



**Second Quarter 2002
Earnings Review**

July 17, 2002

Second Quarter 2002 Highlights

Record Core Income of \$4.1B, up 7%

- ✓ **\$0.78 GAAP Net EPS, up 13%**
- ✓ **\$0.78 Core EPS, up 5%**
- ✓ **Revenues up 10%; operating expenses up 6%; credit and insurance costs up 22%**
- ✓ **Golden State Bancorp acquisition and Travelers Property Casualty spin-off on track**
- ✓ **19.4% return on average common equity of \$83.5B**

Worldcom Impact on Insurance Portfolios

(\$ in Millions)

	<u>Pre-tax</u>	<u>After-tax</u>	<u>Remaining Exposure</u>
Life Insurance and Annuities (Included in Proprietary Investment Activities)	\$ (203)	\$ (132)	\$ 45
Travelers Property Casualty (77%-owned) (Included in Property and Casualty)	<u>(69)</u>	<u>(34)</u>	<u>15</u>
Total	\$ (272)	\$(167)	\$ 60

Note: Above excludes impact from trading portfolios in Treasury and Global Corporate and Investment Bank

Improved Organizational Structure

Old Organizational Structure

	Cards	Consumer Finance	Retail Banking	Corporate & Investment Banking	Private Client	Transaction Services	Life Insurance & Annuities	Private Banking	Asset Management	Investment Activities
U.S.	Developed Consumer			CIB			GIM	PB	AM	IA
Europe										
Japan										
Asia	Emerging Markets & Trx. Svcs. (including Mexico)						GIM	PB	AM	IA
Latin America										
CEEMEA										

New Organizational Structure

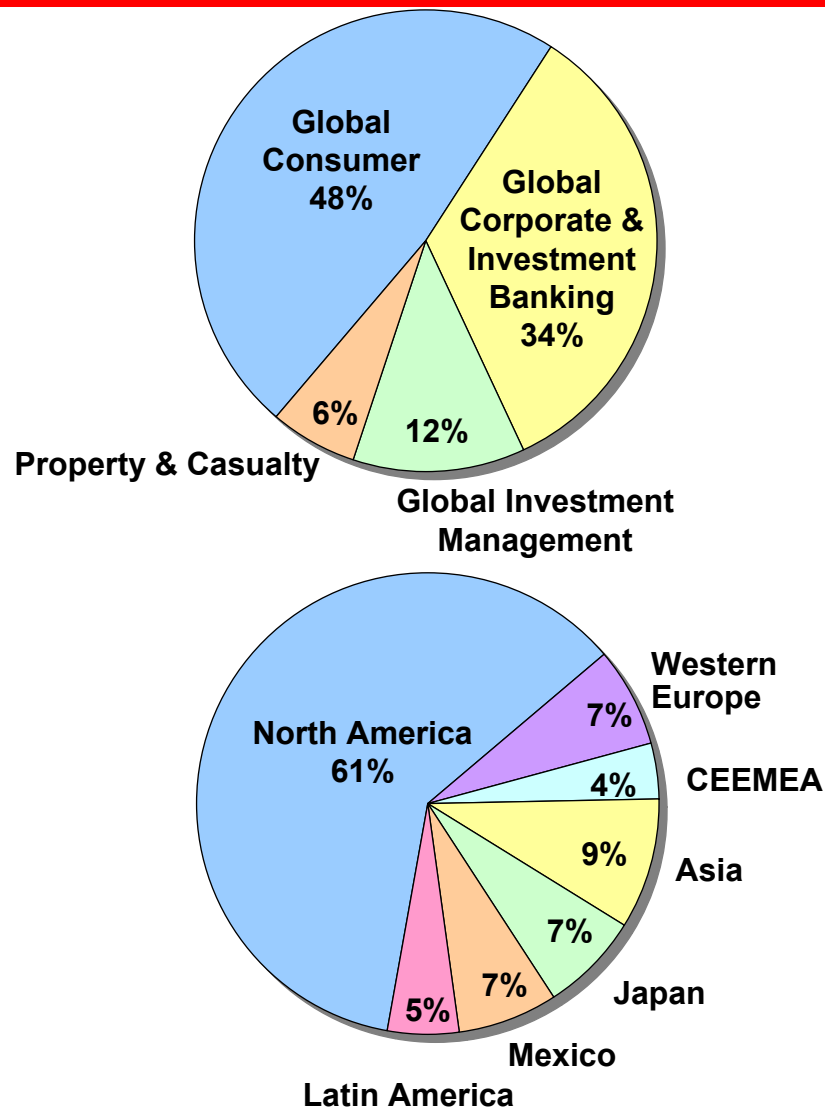
	Cards	Consumer Finance	Retail Banking	Capital Markets & Banking	Private Client	Transaction Services	Life Insurance & Annuities	Private Banking	Asset Management	Proprietary Investment Activities
U.S./Mexico	Global Consumer			GCIB			GIM	PB	AM	PIA
Europe										
Japan										
Asia										
Latin America										
CEEMEA										

Benefits

- Improved competitive focus with monoline competitors
- Better global optimization of capital and resource allocation
- Facilitates knowledge transfer/arbitrage from developed to emerging markets
- Regional overlay facilitates one-bank face to regulators and optimizes risk and infrastructure cost management

