SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)*
X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2002 or

___ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _________ to _________

0-10200
(Commission File Number)

SEI INVESTMENTS COMPANY
(Exact name of registrant as specified in its charter)

Pennsylvania	23-1707341
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

1 Freedom Valley Drive, Oaks, Pennsylvania 19456-1100
(Address of principal executive offices)
(Zip Code)

(610) 676-1000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No___

*APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes___ No___

*APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of October 31, 2002: 106,050,567 shares of common stock, par value $.01 per share.

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

SEI Investments Company
Consolidated Balance Sheets
(unaudited)
(In thousands)

<TABLE>
<CAPTION>

	September 30, 2002	December 31, 2001
<S>	<C>	<C>
Assets		
Current Assets:		
Cash and cash equivalents	$ 162,074	$ 163,685

Restricted cash	10,000	10,000
Receivables from regulated investment companies	21,371	25,550
Receivables, net of allowance for doubtful accounts of $1,700	61,289	56,327
Deferred income taxes	3,736	4,459
Prepaid expenses and other current assets	5,737	6,121
Total Current Assets	264,207	266,142
Property and Equipment, net of accumulated depreciation and amortization of $107,123 and $95,104	104,286	95,804
Capitalized Software, net of accumulated amortization of $14,770 and $13,469	12,153	11,055
Investments Available for Sale	64,317	66,332
Other Assets, net	22,525	21,583
Total Assets	$ 467,488	$ 460,916

</TABLE>

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

SEI Investments Company
Consolidated Balance Sheets
(unaudited)
(In thousands, except par value)

<TABLE>
<CAPTION>

<S>	September 30, 2002 <C>	December 31, 2001 <C>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current portion of long-term debt	$ 9,556	$ 7,556
Accounts payable	2,584	4,977
Accrued expenses	125,204	128,408
Deferred revenue	1,153	3,402
Total Current Liabilities	138,497	144,343
Long-term Debt	34,889	43,055
Deferred Income Taxes	4,215	2,925
Shareholders' Equity:		
Common stock, $.01 par value, 750,000 shares authorized; 106,808 and 109,180 shares issued and outstanding	1,068	1,092
Capital in excess of par value	205,438	186,390
Retained earnings	86,740	85,085
Accumulated other comprehensive losses	(3,359)	(1,974)
Total Shareholders' Equity	289,887	270,593
Total Liabilities and Shareholders' Equity	$ 467,488	$ 460,916

</TABLE>

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

SEI Investments Company
Consolidated Statements of Income
(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

		Three Months Ended September 30, 2002		Three Months Ended September 30, 2001
Revenues		$ 153,316		$ 163,403
Expenses:				
Operating and development		61,957		72,357
Sales and marketing		32,940		38,530
General and administrative		5,779		5,887
Income from operations		52,640		46,629
Equity in the earnings of unconsolidated affiliate		2,861		2,637
Net gain on investments		574		--
Interest income		1,303		1,887
Interest expense		(663)		(532)
Income before income taxes		56,715		50,621
Income taxes		20,984		18,730
Net income		35,731		31,891
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments		(202)		(112)
Unrealized holding loss on investments:				
Unrealized holding losses during the period, net of income tax benefit of $1,600 and $468	(2,792)		(797)	
Less: reclassification adjustment for losses included in net income, net of income tax expense of $1,016 and $0	1,730	(1,062)	--	(797)
Other comprehensive loss		(1,264)		(909)
Comprehensive income		$ 34,467		$ 30,982
Basic earnings per common share		$ .33		$ .29
Diluted earnings per common share		$ .32		$ .28
Dividends declared per common share		$ .00		$ .00

</TABLE>

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

SEI Investments Company
Consolidated Statements of Income
(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

Nine Months

		Ended September 30,		
		2002		2001
<S>	<C>	<C>	<C>	<C>
Revenues		$ 471,382		$ 493,184
Expenses:				
Operating and development		198,880		225,700
Sales and marketing		99,033		115,921
General and administrative		17,460		17,391
Income from operations		156,009		134,172
Equity in the earnings of unconsolidated affiliate		8,643		7,429
Net gain on investment		574		--
Interest income		3,847		5,677
Interest expense		(1,628)		(1,616)
Income before income taxes		167,445		145,662
Income taxes		61,954		53,895
Net income		105,491		91,767
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		656		(365)
Unrealized holding loss on investments:				
Unrealized holding losses during the period net of income tax benefit of $2,240 and $392	(3,771)		(668)	
Less: reclassification adjustment for losses included in net income, net of income tax expense of $1,016 and $0	1,730	(2,041)	--	(668)
Other comprehensive loss		(1,385)		(1,033)
Comprehensive income		$ 104,106		$ 90,734
Basic earnings per common share		$ .97		$ .84
Diluted earnings per common share		$ .93		$ .80
Dividends declared per common share		$ .11		$ .09

</TABLE>

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

SEI Investments Company
Consolidated Statements of Cash Flows
(unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,	
	2002	2001
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 105,491	$ 91,767
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,614	14,527
Undistributed equity in the earnings of unconsolidated affiliate	(1,896)	(714)
Tax benefit on stock options exercised	15,188	25,473
Other	(736)	(1,156)
Change in current assets and liabilities:		
Decrease (increase) in		

Receivables from regulated investment companies	4,179	1,855
Receivables	(4,523)	(17,136)
Prepaid expenses and other current assets	425	(1,746)
Increase (decrease) in		
Accounts payable	(2,393)	(1,859)
Accrued expenses	1,100	26,549
Deferred revenue	(2,249)	(10,516)
Net cash provided by operating activities	128,200	127,044
Cash flows from investing activities:		
Additions to property and equipment	(20,944)	(27,176)
Additions to capitalized software	(2,399)	--
Purchase of investments available for sale	(16,489)	(60,464)
Sale of investments available for sale	21,215	18,227
Other	432	(1,742)
Net cash used in investing activities	(18,185)	(71,155)
Cash flows from financing activities:		
Payment on long-term debt	(6,166)	(2,000)
Purchase and retirement of common stock	(103,639)	(96,072)
Proceeds from issuance of common stock	10,229	12,560
Borrowing on long term debt	--	25,000
Payment of dividends	(12,050)	(9,786)
Net cash used in financing activities	(111,626)	(70,298)
Net decrease in cash and cash equivalents	(1,611)	(14,409)
Cash and cash equivalents, beginning of period	163,685	147,676
Cash and cash equivalents, end of period	$ 162,074	$133,267

