December 31, 2013

Annual Report

Equity Income Portfolio

This report is authorized for distribution only to those who have received a copy of the portfolio's prospectus.

T. Rowe Price Investment Services, Inc., Distributor.

T. Rowe Price Equity Income Portfolio

Highlights

- The equity market advanced sharply in 2013, providing excellent returns in both halves of the year against a backdrop of encouraging economic news, healthy gains in corporate earnings, and renewed investor interest in equities.
- Portfolio performance was strong through the year and slightly surpassed its peer group average although it lagged the broad market as interest rates rose sharply in the second half.
- Many of our large-capitalization cyclical holdings performed very well, while a few energy, utilities, and telecommunication services positions lagged the broad market.
- After last year's strong gains, we see fewer compelling investment opportunities than in recent years, which makes us more cautious. However, we remain optimistic about the portfolio's long-term prospects.

The views and opinions in this report were current as of December 31, 2013. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors, and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of the fund's future investment intent. The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

Dear Investor

The equity market advanced sharply in 2013, providing excellent returns in both halves of the year with only minor setbacks along the way. Encouraging economic news, healthy gains in corporate earnings, and renewed investor interest in equities combined to create a favorable environment for stocks, with the S&P 500 Index generating a total return of 32.39%. Large-cap value stocks, with their relatively high dividend yields, participated fully in the rally. Investors seeking dividend income and appreciation fared far better than fixed income investors, who saw their investments struggle through most of the year. Concerns about likely changes in Federal Reserve policy triggered a rise in interest rates, which put pressure on longer-term Treasuries. The 10-year Treasury yield rose more than a full percentage point in 2013 and closed the year above 3%.

Performance Comparison

	Total Return	
Periods Ended 12/31/13	6 Months	12 Months
Equity Income Portfolio	13.63%	29.72%
Equity Income Portfolio–II	13.55	29.41
S&P 500 Index	16.31	32.39
Lipper Variable Annuity Underlying Equity Income Funds Average	12.72	28.16

In this environment, the Equity Income Portfolio returned 13.63% in the second half, trailing the 16.31% return of the S&P 500 Index and outperforming the 12.72% return of the Lipper Variable Annuity Underlying Equity Income Funds Average. For the year, the portfolio returned 29.72%, lagging the 32.39% of the S&P while surpassing the Lipper average's 28.16% return. (The returns for the Portfolio–II were lower, reflecting its different fee structure.)

As rising interest rates affected the bond market, several traditional high-dividend-yield sectors also came under pressure. Nevertheless, we were reasonably satisfied with your portfolio's performance in 2013.

Dividend Distribution

On December 17, 2013, your Board of Directors declared a regular income dividend of $0.11 per share for the fourth quarter, which was paid on December 19. You should already have received a check or statement reflecting it. The fourth-quarter income dividend brings total 2013 income dividends to $0.40 per share. (Distributions were different for the Portfolio–II shares.)

Portfolio Review

In 2013, risk and cyclicality were in favor, and safety and stability were less profitable. On the positive side of the ledger, our investments in many large-capitalization cyclical companies, such as **DuPont**, **3M**, **Boeing**, **Honeywell International**, **Harris**, and **Illinois Tool Works**, contributed to your portfolio's strong performance. Media companies performed well, with **Time Warner** and **Walt Disney** generating very strong returns. The financials sector was also profitable, and we reaped solid returns from **Bank of America**, **JPMorgan Chase**, **American Express**, and **Legg Mason**. Other holdings performed very well on their own, absent generally strong support from their sectors. These included energy giant **Hess**, agricultural processor **Archer-Daniels-Midland**, pharmaceutical stalwart **Bristol-Myers Squibb**, and tech mainstay **Microsoft**. (Please refer to our portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Sector Diversification

	Percent of Net Assets	
	6/30/13	12/31/13
Financials	20.7%	19.6%
Industrials and Business Services	14.3	15.3
Energy	13.9	14.5
Consumer Discretionary	10.9	10.5
Information Technology	8.3	8.4
Health Care	6.3	6.5
Utilities	5.9	5.7
Consumer Staples	5.1	4.9
Materials	4.3	4.8
Telecommunication Services	3.6	3.4
Other and Reserves	6.7	6.4
Total	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

Notwithstanding the strong year, some of our holdings in the energy, utilities, and telecommunication services sectors lagged the broad market. Several of our consumer staples investments, including **Campbell Soup** and **McCormick**, struggled to keep up with the overall market. Utilities stocks **Duke Energy**, **Entergy**, and **Exelon** and telecommunication services companies **AT&T** and **Verizon** were somewhat disappointing. Even in a powerful equity market advance, such as we experienced last year, rising interest rates tend to take a toll on these sectors. A couple of our positions, notably **Petrobras** and **Quest Diagnostics**, were hampered by company-specific issues.

The Major Portfolio Changes table highlights our investment activity over the last six and 12 months. In the last six months of the year, our largest purchases included **Deere**, **Stanley Black & Decker**, **GlaxoSmithKline**, and **Potash Corporation of Saskatchewan**. These companies share the common characteristics of attractive valuations, good dividend histories, strong financial positions, and a recent pattern of disappointing stock market returns. Identifying good companies selling at unusually attractive prices is the hallmark of what we do. Regarding our sales, most of them reflected decisions made in the second half about individual company valuations. As always, our sale of a security is a comment on its valuation and not a statement about the company's quality. For example, 3M is an outstanding global corporation with a great track record. There comes a time, however, when a company's stock price advances to the point where its valuation relative to the company's equity is less compelling, in our opinion. We would say the same about **Capital One Financial**, **Lockheed Martin**, and **SLM Corporation** (Sallie Mae), which were among the stocks we eliminated in the second half of 2013.

