



**Fourth Quarter and Full-Year
2002 Earnings Review**

January 21, 2003

Highlights

Record FY02 GAAP Net Income of \$15.3B

Record FY02 Core Income of \$13.7B

- **Record FY02 GAAP Net EPS of \$2.94;
Core EPS of \$2.63**
- **4Q02 GAAP Net EPS and Core EPS of \$0.47**
- **Integration of Golden State Bancorp on-track -
accretive to 4Q02 results**
- **FY02 ROE* of 18.6%; 4Q02 ROE* of 11.7%**

Full Year 2002 Income

(\$MM)	<u>2002</u>	<u>2001</u>	<u>% Change</u>
Global Consumer	\$ 8,415	\$ 6,963	21%
Global Corporate & Investment Bank	3,021	4,482	(33%)
Private Client Services	722	773	(7%)
Global Investment Mgmt.	1,821	1,612	13%
Proprietary Invest. Activities	(233)	224	NM
Corporate/Other	(93)	(637)	85%

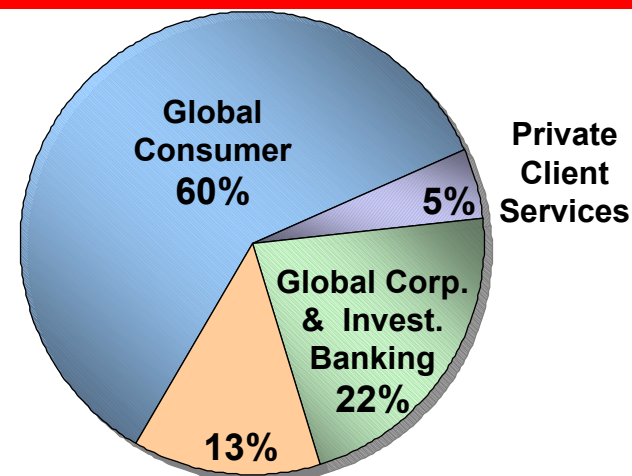
Core Income	\$13,653	\$ 13,417	2%
--------------------	-----------------	------------------	-----------

Diluted Core EPS	\$ 2.63	\$ 2.59	2%
-------------------------	----------------	----------------	-----------

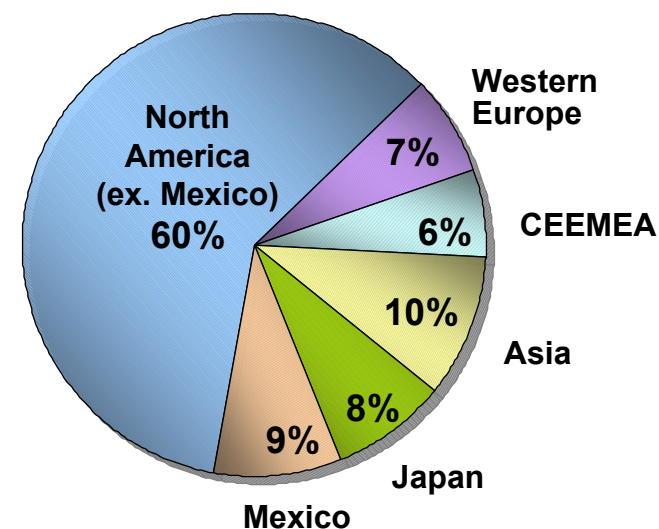
Insurance Realized G / (L)	(215)	94
Restructuring Items	10	(282)
Effect of Accounting Change	(47)	(158)
Discontinued Operations*	1,875	1,055

GAAP Net Income	\$15,276	\$14,126	8%
------------------------	-----------------	-----------------	-----------

Diluted Net EPS	\$ 2.94	\$ 2.72	8%
------------------------	----------------	----------------	-----------



Global Investment Management



(1) Excludes Corporate / Other & Proprietary Investment Activities.
 (2) Geographic view also excludes Latin America (\$22MM loss).

*Includes gain on sale of Travelers Property Casualty IPO shares in 1Q02.

Delivering in a Tough Environment

2002 Headwinds:

- Continued weakness in global markets
- Intense scrutiny of industry business practices - large legal provision
- Political/economic instability in Latin America
- Continued high consumer and corporate credit costs with record bankruptcies - large credit provision