</TABLE>

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

SEI Investments Company
Notes to Consolidated Financial Statements
(all figures are in thousands except per share data)

Note 1. Summary of Significant Accounting Policies

Nature of Operations
SEI Investments Company (the "Company") is organized around its five primary target markets: Private Banking and Trust, Investment Advisors, Enterprises, Money Mangers, and Investments in New Businesses. Private Banking and Trust provides investment processing solutions, fund processing solutions and investment management programs to banks and private trust companies. Investment Advisors provides investment management programs and investment processing solutions to affluent investors through a network of financial intermediaries, independent investment advisors and other investment professionals. Enterprises provides retirement and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors. Money Managers provides investment solutions to U.S. investment managers, mutual fund companies and alternative investment managers worldwide. Investments in New Businesses include the Company's global asset management businesses as well as initiatives into new U.S. markets.

Summary Financial Information and Results of Operations
In the opinion of the Company, the accompanying unaudited Consolidated Financial Statements contain all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of the financial position as of September 30, 2002 and the results of operations for the three and nine months period ended September 30, 2002 and 2001, and cash flows for the nine month period ended September 30, 2002 and 2001.

Interim Financial Information
While the Company believes that the disclosures presented are adequate to make the information not misleading, these Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the Notes to the

Consolidated Financial Statements included in the Company's latest Annual Report on Form 10-K.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. The Company's principal subsidiaries are SEI Investments Distribution Company ("SIDCO"), SEI Investments Management Corporation ("SIMC"), and SEI Private Trust Company. All intercompany accounts and transactions have been eliminated. Investment in unconsolidated affiliate is accounted for using the equity method due to the Company's less than 50 percent ownership. The Company's portion of the affiliate's operating results is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income (See Note 6).

Property and Equipment

Property and equipment on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

	September 30, 2002	December 31, 2001	Estimated Useful Lives (In Years)
<S>	<C>	<C>	<C>
Equipment	$ 78,453	$ 74,809	3 to 5
Buildings	75,286	44,981	25 to 39
Land	9,345	9,345	N/A
Purchased software	20,845	18,952	3
Furniture and fixtures	15,353	14,748	3 to 5
Leasehold improvements	7,421	7,492	Lease Term
Construction in progress	4,706	20,581	N/A
	211,409	190,908	
Less: Accumulated depreciation and amortization	(107,123)	(95,104)	
Property and Equipment, net	$104,286	$ 95,804	

</TABLE>

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful life of each asset. Expenditures for renewals and betterments are capitalized, while maintenance and repairs are charged to expense when incurred.

Capitalized Software

The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS 86"). Under SFAS 86, costs incurred to create a computer software product are charged to research and development expense as incurred until technological feasibility has been established. The Company establishes technological feasibility upon completion of a detail program design. At that point, computer software costs are capitalized until the product is available for general release to customers. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life, and changes in technology. Amortization begins when the product is released. Capitalized software development costs are amortized on a product-by-product basis using the straight-line method over the estimated economic life of the product or enhancement, which is primarily three to ten years, with a weighted average remaining life of approximately 5.9 years.

In accordance with EITF 00-03 "Application of AICPA Statement of Position 97-2 to Arrangements That Include the Right to Use Software Stored on Another Entity's Hardware", the Company applies Statement of Position ("SOP") 98-1 " Accounting for the Cost of Computer Software Developed or Obtained for Internal Use," for development costs associated with software products to be provided in a hosting environment. SOP 98-1 requires that costs incurred in the preliminary project and post implementation stages of an internal software project be expensed as incurred and that certain costs incurred in the application development stage of a project be capitalized. The Company capitalized $2.4 million in software development costs in accordance with SOP 98-1 during the nine month period ending September 30, 2002.

Earnings per Share
The Company computes earnings per common share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Pursuant to SFAS 128, dual presentation of basic and diluted earnings per common share is required on the face of the statements of income for companies with complex capital structures. Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options.

<TABLE>
<CAPTION>

	For the Three month period ended September 30, 2002		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$35,731	107,936	$.33
Dilutive effect of stock options	--	3,799	
Diluted earnings per common share	$35,731	111,735	$.32

</TABLE>

<TABLE>
<CAPTION>

	For the Three month period ended September 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$31,891	108,794	$.29
Dilutive effect of stock options	--	6,030	
Diluted earnings per common share	$31,891	114,824	$.28

</TABLE>

Options to purchase 2,802 and 1,253 shares of common stock, with an average exercise price of $45.53 and $49.96, were outstanding during the third quarter of 2002 and 2001, respectively, but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock.

<TABLE>
<CAPTION>

	For the Nine month period ended September 30, 2002		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$105,491	108,988	$.97
Dilutive effect of stock options	--	4,686	
Diluted earnings per common share	$105,491	113,674	$.93

</TABLE>

<TABLE>
<CAPTION>

	For the Nine month period ended September 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$91,767	108,685	$.84
Dilutive effect of stock options	--	6,546	
Diluted earnings per common share	$91,767	115,231	$.80

</TABLE>

Options to purchase 2,802 and 1,288 shares of common stock, with an average exercise price of $45.53 and $49.73 were outstanding during the first nine months of 2002 and 2001, respectively, but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock.