Second Quarter 2002 Income

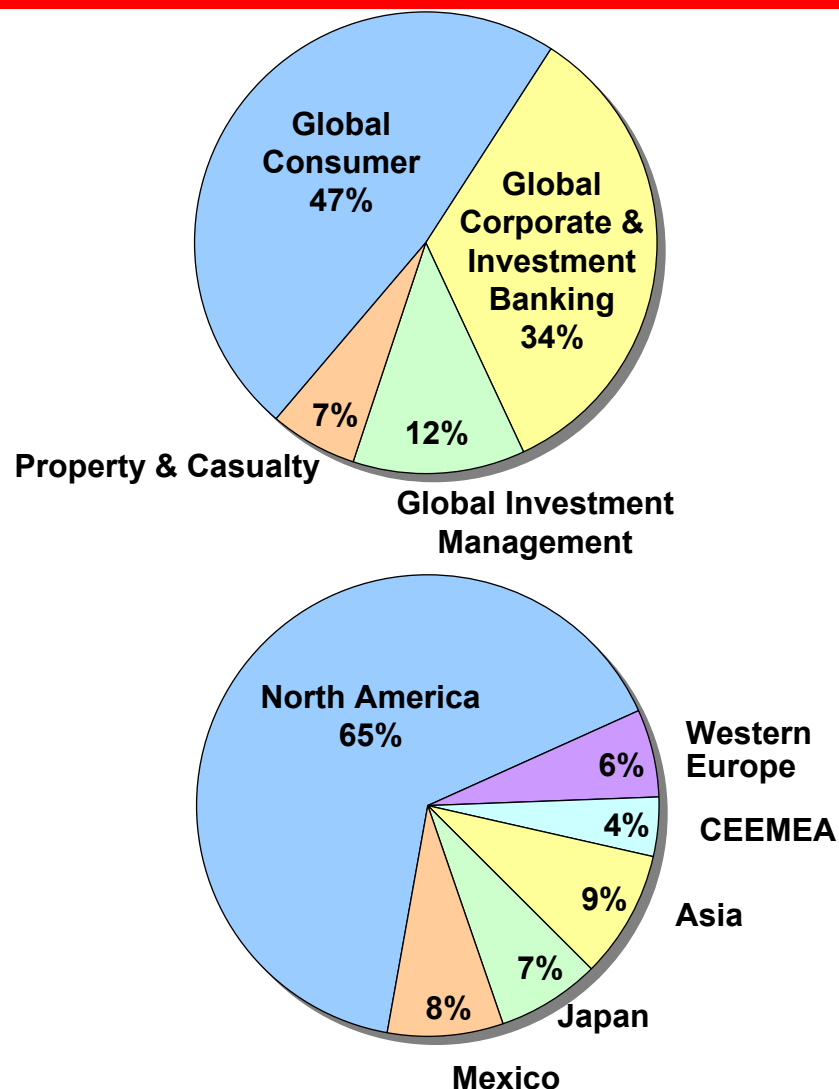
(\$MM)	<u>2Q02</u>	<u>2Q01</u>	<u>% Change</u>
Global Consumer	\$2,009	\$1,611	25%
Global Corporate & Investment Bank	1,445	1,390	4%
Global Investment Mgmt.	505	412	23%
Property and Casualty	256	343	(25%)
Proprietary Investment Activities	(190)	208	NM
Corporate/Other	34	(179)	NM
Core Income	\$4,059	\$3,785	7%
Diluted Core EPS	\$ 0.78	\$ 0.74	5%
ROE	19.4%	22.4%	
Restructuring Items	25	(133)	
Cum. Effect of Accounting Change	--	(116)	
Net Income	\$4,084	\$3,536	15%
Diluted Net EPS	\$0.78	\$0.69	13%



(1) Excludes Corporate/Other & Proprietary Investment Activities.
 (2) Geographic view excludes income from Property and Casualty

First Half 2002 Income

(\$MM)	YTD 2Q02	YTD 2Q01	% Change
Global Consumer	\$3,821	\$3,116	23%
Global Corporate & Investment Bank	2,731	2,866	(5%)
Global Investment Mgmt.	947	813	16%
Property and Casualty	602	811	(26%)
Proprietary Investment Activities	(139)	214	NM
Corporate/Other	(44)	(375)	NM
Core Income	\$7,918	\$7,445	6%
Diluted Core EPS	\$ 1.52	\$ 1.45	5%
ROE	19.3%	22.5%	
Gain on Sale of Stock by Subsidiary and Restructuring Items	1,056	(213)	
Cum. Effect of Accounting Change	(47)	(158)	
Net Income	\$8,927	\$7,074	26%
Diluted Net EPS	\$1.71	\$1.37	25%



(1) Excludes Corporate/Other & Proprietary Investment Activities.
(2) Geographic view excludes income from Property and Casualty

Global Growth Businesses

- Strong global growth trends
- Attractive returns
- Fragmented - with potential for consolidation
- Unique competitive position
- Diversified, recurring income



