

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

FORM 10-Q

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

For the quarterly period ended: SEPTEMBER 30, 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.

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

Indicate the number of shares outstanding of the issuer's common stock (\$.20 par
value), as of the latest practicable date. 122,379,046 SHARES AT OCTOBER 29,
2002.

Exhibit index is at Item 6(a) on page 13.

PART I. FINANCIAL INFORMATION.

ITEM 1. FINANCIAL STATEMENTS.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	12/31/01	09/30/02
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 79,741	\$ 123,416
Accounts receivable (Note 5)	104,001	97,861
Investments in sponsored mutual funds	123,247	117,091
Debt securities held by savings bank subsidiary	30,961	87,480
Property and equipment	241,825	221,093
Goodwill (Note 4)	665,692	665,692
Other assets	67,648	63,305
	-----	-----
	<u>\$1,313,115</u>	<u>\$1,375,938</u>
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$ 42,782	\$ 38,254
Accrued compensation and related costs	43,498	85,881
Dividends payable	19,699	19,587
Customer deposits at savings bank subsidiary	25,422	75,347
Debt and accrued interest (Note 2)	103,889	56,561
	-----	-----
Total liabilities	235,290	275,630
	-----	-----
Commitments and contingent liabilities		
Stockholders' equity		
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 122,323,723 shares in 2002 (Note 3)	24,618	24,465
Additional capital in excess of par value	67,965	76,457
Retained earnings	973,472	996,253
Accumulated other comprehensive income	11,770	3,133
	-----	-----
Total stockholders' equity	1,077,825	1,100,308
	-----	-----
	<u>\$1,313,115</u>	<u>\$1,375,938</u>
	=====	=====

See the accompanying notes to the condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per-share amounts)

	Three months ended		Nine months ended	
	09/30/01	09/30/02	09/30/01	09/30/02
Revenues (Note 5)				
Investment advisory fees	\$ 189,289	\$ 168,622	\$ 588,265	\$ 546,873
Administrative fees	51,161	52,718	166,999	156,430
Investment income (loss)	3,168	(1,044)	30,966	(4,735)
	<u>243,618</u>	<u>220,296</u>	<u>786,230</u>	<u>698,568</u>
Expenses				
Compensation and related costs	91,219	88,621	292,076	273,700
Advertising and promotion	10,315	10,766	47,437	42,113
Occupancy and equipment	27,952	27,826	89,419	84,285
Goodwill amortization (Note 4)	7,230	--	21,690	--
Interest expense (Note 2)	2,438	1,337	11,256	3,607
Other operating expenses	19,208	21,416	69,810	55,735
	<u>158,362</u>	<u>149,966</u>	<u>531,688</u>	<u>459,440</u>
Income before income taxes and minority interests	85,256	70,330	254,542	239,128
Provision for income taxes	34,858	27,120	104,037	91,040
Income from consolidated companies	50,398	43,210	150,505	148,088
Minority interests in consolidated subsidiaries	--	--	(357)	--
Net income (Note 4)	<u>\$ 50,398</u>	<u>\$ 43,210</u>	<u>\$ 150,862</u>	<u>\$ 148,088</u>
Basic earnings per share (Note 4)	<u>\$.41</u>	<u>\$.35</u>	<u>\$ 1.23</u>	<u>\$ 1.20</u>
Diluted earnings per share (Note 4)	<u>\$.39</u>	<u>\$.34</u>	<u>\$ 1.17</u>	<u>\$ 1.15</u>
Dividends declared per share	<u>\$.15</u>	<u>\$.16</u>	<u>\$.45</u>	<u>\$.48</u>
Weighted average shares - Outstanding	<u>123,283</u>	<u>122,396</u>	<u>123,041</u>	<u>123,017</u>
Assuming dilution	<u>129,284</u>	<u>126,051</u>	<u>129,272</u>	<u>128,291</u>

