

**CITIGROUP THIRD QUARTER GAAP NET INCOME OF \$3.92 BILLION, UP 23%
NET INCOME PER SHARE OF \$0.76, INCREASING 25%**

**CORE INCOME INCREASES 17% TO \$3.79 BILLION
CORE EPS OF \$0.74, UP 19%
REVENUES INCREASE 10% IN THE QUARTER**

New York, NY, October 15, 2002 — Citigroup Inc. (NYSE:C) today reported that third quarter GAAP net income rose 23% from the comparable period last year to \$3.92 billion. GAAP net income included the results for Travelers Property Casualty prior to the spin-off which was completed on August 20, 2002, as well as a \$27 million restructuring reserve release and \$114 million in realized losses in the company's insurance investment portfolio. Adjusted for these items, Citigroup's core income for the third quarter was \$3.79 billion, a 17% increase over the third quarter of 2001. Core income per share, diluted, increased 19% to \$0.74. Revenues for the company increased 10% in the quarter. Return on Common Equity was 19.4%.

For the nine months ended September 30, 2002, Citigroup's GAAP net income was \$12.85 billion, increasing 25% over the prior year period, with GAAP net income per share, diluted, of \$2.47. Core income of \$11.21 billion reflected a 14% increase, and core earnings per share, diluted, rose 14% to \$2.16. Revenue for the nine months ended September 30 increased 10% to \$56.8 billion.

"We are exceptionally pleased with the performance of our businesses this quarter, during what has been a period of challenging business conditions," said Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup. "We generated double-digit income growth while continuing to strengthen our reserves and capital position and reduce costs. Our revenues increased by 10% while our expenses fell by 2%. Further, this strong performance took place against the backdrop of macroeconomic challenges in Argentina and the political uncertainty in Brazil, which negatively impacted our results, as well as exceptionally weak equity markets, which have reduced the value of our proprietary investment portfolio and led to further realized losses in the insurance portfolios. The \$323 million after tax gain that we realized on the sale of our building at 399 Park Avenue provided an offset to extremely poor results for our proprietary investment activities.

"Our Global Consumer business has continued to extend its franchise with record income, up 13% in the quarter. The 14% income growth achieved by our Global Investment Management business reflects that business's success in overcoming the impact of declining equity markets and outperforming its industry. The Global Corporate and Investment Bank continues to lead the industry in market share and fees, ranking #1 once again in Global Underwriting and #1 in Disclosed Fees. Credit losses, however, remain high in the corporate bank and we have taken steps this quarter to build our reserve for loan losses in response to continued credit deterioration.

"Foremost in our minds has been restoring the trust of our customers and shareholders, and we continue to focus our efforts on resolving the issues facing our industry. The appointment of Chuck Prince, a talented and trusted manager, as the head of our Global Corporate and Investment Bank, will help our company to accelerate necessary changes in some of our business practices. I am also very pleased that a distinguished member of our Board, Mike Masin, has joined our management team as Chief Operating Officer. Mike will also head up our newly-formed Business Practices Committee, spearheading a company-wide effort to ensure that we are at the leading edge of raising business standards in our industry.

"We have made progress towards the resolution of the current regulatory scrutiny. During the quarter, we reached an agreement with the FTC regarding consumer lending practices of the former Associates, and we also resolved with the NASD issues relating to Winstar. We will continue to strive to have a constructive dialogue with regulators," said Weill.

Highlights of the quarter included:

