808
Net cash used in investing activities	(861,086)	(8,970)	(94,971)
Cash flows from financing activities			
Repurchases of common shares	--	(30,923)	(95,773)
Stock options exercised	19,279	13,102	25,320
Proceeds from bank borrowings	300,000	--	--
Debt principal repaid	(5,000)	(205,000)	(49,366)
Dividends paid to stockholders	(62,880)	(73,838)	(78,701)
Savings bank subsidiary deposits	10,932	14,490	55,870
Other financing activities	(1,926)	--	--
Net cash provided by (used in) financing activities	260,405	(282,169)	(142,650)
Cash and cash equivalents			
Net increase (decrease) during year	(277,946)	(785)	31,677
At beginning of year	358,472	80,526	79,741
At end of year	$ 80,526	$ 79,741	$ 111,418

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Common stock	Additional capital in excess of par value	Retained earnings	Accumulated other comprehensive income	Total stockholders' equity
Balance at December 31, 1999, 120,107,818 common shares	$ 24,022	$ 48,057	$ 649,378	$ 48,727	$ 770,184
Comprehensive income					
Net income			269,029		
Change in unrealized security holding gains, net of taxes				(15,780)	
Total comprehensive income					253,249
2,331,414 common shares issued under stock-based compensation plans	466	32,798			33,264
Dividends declared			(65,632)		(65,632)
Balance at December 31, 2000, 122,439,232 common shares	24,488	80,855	852,775	32,947	991,065
Comprehensive income					
Net income			195,868		
Change in unrealized security holding gains, net of taxes				(21,177)	
Total comprehensive income					174,691
1,720,063 common shares issued under stock-based compensation plans	344	18,922			19,266
1,070,500 common shares repurchased	(214)	(31,812)			(32,026)
Dividends declared			(75,171)		(75,171)
Balance at December 31, 2001, 123,088,795 common shares	$ 24,618	$ 67,965	$ 973,472	$ 11,770	$1,077,825

Continued on next page.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

Continued from prior page.

	Common stock	Additional capital in excess of par value	Retained earnings	Accumulated other comprehensive income	Total stockholders' equity
Balance at December 31, 2001, 123,088,795 common shares	$ 24,618	$ 67,965	$ 973,472	$ 11,770	$ 1,077,825
Comprehensive income					
Net income			194,254		
Change in unrealized security holding gains, net of taxes				(3,129)	
Total comprehensive income					191,125
2,359,901 common shares issued under stock-based compensation plans	472	38,952	(2)		39,422
2,800,000 common shares repurchased	(560)	(26,173)	(67,937)		(94,670)
Dividends declared			(79,862)		(79,862)
Balance at December 31, 2002, 122,648,696 common shares	$ 24,530	$ 80,744	$1,019,925	$ 8,641	$ 1,133,840

The accompanying notes are an integral part of the consolidated financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. Rowe Price Group derives its consolidated revenues and net income primarily from investment advisory services that its subsidiaries provide to individual and institutional investors in the sponsored T. Rowe Price mutual funds and other investment portfolios. We also provide our investment advisory clients with related administrative services, including mutual fund transfer agent, accounting and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; discount brokerage; and trust services. The investors that we serve are primarily domiciled in the United States of America.

Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations.

As the result of the one-for-one exchange of shares of outstanding T. Rowe Price Associates common stock for that of T. Rowe Price Group on December 28, 2000, T. Rowe Price Group became the sole owner of T. Rowe Price Associates and T. Rowe Price Associates' former stockholders became the stockholders of T. Rowe Price Group. The exchange was accounted for at historical cost in a manner similar to a pooling-of-interests transaction and T. Rowe Price Group succeeded to the obligation for periodic public reporting.

BASIS OF PREPARATION.

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States which require the use of estimates made by our management. Actual results may vary from those estimates. Our financial statements include the accounts of all subsidiaries in which we have a majority or controlling interest. All material intercompany accounts and transactions are eliminated in consolidation. Certain 2000 and 2001 amounts have been reclassified to conform to the 2002 presentation.

CASH EQUIVALENTS.

Cash equivalents consist primarily of short-term, highly liquid investments in sponsored money market mutual funds and in commercial paper. The cost of these funds is equivalent to fair value.

INVESTMENTS.

Investments in sponsored mutual funds and debt securities held by our savings bank subsidiary are classified as available-for-sale and are reported at fair value. Net unrealized security holding gains are recognized in comprehensive income.

We also hold other investments that are included in other assets and are recognized using the cost or equity methods of accounting, as appropriate.

We review the carrying amount of each investment for possible impairment on a quarterly basis and recognize a loss in our statement of income whenever a loss is considered other than temporary.

CONCENTRATIONS OF RISK.

Concentration of credit risk in accounts receivable is believed to be minimal in that clients generally have substantial assets, including those in the investment portfolios that we manage.

Our investments in sponsored mutual funds expose us to market risk in the form of equity price risk; that is, the potential future loss of value that would result from a decline in the fair values of the mutual funds. Each fund and its underlying net assets are also subject to market risk which may arise from changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates.

Investments by our savings bank subsidiary in debt securities expose us to market risk which may arise from changes in credit ratings and interest rates.

PROPERTY AND EQUIPMENT.

Property and equipment is stated at cost net of accumulated depreciation and amortization computed using the straight-line method. Provisions for depreciation and amortization are based on the following weighted average estimated useful lives: computer and communications software and equipment, 3 years; furniture and other equipment, 5 years; buildings, 32 years; leasehold improvements, 8 years; and leased land, 99 years.

REVENUE RECOGNITION.

Fees for investment advisory services and related administrative services that we provide to investment advisory clients are recognized in the period that our services are provided.

ADVERTISING.

Costs of advertising are expensed the first time that the advertising takes place.

INTERNATIONAL INVESTMENT RESEARCH FEES.

International investment research and support was provided by affiliates of Robert Fleming Holdings until our acquisition of their interests in T. Rowe Price International on August 8, 2000. Fees that we paid for these services were based on international assets under management.

EARNINGS PER SHARE.

Basic earnings per share excludes the dilutive effect of outstanding stock options and is computed by dividing net income by the weighted average common shares outstanding of 121,196,000 in 2000, 123,072,000 in 2001, and 122,876,000 in 2002. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options were exercised. It is computed by increasing the denominator of the basic calculation by potential dilutive common shares, determined using the treasury stock method, of 8,452,000 in 2000, 5,973,000 in 2001, and 4,830,000 in 2002.

COMPREHENSIVE INCOME.