See the accompanying notes to the condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine months ended	
	09/30/01	09/30/02
Cash flows from operating activities		
Net income	\$ 150,862	\$ 148,088
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	38,440	38,454
Amortization of goodwill	21,690	--
Other changes in assets and liabilities	101,336	69,428
Net cash provided by operating activities	312,328	255,970
Cash flows from investing activities		
Investments in sponsored mutual funds	(32,568)	(11,883)
Dispositions of sponsored mutual funds	84,927	--
Increase in debt securities held by savings bank subsidiary	(12,095)	(54,861)
Additions to property and equipment	(37,148)	(19,519)
Other investment activity	(6,015)	1,582
Net cash used in investing activities	(2,899)	(84,681)
Cash flows from financing activities		
Repurchases of common shares	(6,221)	(91,916)
Stock options exercised	10,770	21,872
Debt principal repaid	(170,000)	(48,366)
Dividends paid to stockholders	(55,289)	(59,129)
Savings bank subsidiary deposits	11,911	49,925
Net cash used in financing activities	(208,829)	(127,614)
Cash and cash equivalents		
Net increase during period	100,600	43,675
At beginning of year	80,526	79,741
At end of period	\$ 181,126	\$ 123,416

See the accompanying notes to the condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common stock	Addi- tional capital in excess of par value	Retained earnings	Accumu- lated other compre- hensive income	Total stock- holders' equity
	-----	-----	-----	-----	-----
	(in thousands)				
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			148,088		
Change in unrealized security holding gains, including (\$6,024) for the third quarter				(8,637)	
Total comprehensive income					139,451
1,884,928 common shares issued under stock-based compensation plans	377	32,487	(2)		32,862
2,650,000 common shares repurchased	(530)	(23,995)	(66,288)		(90,813)
Dividends declared			(59,017)		(59,017)
	-----	-----	-----	-----	-----
Balance at September 30, 2002, 122,323,723 common shares	\$ 24,465	\$ 76,457	\$ 996,253	\$ 3,133	\$ 1,100,308
	=====	=====	=====	=====	=====

See the accompanying notes to the condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE COMPANY AND BASIS OF PREPARATION.

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.

These unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of our results for the interim periods presented. All such adjustments are of a normal recurring nature.

The unaudited interim financial information contained in these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in our 2001 Annual Report.

NOTE 2 - DEBT.

On April 2, 2002, the interest rate on the balance owed on our yen-denominated debt of 1,628,550,000 yen (\$13,377,000) was reset to 1.06% for the next twelve months.

On July 15, 2002, we reduced our dollar-denominated debt by \$2 million to \$43 million. The debt bears interest at an annual rate of approximately 2.15% for the fourth quarter.

NOTE 3 - COMMON STOCK.

During the first four days of October 2002, we repurchased an additional 100,000 common shares at an aggregate price of \$2,440,000.

On July 30, 2002, we granted options to acquire 3,890,500 of our common shares to certain of our officers and employees at a price of \$27.34.

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES.

On January 1, 2002, we adopted the provisions of a new financial accounting standard and ceased the amortization of goodwill. We have completed our testing of goodwill balances and no impairment of goodwill presently exists. We operate in one reportable business segment - that of the investment advisory business - and all goodwill is attributed to that segment. The following information reconciles reported net income and earnings per share to adjusted net income and earnings per share, excluding the goodwill amortization previously recognized.

	Three months ended		Nine months ended	
	09/30/01	09/30/02	09/30/01	09/30/02
Reported net income (in thousands)	\$ 50,398	\$ 43,210	\$ 150,862	\$ 148,088
Add back goodwill amortization (in thousands)	7,230	--	21,690	--
Adjusted net income (in thousands)	\$ 57,628	\$ 43,210	\$ 172,552	\$ 148,088
Basic earnings per share				
Reported net income	\$.41	\$.35	\$ 1.23	\$ 1.20
Goodwill amortization	.06	--	.17	--
Adjusted net income	\$.47	\$.35	\$ 1.40	\$ 1.20
Diluted earnings per share				
Reported net income	\$.39	\$.34	\$ 1.17	\$ 1.15
Goodwill amortization	.06	--	.16	--
Adjusted net income	\$.45	\$.34	\$ 1.33	\$ 1.15

NOTE 5 - INFORMATION ABOUT REVENUES AND SERVICES.