- Revenues grew 10%, while expenses declined 2%. Expense reductions reflect a continuing focus on reducing controllable expenses across the company, including lower headcount and compensation levels in the Global Corporate and Investment Bank, further operating and technology expense reductions in Global Transaction Services, and improving operating leverage in Global Investment Management. In addition, the discontinuance of amortization of goodwill and certain intangibles in accordance with FAS 142 accounted for a \$94 million after tax reduction in expenses from the third quarter of 2001.
- Citigroup built its reserve for loan losses by \$283 million in excess of net credit losses in the third quarter, increasing the total reserve for loan losses to \$10.7 billion. Credit costs remained high in Citigroup's Global Corporate and Investment Bank. Corporate cash basis loans increased \$252 million, or 6%, from the second quarter. The Global Consumer net credit loss rate declined 16 basis points from the second quarter, to 3.18%, largely reflecting improvements in the company's Citi Cards portfolio. However, consumer delinquencies have increased slightly from the second quarter.
- Citigroup resolved the FTC's lawsuit, regarding lending practices of the former Associates prior to its acquisition by Citigroup, for \$215 million, which has largely been covered by existing reserves. Citigroup also reached a settlement with the NASD relating to Winstar. Citigroup will recognize the financial impact, if any, related to the resolution of other regulatory matters when such impact can be reasonably estimated. Any impact is not expected to be material to the company's financial condition.
- The company successfully completed the spin-off of Travelers Property Casualty during the quarter, retaining an approximately 9.9% interest. The historical results of Travelers Property Casualty are now being reported as a discontinued operation.
- Citigroup's return on common equity for the third quarter was 19.4% and the company's total equity, including trust preferred securities, equaled \$86.9 billion at September 30, 2002. During the quarter, Citigroup repurchased 77.2 million common shares, for a total cost of \$2.45 billion, bringing the total number of shares repurchased in 2002 to 133.4 million. Common shares outstanding declined 56 million from the second quarter to 5.06 billion. At quarter end, the company had \$5.75 billion available for future share repurchases under existing authorizations.
- *Global Finance* Magazine named Citigroup "Best Corporate Bank" and "Best Consumer Bank" in its annual survey of global banking institutions.

GLOBAL CONSUMER

Core income of \$2.22 billion for the third quarter, up 13%. Highlights included:

- *Cards*, which now serves 102 million accounts in 47 countries, increased income by 21% to a record \$849 million. Growth in North America Cards of 25% (which includes the card operations of Banamex) led the overall increase, with 18% revenue growth which offset higher marketing expenditures and a 35-basis-point increase in the net credit loss rate over last year. Loss rates improved 61 basis points from the second quarter. Receivables grew by 5% to \$111.1 billion. Also included in North America results were a \$206 million addition to the loan loss reserve established in accordance with FFIEC guidance related to past due interest and late fees on the on-balance sheet credit card receivables offset by net gains recognized due to changes in estimates in the timing of revenue recognition on securitizations. In the international markets, income rose 2%, with strong growth in Japan and CEEMEA offsetting weakness in Argentina and Hong Kong.
- *Consumer Finance* income rose 1%, as 9% income growth in North America was offset by a decline in international income of 11%. Revenue growth of 4% in North America was driven by a 7% volume increase, while expenses declined 8%. Loss rates in North America increased by 31 basis points over last year, but improved by 31 basis points from the second quarter. In international markets, strong income growth in Europe was offset by the impact of higher losses in Japan as well as volume pressure resulting from tighter underwriting standards.
- *Retail Banking* income increased 19%, reflecting strong performance across all regions, with the exception of Latin America due to the difficult operating conditions in Argentina. In North America, income growth of 25% included 27% growth at Citibanking, driven by higher deposit volumes, as well as 24% income growth for Consumer Assets, which continued to experience record levels of mortgage refinancings and substantial volume growth in student loans. International markets performed well, with income growth of 40% in Western Europe and 25% in CEEMEA.

GLOBAL CORPORATE AND INVESTMENT BANK

Core income of \$1.20 billion for the third quarter, down 7%. Highlights included:

- *Capital Markets and Banking* income fell 8%, as 4% revenue growth and substantial expense reductions were offset by an increase in the provision for credit losses. Growth in principal transactions revenue, led by strong performance in fixed income, as well as higher commission levels, partly offset a decline in investment banking revenues. Expenses were 10% lower than the prior year quarter and 22% lower than the second quarter, largely due to reductions in headcount and incentive compensation reflecting lower year-to-date risk-adjusted revenues. The provision for credit losses was \$710 million, a \$498 million increase over the third quarter of 2001, and included writeoffs on telecom and Argentina-related loans, as well as a \$190 million addition to the loan loss reserve in excess of net credit losses. Additionally, the quarter's results included an \$88 million reduction to revenues related to the writedown of Argentine securities.
- Income for *Transaction Services*, which includes Global Securities Services and e-Business, rose 21%, as the business continued to significantly reduce expenses. Expenses declined 10% from the prior year quarter, with sizable reductions realized in the expense base, which were partly offset by higher credit costs in Argentina. Business volumes were strong, including a 15% increase in assets under custody, which helped to offset lower spreads and a decline in global market values.
- *Private Client* income declined 8% from the third quarter of 2001, as revenues were negatively impacted by lower asset-based fees and margin interest income, resulting from sharp equity market declines. As a result, annualized revenue per Financial Consultant declined 3% to \$435,000. Expense reductions supported a pre-tax margin of 19%. Net flows were \$7 billion in the quarter, and total client assets were \$860 billion at quarter end. Assets in SSB's Bank Deposit Program totaled \$40 billion.