- *Global Consumer*
 - Cards
 - Consumer Finance
 - Retail Banking
- *Global Corporate and Investment Bank*
 - Capital Markets
 - Transaction Services
 - Private Client
- *Global Investment Management*
 - Life Insurance and Annuities
 - Private Banking
 - Asset Management

Global Consumer

Core Income (\$MM)

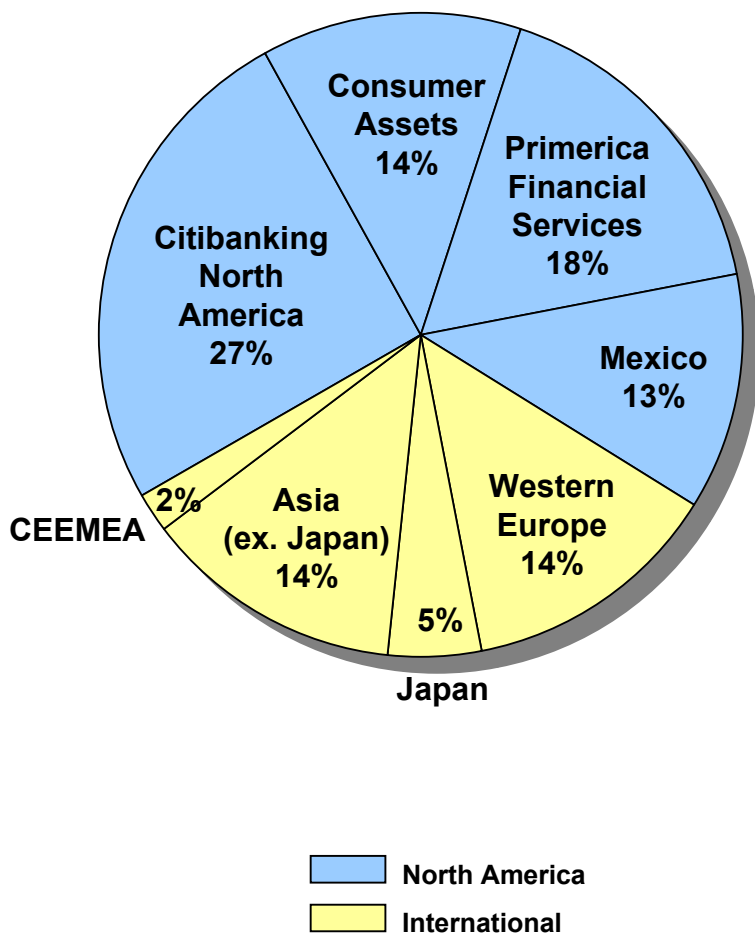
	<u>2Q02</u>	<u>2Q01</u>	<u>%</u>
Global Cards	744	555	34%
North America	631	456	38%
International	113	99	14%
Global Consumer Finance	565	491	15%
North America	341	282	21%
International	224	209	7%
Global Retail Banking	748	594	26%
North America	544	344	58%
International	204	250	(18%)

Highlights

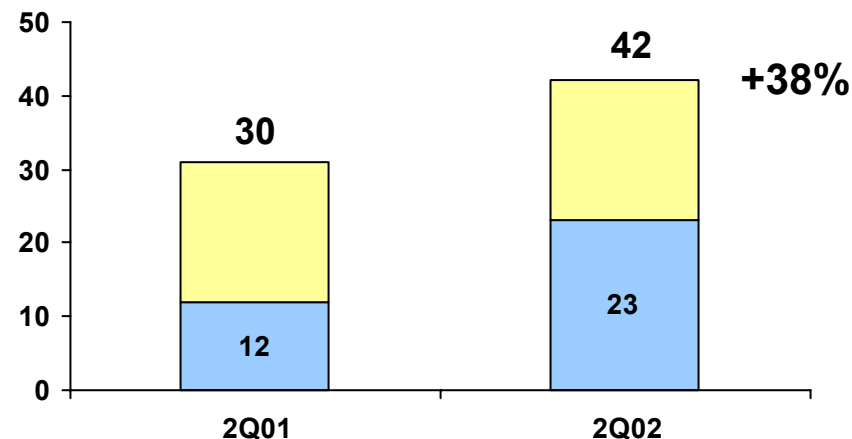
- Revenues up 18% to \$4.3B
- Expenses up 6% to \$1.4B
- Receivables up 6% to \$122B
- Revenues up 10% to \$2.4B
- Expenses down 6% to \$0.8B
- Average loans up 9% to \$77B
- Revenues up 25% to \$3.2B
- Expenses up 26% to \$1.8B
- Average deposits up 26% to \$167B