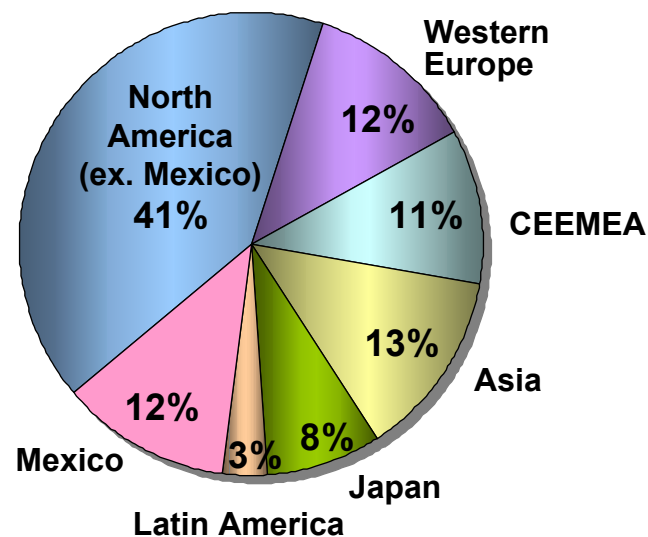
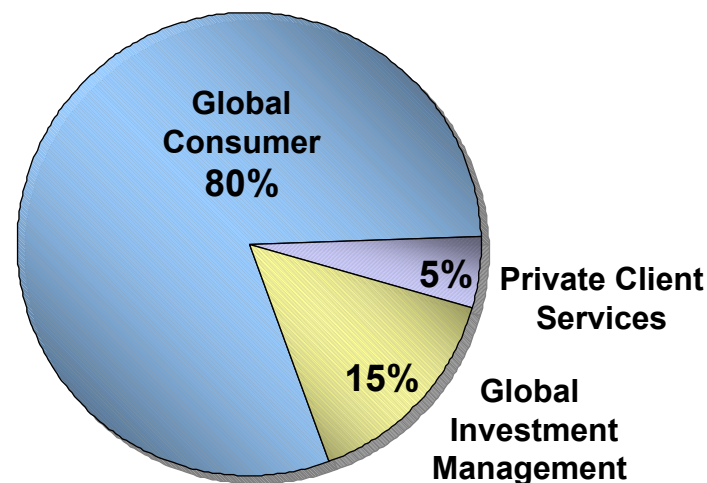
Citigroup Achievements:

- Record earnings and revenues ✓
- Record income in 6 of 9 businesses ✓
 - Cards
 - Consumer Finance
 - Retail Banking
 - Transaction Services
 - Private Banking
 - Asset Management
- Completed IPO and spin-off of Travelers Property Casualty ✓
- Added \$1.5B to loan loss reserves ✓
- Repurchased 151MM shares for cost of \$5.5B ✓
- Total stockholders equity up \$4.5B to \$93B ⁽¹⁾ ✓
- Improved capital ratios ✓
- Rating upgrade from Fitch to AA+ ✓

(1) Includes Trust Preferred Securities

Fourth Quarter 2002 Income

(\$MM)	<u>4Q02</u>	<u>4Q01</u>	<u>% Change</u>
Global Consumer	\$ 2,372	\$ 1,885	26%
Global Corporate & Investment Bank	(344)	905	NM
Private Client Services	153	189	(19%)
Global Investment Mgmt.	439	419	5%
Proprietary Invest. Activities	(75)	335	NM
Corporate/Other	(105)	(129)	19%
Core Income	\$ 2,440	\$ 3,604	(32%)
Diluted Core EPS	\$ 0.47	\$ 0.69	(32%)
Insurance Realized G / (L)	3	(46)	
Restructuring Items	(14)	13	
Discontinued Operations	--	304	
GAAP Net Income	\$ 2,429	\$ 3,875	(37%)
Diluted Net EPS	\$ 0.47	\$ 0.74	(36%)



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

(2) Business view also excludes Corporate and Investment Bank (\$344MM loss).

Global Consumer

(\$MM)

Cards

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
North America	\$818	22%
International	<u>121</u>	<u>NM</u>
	\$939	30%

4Q02 Highlights

- Record revenues of \$4.7B, up 13%
- Expenses flat
- Managed receivables up 8% to \$132B

FY02 Performance

- Income up 22%

FY03 Outlook

- Healthy receivables growth
- Credit costs essentially flat
- Double-digit income growth

Consumer Finance

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
North America	\$358	19%
International	<u>202</u>	<u>9%</u>
	\$560	15%

4Q02 Highlights

- Record revenues of \$2.5B, up 12%
- Expenses flat
- Avg. loans up 12% to \$82B

FY02 Performance

- Income up 15%

FY03 Outlook

- Credit costs trending higher
- Continued focus on expenses
- Single-digit income growth

Retail Banking

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
Citibanking N.A.	\$209	15%
Consumer Assets	136	48%
PFS	138	3%
Mexico	138	NM
International	<u>279</u>	<u>7%</u>
	\$900	25%

4Q02 Highlights

- Record revenues of \$3.5B, up 10%
- Expenses up 7%
- Avg. deposits up 10% to \$181B

FY02 Performance

- Income up 25%

FY03 Outlook

- GSB integration
- Improving margins
- Double-digit income growth

Global Corporate and Investment Bank

(\$MM)