Financial Profile

As of 12/31/13	Equity Income Portfolio	S&P 500 Index
Price/Book Ratio	2.3X	3.3X
Price/Earnings Ratio (Based on next 12 months' estimated earnings)*	14.4X	16.3X
Historical Beta (Based on monthly returns for five years)	1.1	1.0

*Source for data: IBES. Statistics are based on the companies in the portfolio and are not a projection of future portfolio performance.

Outlook

We were somewhat surprised by the market's strength in 2013, and we enter 2014 with a cautiously optimistic outlook. Following the excellent gain for the S&P 500, corporate earnings growing in the area of 6%, and an expansion in price/earnings multiples, stocks have become more expensive. Nevertheless, despite less appealing valuations, equity markets historically have generated reasonable returns in most years following strong years like 2013. Rarely have there been consecutive years with returns of 30% or more, but we would not be surprised to see continuing gains this year, although on a more modest scale. That said, a correction is likely at some point, as it has been some time since we've seen a significant market pullback.

We expect continued reasonable economic growth in 2014. We believe corporate earnings will grow at about the same rate as in 2013, and we believe companies will continue to buy back their shares and increase dividends in 2014. The question now is, how will investors react to a gradual change in Federal Reserve policy scheduled to begin in January? We expect to see some ongoing upward pressure on interest rates this year. However, while investors often worry that higher interest rates could undermine stocks, higher rates are usually a function of firmer economic conditions, which tend to be supportive of corporate earnings.

Our view is that this is not an environment in which investors should take undue risk. There are a few signs of "irrational exuberance," to quote a former Fed chairman, and investors have exhibited some aggressive behavior in the initial public offering market. As we explore the range of investment choices in our search for portfolio holdings, we see fewer intriguing opportunities than in recent years. This makes us more cautious at the onset of the new year, but we remain optimistic about the portfolio's prospects as we focus on our efforts to generate appealing long-term returns for our shareholders.

We appreciate your continued confidence in the Equity Income Portfolio.

Respectfully submitted,

Brian C. Rogers
President of the portfolio and chairman of its Investment Advisory Committee

January 17, 2014

The committee chairman has day-to-day responsibility for managing the portfolio and works with committee members in developing and executing the portfolio's investment program.

Risks of Investing in the Portfolio

Value investors seek to invest in companies whose stock prices are low in relation to their real worth or future prospects. By identifying companies whose stocks are currently out of favor or misunderstood, value investors hope to realize significant appreciation as other investors recognize the stock's intrinsic value and the price rises accordingly. The value approach carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced.

Glossary

Beta: A measure of the market risk of a stock showing how responsive it is to a given market index, such as the S&P 500 Index. By definition, the beta of the benchmark index is 1.00. A fund with a 1.10 beta is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

Dividend yield: The annual dividend of a stock divided by the stock's price.

Earnings growth rate – current fiscal year: Measures the annualized percent change in earnings per share from the prior fiscal year to the current fiscal year.

Lipper averages: The averages of available mutual fund performance returns for specified time periods in categories defined by Lipper Inc.

Price-to-earnings (P/E) ratio – current fiscal year: A valuation measure calculated by dividing the price of a stock by its reported earnings per share from the latest fiscal year. The ratio is a measure of how much investors are willing to pay for the company's earnings. The higher the P/E, the more investors are paying for a company's current earnings.

Price-to-earnings (P/E) ratio – next fiscal year: A valuation measure calculated by dividing the price of a stock by its estimated earnings for the next fiscal year. The ratio is a measure of how much investors are willing to pay for the company's future earnings. The higher the P/E, the more investors are paying for the company's expected earnings growth in the next fiscal year.

Glossary (continued)

Price-to-earnings (P/E) ratio – 12 months forward: A valuation measure calculated by dividing the price of a stock by the analysts' forecast of the next 12 months' expected earnings. The ratio is a measure of how much investors are willing to pay for the company's future earnings. The higher the P/E, the more investors are paying for a company's earnings growth in the next 12 months.

Projected earnings growth rate (IBES): A company's expected earnings per share growth rate for a given time period based on the forecast from the Institutional Brokers' Estimate System, which is commonly referred to as IBES.

S&P 500 Index: An unmanaged index that tracks the stocks of 500 primarily large-cap U.S. companies.

Portfolio Highlights

Twenty-Five Largest Holdings

	Percent of Net Assets 12/31/13
General Electric	3.0%
JPMorgan Chase	2.7
Chevron	2.3
Wells Fargo	2.0
ExxonMobil	1.9
Apache	1.7
U.S. Bancorp	1.7
Bank of America	1.5
Johnson & Johnson	1.4
Illinois Tool Works	1.4
Royal Dutch Shell	1.4
AT&T	1.4
International Paper	1.3
PNC Financial Services	1.3
Honeywell International	1.3
Pfizer	1.3
Marsh & McLennan	1.2
Apple	1.2
Emerson Electric	1.2
Microsoft	1.2
Time Warner	1.2
Boeing	1.1
Hess	1.1
Merck	1.1
United Parcel Service	1.1
Total	38.0%

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

Portfolio Highlights

Major Portfolio Changes

Listed in descending order of size.
Six Months Ended 12/31/13

LARGEST PURCHASES	LARGEST SALES
Deere*	3M**
Stanley Black & Decker*	Capital One Financial**
GlaxoSmithKline*	Lockheed Martin**
Potash Corporation of Saskatchewan*	SLM Corporation**
Apache	Bank of New York Mellon
Xylem	Nokia**
Bank of America	Hasbro**
Eni*	American Express
Apple	McGraw Hill Financial
Petrobras	WPP**