Global Retail Banking

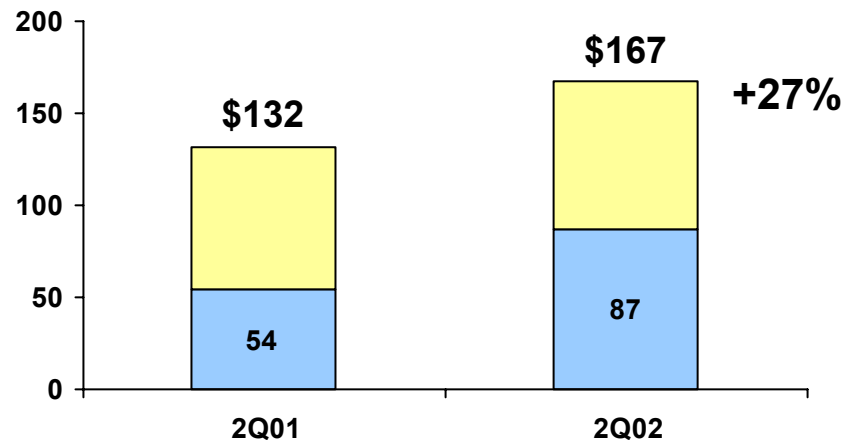
**2Q02 Core Income
\$748 MM**



Accounts (MM)



Average Deposits (\$B)



(1) Total exceeds 100% due to a \$60 MM loss in Latin America Retail Banking.

Golden State Bancorp Acquisition

- **Strong retail banking franchise in the West**
 - \$54 billion in assets; \$25 billion in deposits
 - 352 branches; 500 ATMs
 - #5 in California with 4.5% deposit market share and #6 in Nevada with 4.7% deposit market share
 - Significant mortgage servicing business - #8 mortgage servicer in the U.S.
- **Strengthens Citigroup's retail banking position in attractive market**
 - California is largest deposit market in U.S. with \$492 billion of deposits
 - Increases Citibank's California deposit market share to 5.8% from 1.3%; total U.S. market share increases to 4.2% from 3.5%
- **Builds distribution capability**
 - Increases total U.S. bank branches by 352 to 797
 - Leveraging success of Citibanking sales model
 - Provides additional \$25B in deposit funding

Global Corporate and Investment Bank

Core Income (\$MM)

	<u>2Q02</u>	<u>2Q01</u>	<u>%</u>
Capital Markets and Banking	1,070	1,033	4%
Private Client	204	206	(1%)
Transaction Services	204	116	76%

Highlights

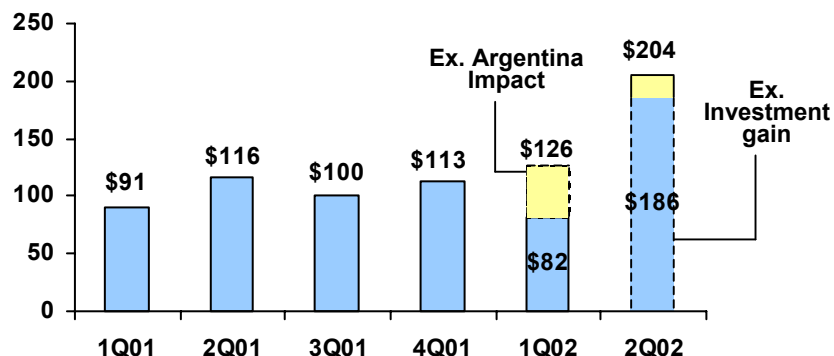
- Revenue up 9% to \$4.5B
 - Expenses up 8% to \$2.4B
 - Maintained #1 in Global Debt and Equity Underwriting
-
- Revenue up 1% to \$1.5B
 - Expenses up 2% to \$1.2B
 - Net flows of \$9.4B
-
- Revenues up 5% to \$939MM
 - Expenses down 10% to \$626MM
 - Liability balances up 12% to \$84B
 - Assets under custody up 20% to \$5.4T

Maintaining Leadership in Capital Markets

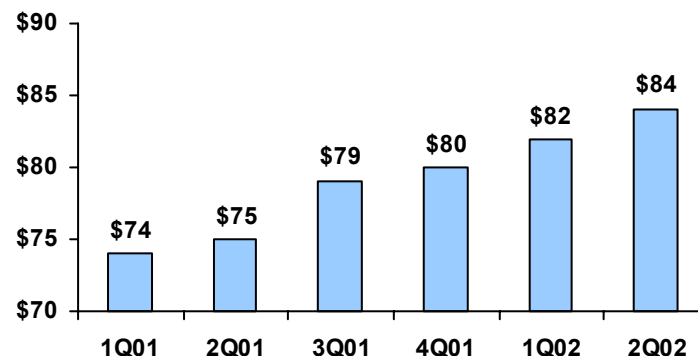
	Rank		Market Share	
	YTD	FY	YTD	FY
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Global Debt & Equity	#1	#1	11.1%	12.1%
Global Investment Grade Debt	#1	#1	13.5%	14.3%
Global Equity	#1	#3	15.5%	11.5%
Global Debt & Equity Disclosed Fees	#1	#1	15.2%	13.4%
Global Announced M&A	#3	#6	18.4%	15.8%
Global Completed M&A	#5	#4	18.6%	22.1%

Transaction Services

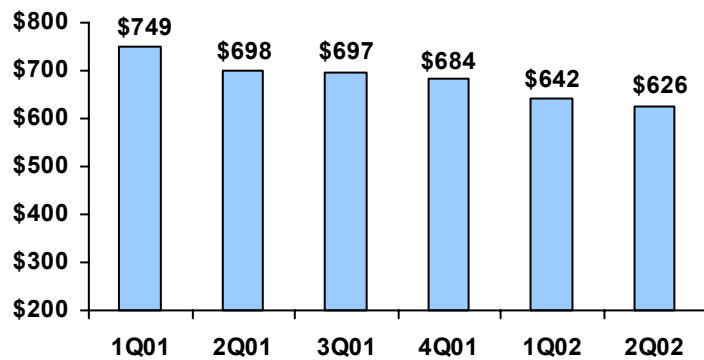
Core Income (\$MM)