Statements of Cash Flows
For purposes of the Consolidated Statements of Cash Flows, the Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Supplemental disclosures of cash paid/received during the nine month period ended September 30 is as follows:

	2002	2001
Interest paid	$ 2,318	$ 2,061
Interest and dividends received	4,010	6,046
Income taxes paid	34,210	--

Management's Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the Unites States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Comprehensive Income - The Company computes comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes standards for reporting and presentation of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements that is presented with equal prominence as other financial statements. Comprehensive income includes net income, foreign currency translation adjustments, and unrealized holding gains and losses and is presented on the accompanying Consolidated Statements of Income. Accumulated other comprehensive losses on the Consolidated Balance Sheets is the change from December 31, 2001 to September 30, 2002 as follows:

<TABLE>
<CAPTION>

	Foreign Currency Translation Adjustments	Unrealized Holding Losses on Investments	Accumulated Other Comprehensive Losses
Beginning balance (Dec. 31, 2001)	$(978)	$ (996)	$ (1,974)
Current period change	656	(2,041)	(1,385)
Ending Balance (September 30, 2002)	$(322)	$(3,037)	$ (3,359)

</TABLE>

Note 3. Receivables - Receivables on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>

<CAPTION>

	September 30, 2002	December 31, 2001
<S>	<C>	<C>
Trade receivables	$ 29,189	$ 26,415
Fees earned, not received	1,326	2,527
Fees earned, not billed	32,474	29,085
	62,989	58,027
Less: Allowance for doubtful accounts	(1,700)	(1,700)
	$ 61,289	$ 56,327

</TABLE>

Fees earned, not received represent brokerage commissions earned but not yet collected. Fees earned, not billed represent receivables earned but unbilled and result from timing differences between services provided and contractual billing schedules.

Receivables from regulated investment companies on the accompanying Consolidated Balance Sheets represent fees earned from the Company's wholly owned subsidiaries, SIDCO and SIMC, for distribution, investment advisory, and administration services provided by these subsidiaries to various regulated investment companies sponsored by the Company.

Note 4. Investments Available for Sale - Investments available for sale consist of investments in mutual funds sponsored by the Company. The Company accounts for investments in marketable securities pursuant to Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). SFAS 115 requires that debt and equity securities classified as available for sale be reported at market value. Unrealized holding gains and losses, net of income taxes, are reported as a separate component of comprehensive income. Realized gains and losses, as determined on a specific identification basis and declines in value, if any, judged to be other than temporary are reported separately on the accompanying Consolidated Statements of Income.

Investments available for sale at September 30, 2002 had an aggregate cost of $69,247 and an aggregate market value of $64,317 with gross unrealized holding losses of $4,930. At that date, the net unrealized holding losses of $3,037 (net of income tax benefit of $1,893) were included in Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

Investments available for sale at December 31, 2001 had an aggregate cost of $67,996 and an aggregate market value of $66,332 with gross unrealized holding losses of $1,664. At that date, the net unrealized holding losses of $996 (net of income tax benefit of $668) were included in Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

The Company continually evaluates the value of its investments that have experienced a decline in value that should be adjusted to its current market value. During the third quarter 2002, management determined that certain investments classified as Investments available for sale experienced a decline in value, which was considered to be other than temporary. As a result, the Company recorded a loss of $2,367 which is included in Net gain on investments on the accompanying Consolidated Statements of Operations.

Note 5. Derivative Instruments and Hedging Activities - The Company is exposed to market risk associated with its designated Investments available for sale. To provide some protection against potential market fluctuations associated with its Investments available for sale the Company has entered into various derivative financial transactions in the form of futures and equity contracts (i.e. derivatives).

The Company accounts for its derivatives in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133", ("SFAS 138").

The Company recognizes all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, the Company generally designates the derivative as a hedge of the fair value of a recognized asset. Changes in the fair value of a derivative that is designated as, and meets all the required criteria for, a fair value hedge, along with the gain or loss on the hedged asset that is attributable to the hedged risk, are recorded in current period earnings. The portion of the change in fair value of a derivative associated with hedge ineffectiveness or the component of a derivative instrument excluded from the assessment of hedge effectiveness is recorded currently in earnings. Also, changes in the entire fair value of a derivative that is not designated as a hedge are recognized immediately in earnings. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes relating all derivatives that are designated as fair value hedges to specific assets on the balance sheet.

The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values of the hedged item. If it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly

effective hedge, the Company will discontinue hedge accounting prospectively. During 2002, the Company discontinued hedge accounting prospectively for certain derivatives utilized to manage economic exposure because of hedge ineffectiveness. The Company may continue to enter into economic hedges to support certain business strategies but may not designate such derivatives as accounting hedges. Management's decision to no longer apply hedge accounting to certain derivatives as well as hedge ineffectiveness may cause volatility in quarterly earnings and equity.

At September 30, 2002, income before taxes, on the accompanying Consolidated Statements of Income include a net gain of $3,308 and $5,500 from hedge ineffectiveness for the third quarter 2002 and nine month period ended September 30, 2002, respectively.

The Company currently holds futures contracts with a notional amount of $5,107 with a financial institution for various terms. The Company also currently holds equity derivatives with a notional amount of $15,297 with a financial institution with various terms. During the nine month period ended September 30, 2002, the Company did not enter into or hold derivative financial instruments for trading purposes.

Note 6. Other Assets - Other assets on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

<S>	September 30, 2002 <C>	December 31, 2001 <C>
Investment in unconsolidated affiliate	$ 7,929	$ 6,033
Other, net	14,596	15,550
Other assets	$ 22,525	$ 21,583

</TABLE>

Other, net consists of long-term prepaid expenses, deposits and other investments carried at cost.

Investment in Unconsolidated Affiliate - LSV Asset Management ("LSV") is a partnership formed between the Company and several leading academics in the field of finance. LSV is a registered investment advisor, which provides investment advisory services to institutions, including pension plans and investment companies. LSV is currently the portfolio manager for a number of Company-sponsored mutual funds. The Company's interest in LSV was approximately 44 percent for the nine month period ending September 30, 2002 and 45 percent for the nine month period ending September 30, 2001. LSV is accounted for using the equity method of accounting due to the Company's less than 50 percent ownership. The Company's portion of LSV's net earnings is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income.