Total comprehensive income is reported in our consolidated statements of stockholders' equity and includes net income and the change in unrealized security holding gains, net of income taxes and any minority interests.

STOCK OPTION GRANTS.

Our six stock-based compensation plans (the 1990, 1993, 1996, and 2001 Stock Incentive Plans and the 1995 and 1998 Director Stock Option Plans) are accounted for using the intrinsic value based method. Under these plans, we have granted only fixed stock options with a maximum term of 10 years to employees and directors. Vesting of employee options is based solely on the individual continuing to render service and generally occurs over a five-year graded schedule. The exercise price of each option granted is equivalent to the market price of the common stock at the date of grant. Accordingly, no compensation expense related to stock option grants has been recognized in the consolidated statements of income.

Accounting principles require us to make the following disclosures as if the fair value based method of accounting had been applied to our stock option grants after 1994. The weighted-average grant-date fair value of each option awarded is estimated to be $13.45 in 2000, $9.15 in 2001, and $9.42 in 2002 using the Black-Scholes option-pricing model and the following assumptions: dividend yield of 1.3% in 2000 and 2001 and 1.4% in 2002; expected volatility of 35% in 2000, 37% in 2001, and 36% in 2002; risk-free interest rates of 5.6% in 2000, 4.2% in 2001, and 4.0% in 2002; and expected lives of 4.8 years in 2000, 5.5 years in 2001, and 5.7 years in 2002.

The following table illustrates the effect on net income (in thousands) and earnings per share if we had applied the fair value based method and the estimates contained in the preceding paragraph to our stock option grants that were outstanding and unvested each year.

	2000	2001	2002
Net income, as reported	$ 269,029	$ 195,868	$ 194,254
Additional stock-option based compensation expense estimated using the fair value based method	(30,380)	(42,688)	(39,369)
Related income tax benefits	9,391	13,471	11,985
Pro forma net income	$ 248,040	$ 166,651	$ 166,870
Earnings per share			
Basic - as reported	$ 2.22	$ 1.59	$ 1.58
Basic - pro forma	$ 2.05	$ 1.35	$ 1.36
Diluted - as reported	$ 2.08	$ 1.52	$ 1.52
Diluted - pro forma	$ 1.92	$ 1.30	$ 1.31

It is important to note that the charge to compensation expense that results from using the fair value based method would also result in an equal and offsetting increase to our additional capital in excess of par value; accordingly, total stockholders' equity is not diminished if the fair value method had been used to record compensation expense.

NOTE 1 - INVESTMENTS.

Cash equivalent investments in our sponsored money market mutual funds aggregate $72,411,000 at December 31, 2001 and $99,457,000 at December 31, 2002.

Investments in our other sponsored mutual funds (in thousands) at December 31 include:

	Aggregate cost	Unrealized holding gains	Aggregate fair value
2001			
Stock funds	$ 66,439	$ 15,523	$ 81,962
Bond funds	39,245	2,040	41,285
	$105,684	$ 17,563	$123,247
2002			
Stock funds	$ 70,350	$ 2,579	$ 72,929
Bond funds	41,558	8,685	50,243
	$111,908	$ 11,264	$123,172

The following table reconciles our unrealized holding losses on investments in sponsored mutual funds (in thousands) to that recognized in other comprehensive income.

	2000	2001	2002
Unrealized holding losses	$(19,027)	$(14,159)	$(10,169)
Less gains (losses) realized in net income using average cost	7,417	18,701	(3,870)
	(26,444)	(32,860)	(6,299)
Deferred tax benefits	9,365	11,512	2,295
	(17,079)	(21,348)	(4,004)
Minority interests	1,124	--	--
Unrealized holding losses recognized in other comprehensive income	$(15,955)	$(21,348)	$ (4,004)

Dividends earned on our investments in sponsored mutual funds, including money market mutual funds, totaled $35,157,000 in 2000, $8,748,000 in 2001, and $2,989,000 in 2002.

Our savings bank subsidiary holds investments in mortgage-backed and other marketable debt securities which are accounted for as available-for-sale. The expected holding period of these securities generally correlates to customer deposits which range in maturity up to five years. Balances (in thousands) in these investments at December 31 were:

	Aggregate cost	Unrealized holding gains	Aggregate fair value
2001	$ 30,389	$ 572	$ 30,961
2002	90,888	2,020	92,908

Other comprehensive income includes unrealized holding gains on the savings bank portfolio, net of income taxes of $115,000 in 2000, $226,000 in 2001, and $799,000 in 2002.

NOTE 2 - PROPERTY AND EQUIPMENT.

Property and equipment (in thousands) at December 31 consists of:

	2001	2002
Computer and communications software and equipment	$ 157,353	$ 170,120
Buildings and leasehold improvements	167,785	166,568
Furniture and other equipment	59,688	60,276
Land owned and leased	21,503	21,503
	406,329	418,467
Accumulated depreciation and amortization	(164,504)	(202,877)
	$ 241,825	$ 215,590

Compensation and related costs attributable to the development of computer software for internal use totaling $10,690,000 in 2000, $7,465,000 in 2001, and $4,639,000 in 2002 have been capitalized.

NOTE 3 - GOODWILL.

On August 8, 2000, we purchased Robert Fleming Holdings' 50% non-controlling interest in our consolidated subsidiary, T. Rowe Price International. This purchase transaction resulted in goodwill of $704 million that was amortized in 2000 and 2001 on a straight-line basis over 25 years. We operate in one reportable business segment - that of the investment advisory business - and all goodwill is attributed to that segment.

As of January 1, 2002, we adopted the provisions of a new financial accounting standard for goodwill, ceased amortizing goodwill, and determined that its carrying amount was not impaired. We also evaluated goodwill for possible impairment in the third quarter of 2002 and again concluded that there had been no impairment. A similar evaluation using the fair value approach will be done at least annually in the third quarter each year. Prior to 2002, we used an undiscounted future cash flows approach to evaluate goodwill for potential impairment.

The following information reconciles reported net income (in thousands) and earnings per share to adjusted net income (in thousands) and earnings per share, excluding the goodwill amortization recognized in prior years.

	2000	2001	2002
Reported net income	$ 269,029	$ 195,868	$ 194,254
Add back goodwill amortization	11,879	28,921	--
Adjusted net income	$ 280,908	$ 224,789	$ 194,254
Basic earnings per share			
Reported net income	$ 2.22	$ 1.59	$ 1.58
Goodwill amortization	.10	.24	--
Adjusted net income	$ 2.32	$ 1.83	$ 1.58

Diluted earnings per share			
Reported net income	$ 2.08	$ 1.52	$ 1.52
Goodwill amortization	.09	.22	--
Adjusted net income	$ 2.17	$ 1.74	$ 1.52

NOTE 4 - INCOME TAXES.