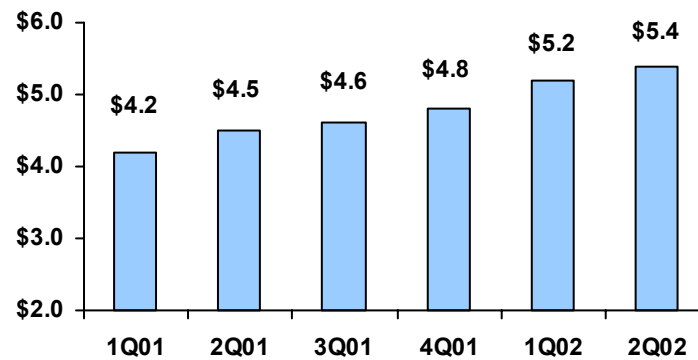
Liability Balances (Average, \$B)



Expenses (\$MM)



Assets Under Custody (Period End, \$T)



Exp./Rev. 83% 78% 81% 79% 77% 67%

Global Investment Management

Core Income (\$MM)

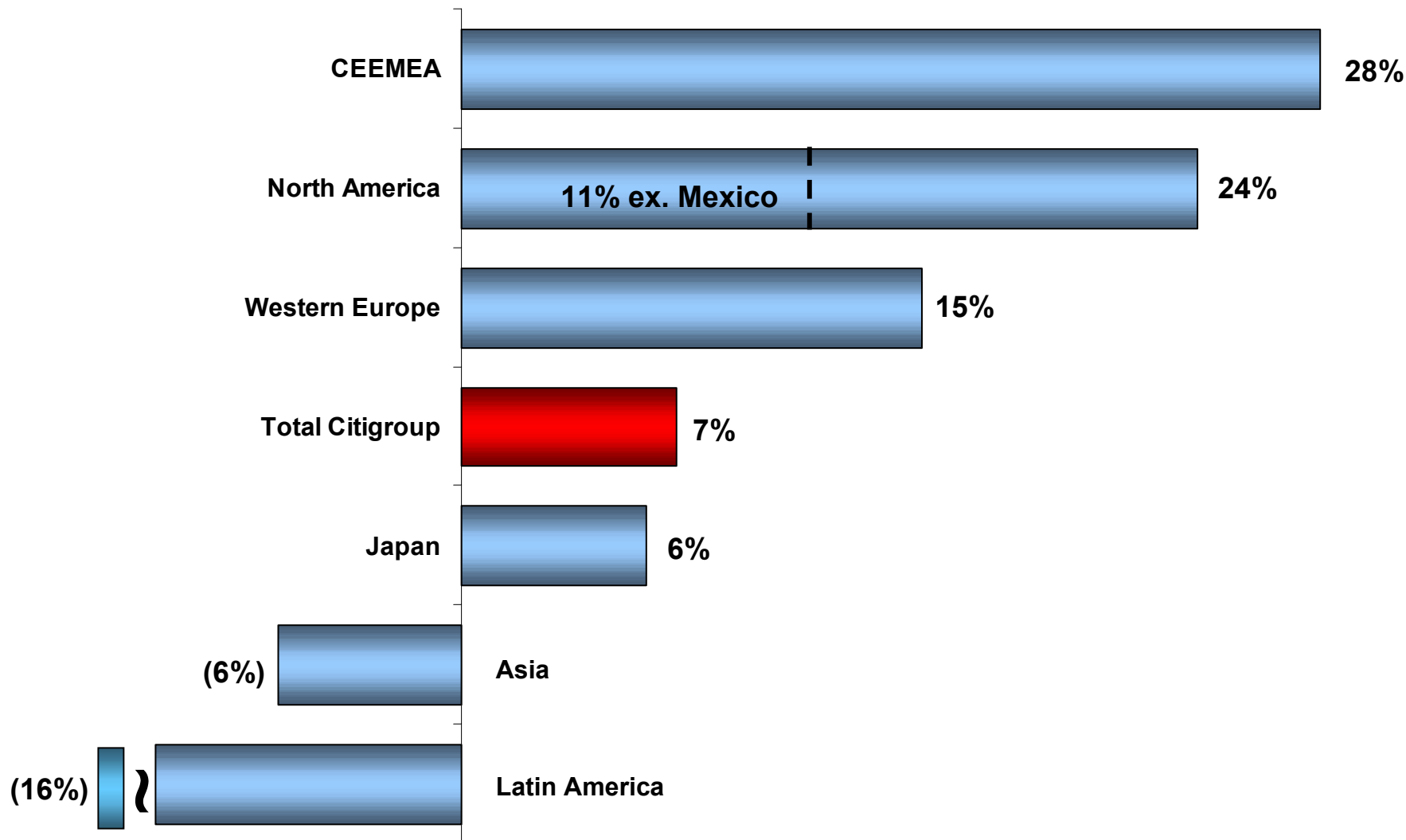
	<u>2Q02</u>	<u>2Q01</u>	<u>%</u>
Life Insurance and Annuities	255	236	8%
Private Banking	113	92	23%
Asset Management	137	84	63%