GLOBAL INVESTMENT MANAGEMENT

Core income of \$435 million for the third quarter, up 14%. Highlights included:

- *Life Insurance and Annuities* income decreased 1%. Income for Travelers Life and Annuity declined 4%, as lower net investment income was partly offset by continued growth in business volumes. Business volumes remained strong with a 5% increase in individual and group annuity account balances, despite a drop in variable annuity account balances, and 30% growth in net written life insurance premiums. International Insurance contributed \$13 million, primarily reflecting the addition of Banamex and other operations in Latin America.
- *The Private Bank* generated record income for the third consecutive quarter, with an increase of 26% to \$115 million. Revenues rose 13%, reflecting increased client trading activity, lending, and structured products activity. Client business volumes increased 5% to \$157 billion. Income growth was led by a 43% increase in the U.S., as well as strong results in Asia, including Japan.
- Income for *Asset Management*, which includes Retirement Services, increased 32%, reflecting the addition of the asset management and retirement services businesses of Banamex. Assets under management grew 7% to \$452 billion, including the investment portfolio of Travelers Property Casualty, which Citigroup manages on a third-party basis following the spin-off. Citigroup Asset Management's market share of proprietary channels was 37% in the Salomon Smith Barney Private Client Division, 72% in Primerica Financial Services and 42% in Citibanking North America.

CITIGROUP INTERNATIONAL

Core income for Citigroup's international operations, which are fully reflected in the product disclosures above, declined 16% from the prior year, largely due to higher credit losses in the Global Corporate and Investment Bank and weaker business performance in Latin America. Citigroup International contributed \$972 million or 26% of the company's total core income in the third quarter.

- *Japan's* income of \$364 million represented a 27% increase, led by strong results at Nikko Salomon Smith Barney, the consumer bank and the Private Bank. Contributions from the recent consumer finance acquisitions in that country also boosted results, and partly offset higher credit losses in that business.

- *Asia's* income increased 29% to \$355 million, led by strong customer volume growth in cards, retail banking and investment products, as well as improvements in corporate banking from a weak prior year quarter.
- *Western Europe* contributed \$184 million in income, an 8% decline, reflecting higher corporate loan losses and lower business volume. Consumer results were strong, with income rising 37%, reflecting strong performance from the company's consumer franchises in Germany and the U.K.
- *CEEMEA's* income rose 19% to \$175 million, led by 46% income growth for consumer, reflecting continued expansion of cards and retail banking in the region, and corporate income growth of 15%.
- *Latin America* posted a loss of \$106 million, reflecting a \$98 million reduction to revenues and a \$241 million increase in the loan loss provision related to the writedown of Argentine sovereign and corporate instruments.

PROPRIETARY INVESTMENT ACTIVITIES AND CORPORATE/OTHER

Citigroup's Proprietary Investment Activities recorded a loss of \$123 million in the third quarter, which included a \$323 million after tax gain on the sale of 399 Park Avenue. Results for the company's proprietary investment portfolios were negatively impacted by significantly lower market values for publicly traded securities, reflecting the continued decline in major market indexes, as well as writedowns on private equity investments primarily in Argentina and Brazil. Corporate/Other income was \$56 million, reflecting lower funding costs and realized gains from the sale of fixed income securities.

Citigroup (NYSE: C), the preeminent global financial services company with some 200 million customer accounts in more than 100 countries, provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Salomon Smith Barney, Banamex, and Travelers Life and Annuity. Additional information may be found at www.citigroup.com.