Capital Markets and Banking

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
	\$839	9%

4Q02 Highlights

- Revenues down 13%, expenses down 32%
- 5th consecutive quarter #1 in Debt/Equity Underwriting
- 4th consecutive quarter #1 in Disclosed Fees

FY02 Performance

- Income down 4%

FY03 Outlook

- Volumes remain under pressure
- Credit costs flat to improving
- Continued focus on expenses
- Continue to outperform the industry

Transaction Services

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
	\$115	2%

4Q02 Highlights

- Revenues up 1%, expenses down 3%
- Liability balances up 6% to \$85B
- Assets Under Custody up 6% to \$5.1T

FY02 Performance

- Income up 24%

FY03 Outlook

- Revenues remain under pressure
- Continued productivity improvements
- Double-digit income growth

Note: Income figures exclude Global Corporate and Investment Bank Other Income of (\$1,298MM) in 4Q02 and \$24MM in 4Q01

Capital Markets Rankings

	<u>Rank</u>		<u>Market Share</u>	
	<u>FY</u> <u>2002</u>	<u>FY</u> <u>2001</u>	<u>FY</u> <u>2002</u>	<u>FY</u> <u>2001</u>
Global Debt & Equity	#1	#1	10.6%	12.1%
Global Investment Grade Debt	#1	#1	13.5%	14.3%
Global Equity	#2	#3	13.1%	11.4%
Global Debt & Equity Disclosed Fees	#1	#1	14.1%	13.4%
Global Announced M&A	#2	#6	17.3%	16.7%
Global Completed M&A	#6	#4	20.7%	22.2%

Global Debt & Equity Disclosed Fees Full Year 2002

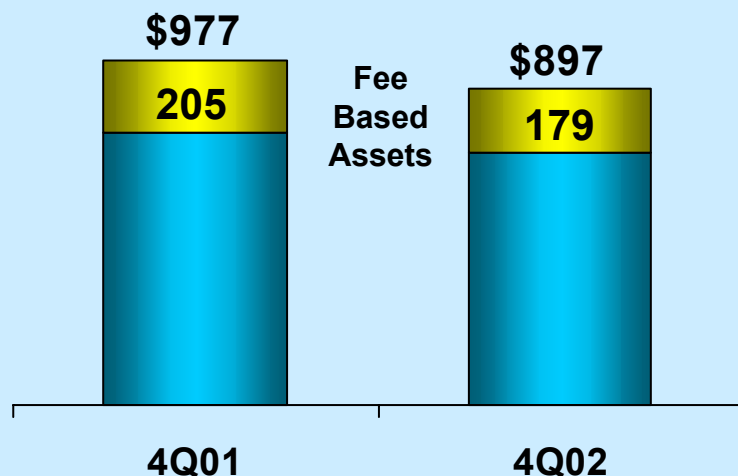
	<u>(\$MM)</u>
1. Citigroup	1,990
2. Morgan Stanley	1,207
3. CSFB	1,203
4. Merrill Lynch	1,139
5. Goldman Sachs	1,022

Private Client Services

(\$MM)

<u>Income</u>	<u>4Q02</u>	<u>vs</u>	<u>4Q01</u>
	\$153		(19%)

Client Assets (\$B)



4Q02 Highlights

- Revenues down 8%; expenses down 6%
- Pre-tax margin of 19.3%
- Net flows of \$3B
- U.S. Bank Deposit Program deposits up 15% to \$41B

FY02 Performance

- Income down 7%
- Net flows of \$35B

FY03 Outlook

- Revenue improvement over a tough 2002
- Continued focus on expenses
- Double-digit income growth

Global Investment Management

(\$MM)

Life Insurance & Annuities

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
	\$194	(3%)

4Q02 Highlights

- Revenue down 8%
- Expenses up 54% due to DAC impact
- Life sales up 5%

FY02 Performance

- Income flat

FY03 Outlook

- Improved volumes
- DAC change hurting expenses
- Flat income growth

Private Bank

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
	\$117	24%

4Q02 Highlights

- Record revenues of \$433MM, up 6%
- 4% expense growth
- Client business volumes, up 3% to \$164B

FY02 Performance

- Income up 23%

FY03 Outlook

- Continued revenue momentum
- Focus on productivity
- Double-digit income growth

Asset Management

		vs
<u>Income</u>	<u>4Q02</u>	<u>4Q01</u>
	\$128	2%

4Q02 Highlights

- Revenues down 4%, expenses down 1%
- Net flows of \$12.3B
- AUMs up 9% to \$479B