The provision for income taxes (in thousands) consists of:

	2000	2001	2002
Current income taxes			
U.S. federal and foreign	$ 150,431	$ 122,598	$ 111,027
State and local	16,283	12,231	9,429
Deferred income taxes (tax benefits)	8,104	249	(5,106)
	$ 174,818	$ 135,078	$ 115,350

Deferred income taxes arise from temporary differences between taxable income for financial statement and income tax return purposes. Amortization and depreciation of property and equipment resulted in deferred income taxes of $4,158,000 in 2000. Significant temporary differences in 2001 included deferred benefits of $3,866,000 related to investment income offset by deferred taxes of $4,212,000 related to accrued compensation. Deferred tax benefits in 2002 include $4,584,000 related to investment income and $2,359,000 related to depreciation and amortization of property and equipment offset by deferred taxes of $2,346,000 related to accrued compensation.

The net deferred tax liability of $89,000 included in accounts payable and accrued expenses at December 31, 2001, consists of total deferred tax liabilities of $10,178,000 and total deferred tax assets of $10,089,000. Deferred tax liabilities include $6,364,000 arising from unrealized holding gains on available-for-sale securities. Deferred tax assets include $4,441,000 arising from investment income and $3,479,000 arising from accrued compensation.

The net deferred tax asset of $6,740,000 included in other assets at December 31, 2002, consists of total deferred tax liabilities of $5,600,000 and total deferred tax assets of $12,340,000. Deferred tax liabilities include $4,642,000 arising from unrealized holding gains on available-for- sale securities. Deferred tax assets include $9,025,000 arising from investment income.

Cash outflows from operating activities include income taxes paid of $188,285,000 in 2000, $103,125,000 in 2001, and $112,457,000 in 2002. The income tax benefit arising from exercises of our stock options reduced income taxes paid by $13,985,000 in 2000, $6,164,000 in 2001, and $14,102,000 in 2002.

The following table reconciles the statutory federal income tax rate to the effective income tax rate.

	2000	2001	2002
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefits	2.7	2.7	2.5
Nondeductible goodwill amortization	1.0	3.3	--
Other items	(.5)	(.1)	(.2)
Effective income tax rate	38.2%	40.9%	37.3%

NOTE 5 - COMMON STOCK AND STOCK-BASED COMPENSATION PLANS.

SHARES AUTHORIZED AND ISSUED.

At December 31, 2002, 35,734,680 shares of unissued common stock were reserved for the exercise of stock options. Additionally, 1,680,000 shares are reserved for issuance under a plan whereby substantially all employees may acquire common stock through payroll deductions at prevailing market prices.

The Board of Directors has authorized the future repurchase of up to 1,633,010 common shares at December 31, 2002. Accounts payable and accrued expenses includes $1,103,000 at December 31, 2001 for pending settlements of common stock repurchases.

DIVIDENDS.

Cash dividends declared per share were $.54 in 2000, $.61 in 2001, and $.65 in 2002.

STOCK OPTIONS.

The following table summarizes the status of and changes in our stock option grants during the past three years.

	Options	Weighted-average exercise price	Options exercisable	Weighted-average exercise price
Outstanding at beginning of 2000	23,657,481	$ 19.45	14,014,481	$13.04
Granted	4,914,085	38.90		
Exercised	(2,513,694)	10.08		
Forfeited	(456,000)	30.66		
Outstanding at end of 2000	25,601,872	23.90	14,910,572	16.25
Granted	3,973,384	25.96		
Exercised	(1,839,850)	9.48		
Forfeited	(434,619)	34.28		
Outstanding at end of 2001	27,300,787	25.01	16,233,787	20.03
Granted	3,970,367	27.41		
Exercised	(2,482,951)	11.87		
Forfeited	(844,347)	33.62		
Outstanding at end of 2002	27,943,856	26.25	16,759,556	23.50

Information regarding the exercise prices and lives of stock options outstanding at December 31, 2002 follows.

Range of exercise prices	Outstanding	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Exercisable	Weighted-average exercise price
$ 7.03 to 21.25	8,007,087	$ 12.38	2.5	8,007,087	$ 12.38
$21.26 to 27.28	3,706,410	25.71	8.7	737,010	25.70
$27.29 to 34.73	8,734,227	29.40	7.5	3,692,027	31.12
$34.74 to 47.07	7,496,132	37.68	6.9	4,323,432	37.20
	27,943,856	26.25	6.1	16,759,556	23.50

NOTE 6 - INFORMATION ABOUT REVENUES AND SERVICES.

Revenues (in thousands) from advisory services provided under agreements with sponsored mutual funds and other investment clients include:

	2000	2001	2002
Sponsored U.S. mutual funds			
Stock	$570,133	$464,883	$411,679
Bond and money market	93,020	97,707	107,425
	663,153	562,590	519,104
Other portfolios	253,205	212,484	196,261
Total investment advisory fees	$916,358	$775,074	$715,365

The following table summarizes the various investment portfolios and assets under management (in billions) on which advisory fees are earned.

	Average during			December 31,	
	2000	2001	2002	2001	2002
Sponsored U.S. mutual funds					
Stock	$ 92.2	$ 75.8	$ 67.1	$ 74.5	$ 60.7
Bond and money market	21.7	22.9	25.0	23.5	26.6
	113.9	98.7	92.1	98.0	87.3
Other portfolios	63.7	56.5	55.5	58.3	53.3
	$177.6	$155.2	$147.6	$156.3	$140.6

Fees for advisory-related administrative services provided to our sponsored mutual funds were $178,226,000 in 2000, $170,916,000 in 2001, and $155,771,000 in 2002. Accounts receivable from the mutual funds aggregate $57,972,000 and $55,474,000 at December 31, 2001 and 2002, respectively. All services to the sponsored U.S. mutual funds are provided under contracts which are subject to periodic review and approval by each of the funds' boards and, with respect to investment advisory contracts, also by the funds' shareholders.

NOTE 7 - DEBT.