Highlights

- Revenues up 20% to \$1,216MM
- Expenses up 19% to \$112MM
- Solid growth in individual fixed and group annuities and life Insurance sales
- Revenues up 14% to \$427MM
- Expenses up 13% to \$261MM
- Client business volumes up 8% to \$163B
- Revenues up 6% to \$522MM
- Expenses down 9% to \$317 MM
- Net flows of \$8.5B
- AUM's up 6% to \$443B

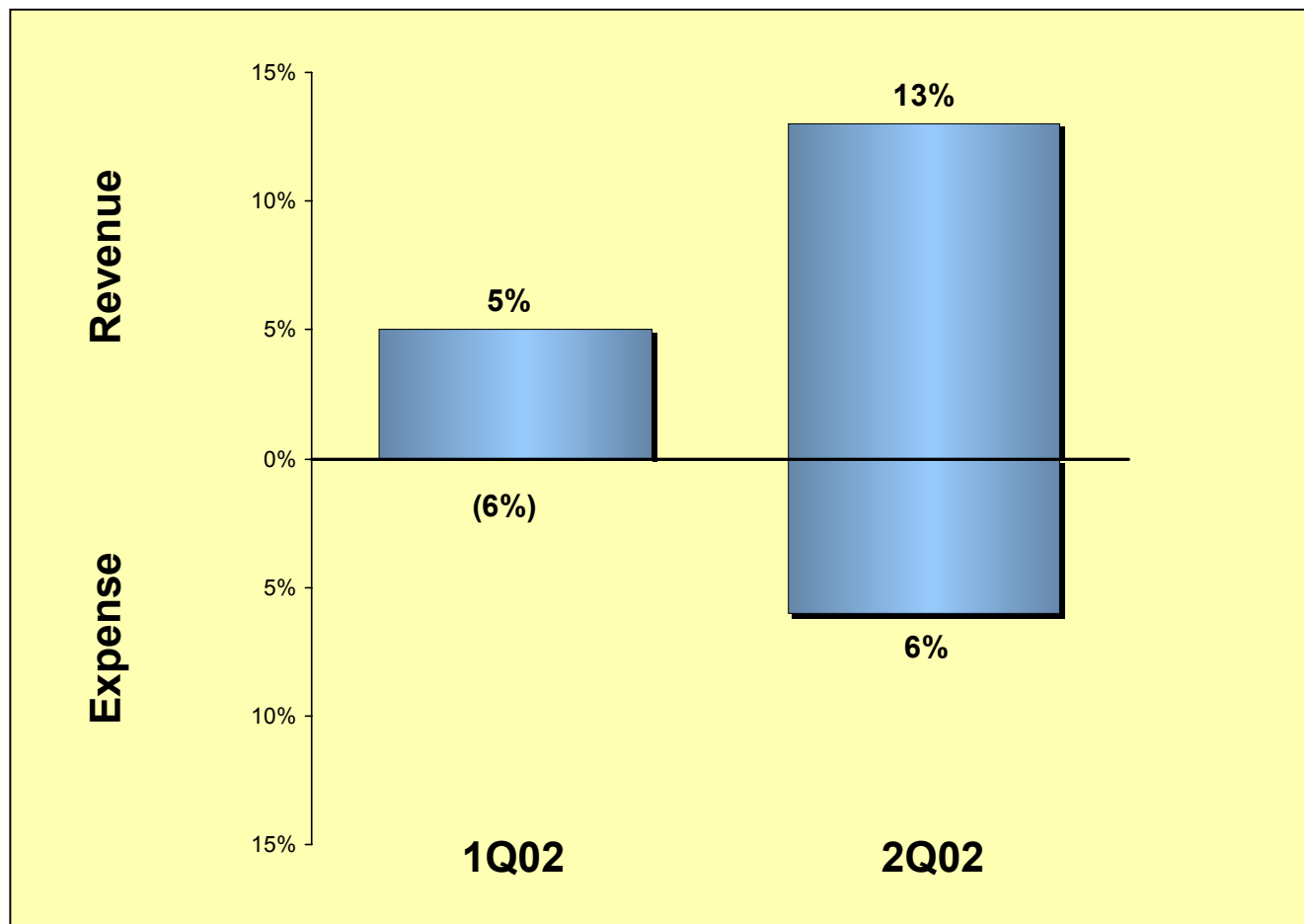
2Q02 Core Income Growth - Regional View

Year-Over-Year Growth; % Increase/(Decrease)