The following table contains the condensed statements of income of LSV for the three month period ending September 30:

	2002	2001
Revenues	$ 9,047	$ 7,672

Net income	$ 6,526	$ 5,682

The following table contains the condensed statements of income of LSV for the nine month period ending September 30:

	2002	2001
Revenues	$26,914	$22,360
Net income	$19,716	$16,454

The following table contains the condensed balance sheets of LSV:

	September 30, 2002	December 31, 2001
Current assets	$16,387	$ 13,394
Non-current assets	159	89
Total assets	$16,546	$ 13,483
Current liabilities	$ 1,807	$ 1,686
Partners' capital	14,739	11,797
Total liabilities and partners' capital	$16,546	$ 13,483

Note 7. Accrued Expenses - Accrued expenses on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

<S>	September 30, 2002 <C>	December 31, 2001 <C>
Accrued compensation	$ 38,687	$ 39,542
Accrued income taxes	14,645	5,871
Accrued proprietary fund services	9,261	12,463
Accrued brokerage services	9,394	8,456
Other accrued expenses	53,217	62,076
Total accrued expenses	$ 125,204	$ 128,408

</TABLE>

Note 8. Line of Credit - The Company has a line of credit agreement (the "Agreement") with a principal lending institution that provides for borrowings of up to $25,000 and expires on December 19, 2002, at which time the outstanding principal balance, if any, becomes due unless the Agreement is extended. The line of credit, when utilized, accrues interest at the Prime rate or one and one-quarter percent above the London Interbank Offer Rate (LIBOR). The Company is obligated to pay a commitment fee equal to one-quarter of one percent per annum on the average daily unused portion of the commitment. Certain covenants under the Agreement require the Company to maintain specified levels of net worth and place certain restrictions on investments. There were no borrowings on the Company's line of credit during the nine month period ending September 30, 2002 and 2001.

Note 9. Long-term Debt - On February 24, 1997, the Company signed a Note Purchase Agreement authorizing the issuance and sale of $20,000 of 7.20% Senior Notes, Series A, and $15,000 of 7.27% Senior Notes, Series B, (collectively, the "Notes") in a private offering with certain financial institutions. The Notes are unsecured with final maturities ranging from 10 to 15 years. The Company may, at its option, prepay all or part of these Notes. The prepayment amount would be 100 percent of the principal amount of the Notes, together with interest on the Notes accrued to the date of prepayment in addition to a make-whole amount. The proceeds from the Notes were used to repay the outstanding balance on the Company's line of credit at that date.

The Note Purchase Agreement, as amended, contains various covenants, including limitations on indebtedness, maintenance of minimum net worth levels, and restrictions on certain investments. In addition, the agreement limits the Company's ability to merge or consolidate,

and to sell certain assets. The Company was in compliance with all covenants under the Notes during the nine month period ending September 30, 2002.

Principal payments on the Notes are made annually from the date of issuance while interest payments are made semi-annually. The Company made its scheduled principal payment of $2,000 in February 2002. The current portion of the Notes amounted to $4,000 at September 30, 2002.

On June 26, 2001, the Company entered into a loan agreement (the "Agreement") with a separate lending institution. The Agreement provides for borrowing up to $25,000 in the form of a term loan, and expires on March 31, 2006 and is payable in seventeen equal quarterly installments. The term loan, when utilized, accrues interest at the Prime rate or one and thirty-five hundredths of one percent above the London Interbank Offer Rate (LIBOR). The Agreement contains various covenants, including limitations on indebtedness and restrictions on certain investments. None of these covenants negatively affect the Company's liquidity or capital resources. On August 2, 2001, the Company borrowed $25,000 on this term loan. The proceeds from the term loan were used to support capital improvement projects for our corporate campus and other business purposes. The Company made its scheduled principal payments of $1,389 in March, June and September of 2002. The current portion of the notes amounted to $5,556 at September 30, 2002. The Company was in compliance with all covenants during the nine month period ending September 30, 2002.

Note 10. Common Stock Buyback - The Board of Directors has authorized the purchase of the Company's common stock on the open market or through private transactions of up to an aggregate of $603,365, including an additional authorization of $50,000 on September 23, 2002. Through September 30, 2002, a total of 104,825,000 shares at an aggregate cost of $562,078 have been purchased and retired. During the three month period ended September 30, 2002, the Company purchased 2,303,000 shares at an aggregate cost of $59,559. The Company purchased 3,723,000 shares at a total cost of $103,639 during the nine month period ended September 30, 2002.

The Company immediately retires its common stock when purchased. Upon retirement, the Company reduces Capital in excess of par value for the average capital per share outstanding and the remainder is charged against Retained earnings. If the Company reduces its Retained earnings to zero, any subsequent purchases of common stock will be charged entirely to Capital in excess of par value.

The Company purchased in a privately negotiated transaction 750,000 shares for $20,340 on October 23, 2002 from an institutional investor that holds greater than 10 percent of the outstanding shares.

Note 11. Segment Information - The Company defines its business segments in accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 establishes standards for the way public business enterprises report financial information about operating segments in financial statements. SFAS 131 also requires additional disclosures about product and services, geographic areas, and major customers.

The Company's management evaluates financial performance of its operating segments based on Income from operations. Our operations and organizational structures were realigned in 2001 into separate business units that offer products and services tailored for particular market segments. Our reportable segments are Private Banking and Trust, Investment Advisors, Enterprises, Money Managers, and Investments in New Businesses. The accounting policies of the reportable segments are the same as those described in Note 1. The information in the following tables is derived from the Company's internal financial reporting used for corporate management purposes. There are no inter-segment revenues for the three and nine months period ended September 30, 2002. Management evaluates Company assets on a consolidated basis during interim periods.

The following tables highlight certain unaudited financial information about each of the Company's segments for the three months ended

September 30, 2002 and 2001.