FY02 Performance

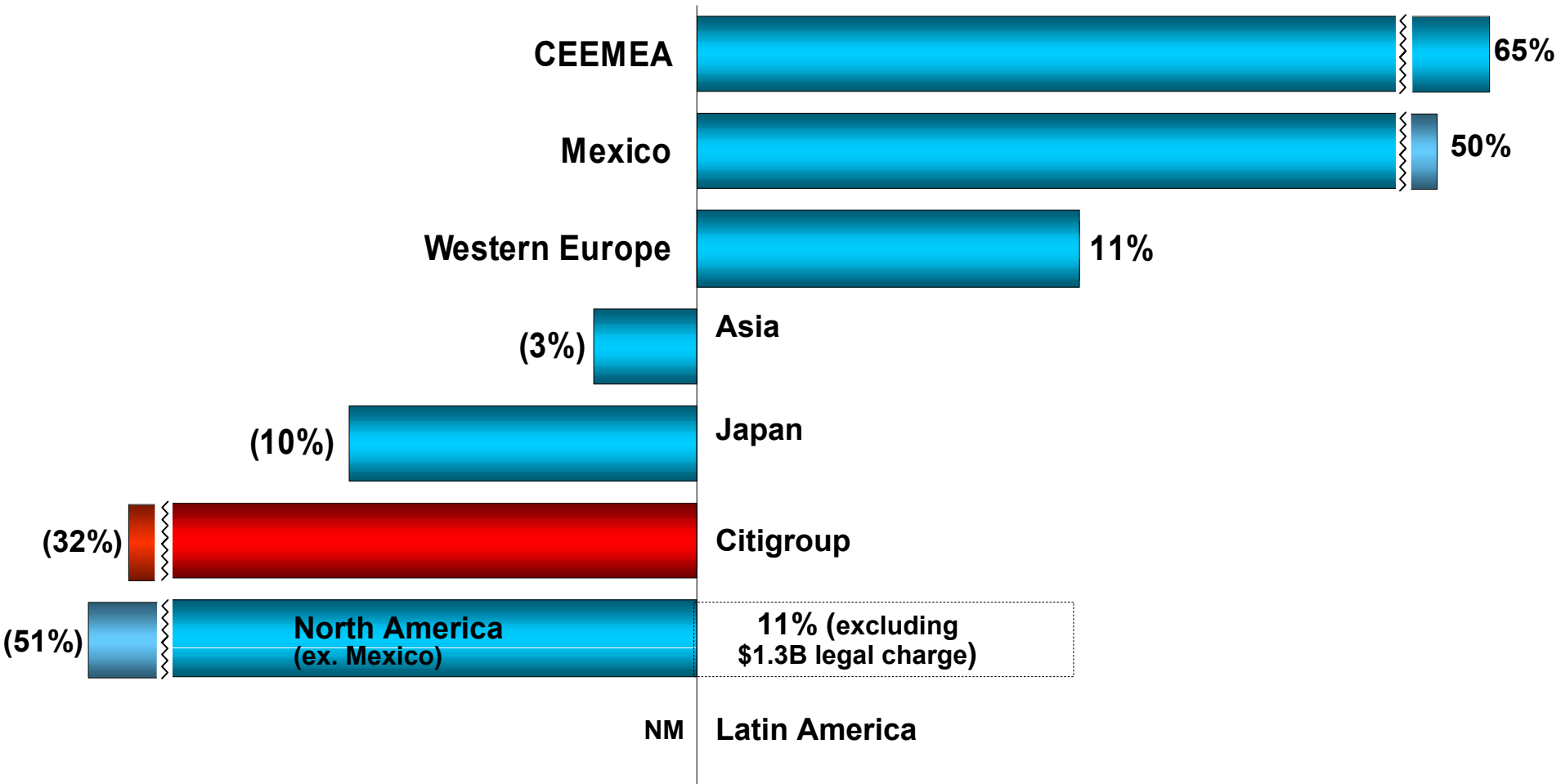
- Income up 31%
- Net flows of \$35B

FY03 Outlook

- Continued strong net flows
- Moderating market pressures
- Double-digit income growth