In April 1999, we borrowed 1,809,500,000 yen ($15,019,000) from a bank under a promissory note. Interest is due quarterly at LIBOR for yen borrowings plus .95% and is fixed for 12 months until April 2003 at 1.06%. Foreign currency transaction gains of $1,894,000 in 2000 and $2,085,000 in 2001 and losses of $1,335,000 in 2002 arising from this borrowing are included in non-operating investment income (loss). In 2002, we made an installment payment of 180,950,000 yen and the remaining equivalent balance of $13,712,000 is due in installments of 180,950,000 yen in April 2003 and 1,447,600,000 yen in 2004.

To partially finance the acquisition of the T. Rowe Price International shares, we borrowed $300,000,000 in August 2000 under a $500,000,000 syndicated bank credit facility expiring in June 2005 for which JPMorgan Chase Bank serves as administrative agent. We made principal payments of $5,000,000 in 2000, $205,000,000 in 2001, and $48,000,000 in 2002 and thereby reduced our borrowing to $42,000,000 at the end of 2002. Credit facility costs of $796,000 are included in other assets at December 31, 2002 and are being amortized over the period to June 2005. Interest on the debt floats at .35% over the Eurodollar base rate and was 7.1%, 2.27%, and 1.76% at the end of 2000, 2001 and 2002, respectively. We also have a complementary $100,000,000 syndicated bank credit facility expiring in June 2003 under which there have been no borrowings. We paid annual fees for these credit facilities of $942,000 in 2002.

At December 31, 2002, we are in compliance with the covenants contained in our credit agreements. Total interest expense on our outstanding debt, including amortization of credit facility costs, and commitment fees was $9,512,000 in 2000, $11,681,000 in 2001, and $2,634,000 in 2002.

NOTE 8 - OTHER DISCLOSURES.

We occupy certain office facilities and rent computer and other equipment under noncancelable operating leases. Related rental expense was $30,752,000 in 2000, $25,711,000 in 2001, and $22,568,000 in 2002. Future minimum rental payments under these leases aggregate $19,194,000 in 2003, $14,626,000 in 2004, $12,196,000 in 2005, $11,536,000 in 2006, $5,023,000 in 2007, and $47,130,000 in later years.

At December 31, 2002, we had outstanding commitments to fund additional investments totaling $1.5 million.

Our consolidated stockholders' equity at December 31, 2002 includes approximately $42,000,000 which is restricted as to use by various regulations and agreements arising in the ordinary course of our business.

From time to time, various claims against us arise in the ordinary course of business, including employment-related claims. In the opinion of management, after consultation with counsel, it is unlikely that any adverse determination in one or more pending claims would have a material adverse effect on our financial position or results of operations.

Expense for our defined contribution retirement program in the United States was $22,263,000 in 2000, $21,641,000 in 2001, and $22,830,000 in 2002.

NOTE 9 - SUPPLEMENTARY QUARTERLY FINANCIAL DATA (Unaudited).

	Net Revenues	Net income	Basic earnings per share	Diluted earnings per share
	(in thousands)			
2001				
1st quarter	$263,249	$ 49,308	$ .40	$ .38
2nd quarter	251,849	51,156	.42	.40
3rd quarter	240,717	50,398	.41	.39
4th quarter	239,631	45,006	.37	.35

2002				
1st quarter	242,008	53,024	.43	.41
2nd quarter	240,280	51,854	.42	.40
3rd quarter	221,576	43,210	.35	.34
4th quarter	219,638	46,166	.38	.37

Net revenues are presented for comparability across quarterly periods to conform with the year-end 2002 presentation of our statement of income.

The sum of quarterly earnings per share may not equal annual earnings per share because the computations are done independently.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

We previously reported that we changed our certifying independent accountants from PricewaterhouseCoopers LLP to KPMG LLP on September 6, 2001. Information regarding this change appears in the definitive proxy statement filed pursuant to Regulation 14A for the 2003 Annual Meeting of our stockholders and is incorporated by reference.

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information required by this item regarding the identification of executive officers is contained as a separate item at the end of Part I of this Form 10-K. The balance of the information required by this item regarding our directors and executive officers appears in the definitive proxy statement filed pursuant to Regulation 14A for the 2003 Annual Meeting of our stockholders and is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required by these items appears in the definitive proxy statement filed pursuant to Regulation 14A for the 2003 Annual Meeting of our stockholders and is incorporated by reference.

ITEM 14. CONTROLS AND PROCEDURES.

Within the 90-day period prior to the filing date of this Form 10-K Annual Report, we carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information that is required to be included in the periodic reports that we must file with the Securities and Exchange Commission. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of that evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as part of this report.

1. Financial Statements: See index at Item 8 of Part II.

2. Financial Statement Schedules: None applicable.

3. The following exhibits required by Item 601 of Regulation S-K are filed as part of this Form 10-K. Exhibits 10.06 through 10.12 are compensatory plans and arrangements.

3(i)	Amended and Restated Charter of T. Rowe Price Group, Inc. as of March 9, 2001. (Incorporated by reference from Form 10-K for 2000; Accession No. 0001113169-01-000003.)
3(ii)	Amended and Restated By-Laws of T. Rowe Price Group, Inc. as of December 12, 2002.
4	$500,000,000 Five-Year Credit Agreement among T. Rowe Price Associates, Inc., the several lenders, and The Chase Manhattan Bank, as administrative agent. (Incorporated by reference from Form 10-Q Report for the quarterly period ended June 30, 2000; Accession No. 0000080255-00-000425.)
10.01	Representative Investment Management Agreement with most of the T. Rowe Price mutual funds. (Incorporated by reference from Form N-1A/A; Accession No. 0001181628-02-000007.)
10.02	Transfer Agency and Service Agreement dated as of January 1, 2002 between T. Rowe Price Services, Inc. and each of the T. Rowe Price Funds. (Incorporated by reference from Form N-1A/A; Accession No. 0001181628-02-000007.)
10.03	Agreement dated January 1, 2002 between T. Rowe Price Retirement Plan Services, Inc. and certain of the T. Rowe Price Funds. (Incorporated by reference from Form N-1A/A; Accession No. 0001181628-02-000007.)
10.04	Representative Underwriting Agreement between each of the T. Rowe Price mutual funds and T. Rowe Price Investment Services, Inc. (Incorporated by reference from Form N-1A/A; Accession No. 0001181628-02-000007.)
10.05	Amended, Restated, and Consolidated Office Lease dated as of May 22, 1997 between 100 East Pratt Street Limited Partnership and T. Rowe Price Associates, Inc. (Incorporated by reference from Form 10-K for 1997; Accession No. 0000080255-98-000358.)
10.06	1995 Director Stock Option Plan. (Incorporated by reference from Form DEF 14A; Accession No. 0000933259-95-000009.)
10.07	1998 Director Stock Option Plan. (Incorporated by reference from Form DEF 14A; Accession No. 0000080255-98-000355.)
10.08	1990 Stock Incentive Plan. (Incorporated by reference from Form S-8 Registration Statement [File No. 33-37573].)
10.09	1993 Stock Incentive Plan. (Incorporated by reference from Form S-8 Registration Statement [File No. 33-72568].)
10.10	1996 Stock Incentive Plan. (Incorporated by reference from Form DEF 14A; Accession No. 0001006199-96-000031.)
10.11	2001 Stock Incentive Plan. (Incorporated by reference from Form DEF 14A; Accession No. 0001113169-01-000002.)
10.12	Executive Incentive Compensation Plan. (Incorporated by reference from Form DEF 14A; Accession No. 0000933259-95- 000009.)