Revenues (in thousands) from advisory services provided under agreements with sponsored U.S. mutual funds and other investment clients for the nine months ended September 30 include:

	2001	2002
Sponsored U.S. mutual funds		
Stock and blended		
Domestic	\$280,657	\$264,630
International	74,869	53,965
Bond and money market	72,422	78,824
	427,948	397,419
Other portfolios	160,317	149,454
Total investment advisory fees	\$588,265	\$546,873

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

	Average during first 9 months			
	2001	2002	12/31/01	09/30/02
Sponsored U.S. mutual funds				
Stock and blended				
Domestic	\$ 63.5	\$ 59.4	\$ 63.5	\$ 48.3
International	13.9	9.9	11.0	7.7
Bond and money market	22.7	24.5	23.5	26.0
	100.1	93.8	98.0	82.0
Other portfolios	56.7	56.4	58.3	49.6
	\$156.8	\$150.2	\$156.3	\$131.6

Fees for advisory-related administrative services provided to our sponsored mutual funds were \$131,012,000 and \$117,126,000 for the first nine months of 2001 and 2002, respectively. Accounts receivable from the mutual funds aggregate \$57,972,000 at December 31, 2001 and \$51,784,000 at September 30, 2002.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the condensed consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries as of September 30, 2002, the related condensed consolidated statements of income for the three- and nine-month periods ended September 30, 2002 and 2001, the related condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2002 and 2001, and the related statement of stockholders' equity for the nine-month period ended September 30, 2002. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2001, and the related consolidated statements of income, cash flows, and stockholders' equity for the year then ended (not presented herein); and in our report dated January 24, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2001, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

Baltimore, Maryland
October 24, 2002

ITEM 2. 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.

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 \$131.6 billion at September 30, 2002, including \$85.7 billion in equity securities and \$45.9 billion in bond and money market investments. Lower financial market valuations have more than offset our net investor inflows thus far in 2002. Assets under management have decreased almost 16% or \$24.7 billion since the beginning of 2002.

Investors outside the United States now account for almost 2% of our assets under management. Our expenditures to attract new assets under management and broaden our investor base may be significant and will precede revenues from any new investment advisory clients that we may obtain.

RESULTS OF OPERATIONS.

THREE MONTHS ENDED SEPTEMBER 30, 2002 VERSUS 2001. Net income decreased \$7.2 million, or 14%, to \$43.2 million, and diluted earnings per share decreased from \$.39 to \$.34. With the adoption of a new accounting standard 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, adjusted net income for the comparable 2001 period was \$57.6 million and adjusted diluted earnings per share was \$.45. Total revenues declined \$23.3 million, or 9.6%, to nearly \$220.3 million.

Investment advisory revenues earned from the T. Rowe Price mutual funds decreased \$15.4 million as average fund assets under management were \$86.6 billion during the 2002 quarter, \$9.3 billion less than in the 2001 period. Weakness in financial market valuations that began in early 2000 have continued now for more than two years. During the third quarter of 2002, valuations fell to levels last seen in the first half of 1997. Mutual fund assets ended September 2002 at \$82.0 billion, down \$11.1 billion from June 30, 2002 and \$15.4 billion from the second quarter 2002 average. The Price funds had \$583 million of net cash inflows during the third quarter of 2002; however, market depreciation, net of income and dividends paid but not reinvested, more than offset the inflows and reduced fund assets \$11.6 billion in the 2002 quarter. Money market and bond funds had net investor subscriptions of \$984 million while net stock fund outflows of \$401 million were split between the international and domestic funds.

Investment advisory revenues earned from other investment portfolios that we manage were down almost \$5.3 million, primarily as the result of lower portfolio valuations. While these portfolios had net cash inflows of \$179 million during the 2002 quarter, lower market valuations decreased these

assets \$6.3 billion to \$49.6 billion at September 30, 2002. Performance-based fees from our managed venture capital distributions service were down \$1.7 million from the 2001 quarter. Market conditions affecting these investments vary significantly over time, and during the third quarter 2002 were unfavorable.