12 Months Ended 12/31/13

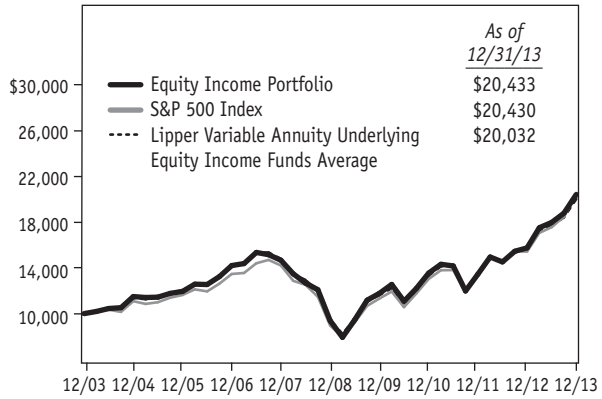
LARGEST PURCHASES	LARGEST SALES
Apache	3M**
Apple*	Thermo Fisher Scientific**
Deere*	SLM Corporation**
Joy Global*	Capital One Financial**
Stanley Black & Decker*	American Express
GlaxoSmithKline*	Bank of New York Mellon
Petrobras	Whirlpool
Potash Corporation of Saskatchewan*	Lockheed Martin**
Newmont Mining	Ingersoll-Rand**
Carnival	Hewlett-Packard**

*Position added.
**Position eliminated.

Growth of $10,000

This chart shows the value of a hypothetical $10,000 investment in the portfolio over the past 10 fiscal year periods or since inception (for portfolios lacking 10-year records). The result is compared with benchmarks, which may include a broad-based market index and a peer group average or index. Market indexes do not include expenses, which are deducted from portfolio returns as well as mutual fund averages and indexes.

Equity Income Portfolio



Note: Performance for the II Class will vary due to its differing fee structure. See the returns table below.

Average Annual Compound Total Return

Periods Ended 12/31/13	1 Year	5 Years	10 Years
Equity Income Portfolio	29.72%	16.86%	7.41%
Equity Income Portfolio–II	29.41	16.57	7.14

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please contact a T. Rowe Price representative at 1-800-469-6587 (financial advisors, or customers who have an advisor, should call 1-800-638-8790). Returns do not reflect taxes that the shareholder may pay on distributions or the redemption of shares. Total returns do not include charges imposed by your insurance company's separate account. If these had been included, performance would have been lower.

This table shows how the portfolio would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. When assessing performance, investors should consider both short- and long-term returns.

Fund Expense Example

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of $1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and II Class. II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

Actual Expenses
The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes
The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

Fund Expense Example (continued)

Equity Income Portfolio

	Beginning Account Value 7/1/13	Ending Account Value 12/31/13	Expenses Paid During Period* 7/1/13 to 12/31/13
Equity Income Portfolio			
Actual	$1,000.00	$1,136.30	$4.58
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.92	4.33
Equity Income Portfolio–II			
Actual	1,000.00	1,135.50	5.92
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.66	5.60

*Expenses are equal to the portfolio's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Equity Income Portfolio was 0.85%, and the Equity Income Portfolio–II was 1.10%.

Financial Highlights

T. Rowe Price Equity Income Portfolio

Equity Income Class

	For a share outstanding throughout each period				
	Year Ended 12/31/13	12/31/12	12/31/11	12/31/10	12/31/09
NET ASSET VALUE					
Beginning of period	$ 22.27	$ 19.42	$ 19.92	$ 17.65	$ 14.34
Investment activities					
Net investment income[1]	0.40	0.42	0.36	0.33	0.30
Net realized and unrealized gain / loss	6.18	2.89	(0.51)	2.29	3.31
Total from investment activities	6.58	3.31	(0.15)	2.62	3.61
Distributions					
Net investment income	(0.40)	(0.46)	(0.35)	(0.35)	(0.30)
NET ASSET VALUE					
End of period	**$ 28.45**	**$ 22.27**	**$ 19.42**	**$ 19.92**	**$ 17.65**

Ratios/Supplemental Data

Total return[2]	**29.72%**	**17.15%**	**(0.71)%**	**15.02%**	**25.60%**
Ratio of total expenses to average net assets	0.85%	0.85%	0.85%	0.85%	0.85%
Ratio of net investment income to average net assets	1.57%	2.00%	1.81%	1.80%	2.04%
Portfolio turnover rate	12.7%	15.9%	19.3%	14.4%	13.0%
Net assets, end of period (in millions)	$ 852	$ 694	$ 816	$ 877	$ 825

(1) Per share amounts calculated using average shares outstanding method.

(2) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions.

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

Financial Highlights

T. Rowe Price Equity Income Portfolio

Equity Income-II Class

	For a share outstanding throughout each period				
	Year Ended 12/31/13	12/31/12	12/31/11	12/31/10	12/31/09
NET ASSET VALUE					
Beginning of period	$ 22.22	$ 19.37	$ 19.88	$ 17.61	$ 14.31
Investment activities					
Net investment income[1]	0.34	0.36	0.31	0.28	0.26
Net realized and unrealized gain / loss	6.16	2.90	(0.52)	2.29	3.30
Total from investment activities	6.50	3.26	(0.21)	2.57	3.56
Distributions					
Net investment income	(0.34)	(0.41)	(0.30)	(0.30)	(0.26)
NET ASSET VALUE					
End of period	**$ 28.38**	**$ 22.22**	**$ 19.37**	**$ 19.88**	**$ 17.61**
Ratios/Supplemental Data					
Total return[2]	**29.41%**	**16.92%**	**(1.02)%**	**14.74%**	**25.25%**
Ratio of total expenses to average net assets	1.10%	1.10%	1.10%	1.10%	1.10%
Ratio of net investment income to average net assets	1.32%	1.75%	1.56%	1.56%	1.78%
Portfolio turnover rate	12.7%	15.9%	19.3%	14.4%	13.0%
Net assets, end of period (in thousands)	$ 392,357	$ 297,990	$ 482,882	$ 505,925	$ 544,263

(1) Per share amounts calculated using average shares outstanding method.