For the Three-Month Period Ended September 30, 2002

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
Revenues	$80,510	$35,866	$13,393	$ 12,502	$ 11,045		$ 153,316
Operating income (loss)	$34,296	$20,023	$ 5,502	$ 2,118	$ (3,520)	$ (5,779)	$ 52,640
Other income, net							$ 4,075
Income before income taxes							$ 56,715
Depreciation and amortization	$ 2,736	$ 820	$ 279	$ 289	$ 345	$ 146	$ 4,615
Capital expenditures	$ 2,983	$ 986	$ 370	$ 417	$ 308	$ 283	$ 5,347

For the Three-Month Period Ended September 30, 2001

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
Revenues	$89,201	$38,841	$15,559	$ 9,682	$ 10,120		$ 163,403
Operating income (loss)	$37,562	$15,420	$ 4,366	$ 2,054	$ (6,886)	$ (5,887)	$ 46,629
Other income, net							$ 3,992
Income before income taxes							$ 50,621
Depreciation and amortization	$ 2,846	$ 938	$ 333	$ 259	$ 352	$ 183	$ 4,911

Capital expenditures	$ 5,382	$ 1,005	$ 368	$ 400	$ 636	$ 502	$ 8,293

</TABLE>

The following tables highlight certain unaudited financial information about each of the Company's segments for the nine months ended September 30, 2002 and 2001.

<TABLE>
<CAPTION>

For the Nine-Month Period Ended September 30, 2002

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 246,346	$ 113,986	$ 42,420	$ 34,103	$ 34,527		$ 471,382
Operating income (loss)	$ 101,773	$ 58,463	$ 16,682	$ 6,693	$ (10,142)	$ (17,460)	$ 156,009
Other income, net							$ 11,436
Income before income taxes							$ 167,445
Depreciation and amortization	$ 8,337	$ 2,315	$ 807	$ 783	$ 959	$ 414	$ 13,615
Capital expenditures	$ 12,693	$ 4,282	$ 1,947	$ 1,451	$ 1,741	$ 1,229	$ 23,343

</TABLE>

<TABLE>
<CAPTION>

For the Nine-Month Period Ended September 30, 2001

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 271,793	$ 115,607	$ 48,757	$ 26,154	$ 30,873		$ 493,184
Operating income (loss)	$ 106,697	$ 44,541	$ 14,839	$ 2,666	$ (17,180)	$ (17,391)	$ 134,172
Other income, net							$ 11,490
Income before income taxes							$ 145,662
Depreciation and amortization	$ 9,002	$ 2,449	$ 849	$ 706	$ 1,001	$ 520	$ 14,527
Capital expenditures	$ 19,161	$ 3,006	$ 1,102	$ 1,047	$ 1,357	$ 1,503	$ 27,176

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.
(In thousands, except asset balances and per share data)

This discussion reviews and analyzes the consolidated financial condition at September 30, 2002 and 2001, the consolidated results of operations for the three and nine months ended September 30, 2002 and 2001 and other key factors that may affect future performance. This discussion should be read in conjunction with the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements. Financial information on each of these segments is reflected in Note 11 of the Notes to Consolidated Financial Statements.

Results of Operations

Three and Nine Months Ended September 30, 2002 compared to Three and Nine Months Ended September 30, 2001

Consolidated Overview

Our operations and organizational structures were realigned in 2001 into business units that offer products and services tailored for particular market segments. Our reportable segments are Private Banking and Trust, Investment Advisors, Enterprises, Money Managers, and Investments in New Businesses. The accounting policies of our business segments are the same as those used in the preparation of the consolidated financial statements. Management evaluates financial performance of its operating segments based on Income from operations.

Revenue and Income from operations by segment for the three and nine months ended September 30, 2002 and 2001 are as follows:

	Three Months ended September 30,			Nine Months ended September 30,		
	2002	2001	Percent Change	2002	2001	Percent Change
Private Banking and Trust:						
Revenues	$ 80,510	$ 89,201	(10%)	$246,346	$271,793	(9%)
Income from operations	34,296	37,562	(9%)	101,773	106,697	(5%)
Investment Advisors:						
Revenues	35,866	38,841	(8%)	113,986	115,607	(1%)
Income from operations	20,023	15,420	30%	58,463	44,541	31%
Enterprises:						
Revenues	13,393	15,559	(14%)	42,420	48,757	(13%)
Income from operations	5,502	4,366	26%	16,682	14,839	12%
Money Managers:						
Revenues	12,502	9,682	29%	34,103	26,154	30%
Income (loss) from operations	2,118	2,054	3%	6,693	2,666	151%
Investments in New Businesses:						
Revenues	11,045	10,120	9%	34,527	30,873	12%
Loss from operations	(3,520)	(6,886)	49%	(10,142)	(17,180)	41%
General and Administrative:						
Loss from operations	(5,779)	(5,887)	2%	(17,460)	(17,391)	0%
Consolidated Segment Totals:						
Revenues	$153,316	$163,403	(6%)	$471,382	$493,184	(4%)
Income from operations	$ 52,640	$ 46,629	13%	$156,009	$134,172	16%

Revenues decreased from the corresponding prior year periods primarily due to client losses, the recent downturn in the capital markets and economic uncertainty. During the latter part of 2001, certain clients in our fund processing and institutional asset management businesses terminated their relationship with us. The effect of these lost clients has had a negative impact on our revenues during 2002. The recent downturn in the capital markets has adversely affected the value of our assets under management and administration.

This directly reduces the revenue we generate from our businesses receiving asset-based fees. In addition, economic uncertainty during the past year has slowed many purchase decisions in most of our target markets. However, we continue to experience moderate growth through new sales, although this has only partially mitigated our revenue losses.

Income from operations improved $6,011 or 13 percent, over the third quarter 2001, and $21,837 or 16 percent, over the nine months 2001. Operating margins for the third quarter 2002 increased to 34 percent from 29 percent for the third quarter 2001, and for the nine months ended 2002 increased to 33 percent from 27 percent for the nine months ended 2001. The increase in operating income and operating margins was due to cost controls and improved productivity. We continued to manage discretionary expenses effectively and prioritize our investment spending. Our investment spending focuses around building outsource business solutions for our target markets.

Our short-term expectation is that any improvement in earnings and margins is expected to continue to come from cost containment and productivity improvements.

In the longer run, we will continue to invest in the development of new products and services to expand our existing client base and penetrate new markets. However, prolonged volatility in the capital markets, delays in purchase decisions and mergers and acquisitions in the banking industry will continue to be long-term challenges.