21	Subsidiaries of T. Rowe Price Group, Inc.
23.1	Consent of Independent Auditors, KPMG LLP.
23.2	Consent of Independent Accountants, PricewaterhouseCoopers LLP.
99.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
99.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

(b) Reports on Form 8-K: A filing as of September 5, 2002 was made on October 3, 2002 reporting the adoption of amended and restated by-laws of T. Rowe Price Group.

SIGNATURES.

Pursuant to the requirements of Section 13 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, on March 4, 2003.

T. Rowe Price Group, Inc.
By: /s/ George A. Roche, Chairman and President

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 capacities indicated on March 4, 2003.

/s/ George A. Roche, Chairman, Director, and President
/s/ James S. Riepe, Vice Chairman and Director
/s/ M. David Testa, Vice Chairman and Director
/s/ Edward C. Bernard, Director
/s/ D. William J. Garrett, Director
/s/ James H. Gilliam, Jr., Director
/s/ Donald B. Hebb, Jr., Director
/s/ Henry H. Hopkins, Director
/s/ James A.C. Kennedy, Director
/s/ John H. Laporte, Director
/s/ Richard L. Menschel, Director
/s/ William T. Reynolds, Director
/s/ Brian C. Rogers, Director
/s/ Anne Marie Whittemore, Director
/s/ Cristina Wasiak, Chief Financial Officer
/s/ Joseph P. Croteau, Treasurer (Principal Accounting Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER.

I, George A. Roche, certify that:

1. I have reviewed this annual report on Form 10-K of T. Rowe Price Group, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ George A. Roche, Chairman & President
March 4, 2003

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER.

I, Cristina Wasiak, certify that:

1. I have reviewed this annual report on Form 10-K of T. Rowe Price Group, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Cristina Wasiak, Vice President & Chief Financial Officer
March 4, 2003

Exhibit 3(ii)

T. ROWE PRICE GROUP, INC.

AMENDED AND RESTATED BY-LAWS

As of December 12, 2002

ARTICLE I.

STOCKHOLDERS

SECTION 1.01. ANNUAL MEETING. The Corporation shall hold an Annual Meeting of its stockholders to elect directors and transact any other business within its powers, either at 2:00 p.m. on the last Thursday of March in each year if not a legal holiday, or at such other time on such other day falling on or before the 30th day thereafter as shall be set by the Board of Directors. Except as the Charter or statute provides otherwise, any business may be considered at an Annual Meeting without the purpose of the meeting having been specified in the notice. Failure to hold an Annual Meeting does not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

SECTION 1.02. SPECIAL MEETING. At any time in the interval between Annual Meetings, a special meeting of the stockholders may be called by the Chairman of the Board or the President or by a majority of the Board of Directors by vote at a meeting or in writing (addressed to the Secretary of the Corporation) with or without a meeting.

SECTION 1.03. PLACE OF MEETINGS. Meetings of stockholders shall be held at such place in the United States as is set from time to time by the Board of Directors.

SECTION 1.04. NOTICE OF MEETINGS; WAIVER OF NOTICE. Not less than ten nor more than 90 days before each stockholders' meeting, the Secretary shall give written notice of the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting. The notice shall state the time and place of the meeting and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a stockholder when it is personally delivered to him, left at his residence or usual place of business, or mailed to him at his address as it appears on the records of the Corporation. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he before or after the meeting signs a waiver of the notice which is filed with the records of stockholders' meetings, or is present at the meeting in person or by proxy.

SECTION 1.05. QUORUM; VOTING. Unless statute or the Charter provides otherwise, at a meeting of stockholders the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and a majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director.

SECTION 1.06. ADJOURNMENTS. Whether or not a quorum is present, a meeting of stockholders convened on the date for which it was called may be adjourned from time to time by the stockholders present in person or by proxy by a majority vote. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be present. No further notice of an adjourned meeting other than by announcement shall be necessary if held on a date not more than 120 days after the original record date.

SECTION 1.07. GENERAL RIGHT TO VOTE; PROXIES. Unless the Charter provides for a greater or lesser number of votes per share or limits or denies voting rights, each outstanding share of stock, regardless of class, is entitled to one vote on each matter submitted to a vote at a meeting of stockholders. In all elections for directors, each share of stock may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A stockholder may vote the stock he owns of record either in person or by written proxy signed by the stockholder or by his duly authorized attorney in fact. Unless a proxy provides otherwise, it is not valid more than 11 months after its date.

SECTION 1.08. LIST OF STOCKHOLDERS. At each meeting of stockholders, a full, true and complete list of all stockholders entitled to vote at such meeting, showing the number and class of shares held by each and certified by the transfer agent for such class or by the Secretary, shall be furnished by the Secretary.

SECTION 1.09. CONDUCT OF BUSINESS. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation (i) who was a stockholder of record at the time of giving notice(s) provided for in Section 1.11 and Section 1.12, (ii) who is entitled to vote at the meeting and (iii) who complied with the notice(s) procedures set forth in Section 1.11 and Section 1.12. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at a special meeting of stockholders (a) only pursuant to the Corporation's notice of meeting and (b), in the case of nominations of persons for election to the Board of Directors, (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation (A) who was a stockholder of record at the time of giving notice provided for in Section 1.11, (B) who is entitled to vote at the meeting and (C) who complied with the notice procedures set forth in Section 1.11. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in Section 1.11, Section 1.12 and this Section and, if any proposed nomination or business is not in compliance with Section 1.11, Section 1.12 and this Section, to declare that such defective nomination or proposal be disregarded.