Revenue and Expense Growth

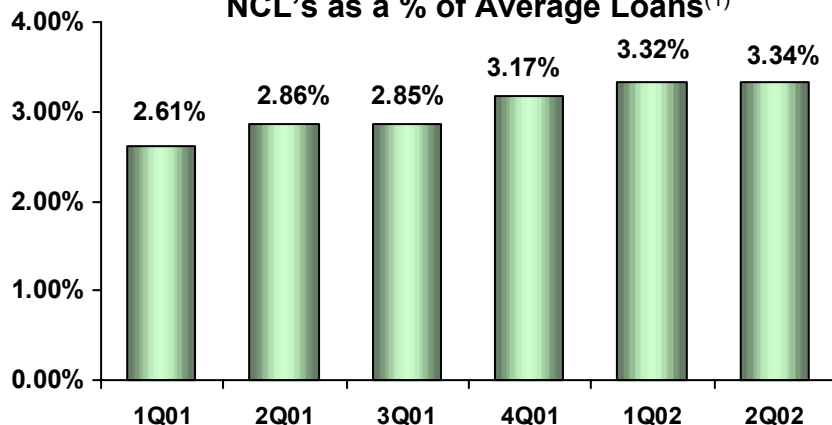
Citigroup excluding Proprietary Investment Activities Increase/(Decrease)