Asset Balances
(In millions)

<TABLE>
<CAPTION>

	As of September 30,		Percent
	2002	2001	Change
<S>	<C>	<C>	<C>
Assets invested in equity and fixed income programs	$ 52,450	$ 52,795	(1%)
Assets invested in liquidity funds	19,763	21,208	(7%)
Assets under management	72,213	74,003	(2%)
Client proprietary assets under administration	161,207	169,860	(5%)
Assets under management and administration	$233,420	$ 243,863	(4%)

</TABLE>

Assets under management consist of total assets invested in our equity and fixed income investment programs and liquidity funds for which we provide management services. Assets under management and administration consist of total assets for which we provide management and administrative services, including client proprietary fund balances for which we provide administration and/or distribution services.

Private Banking and Trust

Private Banking and Trust provides investment processing solutions, fund processing solutions, and investment management programs to banks and private trust companies. Investment processing solutions primarily include outsourcing services provided through our TRUST 3000 product line. TRUST 3000 includes many integrated products and sub-systems that provide a complete investment accounting and management information system for trust institutions. Investment processing fees are primarily earned from monthly processing, and software servicing and project fees associated with the conversion of new and merging clients.

Fund processing solutions include administration and distribution services provided to bank proprietary mutual funds. These services primarily include fund administration and accounting, legal services, shareholder recordkeeping, and marketing. Fund processing fees are based on a fixed percentage, referred to as basis points, of the average daily net asset value of the proprietary funds.

Investment management fees are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30,	Sept. 30	Percent	Sept. 30,	Sept. 30	Percent
	2002	2001	Change	2002	2001	

Change

<S> <C> <C> <C> <C> <C> <C>

Revenues:						
Investment processing fees	$57,330	$57,127	0%	$171,659	$173,032	(1%)
Fund processing fees	13,360	21,326	(37%)	43,696	66,027	(34%)
Investment management fees	9,820	10,748	(9%)	30,991	32,734	(5%)
Total revenues	80,510	89,201	(10%)	246,346	271,793	(9%)
Expenses:						
Operating and development	33,854	39,359	(14%)	111,117	128,213	(13%)
Sales and marketing	12,360	12,280	1%	33,456	36,883	(9%)
Total operating profits	$34,296	$37,562	(9%)	$101,773	$106,697	(5%)
Profit margin	43%	42%		41%	39%	
Percent of Revenue:						
Operating and development	42%	44%		45%	47%	
Sales and marketing	15%	14%		14%	14%	

</TABLE>

Investment processing fees for 2001 included one-time implementation fees for additional account conversion activity relating to acquisitions by some of our bank clients. Recurring processing fees increased in 2002 from these clients, however the decrease in one-time implementation fees was more than the increase in recurring processing fees.

The decrease in fund processing fees in both comparable periods in 2002 was mainly due to the loss of certain clients during the latter part of 2001. The loss of these clients resulted in a significant decrease in assets under administration. As a result of these lost clients, fund processing fees decreased approximately $4,500 for the three months ended September 30, 2002 and $18,900 for the nine months ended September 30, 2002 as compared to the prior year comparable periods Also, the recent decline in the capital markets has negatively affected the value of the assets we administer which in turn had adversely affected the revenues we earn from these assets.

Operating profits decreased in 2002, as compared to 2001 for both comparable periods whereas profit margins increased slightly. The decrease in profits was mainly due to the revenue losses mentioned above, net of the decrease in direct expenses associated with these clients. We also continued to be more selective about our investment spending and cost control measures.

We believe our future growth in revenues and earnings will come from maintaining a consistent level of investment in the development of new products and services to grow existing markets and to expand into new markets. However, consolidations among our banking clients continue to be a major strategic issue facing this segment.

Investment Advisors

Investment Advisors provides investment management programs and investment processing solutions to affluent investors distributed through a network of investment professionals. Revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total Revenues	$ 35,866	$ 38,841	(8%)	$113,986	$115,607	(1%)
Expenses:						
Operating and development	8,393	11,449	(27%)	28,303	34,617	(18%)

Sales and marketing	7,450	11,972	(38%)	27,220	36,449	(25%)
Total operating profits	$ 20,023	$ 15,420	30%	$ 58,463	$ 44,541	31%
Profit margin	56%	40%		51%	38%	
Percent of Revenue:						
Operating and development	23%	29%		25%	30%	
Sales and marketing	21%	31%		24%	32%	

</TABLE>

Revenues decreased slightly over the prior year periods primarily due to the decline in average assets under management offset in part by new business. We established approximately 470 new registered investment advisor relationships during the first nine months of 2002, of which 97 occurred in the third quarter bringing our total network to about 9,170 advisors. However, the recent downturn in the capital markets has negatively affected our revenues.

Operating profits and profit margin improvement was primarily due to the management of discretionary expenses, mainly technology, personnel, and marketing.

We believe future growth and success of this business is dependent upon continued acceptance of our investment management products and services. However, continued volatility in the capital markets could negatively affect future revenues and profits.

Enterprises

Enterprises provides retirement business solutions and treasury business solutions for corporations, unions and political entities, endowments and foundations and insurance companies. Retirement solutions revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average month-end net asset value of assets under management. Treasury solutions revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total Revenues	$ 13,393	$ 15,559	(14%)	$ 42,420	$ 48,757	(13%)
Expenses:						
Operating and development	4,147	5,744	(28%)	13,017	16,535	(21%)
Sales and marketing	3,744	5,449	(31%)	12,721	17,383	(27%)
Total operating profits	$ 5,502	$ 4,366	26%	$ 16,682	$ 14,839	12%
Profit margin	41%	28%		39%	30%	
Percent of Revenue:						
Operating and development	31%	37%		31%	34%	
Sales and marketing	28%	35%		30%	36%	

</TABLE>

The decrease in revenues was primarily due to client losses in our Retirement Solutions business during the fourth quarter of 2001, and the recent downturn in the capital markets. However, we continued to generate new sales in our Retirement Solutions business. We added 14 new clients during the third quarter of 2002 and 34 new clients during the first nine months of 2002. However, the downturn in the capital markets has reduced our asset based fees in both our Retirement Solutions and Treasury Solutions businesses.