SECTION 1.10. CONDUCT OF VOTING. At all meetings of stockholders, unless the voting is conducted by inspectors, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided, by the chairman of the meeting. If demanded by stockholders, present in person or by proxy, entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairman, the vote upon any election or question shall be taken by ballot and, upon like demand or order, the voting shall be conducted by two inspectors, in which event the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided, by such inspectors. Unless so demanded or ordered, no vote need be by ballot and voting need not be conducted by inspectors. The stockholders at any meeting may choose an inspector or inspectors to act at such meeting, and in default of such election the chairman of the meeting may appoint an inspector or inspectors. No candidate for election as a director at a meeting shall serve as an inspector thereat.

SECTION 1.11. ADVANCE NOTICE PROVISIONS FOR ELECTION OF DIRECTORS. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section. A stockholder's notice must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; PROVIDED, HOWEVER, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date of the preceding year's annual meeting, notice by the stockholder must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such annual meeting is first made; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public announcement of the date of the special meeting was made, whichever first occurs. A stockholder's notice to the Secretary must be in writing and set forth (a) as to each person whom the stockholder proposes to nominate for election as a director, all information relating to such person that is required to be disclosed in connection with solicitations of proxies for election of directors pursuant to Regulation 14A of the Exchange Act, and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice (i) the name and address of such stockholder as they appear on the Corporation's books and of the beneficial owner, if any, on whose behalf the nomination is made, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder and such beneficial owner, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to be named as a nominee and to serve as a director if elected. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman of the meeting shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded. No adjournment or postponement of a meeting of stockholders shall commence a new period for the giving of notice of a stockholder proposal hereunder.

SECTION 1.12. ADVANCE NOTICE PROVISIONS FOR BUSINESS TO BE TRANSACTED AT ANNUAL MEETING. No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is stockholder of record on the date of the giving of the notice provided for in this Section and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section. A stockholder's notice must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; PROVIDED, HOWEVER, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary date of the preceding year's annual meeting, notice by the stockholder must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. A stockholder's notice to the Secretary must be in writing and set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address of such stockholder as they appear on the Corporation's books and of the beneficial owner, if any, on whose behalf the proposal is made, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder and such beneficial owner, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in Section 1.11 or in this Section, PROVIDED, HOWEVER, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in Section 1.11 nor in this Section shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted. No adjournment or postponement of a meeting of stockholders shall commence a new period for the giving of notice of a stockholder proposal hereunder.

SECTION 1.13. INFORMAL ACTION BY STOCKHOLDERS. Any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting if there is filed with the records of stockholders meetings an unanimous written consent which sets forth the action and is signed by each stockholder entitled to vote on the matter and a written waiver of any right to dissent signed by each stockholder entitled to notice of the meeting but not entitled to vote at it.

ARTICLE II.

BOARD OF DIRECTORS

SECTION 2.01. FUNCTION OF DIRECTORS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the stockholders by statute or by the Charter or By-Laws.

SECTION 2.02. NUMBER OF DIRECTORS. The Corporation shall have at least three directors; provided that, if there is no stock outstanding, the number of Directors may be less than three but not less than one, and, if there is stock outstanding and so long as there are less than three stockholders, the number of Directors may be less than three but not less than the number of stockholders. The Corporation shall have the number of directors provided in the Charter until changed as herein provided. A majority of the entire Board of Directors may alter the number of directors set by the Charter to not exceeding 25 nor less than the minimum number then permitted herein, but the action may not affect the tenure of office of any director.

SECTION 2.03. ELECTION AND TENURE OF DIRECTORS. At each Annual Meeting, the stockholders shall elect directors to hold office until the next Annual Meeting and until their successors are elected and qualify.

SECTION 2.04. REMOVAL OF DIRECTOR. Unless statute or the Charter provides otherwise, the stockholders may remove any director, with or without cause, by the affirmative vote of a majority of all the votes entitled to be cast for the election of directors.

SECTION 2.05. VACANCY ON BOARD. The stockholders may elect a successor to fill a vacancy on the Board of Directors which results from the removal of a director. A director elected by the stockholders to fill a vacancy which results from the removal of a director serves for the balance of the term of the removed director. A majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the Board of Directors which results from any cause except an increase in the number of directors and a majority of the entire Board of Directors may fill a vacancy which results from an increase in the number of directors. A director elected by the Board of Directors to fill a vacancy serves until the next Annual Meeting of stockholders and until his successor is elected and qualifies.

SECTION 2.06. REGULAR MEETINGS. After each meeting of stockholders at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business; and in the event that no other time is designated by the stockholders, the Board of Directors shall meet one hour after the time for such stockholders' meeting or immediately following the close of such meeting, whichever is later, on the day of such meeting. Such first regular meeting shall be held at any place as may be designated by the stockholders, or in default of such designation at the place designated by the Board of Directors for such first regular meeting, or in default of such designation at the place of the holding of the immediately preceding meeting of stockholders. No notice of such first meeting shall be necessary if held as hereinabove provided. Any other regular meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

SECTION 2.07. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors. In the absence of designation such meeting shall be held at such place as may be designated in the call.

SECTION 2.08. NOTICE OF MEETING. Except as provided in Section 2.06, the Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him, left at his residence or usual place of business, or sent by telegraph or telephone, at least 24 hours before the time of the meeting or, in the alternative by mail to his address as it shall appear on the records of the Corporation, at least 72 hours before the time of the meeting. Unless the By-Laws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.09. ACTION BY DIRECTORS. Unless statute or the Charter or By-Laws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each member of the Board and filed with the minutes of proceedings of the Board.

SECTION 2.10. MEETING BY CONFERENCE TELEPHONE. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 2.11. COMPENSATION. By resolution of the Board of Directors a fixed sum and expenses, if any, for attendance at each regular or special meeting of the Board of Directors or of committees thereof, and other compensation for their services as such or on committees of the Board of Directors, may be paid to directors. A director who serves the Corporation in any other capacity also may receive compensation for such other services, pursuant to a resolution of the directors.

ARTICLE III.

COMMITTEES

SECTION 3.01. COMMITTEES. The Board of Directors may appoint from among its members an Executive Committee and other committees composed of two or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to declare dividends or other distributions on stock, elect directors, issue stock other than as provided in the next sentence, recommend to the stockholders any action which requires stockholder approval, amend the By-Laws, or approve any merger or share exchange which does not require stockholder approval. If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board, in accordance with a general formula or method specified by the Board by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors.

SECTION 3.02. COMMITTEE PROCEDURE. Each committee may fix rules of procedure for its business. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The members of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each member of the committee and filed with the minutes of the committee. The members of a committee may conduct any meeting thereof by conference telephone in accordance with the provisions of Section 2.10.