(2) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions.

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

Portfolio of Investments‡

T. Rowe Price Equity Income Portfolio
December 31, 2013

(Cost and value in $000s)	Shares	Value
COMMON STOCKS 93.6%		
Consumer Discretionary 10.5%		
Auto Components 0.7%		
Johnson Controls	168,600	8,649
		8,649
Automobiles 1.2%		
Ford Motor	421,500	6,504
General Motors (1)	202,537	8,277
		14,781
Distributors 0.5%		
Genuine Parts	82,450	6,859
		6,859
Hotels, Restaurants & Leisure 0.9%		
Carnival	274,000	11,007
		11,007
Household Durables 0.1%		
Whirlpool	8,200	1,286
		1,286
Leisure Equipment & Products 1.1%		
Mattel	278,300	13,241
		13,241
Media 3.4%		
Cablevision, Class A	312,600	5,605
Comcast, Class A	116,200	6,038
Madison Square Garden (1)	87,700	5,050
New York Times, Class A	285,700	4,534
Time Warner	210,766	14,695
Walt Disney	93,100	7,113
		43,035
Multiline Retail 1.8%		
Kohl's	242,300	13,751
Macy's	156,900	8,378
		22,129
Specialty Retail 0.8%		
Staples	558,400	8,873
Tiffany	10,400	965
		9,838
Total Consumer Discretionary		**130,825**
Consumer Staples 4.9%		
Beverages 0.9%		
Coca-Cola	21,100	872
PepsiCo	126,300	10,475
		11,347
Food Products 2.4%		
Archer-Daniels-Midland	315,300	13,684
Campbell Soup	250,000	10,820
McCormick	69,400	4,783
		29,287
Household Products 1.0%		
Clorox	136,500	12,662
		12,662
Personal Products 0.6%		
Avon	427,000	7,353
		7,353
Total Consumer Staples		**60,649**
Energy 14.5%		
Energy Equipment & Services 1.6%		
Diamond Offshore Drilling	133,700	7,610
Schlumberger	138,000	12,435
		20,045
Oil, Gas & Consumable Fuels 12.9%		
Anadarko Petroleum	134,000	10,629
Apache	252,700	21,717
BP, ADR	136,996	6,659
Chevron	226,052	28,236
ConocoPhillips	70,200	4,960
CONSOL Energy	231,800	8,818
Eni (EUR)	105,363	2,535
ExxonMobil	235,222	23,805

(Cost and value in $000s)	Shares	Value
Hess	168,600	13,994
Murphy Oil	194,400	12,613
Petrobras, ADR	484,700	6,679
Royal Dutch Shell, ADR	245,200	17,475
Talisman Energy	229,800	2,677
		160,797
Total Energy		**180,842**
Financials 19.6%		
Capital Markets 2.0%		
Bank of New York Mellon	10,800	377
Legg Mason	266,600	11,592
Northern Trust	189,600	11,734
Och-Ziff Capital Management, Partnership	115,300	1,707
		25,410
Commercial Banks 6.4%		
PNC Financial Services Group	210,700	16,346
Regions Financial	464,300	4,592
SunTrust	320,900	11,813
U.S. Bancorp	515,800	20,838
Wells Fargo	561,120	25,475
		79,064
Consumer Finance 1.1%		
American Express	151,300	13,727
		13,727
Diversified Financial Services 5.0%		
Bank of America	1,230,475	19,158
JPMorgan Chase	570,741	33,377
McGraw Hill Financial	114,700	8,970
		61,505
Insurance 4.4%		
Allstate	252,800	13,788
Chubb	61,800	5,972
Lincoln National	126,447	6,527
Loews	84,300	4,067
Marsh & McLennan	321,200	15,533

(Cost and value in $000s)	Shares	Value
Sun Life Financial	139,700	4,935
Willis Group Holdings	84,400	3,782
		54,604
Real Estate Investment Trusts 0.7%		
Weyerhaeuser, REIT	285,792	9,022
		9,022
Total Financials		**243,332**
Health Care 6.5%		
Health Care Providers & Services 0.5%		
Quest Diagnostics	115,900	6,205
		6,205
Life Sciences Tools & Services 0.3%		
Agilent Technologies	63,300	3,620
		3,620
Pharmaceuticals 5.7%		
Bristol-Myers Squibb	243,900	12,963
GlaxoSmithKline (GBP)	242,288	6,466
Hospira (1)	103,900	4,289
Johnson & Johnson	195,100	17,869
Merck	279,200	13,974
Pfizer	517,714	15,858
		71,419
Total Health Care		**81,244**
Industrials & Business Services 15.3%		
Aerospace & Defense 3.4%		
Boeing	104,400	14,249
Harris (Delaware)	172,500	12,042
Honeywell International	175,600	16,045
		42,336
Air Freight & Logistics 1.1%		
UPS, Class B	132,000	13,871
		13,871
Airlines 0.9%		
United Continental (1)	316,000	11,954
		11,954

