

PRICE T ROWE GROUP INC
Form 10-Q
July 24, 2013

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 June 30, 2013
Commission File Number: 000-32191

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

Maryland	52-2264646
(State of incorporation)	(I.R.S. Employer Identification No.)
100 East Pratt Street, Baltimore, Maryland 21202	
(Address, including Zip Code, of principal executive offices)	
(410) 345-2000	
(Registrant's telephone number, including area code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

The number of shares outstanding of the issuer's common stock (\$.20 par value), as of the latest practicable date, July 22, 2013, is 260,135,366.

The exhibit index is at Item 6 on page 24.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share data)

	12/31/2012	6/30/2013
ASSETS		
Cash and cash equivalents	\$879.1	\$1,455.9
Accounts receivable and accrued revenue	353.9	366.5
Investments in sponsored funds	1,140.1	1,195.4
Debt securities held by savings bank subsidiary	136.0	127.4
Other investments	304.7	319.0
Property and equipment	561.0	558.7
Goodwill	665.7	665.7
Other assets	162.3	110.3
Total assets	\$4,202.8	\$4,798.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$89.7	\$114.4
Accrued compensation and related costs	90.8	211.8
Income taxes payable	21.5	17.6
Customer deposits at savings bank subsidiary	154.7	144.6
Total liabilities	356.7	488.4
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 750,000,000; issued 257,018,000 shares in 2012 and 260,055,000 in 2013	51.4	52.0
Additional capital in excess of par value	631.0	796.3
Retained earnings	3,031.8	3,323.8
Accumulated other comprehensive income	131.9	138.4
Total stockholders' equity	3,846.1	4,310.5
Total liabilities and stockholders' equity	\$4,202.8	\$4,798.9

The accompanying notes are an integral part of these statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per-share amounts)

	Three months ended		Six months ended	
	6/30/2012	6/30/2013	6/30/2012	6/30/2013
Revenues				
Investment advisory fees	\$630.0	\$739.7	\$1,253.0	\$1,442.6
Administrative fees	82.7	86.4	165.6	172.7
Distribution and servicing fees	23.7	28.1	45.9	54.3
Net revenue of savings bank subsidiary	.4	.1	1.0	.4
Net revenues	736.8	854.3	1,465.5	1,670.0
Operating expenses				
Compensation and related costs	261.5	288.3	522.2	567.4
Advertising and promotion	19.8	19.2	45.6	44.5
Distribution and servicing costs	23.7	28.1	45.9	54.3
Depreciation and amortization of property and equipment	19.9	21.9	39.0	43.4
Occupancy and facility costs	31.4	35.1	61.5	68.1
Other operating expenses	52.5	62.9	107.1	120.9
Total operating expenses	408.8	455.5	821.3	898.6
Net operating income	328.0	398.8	644.2	771.4
Non-operating investment income	7.4	1.4	12.5	19.7
Income before income taxes	335.4	400.2	656.7	791.1
Provision for income taxes	128.6	152.4	252.4	301.4
Net income	\$206.8	\$247.8	\$404.3	\$489.7
Earnings per share on common stock				
Basic	\$.81	\$.95	\$1.59	\$1.89
Diluted	\$.79	\$.92	\$1.54	\$1.83