SECTION 3.03. EMERGENCY. In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Corporation by its directors and officers as contemplated by the Charter and the By-Laws, any two or more available members of the then incumbent Executive Committee shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Corporation in accordance with the provisions of Section 3.01. In the event of the unavailability, at such time, of a minimum of two members of the then incumbent Executive Committee, the available directors shall elect an Executive Committee consisting of any two members of the Board of Directors, whether or not they be officers of the Corporation, which two members shall constitute the Executive Committee for the full conduct and management of the affairs of the Corporation in accordance with the foregoing provisions of this Section. This Section shall be subject to implementation by resolution of the Board of Directors passed from time to time for that purpose, and any provisions of the By-Laws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary resolutions shall be suspended until it shall be determined by any interim Executive Committee acting under this Section that it shall be to the advantage of the Corporation to resume the conduct and management of its affairs and business under all the other provisions of the By-Laws.

ARTICLE IV.

OFFICERS

SECTION 4.01 EXECUTIVE AND OTHER OFFICERS; OPERATING COMMITTEES. The Corporation shall have a President, a Secretary, and a Treasurer who shall be executive officers of the Corporation. It may also have a Chairman of the Board, who shall be an executive officer of the Corporation if designated as an officer by the Board of Directors. The other officers shall be executive officers to the extent designated by the Board of Directors. The Board of Directors may designate who shall serve as chief executive officer, having general supervision of the business and affairs of the Corporation, or as chief operating officer, having supervision of the operations of the Corporation; in the absence of designation the President shall serve as chief executive officer and chief operating officer. It may also have one or more Vice Chairmen of the Board, Vice Presidents, assistant officers, and subordinate officers as may be established by the Board of Directors and may provide additional descriptive titles, such as chief financial officer or chief investment officer, as the Board shall deem appropriate. A person may hold more than one office in the Corporation. The Chairman of the Board, the President, and any Vice Chairmen of the Board shall be directors; the other officers may be directors. The officers of the Corporation may also act through one or more committees appointed by the Board of Directors or appointed by a committee appointed by the Board of Directors.

SECTION 4.02. CHAIRMAN OF THE BOARD. The Chairman of the Board, if one be elected, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present; and, in general, he shall perform all such duties as are from time to time assigned to him by the Board of Directors.

SECTION 4.03. PRESIDENT. The President, in the absence of the Chairman of the Board, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present; he may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Corporation; and, in general, he shall perform all duties usually performed by a president of a corporation and such other duties as are from time to time assigned to him by the Board of Directors or the chief executive officer of the Corporation.

SECTION 4.04. VICE CHAIRMEN OF THE BOARD. The Board of Directors may elect one or more Vice Chairmen of the Board, who shall have the powers and perform the duties of Vice Presidents of the Corporation and shall have such additional powers and perform such additional duties as are from time to time assigned to them by the Board of Directors, the Chairman of the Board, the President, or any committee appointed by the Board of Directors.

SECTION 4.05. VICE PRESIDENTS. The Vice President or Vice Presidents, at the request of the chief executive officer or the President, or in the President's absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors, or any committee appointed by the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors or such committee, the chief executive officer, or the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties or exercise any of such functions. The Vice President or Vice Presidents shall have such other powers and perform such other duties, and have such additional descriptive designations in their titles (if any), as are from time to time assigned to them by the Board of Directors, the chief executive officer, or the President.

SECTION 4.06 SECRETARY. The Secretary shall keep the minutes of the meetings of the stockholders, of the Board of Directors and of any committees of the Board of Directors, in books provided for the purpose; shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; shall be custodian of the records of the Corporation; may witness any document on behalf of the Corporation, the execution of which is duly authorized, see that the corporate seal is affixed where such document is required or desired to be under its seal, and, when so affixed, may attest the same; and, in general, shall perform all duties incident to the office of a secretary of a corporation, and such other duties as are from time to time assigned by the Board of Directors, the chief executive officer, the President, or any committee appointed by the Board of Directors.

SECTION 4.07. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; in the absence of designation shall serve as the Corporation's principal accounting officer and shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and, in general, shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as are from time to time assigned by the Board of Directors, the chief executive officer, the President, or any committee appointed by the Board of Directors.

SECTION 4.08. ASSISTANT AND SUBORDINATE OFFICERS. The assistant and subordinate officers of the Corporation are all officers below the offices of Vice President, Secretary, and Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors, the chief executive officer, the President, any committee appointed by the Board of Directors, or any committee appointed by a committee appointed by the Board of Directors.

SECTION 4.9. ELECTION, TENURE AND REMOVAL OF OFFICERS. The Board of Directors shall elect the officers. The Board of Directors may from time to time authorize any committee appointed by the Board, the president, or the chief executive officer, to appoint vice presidents and assistant and subordinate officers. Any committee appointed by the Board of Directors may delegate its power to appoint assistant and subordinate officers to one or more other committees of officers. The President serves for one year. All other officers shall be appointed to hold their offices, respectively, during the pleasure of the Board. The Board of Directors (or, as to any vice president or assistant or subordinate officer, any committee appointed by the Board of Directors, or any officer authorized by the Board) may remove an officer at any time. The removal of an officer does not prejudice any of the former officer's contract rights. The Board of Directors (or, as to any assistant or subordinate officer, any committee appointed by the Board of Directors or any committee appointed by a committee appointed by the Board of Directors or officer authorized by the Board) may fill a vacancy which occurs in any office for the unexpired portion of the term.

SECTION 4.10. COMPENSATION. The Board of Directors shall have power to fix the salaries and other compensation and remuneration, of whatever kind, of all officers of the Corporation. It may authorize one or more committees comprised of directors or officers to fix the salaries, compensation, and remuneration of the officers of the Corporation. Any committee appointed by the Board of Directors may fix, or authorize one or more other committees to fix, the salaries, compensation, and remuneration of the vice presidents and assistant and subordinate officers.

ARTICLE V.

STOCK

SECTION 5.01. CERTIFICATES FOR STOCK. The Board of Directors may determine to issue certificated or uncertificated shares of capital stock and other securities of the Corporation. For certificated stock, each stockholder is entitled to certificates which represent and certify the shares of stock he holds in the Corporation. Each stock certificate shall include on its face the name of the corporation that issues it, the name of the stockholder or other person to whom it is issued, and the class of stock and number of shares it represents. It shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each stock certificate shall be signed by the Chairman of the Board, the President, or a Vice President, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued.