(Cost and value in $000s)	Shares	Value
Building Products 0.9%		
Masco	304,400	6,931
USG (1)	165,900	4,708
		11,639
Electrical Equipment 1.8%		
Eaton	92,916	7,073
Emerson Electric	214,400	15,046
		22,119
Industrial Conglomerates 3.0%		
GE	1,318,000	36,944
		36,944
Machinery 3.1%		
Deere	81,700	7,462
Illinois Tool Works	210,200	17,674
Joy Global	115,900	6,779
Stanley Black & Decker	80,000	6,455
		38,370
Road & Rail 1.1%		
Norfolk Southern	144,400	13,405
		13,405
Total Industrials & Business Services		**190,638**
Information Technology 8.4%		
Communications Equipment 0.8%		
Cisco Systems	445,100	9,993
		9,993
Computers & Peripherals 2.0%		
Apple	27,400	15,374
Dell	685,800	9,430
		24,804
Electronic Equipment, Instruments & Components 0.9%		
Corning	632,100	11,264
		11,264
IT Services 1.0%		
Computer Sciences	158,200	8,840
Western Union	252,000	4,347
		13,187
Semiconductor & Semiconductor Equipment 2.2%		
Analog Devices	173,100	8,816
Applied Materials	530,800	9,390
Texas Instruments	201,700	8,856
		27,062
Software 1.5%		
CA	105,400	3,547
Microsoft	399,200	14,942
		18,489
Total Information Technology		**104,799**
Materials 4.8%		
Chemicals 1.0%		
DuPont	111,000	7,211
Potash Corporation of Saskatchewan	158,000	5,208
		12,419
Construction Materials 0.7%		
Vulcan Materials	149,200	8,866
		8,866
Containers & Packaging 0.5%		
MeadWestvaco	167,700	6,193
		6,193
Metals & Mining 1.3%		
Newmont Mining	179,000	4,122
Nucor	211,100	11,269
		15,391
Paper & Forest Products 1.3%		
International Paper	338,753	16,609
		16,609
Total Materials		**59,478**
Telecommunication Services 3.4%		
Diversified Telecommunication Services 3.0%		
AT&T	492,036	17,300
CenturyLink	173,407	5,523

(Cost and value in $000s)	Shares	Value
Telefonica (EUR)	233,876	3,808
Verizon Communications	208,242	10,233
		36,864
Wireless Telecommunication Services 0.4%		
Vodafone (GBP)	1,316,663	5,167
		5,167
Total Telecommunication Services		**42,031**
Utilities 5.7%		
Electric Utilities 3.6%		
Duke Energy	197,257	13,613
Entergy	166,600	10,541
Exelon	295,200	8,085
FirstEnergy	173,120	5,709
XCEL Energy	241,900	6,759
		44,707
Independent Power Producers & Energy Traders 0.4%		
AES	326,700	4,740
		4,740
Multi-Utilities 1.1%		
NiSource	411,300	13,524
		13,524
Water Utilities 0.6%		
Xylem	218,400	7,557
		7,557
Total Utilities		**70,528**
Total Common Stocks (Cost $847,607)		**1,164,366**

(Cost and value in $000s)	Shares	Value
CONVERTIBLE PREFERRED STOCKS 0.0%		
Financials 0.0%		
Real Estate Investment Trusts 0.0%		
Weyerhaeuser, REIT	10,750	599
Total Convertible Preferred Stocks (Cost $537)		**599**
SHORT-TERM INVESTMENTS 6.4%		
Money Market Funds 6.4%		
T. Rowe Price Reserve Investment Fund, 0.05% (2)(3)	79,816,523	79,817
Total Short-Term Investments (Cost $79,817)		**79,817**
Total Investments in Securities		
100.0% of Net Assets (Cost $927,961)		**$ 1,244,782**

‡ Denominated in U.S. dollars unless otherwise noted.
(1) Non-income producing
(2) Seven-day yield
(3) Affiliated Companies
ADR American Depository Receipts
EUR Euro
GBP British Pound
REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder

Affiliated Companies

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control. Based on the fund's relative ownership, the following securities were considered affiliated companies for all or some portion of the year ended December 31, 2013. Purchase and sales cost and investment income reflect all activity for the period then ended.

Affiliate	Purchase Cost	Sales Cost	Investment Income	Value 12/31/13	Value 12/31/12
T. Rowe Price Reserve Investment Fund, 0.05%	¤	¤	$ 41	$ 79,817	$ 37,566
T. Rowe Price Short-Term Reserve Fund, 0.02%	¤	¤	—^	—	—
Totals			$ 41	$ 79,817	$ 37,566

¤Purchase and sale information not shown for cash management funds.
^Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 3.

Amounts reflected on the accompanying financial statements include the following amounts related to affiliated companies:

Investment in securities, at cost	$ 79,817
Dividend income	41
Interest income	—
Investment income	$ 41
Realized gain (loss) on securities	$ —
Capital gain distributions from mutual funds	$ —

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

Statement of Assets and Liabilities

T. Rowe Price Equity Income Portfolio
December 31, 2013
($000s, except shares and per share amounts)

Assets	
Investments in securities, at value (cost $927,961)	$ 1,244,782
Dividends receivable	1,928
Receivable for investment securities sold	1,798
Receivable for shares sold	524
Other assets	21
Total assets	1,249,053
Liabilities	
Payable for shares redeemed	2,353
Payable for investment securities purchased	1,186
Investment management and administrative fees payable	1,027
Total liabilities	4,566
NET ASSETS	**$ 1,244,487**
Net Assets Consist of:	
Undistributed net investment income	$ 547
Accumulated undistributed net realized loss	(93,356)
Net unrealized gain	316,826
Paid-in capital applicable to 43,774,949 shares of $0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized	1,020,470
NET ASSETS	**$ 1,244,487**
NET ASSET VALUE PER SHARE	
Equity Income Class ($852,130,123 / 29,948,038 shares outstanding)	**$ 28.45**
Equity Income - II Class ($392,356,936 / 13,826,911 shares outstanding)	**$ 28.38**