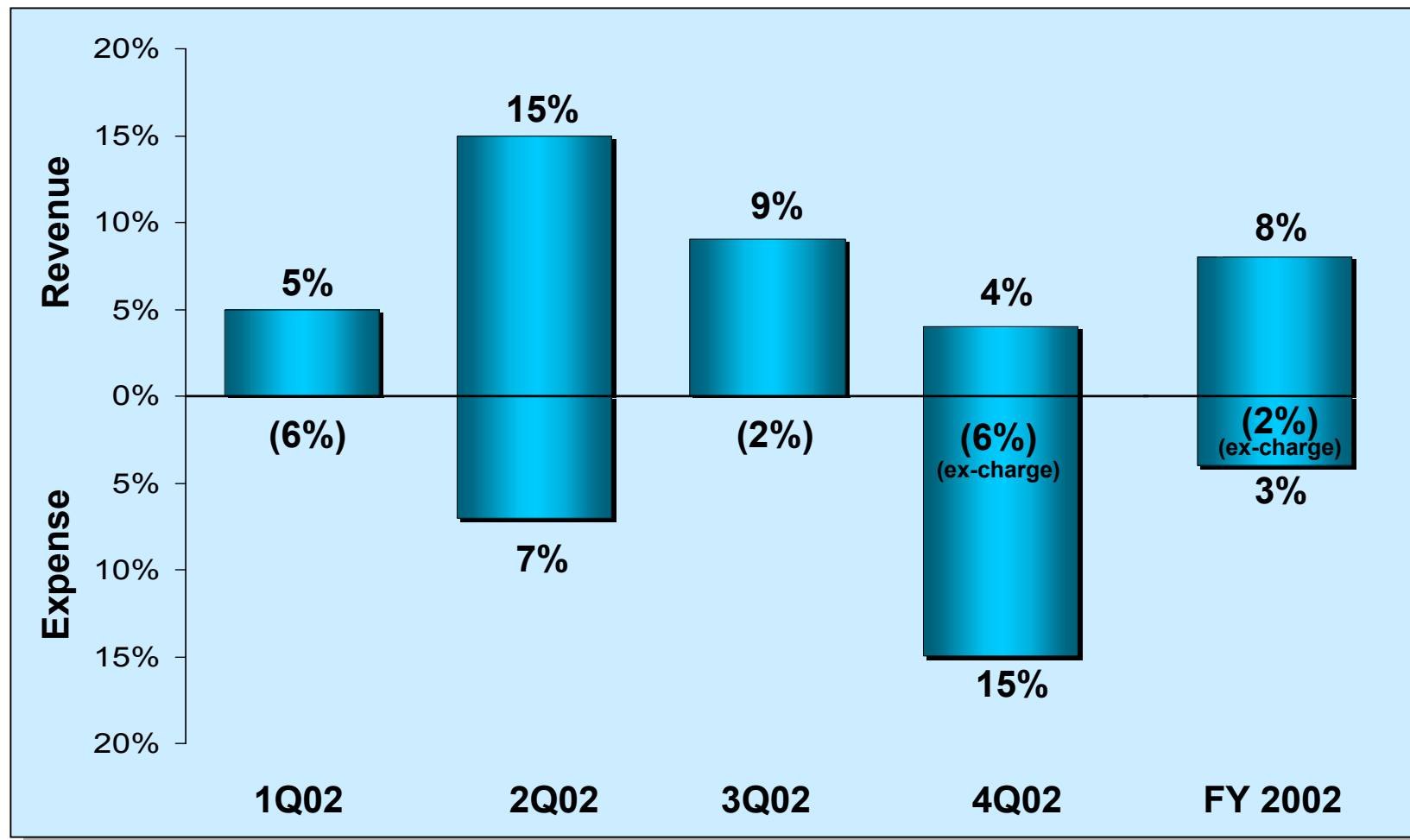
4Q02 Core Income Growth – Regional View

Year-over-Year Growth; Increase/(Decrease)