SECTION 5.02. TRANSFERS. The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

SECTION 5.03. RECORD DATE AND CLOSING OF TRANSFER BOOKS. The Board of Directors may set a record date or direct that the stock transfer books be closed for a stated period for the purpose of making any proper determination with respect to stockholders, including which stockholders are entitled to notice of a meeting, vote at a meeting, receive a dividend, or be allotted other rights. The record date may not be more than 90 days before the date on which the action requiring the determination will be taken; the transfer books may not be closed for a period longer than 20 days; and, in the case of a meeting of stockholders, the record date or the closing of the transfer books shall be at least ten days before the date of the meeting.

SECTION 5.04. STOCK LEDGER. The Corporation shall maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. The stock ledger may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the offices of a transfer agent for the particular class of stock, or, if none, at the principal office in the State of Maryland or the principal executive offices of the Corporation.

SECTION 5.05. CERTIFICATION OF BENEFICIAL OWNERS. The Board of Directors may adopt by resolution a procedure by which a stockholder of the Corporation may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may certify; the purpose for which the certification may be made; the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board considers necessary or desirable. On receipt of a certification which complies with the procedure adopted by the Board in accordance with this Section, the person specified in the certification is, for the purpose set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

SECTION 5.06. LOST STOCK CERTIFICATES. The Board of Directors of the Corporation may determine the conditions for issuing a new stock certificate in place of one which is alleged to have been lost, stolen, or destroyed, or the Board of Directors may delegate such power to any officer or officers of the Corporation. In their discretion, the Board of Directors or such officer or officers may refuse to issue such new certificate save upon the order of some court having jurisdiction in the premises.

ARTICLE VI.

FINANCE

SECTION 6.01. CHECKS, DRAFTS, ETC. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Corporation, shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President, the Treasurer or an Assistant Treasurer, a Vice President or an Assistant Vice President.

SECTION 6.02. ANNUAL STATEMENT OF AFFAIRS. The President shall prepare annually a full and correct statement of the affairs of the Corporation, to include a balance sheet and a financial statement of operations for the preceding fiscal year. The statement of affairs shall be submitted at the Annual Meeting of the stockholders and, within 20 days after the meeting, placed on file at the Corporation's principal office.

SECTION 6.03. FISCAL YEAR. The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

SECTION 6.04. DIVIDENDS. If declared by the Board of Directors at any meeting thereof, the Corporation may pay dividends on its shares in cash, property, or in shares of the capital stock of the Corporation, unless such dividend is contrary to law or to a restriction contained in the Charter.

ARTICLE VII.

SUNDRY PROVISIONS

SECTION 7.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of a Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of the By-Laws shall be kept at the principal office of the Corporation.

SECTION 7.02. CORPORATE SEAL. The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "Seal" adjacent to the signature of the person authorized to sign the document on behalf of the Corporation.

SECTION 7.03. BONDS. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 7.04. VOTING UPON SHARES IN OTHER CORPORATIONS. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the President, a Vice President, or a proxy appointed by any of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

SECTION 7.05. MAIL. Any notice or other document which is required by these By-Laws to be mailed shall be deposited in the United States mails, postage prepaid.

SECTION 7.06. EXECUTION OF DOCUMENTS. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

SECTION 7.07. AMENDMENTS. Subject to the special provisions of Section 2.02,(a) any and all provisions of these By-Laws may be altered or repealed and new by-laws may be adopted at any annual meeting of the stockholders, or at any special meeting called for that purpose, and (b) the Board of Directors shall have the power, at any regular or special meeting thereof, to make and adopt new by-laws, or to amend, alter or repeal any of the By-Laws of the Corporation.

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EXHIBIT 21

SUBSIDIARIES OF T. ROWE PRICE GROUP, INC.
DECEMBER 31, 2002

Subsidiary companies and place of incorporation	Ownership
T. Rowe Price Advisory Services, Inc. (Maryland)	100%
T. Rowe Price Associates, Inc. (Maryland)	100%
T. Rowe Price (Canada), Inc. (Maryland)	100%
T. Rowe Price Investment Services, Inc. (Maryland)	100%
T. Rowe Price Investment Technologies, Inc. (Maryland)	100%
T. Rowe Price Retirement Plan Services, Inc. (Maryland)	100%
T. Rowe Price Savings Bank (Maryland)	100%
T. Rowe Price Services, Inc. (Maryland)	100%
T. Rowe Price Stable Asset Management, Inc. (Maryland)	100%
TRP Finance, Inc. (Delaware)	100%
T. Rowe Price International, Inc. (Maryland)	100%
TRP Suburban Second, Inc. (Maryland)	100%
T. Rowe Price Global Asset Management Ltd. (United Kingdom)	100%
T. Rowe Price Global Investment Services Ltd. (United Kingdom)	100%

Other subsidiaries have been omitted because, when considered in the aggregate,
they do not constitute a significant subsidiary.

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
T. Rowe Price Group, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (No. 033-07012, No. 033-37573, No. 033-72568, No. 033-58749, No. 333-20333, No. 333-90967 and No. 333-59714) of T. Rowe Price Group, Inc. of our report dated January 30, 2003, with respect to the consolidated balance sheets of T. Rowe Price Group, Inc. and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of income, cash flows, and stockholders' equity for the years then ended, which report appears in the December 31, 2002, annual report on Form 10-K of T. Rowe Price Group, Inc. Our report refers to the adoption of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, by T. Rowe Price Group, Inc. effective January 1, 2002.

/s/ KPMG LLP

Baltimore, Maryland
March 4, 2003

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 033-07012, No. 033-37573, No. 033-72568, No. 033-58749, No. 333-20333, No. 333-90967, and No. 333-59714) of T. Rowe Price Group, Inc. of our report dated January 23, 2001 appearing on page 25 of this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland
March 4, 2003

EXHIBIT 99.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, George A. Roche, Chairman and President of T. Rowe Price Group, Inc., certify, to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the year ended December 31, 2002 of T. Rowe Price Group, Inc. that:

(1) The Annual Report on Form 10-K fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained and incorporated by reference in the Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

/s/ George A. Roche
March 4, 2003

EXHIBIT 99.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, Cristina Wasiak, Vice President and Chief Financial Officer of T. Rowe Price Group, Inc., certify, to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the year ended December 31, 2002 of T. Rowe Price Group, Inc. that:

(1) The Annual Report on Form 10-K fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained and incorporated by reference in the Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

/s/ Cristina Wasiak
March 4, 2003