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

Statement of Operations

T. Rowe Price Equity Income Portfolio
($000s)

	Year Ended 12/31/13
Investment Income (Loss)	
Income	
Dividend	$ 27,515
Securities lending	60
Total income	27,575
Expenses	
Investment management and administrative expense	9,698
Rule 12b-1 fees - Equity Income-II Class	871
Total expenses	10,569
Net investment income	17,006
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	53,063
Foreign currency transactions	(8)
Net realized gain	53,055
Change in net unrealized gain / loss	
Securities	221,233
Other assets and liabilities denominated in foreign currencies	4
Change in net unrealized gain / loss	221,237
Net realized and unrealized gain / loss	274,292
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 291,298**

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

Statement of Changes in Net Assets

T. Rowe Price Equity Income Portfolio

($000s)

	Year Ended 12/31/13	12/31/12
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 17,006	$ 19,867
Net realized gain	53,055	138,183
Change in net unrealized gain / loss	221,237	26,017
Increase in net assets from operations	291,298	184,067
Distributions to shareholders		
Net investment income		
Equity Income Class	(12,240)	(14,809)
Equity Income-II Class	(4,631)	(5,603)
Decrease in net assets from distributions	(16,871)	(20,412)
Capital share transactions*		
Shares sold		
Equity Income Class	113,843	80,758
Equity Income-II Class	88,674	90,678
Distributions reinvested		
Equity Income Class	12,240	14,808
Equity Income-II Class	4,631	5,603
Shares redeemed		
Equity Income Class	(158,147)	(325,270)
Equity Income-II Class	(82,768)	(337,653)
Decrease in net assets from capital share transactions	(21,527)	(471,076)
Net Assets		
Increase (decrease) during period	252,900	(307,421)
Beginning of period	991,587	1,299,008
End of period	**$ 1,244,487**	**$ 991,587**
Undistributed net investment income	547	415
*Share information		
Shares sold		
Equity Income Class	4,478	3,793
Equity Income-II Class	3,455	4,258
Distributions reinvested		
Equity Income Class	470	689
Equity Income-II Class	178	262
Shares redeemed		
Equity Income Class	(6,147)	(15,371)
Equity Income-II Class	(3,220)	(16,031)
Decrease in shares outstanding	(786)	(22,400)

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

T. Rowe Price Equity Series, Inc. (the corporation), is registered under the Investment Company Act of 1940 (the 1940 Act). The Equity Income Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. Shares of the fund currently are offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. The fund seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. The fund has two classes of shares: the Equity Income Portfolio original share class (Equity Income Class), offered since March 31, 1994, and the Equity Income Portfolio–II (Equity Income–II Class), offered since April 30, 2002. Equity Income–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including but not limited to ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

Investment Transactions, Investment Income, and Distributions Income and expenses are recorded on the accrual basis. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Earnings on investments recognized as partnerships for federal income tax purposes reflect the tax character of such earnings. Dividend income and capital gain distributions are recorded on the ex-dividend date. Income tax-related interest and penalties, if incurred, would be recorded as income tax expense. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Distributions to shareholders are recorded on the ex-dividend date. Income distributions are declared and paid by each class quarterly. Capital gain distributions, if any, are generally declared and paid by the fund annually.

Currency Translation Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as quoted by a major bank. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is reflected as a component of security gains and losses.

Class Accounting Equity Income–II pays distribution, shareholder servicing, and/or certain administrative expenses in the form of Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets. Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class.

Rebates Subject to best execution, the fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the fund in cash. Commission rebates are reflected as realized gain on securities in the accompanying financial statements and totaled $6,000 for the year ended December 31, 2013.

Credits Credits are earned on the fund's temporarily uninvested cash balances held at the custodian, and such credits reduce the amount paid by the manager for custody of the fund's assets. In order to pass the benefit of custody credits to the fund, the manager has voluntarily reduced its investment management and administrative expense in the accompanying financial statements.

New Accounting Guidance On January 1, 2013, the fund adopted new accounting guidance, issued by the Financial Accounting Standards Board, that requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Adoption had no effect on the fund's net assets or results of operations.

NOTE 2 - VALUATION

The fund's financial instruments are valued, and each class's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business.

Fair Value The fund's financial instruments are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The T. Rowe Price Valuation Committee (the Valuation Committee) has been established by the fund's Board of Directors (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the fund's Board; is chaired by the fund's treasurer; and has representation from legal, portfolio management and trading, operations, and risk management.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

For valuation purposes, the last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE. If the fund determines that developments between the close of a foreign market and the close of the NYSE will, in its judgment, materially affect the value of some or all of its portfolio securities, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The fund

cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded domestic equity securities generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Valuation Committee are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. The Valuation Committee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants; transaction information can be reliably obtained; and prices are deemed representative of fair value. However, the Valuation Committee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the issue. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on December 31, 2013:

($000s)	Level 1	Level 2	Level 3	Total Value
	Quoted Prices	Significant Observable Inputs	Significant Unobservable Inputs	
Investments in Securities, except:	$ 79,817	$ –	$ –	$ 79,817
Common Stocks	1,136,960	27,406	–	1,164,366
Convertible Preferred Stocks	–	599	–	599
Total	$ 1,216,777	$ 28,005	$ –	$ 1,244,782

There were no material transfers between Levels 1 and 2 during the year.

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Securities Lending The fund lends its securities to approved brokers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. It receives collateral in the form of cash or U.S. government securities, valued at 102% to 105% of the value of the securities on loan. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested by the lending agent(s) in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At December 31, 2013, there were no securities on loan.