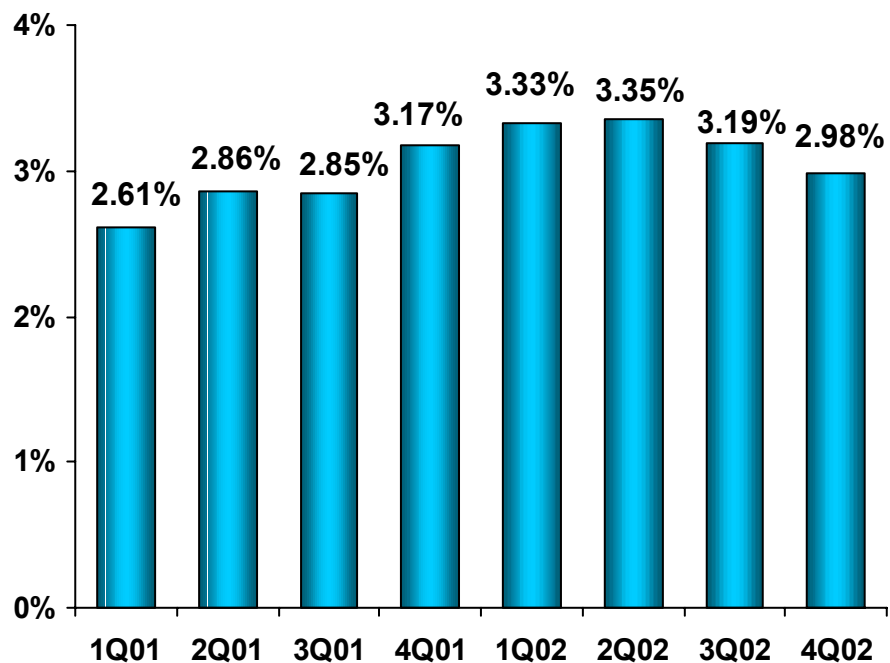
Revenue and Expense Growth

*Citigroup excluding Proprietary Investment Activities
Increase/ (Decrease)*

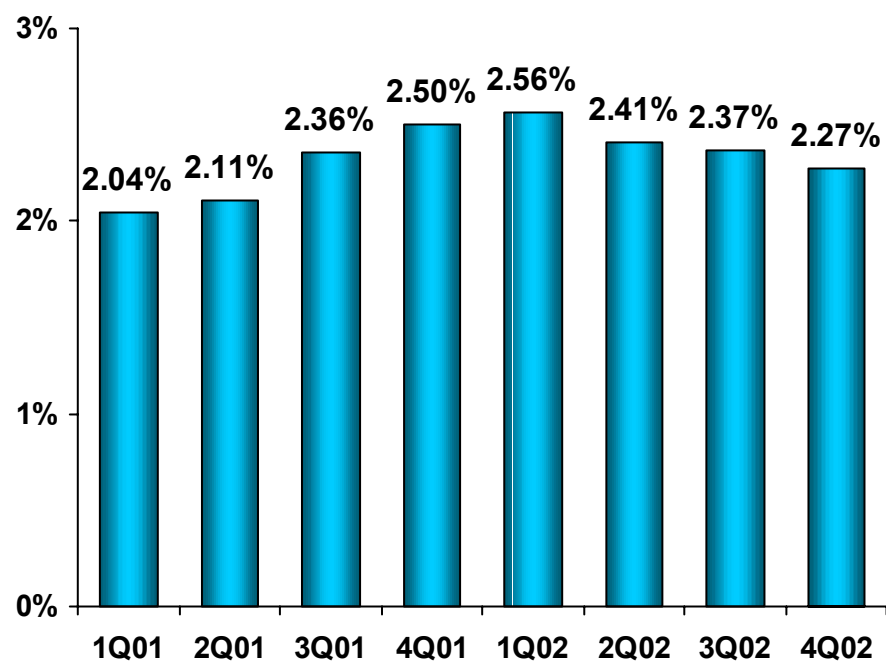


Credit Quality – Consumer

Global Consumer
NCLs as a % of Average Loans⁽¹⁾



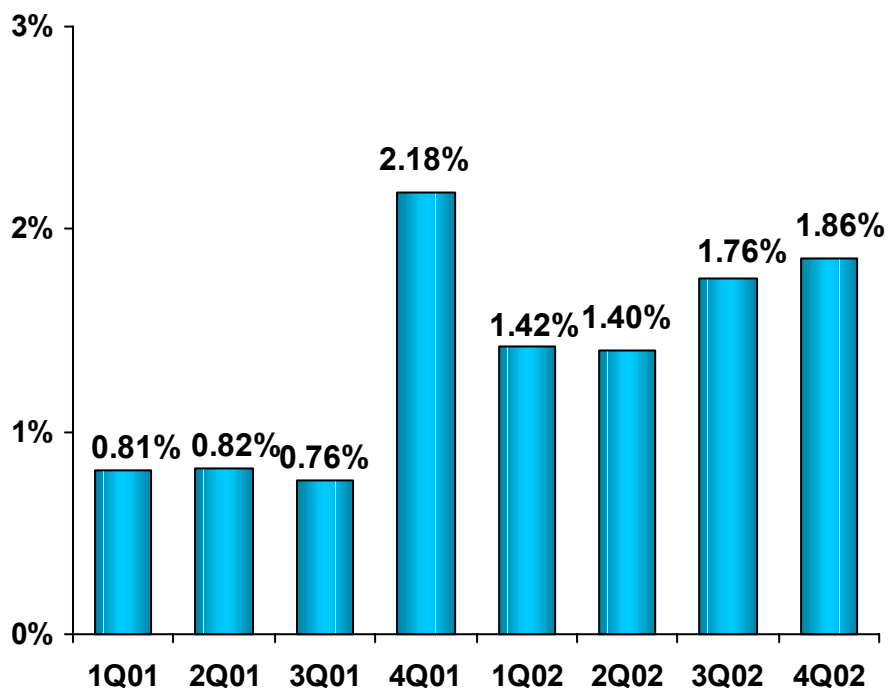