Administrative revenues increased \$1.6 million versus the 2001 quarter but were primarily offset by similar increases in the costs of providing the related services.

A net investment loss of \$1.0 million in the 2002 quarter compares with investment income of \$3.2 million during the third quarter last year. The \$2.3 million of losses on our mutual fund holdings that we recognized during this year's third quarter more than offset our investment income. Our mutual fund investment holdings at September 30, 2002 include an aggregate net gain, before income taxes, of \$2.6 million and is included in stockholders' equity within accumulated other comprehensive income. The net gain comprises aggregate gains of \$12.1 million and aggregate losses of \$9.5 million. All individual mutual fund holding losses that have not been recognized in our income statement at September 30, 2002 arose subsequent to the first quarter of 2002 and are considered temporary. Many have already been diminished by fourth quarter market valuation increases.

Operating expenses have been reduced \$8.4 million, or 5.3%, from \$158.4 million in the third quarter of 2001 to \$150.0 million in the comparable 2002 quarter. Our largest expense, compensation and related costs, decreased 2.8%, or \$2.6 million, from the 2001 quarter. Attrition and a late 2001 reduction have reduced our staff 5.6% from 3,884 as of June 30, 2001 to 3,668 associates at September 30, 2002. Advertising and promotion expenditures were up less than \$0.5 million to \$10.8 million. In light of the early fourth quarter financial market rebound and our seasonal advertising pattern, we plan to increase advertising and promotion expenditures in the fourth quarter and expect our spending to be comparable to or slightly exceed that of last year's final quarter.

The elimination of the amortization of goodwill and lower interest expense on our remaining debt account for \$7.2 million and \$1.6 million, respectively, of the decrease in our 2002 operating expenses. Other operating expenses for the quarter increased \$2.2 million versus the third quarter of last year primarily as the result of increased spending for professional services associated with initiatives within our operations and technology groups.

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.

NINE MONTHS ENDED SEPTEMBER 30, 2002 VERSUS 2001. Net income decreased \$2.8 million, or 1.8%, to \$148.1 million, and diluted earnings per share fell \$.02 to \$1.15. After excluding the 2001 amortization of goodwill, adjusted net income for the comparable 2001 period was \$172.6 million and adjusted diluted earnings per share was \$1.33. Total revenues declined 11% from \$786 million to \$699 million.

Investment advisory revenues earned from the T. Rowe Price mutual funds decreased \$30.5 million as average fund assets under management were \$93.8 billion during the 2002 period, \$6.3 billion less than in the 2001 period.

The Price funds had \$3 billion of net cash inflows during the 2002 period; however, market depreciation, net of income and dividends paid but not reinvested, more than offset the inflows and reduced fund assets \$19 billion in the first nine months of 2002. Domestic stock funds had net investor subscriptions of nearly \$2.3 billion and fixed income fund investors added another \$1.6 billion. Net outflows of more than \$900 million occurred from the international stock funds.

Investment advisory revenues earned from other investment portfolios that we manage were down \$10.9 million, including \$3.8 million which is attributable to lower performance-based fees. These portfolios had net cash inflows of \$1.2 billion in the first nine months of 2002, while lower market valuations decreased these assets \$9.9 billion.

Net investment losses of \$4.7 million in the 2002 period compare with investment income of \$31.0 million during the comparable 2001 period when we recognized \$18.7 million of gain on the disposition of available-for-sale mutual fund investments and had \$3.4 million more of interest income on larger cash positions in a higher interest rate environment. The 2001 results also include a \$4.6 million gain on investment partnerships that held distressed debt securities. Thus far in 2002, we have neither sold any of our available-for-sale fund investments nor have we recognized any similar gain on our partnership investments. Instead, our investment losses in the first nine months of 2002 have more than offset our investment income. Our losses include \$1.0 million from exchange rate fluctuations on our yen debt, valuation decreases of \$2.7 million on private equity investments, a \$2.1 million loss on our investments in sponsored collateralized bond obligations, and impairments recognized on our mutual fund investments of \$3.1 million.