Other Purchases and sales of portfolio securities other than short-term securities aggregated $135,372,000 and $191,823,000, respectively, for the year ended December 31, 2013.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences.

The fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Reclassifications between income and gain relate primarily to the character of net currency losses. For the year ended December 31, 2013, the following reclassifications were recorded to reflect tax character (there was no impact on results of operations or net assets):

($000s)		
Undistributed net investment income	$	(3)
Undistributed net realized gain		3

Distributions during the years ended December 31, 2013 and December 31, 2012, totaled $16,871,000 and $20,412,000, respectively, and were characterized as ordinary income for tax purposes. At December 31, 2013, the tax-basis cost of investments and components of net assets were as follows:

($000s)	
Cost of investments	$ 932,498
Unrealized appreciation	$ 365,164
Unrealized depreciation	(52,875)
Net unrealized appreciation (depreciation)	312,289
Undistributed ordinary income	546
Capital loss carryforwards	(88,818)
Paid-in capital	1,020,470
Net assets	$ 1,244,487

The difference between book-basis and tax-basis net unrealized appreciation (depreciation) is attributable to the deferral of losses from wash sales for tax purposes. The fund intends to retain realized gains to the extent of available capital loss carryforwards. Because the fund is required to use capital loss carryforwards that do not expire before those with expiration dates, all or a portion of its capital loss carryforwards subject to expiration could ultimately go unused. During the year ended December 31, 2013, the fund utilized $53,694,000 of capital loss carryforwards. The fund's available capital loss carryforwards as of December 31, 2013, expire as follows: $67,944,000 in fiscal 2017 and $20,874,000 in fiscal 2018.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management, shareholder servicing, transfer agency, accounting, and custody services provided to the fund, as well as fund directors' fees and expenses. Interest, taxes, brokerage commissions, and extraordinary expenses are paid directly by the fund.

The fund may invest in the T. Rowe Price Reserve Investment Fund, the T. Rowe Price Government Reserve Investment Fund, or the T. Rowe Price Short-Term Reserve Fund (collectively, the Price Reserve Investment Funds), open-end management investment companies managed by Price Associates and considered affiliates of the fund. The Price Reserve Investment Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. The Price Reserve Investment Funds pay no investment management fees.

NOTE 6 - LITIGATION

The fund is a named defendant or in a class of defendants in a lawsuit that the Unsecured Creditors Committee (the Committee) of the Tribune Company has filed in Delaware bankruptcy court. The Committee is seeking to recover all payments made to beneficial owners of common stock in connection with a leveraged buyout of Tribune, including those made in connection with a 2007 tender offer in which the fund participated. The fund also is named as a defendant or included in a class of defendants in parallel litigation, which has been dismissed by the district court and is currently on appeal, asserting state law constructive fraudulent transfer claims to recover stock redemption payments made to shareholders. The complaints allege no misconduct by the fund, and management intends to vigorously defend the lawsuits. The value of the proceeds received by the fund is $25,684,000 (2.06% of net assets) and the fund will incur legal expenses. Management is currently assessing the case and has not yet determined the effect, if any, on the fund's net assets and results of operations.

Report of Independent Registered Public Accounting Firm

To the Board of Directors of T. Rowe Price Equity Series, Inc. and Shareholders of T. Rowe Price Equity Income Portfolio

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of T. Rowe Price Equity Income Portfolio (one of the portfolios comprising T. Rowe Price Equity Series, Inc., hereafter referred to as the "Fund") at December 31, 2013, and the results of its operations, the changes in its net assets and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian and brokers, and confirmation of the underlying funds by correspondence with the transfer agent, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Baltimore, Maryland
February 7, 2014

Tax Information (Unaudited) for the Tax Year Ended 12/31/13

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

For taxable non-corporate shareholders, $16,998,000 of the fund's income represents qualified dividend income subject to the 15% rate category.

For corporate shareholders, $16,998,000 of the fund's income qualifies for the dividends-received deduction.

Information on Proxy Voting Policies, Procedures, and Records

A description of the policies and procedures used by T. Rowe Price funds and portfolios to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our website, troweprice.com. To access it, click on the words "Social Responsibility" at the top of our corporate homepage. Next, click on the words "Conducting Business Responsibly" on the left side of the page that appears. Finally, click on the words "Proxy Voting Policies" on the left side of the page that appears.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through our website, follow the directions above to reach the "Conducting Business Responsibly" page. Click on the words "Proxy Voting Records" on the left side of that page, and then click on the "View Proxy Voting Records" link at the bottom of the page that appears.

How to Obtain Quarterly Portfolio Holdings

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's website (sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 100 F St. N.E., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

About the Portfolio's Directors and Officers

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. At least 75% of the Board's members are independent of T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates; "inside" or "interested" directors are employees or officers of T. Rowe Price. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