The increase in operating profit during both comparable periods was mainly due to our ability to control costs, primarily marketing, personnel, and technology.

We will continue to invest in strategic initiatives that will continue to fuel growth for our outsourcing solutions. However, future revenues and earnings could be significantly affected by continued volatility in the capital markets.

Money Managers

Money Managers provides investment solutions to U.S investment managers, mutual fund companies and alternative investment managers worldwide. Revenues are primarily earned through administration and distribution fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under administration.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total Revenues	$ 12,502	$ 9,682	29%	$ 34,103	$ 26,154	30%
Expenses:						
Operating and development	6,528	4,308	52%	17,614	13,160	34%
Sales and marketing	3,856	3,320	16%	9,796	10,328	(5%)
Total operating profits	$ 2,118	$ 2,054	3%	$ 6,693	$ 2,666	151%
Profit margin	17%	21%		20%	10%	
Percent of Revenue:						
Operating and development	52%	45%		51%	50%	
Sales and marketing	31%	34%		29%	40%	

</TABLE>

The increase in revenues over the corresponding prior year periods was primarily due to an increase in average assets under administration as a result of new business. We continue to see market acceptance of our products and services from alternative investment managers and U.S. money mangers.

Operating profits increased while profit margins decreased during the third quarter 2002 as compared to 2001, while operating profits and profit margin increased for the nine months ended 2002 as compared to 2001, primarily due to the new business activity mentioned above combined with expense management and the timing of certain expenses. In addition, revenues are affected by continued volatility in the capital markets. Any significant change in value would have an impact on revenues.

Investments in New Businesses

Investments in New Businesses include our global asset management initiatives that provide investment solutions to institutional and high-net-worth investors outside the United States. Revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total Revenues	$ 11,045	$ 10,120	9%	$ 34,527	$ 30,873	12%
Expenses:						
Operating and development	9,035	11,497	(21%)	28,829	33,175	(13%)
Sales and marketing	5,530	5,509	0%	15,840	14,878	6%
Total operating losses	$ (3,520)	$ (6,886)	49%	$ (10,142)	$(17,180)	41%
Profit margin	(32%)	(68%)		(29%)	(56%)	
Percent of Revenue:						
Operating and development	82%	114%		84%	108%	
Sales and marketing	50%	54%		45%	48%	

</TABLE>

The increase in revenues over the corresponding prior year periods was primarily due to an increase in assets under management as a result of new business. The majority of new business activity continues to come from our Canadian and U.K. institutional asset management business as well as continued expansion of our U.K independent financial advisor network. However, the recent devaluation of the capital markets has adversely affected revenues and offset a portion of this new business activity.

Operating losses decreased during 2002 primarily due to an increase in revenues from new business. We continued our investments in establishing marketing and distribution channels globally and in developing technology outsourcing solutions to satisfy the needs of these global markets. We remain optimistic about the long-term prospects of our global business initiatives but expect to incur losses throughout the remainder of 2002 and during 2003.

General & Administrative

General and administrative expense primarily consists of corporate overhead costs and other costs not directly attributable to a reportable business segment.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
General and Administrative	$ 5,779	$ 5,887	(2%)	$ 17,460	$ 17,391	0%
Percent of Consolidated Revenue	4%	4%		4%	4%	

</TABLE>

Other Income

Other income on the accompanying Consolidated Statements of Income consist of the following:

<TABLE>
<CAPTION>

	Three Months ended			Nine Months ended		
	Sept. 30, 2002	Sept. 30, 2001	Percent Change	Sept. 30, 2002	Sept. 30, 2001	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Equity in the earnings of unconsolidated affiliate	$ 2,861	$ 2,637	8%	$ 8,643	$ 7,429	16%
Net gain on investments	574	0	100%	574	0	100%
Interest income	1,303	1,887	(31%)	3,847	5,677	(32%)
Interest expense	(663)	(532)	(25%)	(1,628)	(1,616)	(1%)
Total other income, net	$ 4,075	$ 3,992	2%	$11,436	$11,490	--

</TABLE>

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 6 of the Notes to Consolidated Financial Statements). The increase in LSV's net earnings is due to an increase in assets under management.

Net gain on investments primarily includes hedge ineffectiveness from our hedging activities along with the realized gains and losses from our investments available for sale. (See Notes 4 and 5 of the Notes to Consolidated Financial Statements)

Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period and/or changes in interest rates. The decrease in interest income during both comparable periods in 2002 was primarily due to a reduction in interest rates. This decrease was partially offset by a higher average cash balance during both comparable periods in 2002. Interest expense primarily relates to our long-term debt and other borrowings. (See Note 9 of the Notes to Consolidated Financial Statements)

Income Taxes

Our effective tax rate was 37.0 percent for the periods ending September 30, 2002 and 2001.

Liquidity and Capital Resources

<TABLE>
<CAPTION>

Nine Months

	Ended September 30,	
	2002	2001
Net cash provided by operating activities	$ 128,200	$ 127,044
Net cash used in investing activities	(18,185)	(71,155)
Net cash used in financing activities	(111,626)	(70,298)
Net increase (decrease) in cash and cash equivalents	(1,611)	(14,409)
Cash and cash equivalents, beginning of period	163,685	147,676
Cash and cash equivalents, end of period	$ 162,074	$ 133,267

Cash requirements and liquidity needs are primarily funded through operations and our capacity for additional borrowing. We currently have a line of credit that provides for borrowings of up to $25,000. The availability of the line of credit is subject to compliance with certain covenants set forth in the agreement, (See Note 8 of the Notes to Consolidated Financial Statements). At September 30, 2002, the unused sources of liquidity consisted of unrestricted cash and cash equivalents of $162,074 and the unused portion of the line of credit of $25,000.

The increase in cash flows from operations was primarily due to an increase in income. The increase in income is due to our cost cutting controls and improved productivity. In addition, cash flows from operations in both comparable periods were affected by the tax benefit received from stock options exercised, changes in our receivables and in other various accrued liabilities.