Global Consumer
90+ Days Past Due⁽¹⁾



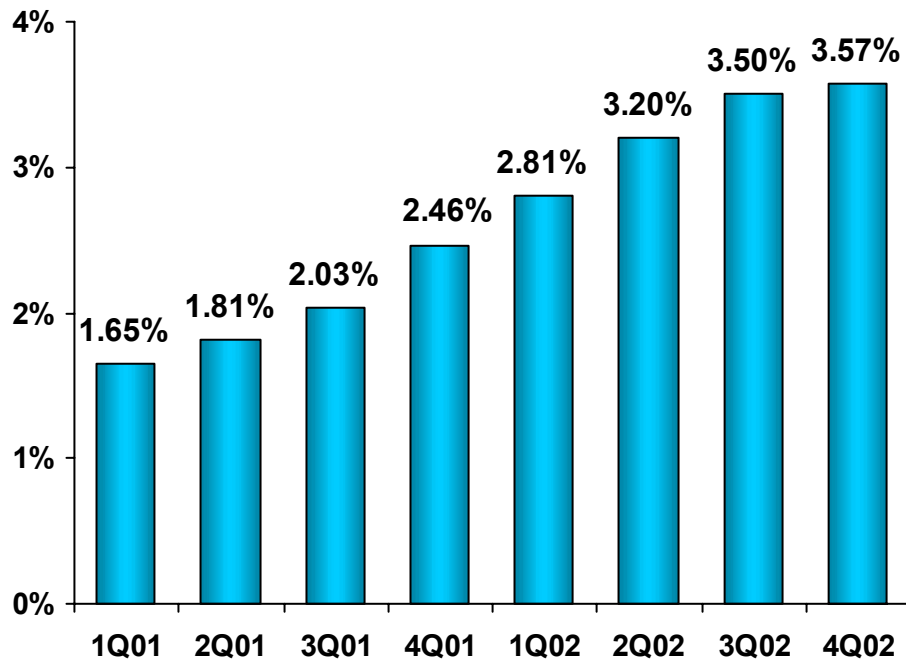
(1) Managed Basis

Credit Quality - Corporate

Global Corporate NCLs as a % of Average Loans

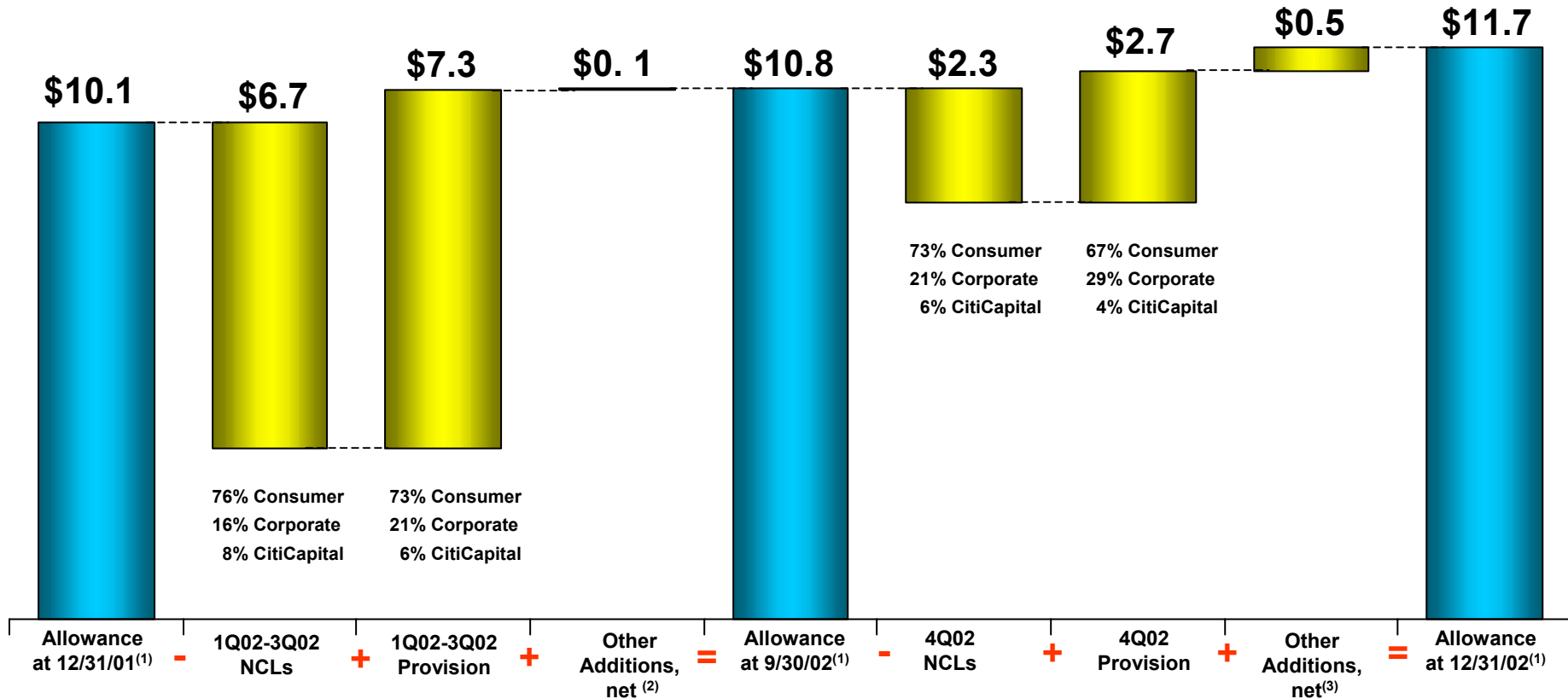


Global Corporate Cash Basis Loans as % of EOP Loans



Allowance for Loan Losses -- Roll Forward

(\$B)