Independent Directors

Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
William R. Brody, M.D., Ph.D. (1944) 2009 [157]	President and Trustee, Salk Institute for Biological Studies (2009 to present); Director, Novartis, Inc. (2009 to present); Director, IBM (2007 to present); President and Trustee, Johns Hopkins University (1996 to 2009); Chairman of Executive Committee and Trustee, Johns Hopkins Health System (1996 to 2009)
Anthony W. Deering (1945) 2001 [157]	Chairman, Exeter Capital, LLC, a private investment firm (2004 to present); Director and Member of the Advisory Board, Deutsche Bank North America (2004 to present); Director, Under Armour (2008 to present); Director, Vornado Real Estate Investment Trust (2004 to 2012)
Donald W. Dick, Jr. (1943) 1994 [157]	Principal, EuroCapital Partners, LLC, an acquisition and management advisory firm (1995 to present)
Bruce W. Duncan (1951) 2013 [157]	President, Chief Executive Officer, and Director, First Industrial Realty Trust, owner and operator of industrial properties (2009 to present); Chairman of the Board (2005 to present), Interim Chief Executive Officer (2007), and Director (1999 to present), Starwood Hotels & Resorts, a hotel and leisure company; Senior Advisor, Kohlberg, Kravis, Roberts & Co. LP, a global investment firm (2008 to 2009); Trustee, Starwood Lodging Trust, a real estate investment trust and former subsidiary of Starwood (1995 to 2006)
Robert J. Gerrard, Jr. (1952) 2012 [157]	Advisory Board Member, Pipeline Crisis/Winning Strategies (1997 to present); Chairman of Compensation Committee and Director, Syniverse Holdings, Inc. (2008 to 2011); Executive Vice President and General Counsel, Scripps Networks, LLC (1997 to 2009)
Karen N. Horn (1943) 2003 [157]	Limited Partner and Senior Managing Director, Brock Capital Group, an advisory and investment banking firm (2004 to present); Director, Eli Lilly and Company (1987 to present); Director, Simon Property Group (2004 to present); Director, Norfolk Southern (2008 to present); Director, Fannie Mae (2006 to 2008)
Paul F. McBride (1956) 2013 [157]	Former Company Officer and Senior Vice President, Human Resources and Corporate Initiatives (2004 to 2010)
Cecilia E. Rouse, Ph.D. (1963) 2012 [157]	Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Director, MDRC (2011 to present); Member, National Academy of Education (2010 to present); Research Associate, National Bureau of Economic Research's Labor Studies Program (1998 to 2009 and 2011 to present); Member, President's Council of Economic Advisors (2009 to 2011); Member, The MacArthur Foundation Network on the Transition to Adulthood and Public Policy (2000 to 2008); Member, National Advisory Committee for the Robert Wood Johnson Foundation's Scholars in Health Policy Research Program (2008); Director and Member, National Economic Association (2006 to 2008); Member, Association of Public Policy Analysis and Management Policy Council (2006 to 2008); Member, Hamilton Project's Advisory Board at The Brookings Institute (2006 to 2008); Chair of Committee on the Status of Minority Groups in the Economic Profession, American Economic Association (2006 to 2008 and 2012 to present)

*Each independent director serves until retirement, resignation, or election of a successor.

Independent Directors (continued)

Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
John G. Schreiber (1946) 2001 [157]	Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Cofounder and Partner, Blackstone Real Estate Advisors, L.P. (1992 to present); Director, General Growth Properties, Inc. (2010 to present); Director, BXMT (formerly Capital Trust, Inc.), a real estate investment company (2012 to present); Director and Chairman of the Board, Brixmor Property Group, Inc. (2013 to present)
Mark R. Tercek (1957) 2009 [157]	President and Chief Executive Officer, The Nature Conservancy (2008 to present); Managing Director, The Goldman Sachs Group, Inc. (1984 to 2008)

*Each independent director serves until retirement, resignation, or election of a successor.

Inside Directors

Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Edward C. Bernard (1956) 2006 [157]	Director and Vice President, T. Rowe Price; Vice Chairman of the Board, Director, and Vice President, T. Rowe Price Group, Inc.; Chairman of the Board, Director, and President, T. Rowe Price Investment Services, Inc.; Chairman of the Board and Director, T. Rowe Price Retirement Plan Services, Inc., and T. Rowe Price Services, Inc.; Chairman of the Board, Chief Executive Officer, and Director, T. Rowe Price International; Chairman of the Board, Chief Executive Officer, Director, and President, T. Rowe Price Trust Company; Chairman of the Board, all funds
Brian C. Rogers, CFA, CIC (1955) 2013 [105]	Chief Investment Officer, Director, and Vice President, T. Rowe Price; Chairman of the Board, Chief Investment Officer, Director, and Vice President, T. Rowe Price Group, Inc.; Vice President, T. Rowe Price Trust Company; President, Equity Series

*Each inside director serves until retirement, resignation, or election of a successor.

Officers

Name (Year of Birth) Position Held With Equity Series	Principal Occupation(s)
E. Frederick Bair, CFA, CPA (1969) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
P. Robert Bartolo, CFA, CPA (1972) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Brian W.H. Berghuis, CFA (1958) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Anna M. Dopkin, CFA (1967) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Roger L. Fiery III, CPA (1959) Vice President	Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
John R. Gilner (1961) Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.
Gregory S. Golczewski (1966) Vice President	Vice President, T. Rowe Price and T. Rowe Price Trust Company

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

Officers (continued)

Name (Year of Birth) Position Held With Equity Series	Principal Occupation(s)
Gregory K. Hinkle, CPA (1958) Treasurer	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Ian D. Kelson (1956) Vice President	Director and President–International Fixed Income, T. Rowe Price International; Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
John D. Linehan, CFA (1965) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Patricia B. Lippert (1953) Secretary	Assistant Vice President, T. Rowe Price and T. Rowe Price Investment Services, Inc.
Daniel Martino, CFA (1974) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
David Oestreicher (1967) Vice President	Director, Vice President, and Secretary, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; Chief Legal Officer, Vice President, and Secretary, T. Rowe Price Group, Inc.; Vice President and Secretary, T. Rowe Price and T. Rowe Price International; Vice President, Price Hong Kong and Price Singapore
Larry J. Puglia, CFA, CPA (1960) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Deborah D. Seidel (1962) Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
Charles M. Shriver, CFA (1967) Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Taymour R. Tamaddon, CFA (1976) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Ken D. Uematsu, CFA (1969) Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Trust Company
John F. Wakeman (1962) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Julie L. Waples (1970) Vice President	Vice President, T. Rowe Price

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