A financial summary follows. Additional financial, statistical and business-related information, as well as business and segment trends, is included in a Financial Supplement. Both the earnings release and the Financial Supplement are available on Citigroup's web site (<http://www.citigroup.com>). This document can also be obtained by calling 1-800-853-1754 within the United States or 732-935-2771 outside the United States.

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup's filings with the Securities and Exchange Commission.

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Citigroup Segment Income - Product View (In Millions of Dollars, except per share data)	Third Quarter		%	Nine Months		%
	2002	2001	Change	2002	2001	Change
Global Consumer						
Cards.....	\$ 849	\$ 701	21	\$ 2,172	\$ 1,826	19
Consumer Finance.....	555	549	1	1,656	1,437	15
Retail Banking.....	867	731	19	2,331	1,870	25
Other.....	(49)	(19)	NM	(116)	(55)	NM
Total Global Consumer.....	2,222	1,962	13	6,043	5,078	19
Global Corporate and Investment Bank						
Capital Markets and Banking.....	924	1,006	(8)	3,023	3,240	(7)
Private Client.....	168	182	(8)	569	584	(3)
Transaction Services.....	121	100	21	407	307	33
Other.....	(10)	7	NM	(65)	30	NM
Total Global Corporate and Investment Bank.....	1,203	1,295	(7)	3,934	4,161	(5)
Global Investment Management						
Life Insurance and Annuities.....	183	185	(1)	642	636	1
Private Bank.....	115	91	26	340	278	22
Asset Management.....	137	104	32	400	279	43
Total Global Investment Management.....	435	380	14	1,382	1,193	16
Proprietary Investment Activities.....	(123)	(249)	51	(158)	(111)	(42)
Corporate / Other.....	56	(133)	NM	12	(508)	NM
Core Income	3,793	3,255	17	11,213	9,813	14
Restructuring-Related Items -- After-tax (A).....	27	(84)	NM	24	(295)	NM
Realized Insurance Investment Portfolio Gains / (Losses), After-tax.....	(114)	64	NM	(218)	140	NM
Income from Continuing Operations.....	3,706	3,235	15	11,019	9,658	14
Discontinued Operations, After-tax (B).....	214	(58)	NM	1,875	751	NM
Cumulative Effect of Accounting Changes (C).....	-	-	-	(47)	(158)	70
Net Income.....	\$ 3,920	\$ 3,177	23	\$ 12,847	\$ 10,251	25
Diluted Earnings Per Share:						
Net Income (D).....	\$ 0.76	\$ 0.61	25	\$ 2.47	\$ 1.98	25
Core Income.....	\$ 0.74	\$ 0.62	19	\$ 2.16	\$ 1.90	14

(A) Restructuring-related items in the 2001 first quarter related principally to severance and costs associated with the reduction of staff in the Global Corporate and Investment Bank businesses, in the 2001 second quarter related principally to severance and costs associated with the reduction of staff primarily in the Global Corporate and Investment Bank and Global Consumer businesses, in the 2001 third quarter primarily related to the acquisition of Banamex and the integration of its operations, in the 2002 first quarter primarily related to severance and costs associated with the reduction of staff in Argentina within the Latin America consumer and corporate businesses, and in the 2002 second and third quarters primarily related to reductions in the reserve due to changes in estimates.

(B) Travelers Property Casualty Corp. (TPC) (a wholly-owned subsidiary of Citigroup on December 31, 2001) sold 231,000,000 shares of class A common stock at \$18.50 per share in an initial public offering (IPO) on March 27, 2002. Citigroup made a tax-free distribution to its stockholders of a portion of its ownership interest in TPC on August 20, 2002. Discontinued Operations includes the operations of TPC, the \$1.270 billion (\$1.158 billion after-tax) gain on the IPO and income taxes on the operations and IPO gain. Citigroup remains a holder of approximately 9.9% of TPC's common equity.

(C) Accounting Changes refer to the 2001 first quarter adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended (SFAS 133), the 2001 second quarter adoption of EITF issue 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets" (EITF 99-20), and the 2002 first quarter adoption of the remaining provisions of SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS 142).

(D) Diluted EPS from Income from Continuing Operations was \$0.72 and \$2.12 in the 2002 third quarter and nine months, compared to \$0.62 and \$1.87 in the respective 2001 periods.