Cash flows from investing activities are principally affected by capital expenditures and investments in Company-sponsored mutual funds. Capital expenditures in the first nine months of 2002 included $14,641 related to the expansion of our corporate headquarters. The total expected cost of the expansion is estimated at $47,000, of which we have spent $34,040 to date. We expect this project to be completed by the end of 2003. The total expected expansion cost and completion date now include the construction costs of our data center that we are moving to our corporate headquarters. Also, cash flows from investing activities were affected by purchases and sales of our mutual funds, mainly for the testing and subsequent startup of new investment programs to be offered to our clients. Purchases were approximately $16,489 in the first nine months 2002, as compared to $60,464 in the first nine months 2001, whereas sales totaled $21,215 in the first nine months 2002, as compared to $18,227 in the first nine months 2001.

Cash flows from financing activities are primarily affected by debt and equity transactions. Principal payments on the Senior notes are made annually from the date of issuance while interest payments are made semi-annually. Principal payments on the term loan are made quarterly from the date of issuance while interest payments are made based on the term of the LIBOR borrowing. The aggregate maturities of our long-term debt at September 30, 2002 are $1,389 in the fourth quarter 2002, $9,556 each year for the years 2003 thru 2005, $5,389 in 2006, and $9,000 in 2007 and thereafter (See Note 9 of the Notes to Consolidated Financial Statements). We continued our common stock repurchase program. We purchased approximately 3,723,000 shares of our common stock at a cost of $103.6 million during the first nine months of 2002. As of October 31, 2002 we still had approximately $10,204 remaining authorized for the purchase of our common stock. Proceeds received from the issuance of common stock primarily results from the exercise of stock options. Cash dividends of $.11 per share were paid in the first nine months of 2002 and $.09 per share were paid in the first nine months of 2001. Our Board of Directors has indicated its intention to continue making cash dividend payments.

Our operating cash flow, borrowing capacity, and liquidity should provide adequate funds for continuing operations, continued investment in new products and equipment, our common stock repurchase program, expansion of our corporate campus, future dividend payments, and principal and interest payments on our long-term debt.

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements relate to future operations, strategies, financial results or other developments. Forward-looking statements are based upon estimates and assumptions that involve certain risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We do have a number of satellite offices located outside the United States that conduct business in local currencies of that country. All foreign operations aggregate approximately 7 percent of total consolidated revenues. Due to this limited activity, we do not hedge against foreign operations nor do we expect any material loss with respect to foreign currency risk.

Exposure to market risk for changes in interest rates relate primarily to our investment portfolio and other borrowings. We do not undertake any specific actions to cover our exposure to interest rate risk and are not a party to any interest rate risk management transactions. We place our investments in financial instruments that meet high credit quality standards. We are adverse to principal loss and ensure the safety and preservation of our invested funds by limiting default risk, market risk, and reinvestment risk. The interest rate on our Note Purchase Agreement is fixed and is not traded on any established market. The interest rate on our Loan Agreement accrues interest at the Prime rate or one and thirty-five hundredths of one percent above the (LIBOR), and is not traded on any established market. We believe our cash flow exposure due to changes in interest rates associated with our Loan Agreement and our long-term debt is minimal and do not expect an adverse effect on earnings.

We are exposed to market risk associated with changes in the fair value of our Investments available for sale. To provide some protection against potential fair value changes associated with our Investments available for sale, we have entered into various derivative financial transactions. The derivative instruments are used to hedge changes in the fair market value of certain Investments available for sale. The derivative instruments are qualifying hedges and as such, changes in the fair value hedge along with changes in the fair value of the related hedged item are reflected in the statements of income. We currently hold derivatives with a notional amount of $20,404 with various terms, generally less than one year. The effectiveness of these hedging relationships is evaluated on a retrospective and prospective basis using quantitative measures of correlation. If a hedge is found to be ineffective, it no longer qualifies as a hedge and any excess gains or losses attributable to such ineffectiveness as well as subsequent changes in fair value are recognized in current period earnings. We believe the derivative financial instruments entered into provide protection against volatile swings in market valuation associated with our Investments available for sale. During the first nine months of 2002, we did not enter into or hold derivative financial instruments for trading purposes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures - An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of November 6, 2002 was conducted under the supervision and with the participation of our management, including our chief executive officer and principal financial officer. Based on that evaluation, our management, including our chief executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of November 6, 2002.

Changes in Internal Controls - There have been no significant changes to our internal controls or in other factors that could significantly affect these controls subsequent to November 6, 2002.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following is a list of exhibits filed as part of the Form 10-Q.

99.1 Certification required by Section 906 of the Sarbanes-Oxley Act of 2002. (Page 31)

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.

SEI INVESTMENTS COMPANY

Date November 14, 2002 By /s/ Kathy Heilig

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Kathy Heilig
Vice President and Controller
(Principal Accounting Officer)

I, Alfred P. West Jr. certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEI Investments Company;

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 (or persons performing the equivalent function):

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.

Date: November 14, 2002

/s/ Alfred P. West, Jr.
- --------------------------------------
Alfred P. West, Jr.
Chairman and Chief Executive Officer

I, Dennis J. McGonigle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEI Investments Company;

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 (or persons performing the equivalent function):

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.

Date: November 14, 2002

/s/ Dennis J. McGonigle
- --
Dennis McGonigle
- --
(principal financial officer)

Exhibit 99.1

Certification Required by Section 906 of the Sarbanes-Oxley Act of 2002.

Written Statement of Chairman and Chief Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Alfred P. West, Jr., Chairman and Chief Executive Officer, and Dennis J McGonigle, principal financial officer of SEI Investments Company; a Pennsylvania corporation (the "Company"), hereby certify that, based on our knowledge:

(a) The Quarterly Report on Form 10-Q of the Company for the three and nine months ended September 30, 2002 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Alfred P. West, Jr.

Alfred P. West, Jr.
Chairman and Chief Executive Officer
November 14, 2002

/s/ Dennis J. McGonigle

Dennis J. McGonigle
(principal financial officer)
November 14, 2002