Operating expenses have been reduced more than \$72 million, or 13.6%, from \$531.7 million to \$459.4 million in 2002. Compensation and related costs are our largest expense and we decreased them 6.3%, or \$18.4 million, from the 2001 period. In addition to our lower staff size, we have significantly reduced our use of temporary personnel in the technology operations group. We reduced our advertising and promotion expenditures \$5.3 million in the first nine months of 2002 in light of the weak financial market conditions. The elimination of the amortization of goodwill and lower interest expense on our remaining acquisition indebtedness account for \$21.7 million and \$8.4 million, respectively, of our lower 2002 operating expenses. Occupancy and equipment costs and other operating expenses decreased \$5.1 million and \$14.1 million, respectively, versus the same period last year. These reductions primarily reflect the 2001 completion of several technology initiatives and the international infrastructure transition.

CAPITAL RESOURCES AND LIQUIDITY.

During the first nine months of 2002, we repaid \$48 million of our debt and expended \$92 million in the repurchase of our common shares. In October 2002, we repurchased an additional \$2 million of our common stock. These cash outflows were funded by existing cash balances, proceeds of \$21.9 million from exercises of our stock options and cash provided by our operating activities.

FORWARD-LOOKING INFORMATION.

From time to time, information or statements provided by or on behalf of T.

Rowe Price, including those within this Quarterly Report on Form 10-Q, 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 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 operating results are also dependent upon the level of our operating 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 compensation expense due to, among other things, performance-based 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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Except that equity and currency market fluctuations have resulted in losses as discussed in Item 2 of this Form 10-Q, there has been no material change since December 31, 2001 in the information provided in Item 7A of the 2001 Form 10-K Annual Report.

ITEM 4. CONTROLS AND PROCEDURES.

Within the 90-day period prior to the filing date of this Form 10-Q Quarterly 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 II. OTHER INFORMATION.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) The following exhibits required to be filed by Item 601 of Regulation S-K are filed herewith and incorporated by reference herein.

- 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 September 5, 2002. (Incorporated by reference from Form 8-K of September 5, 2002; Accession No. 0000950133-02-003328.)
- 4 \$500,000,000 Five-Year Credit Agreement among T. Rowe Price Associates, Inc., the several lenders, and JPMorgan Chase 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.)
- 15 Letter from KPMG LLP, independent accountants, re unaudited interim financial information.
- 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 the Amended and Restated By-Laws of T. Rowe Price Group. The amended and restated by-laws change the notice provisions for proposals by stockholders concerning business to be transacted at future annual stockholder meetings. (Accession No. 0000950133-02-003328.)

SIGNATURES.

Pursuant to the requirements 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 October 30, 2002.

T. Rowe Price Group, Inc.

/s/ George A. Roche
Chairman & President

/s/ Cristina Wasiak
Vice President and Chief Financial Officer

/s/ Joseph P. Croteau
Vice President & Treasurer (Chief Accounting Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER.

I, George A. Roche, certify that:

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

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

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 we 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 quarterly 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 quarterly report (the "Evaluation Date"); and

c) presented in this quarterly 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 quarterly report whether or not 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

October 30, 2002

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER.

I, Cristina Wasiak, certify that:

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

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

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 we 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 quarterly 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 quarterly report (the "Evaluation Date"); and

c) presented in this quarterly 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 quarterly report whether or not 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

October 30, 2002

EXHIBIT 15

T. Rowe Price Group, Inc.
100 East Pratt Street
Baltimore, MD 21202

Re: 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.

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated October 24, 2002 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an accountant, or a report prepared or certified by an accountant within the meaning of sections 7 and 11 of the Act.

/s/ KPMG LLP

Baltimore, Maryland
October 30, 2002

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 Quarterly Report on Form 10-Q for the period ended September 30, 2002 of T. Rowe Price Group, Inc. that:

- (1) The Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

/s/ George A. Roche

October 30, 2002

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 & Chief Financial Officer of T. Rowe Price Group, Inc., certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended September 30, 2002 of T. Rowe Price Group, Inc. that:

(1) The Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

/s/ Cristina Wasiak

October 30, 2002