NM Not meaningful

Reclassified to conform to the current period's presentation.

Citigroup Core Income - Regional View (In Millions of Dollars)	Third Quarter		%	Nine Months		%
	2002	2001		Change	2002	
North America (excluding Mexico) (1)						
Consumer.....	\$ 1,408	\$ 1,238	14	\$ 3,910	\$ 3,308	18
Corporate.....	877	794	10	2,559	2,277	12
Investment Management.....	319	306	4	1,028	988	4
Total North America (excluding Mexico).....	2,604	2,338	11	7,497	6,573	14
Mexico (2)						
Consumer.....	205	112	83	531	85	NM
Corporate.....	26	4	NM	169	45	NM
Investment Management.....	53	19	NM	171	36	NM
Total Mexico.....	284	135	NM	871	166	NM
Western Europe						
Consumer.....	158	115	37	433	317	37
Corporate.....	25	85	(71)	184	397	(54)
Investment Management.....	1	-	-	(3)	2	NM
Total Western Europe.....	184	200	(8)	614	716	(14)
Japan						
Consumer.....	265	259	2	759	706	8
Corporate.....	87	19	NM	107	121	(12)
Investment Management.....	12	9	33	44	23	91
Total Japan.....	364	287	27	910	850	7
Asia (excluding Japan)						
Consumer.....	176	157	12	467	443	5
Corporate.....	153	101	51	513	454	13
Investment Management.....	26	18	44	81	59	37
Total Asia (excluding Japan).....	355	276	29	1,061	956	11
Latin America						
Consumer.....	(25)	57	NM	(143)	161	NM
Corporate.....	(100)	175	NM	(5)	492	NM
Investment Management.....	19	22	(14)	47	63	(25)
Total Latin America.....	(106)	254	NM	(101)	716	NM
Central & Eastern Europe, Middle East & Africa						
Consumer.....	35	24	46	86	58	48
Corporate.....	135	117	15	407	375	9
Investment Management.....	5	6	(17)	14	22	(36)
Total Central & Eastern Europe, Middle East & Africa.....	175	147	19	507	455	11
Proprietary Investment Activities.....	(123)	(249)	51	(158)	(111)	(42)
Corporate / Other.....	56	(133)	NM	12	(508)	NM
Core Income.....	\$ 3,793	\$ 3,255	17	\$ 11,213	\$ 9,813	14

(1) Excludes Proprietary Investment Activities and Corporate / Other.

(2) Includes the operations of Banamex from August 6, 2001 forward.

NM Not meaningful

Reclassified to conform to the current period's presentation.

Citigroup Segment Adjusted Revenue - Product View (In Millions of Dollars)	Third Quarter		%	Nine Months		%
	2002	2001		Change	2002	
Global Consumer						
Cards.....	\$ 4,689	\$ 4,032	16	\$ 13,179	\$ 11,313	16
Consumer Finance.....	2,439	2,300	6	7,143	6,631	8
Retail Banking.....	3,317	3,042	9	9,868	8,118	22
Other.....	45	82	(45)	141	226	(38)
Total Global Consumer.....	10,490	9,456	11	30,331	26,288	15
Global Corporate and Investment Bank						
Capital Markets and Banking.....	4,013	3,868	4	13,153	13,193	(0)
Private Client.....	1,399	1,450	(4)	4,399	4,507	(2)
Transaction Services.....	891	856	4	2,665	2,649	1
Other.....	(58)	(60)	3	(261)	(143)	(83)
Total Global Corporate and Investment Bank.....	6,245	6,114	2	19,956	20,206	(1)
Global Investment Management						
Life Insurance and Annuities.....	1,073	972	10	3,291	3,156	4
Private Bank.....	412	366	13	1,262	1,134	11
Asset Management.....	518	546	(5)	1,559	1,553	0
Total Global Investment Management.....	2,003	1,884	6	6,112	5,843	5
Proprietary Investment Activities.....	(101)	(360)	72	(78)	(124)	37
Corporate / Other.....	137	(87)	NM	506	(324)	NM
Total Adjusted Revenue.....	\$ 18,774	\$ 17,007	10	\$ 56,827	\$ 51,889	10

NM Not meaningful

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