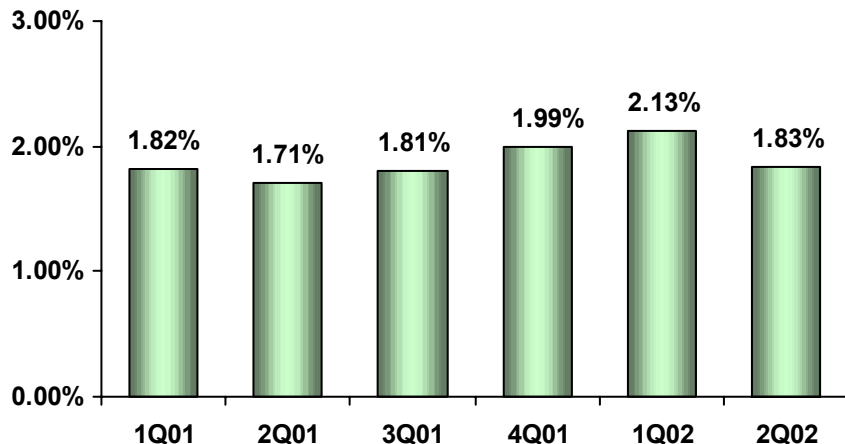
Credit Quality

Consumer

Global Consumer
NCL's as a % of Average Loans⁽¹⁾

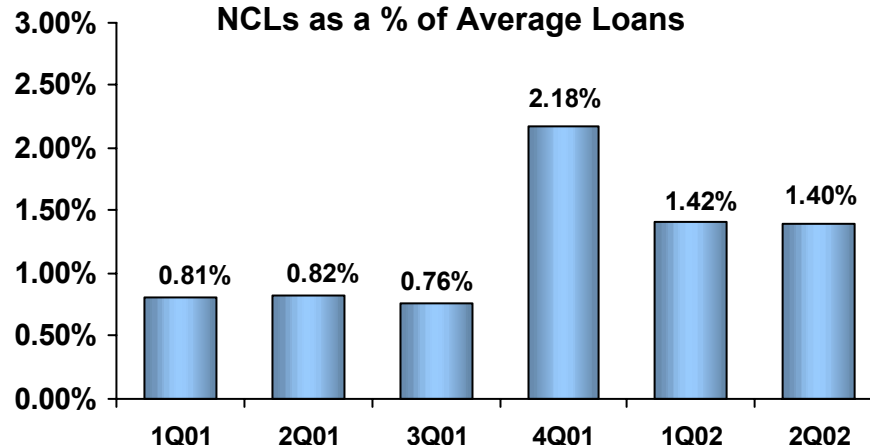


North America Cards⁽¹⁾
90+ Days Past Due

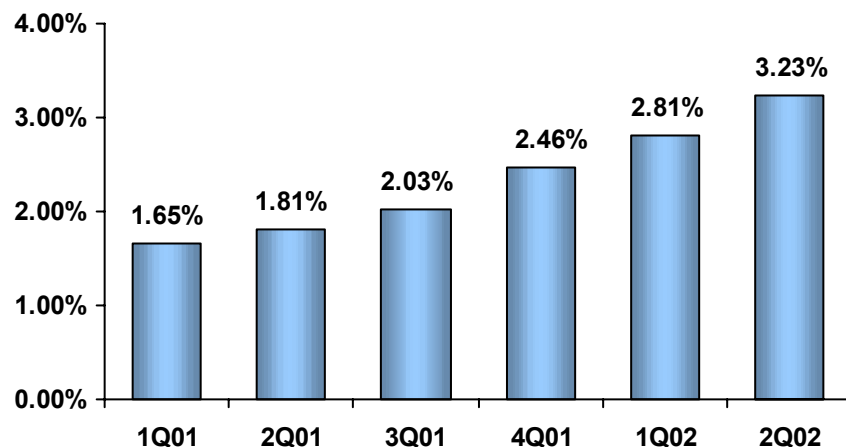


Corporate

Global Corporate
NCLs as a % of Average Loans



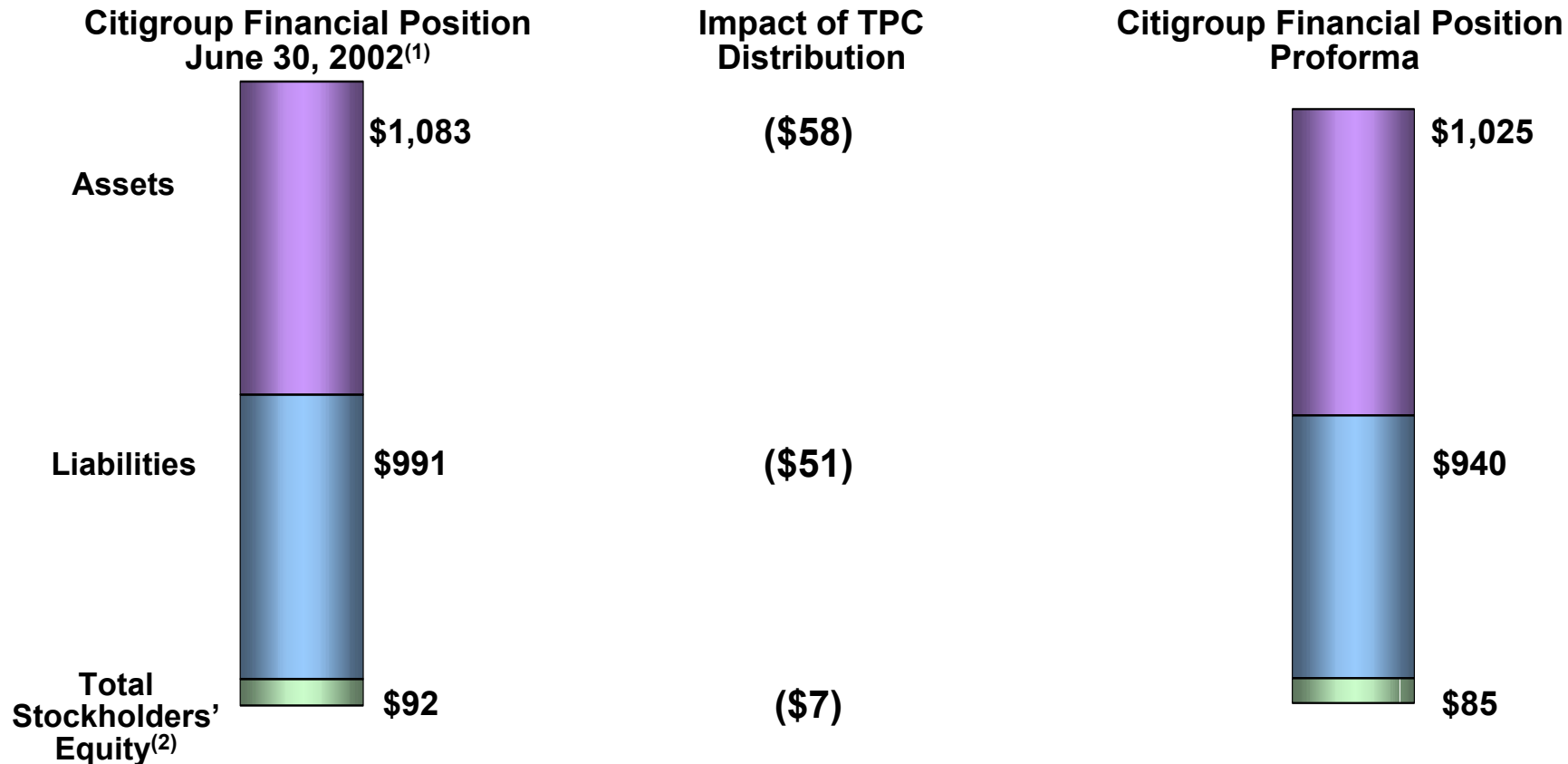
Global Corporate
Cash Basis Loans as % of EOP Loans



(1) Managed Basis

Spin-off of Travelers Property Casualty - Capital Impact

(\$ in Billions)



Tier 1 Capital	\$63.2	(\$7.5)	\$55.7
Total Capital	\$80.7	(\$7.3)	\$73.4
Tier 1 Capital Ratio	9.2%	(50bps)	8.7%
Total Capital Ratio	11.7%	(30bps)	11.4%

(1) Preliminary

(2) Includes Trust Securities

Capital Discipline

Second Quarter 2002

	<u>6/30/02</u>	<u>6/30/01</u>
Total Stockholders' equity (billions) ⁽¹⁾	\$92.5	\$75.1
Return on Common Equity ⁽²⁾	19.4% ⁽³⁾	22.4%
Tier I Ratio	9.2% ⁽³⁾	8.8%
Total Capital Ratio	11.7% ⁽³⁾	11.5%
GAAP Assets (billions)	\$1,083 ⁽³⁾	\$953

- Increased share repurchases
 - Repurchased 38.3 million common shares in the quarter for cost of \$1.6B
 - Additional \$5B authorized for share repurchases

(1) Includes Trust Preferred Securities

(2) Core Income return on Average Common Equity

(3) Preliminary

- **Statements made today may include forward-looking information subject to risks, uncertainties and other factors that could materially affect actual results.**
- **For further information please see Citigroup's reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (www.sec.gov).**