(1) Includes allowance for credit losses on Letters of Credit of \$50MM as of 12/31/01, \$110MM as of 9/30/02 and \$167MM as of 12/31/02

(2) Primarily Letters of Credit

(3) Includes \$452MM from addition of GSB and \$57MM for Letters of Credit

“Merchant Energy” Exposure

As of 12/31/02 (\$B)

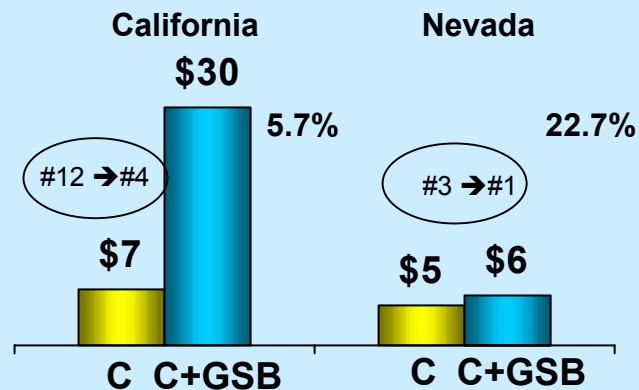
	<u>Exposure</u>	<u>% Total GCIB Exposure</u>	<u>% Investment Grade</u>	<u>% Secured</u>
Direct Outstandings	\$ 2.5	1.1%	9%	63%
Contingent Exposure	0.5	0.1%	12%	27%
Unused Commitments	1.4	0.9%	33%	49%
Pre-settlement Risk	<u>0.1</u>	<u>0.1%</u>	<u>66%</u>	<u>37%</u>
Total Gross Credit Exposure	\$ 4.5	0.8%	19%	55%

Golden State Bancorp Integration Update

- **Integration on-track**

- Anticipate branch conversion completed by end 1Q03
- Leveraging experience from EAB integration
- Accretive to 4Q02 results

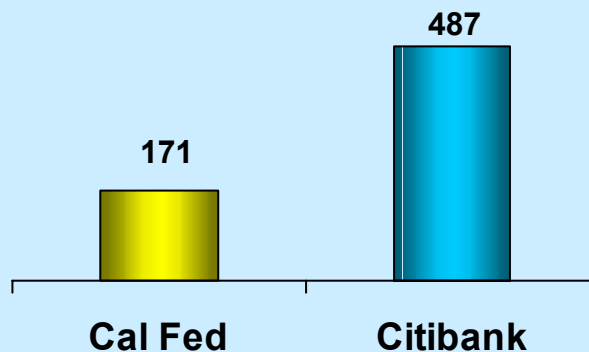
Deposits⁽¹⁾ (\$B) and Market Share



- **Leveraging Citi sales model**

- Began offering Citigroup Home Equity, Investment and Insurance products selectively in November '02

FY02 Average Investment Revenue Per Branch (\$M)



(1) Source: FDIC data as of 6/30/02 as reported for Citigroup including GSB. GSB Deposits exclude \$3.5B in escrow deposits reflected in Consumer Assets.

Capital Discipline

Full Year 2002

	<u>12/31/02⁽³⁾</u>	<u>12/31/01</u>
Total Stockholders' equity (\$B) ⁽¹⁾	\$92.9	\$88.4
Return on Common Equity ⁽²⁾	18.6%	19.7%
Tier I Ratio	8.5%	8.4%
Total Capital Ratio	11.2%	10.9%
GAAP Assets (billions)	\$1,097	\$1,051

- **Share repurchases**
 - FY02 repurchased 151MM shares for cost of \$5.5B
 - 4Q02 repurchased 18MM shares for cost of \$605MM
- **Issued 79.5MM shares for GSB acquisition**

(1) Includes Trust Preferred Securities

(2) Net Income return on Average Common Equity

(3) Preliminary

Focused on Delivering in 2003

Maximizing Shareholder Value

- **Out-compete business by business**

- Leading Global Product Positions + Expense Discipline + Funding Cost Benefits
= Leading margins and returns

- **Efficient capital allocation**

- Investing for growth, returns; divesting non-core business

- **Leverage unrivaled distribution and leading global brand**

- Lowers customer acquisition cost

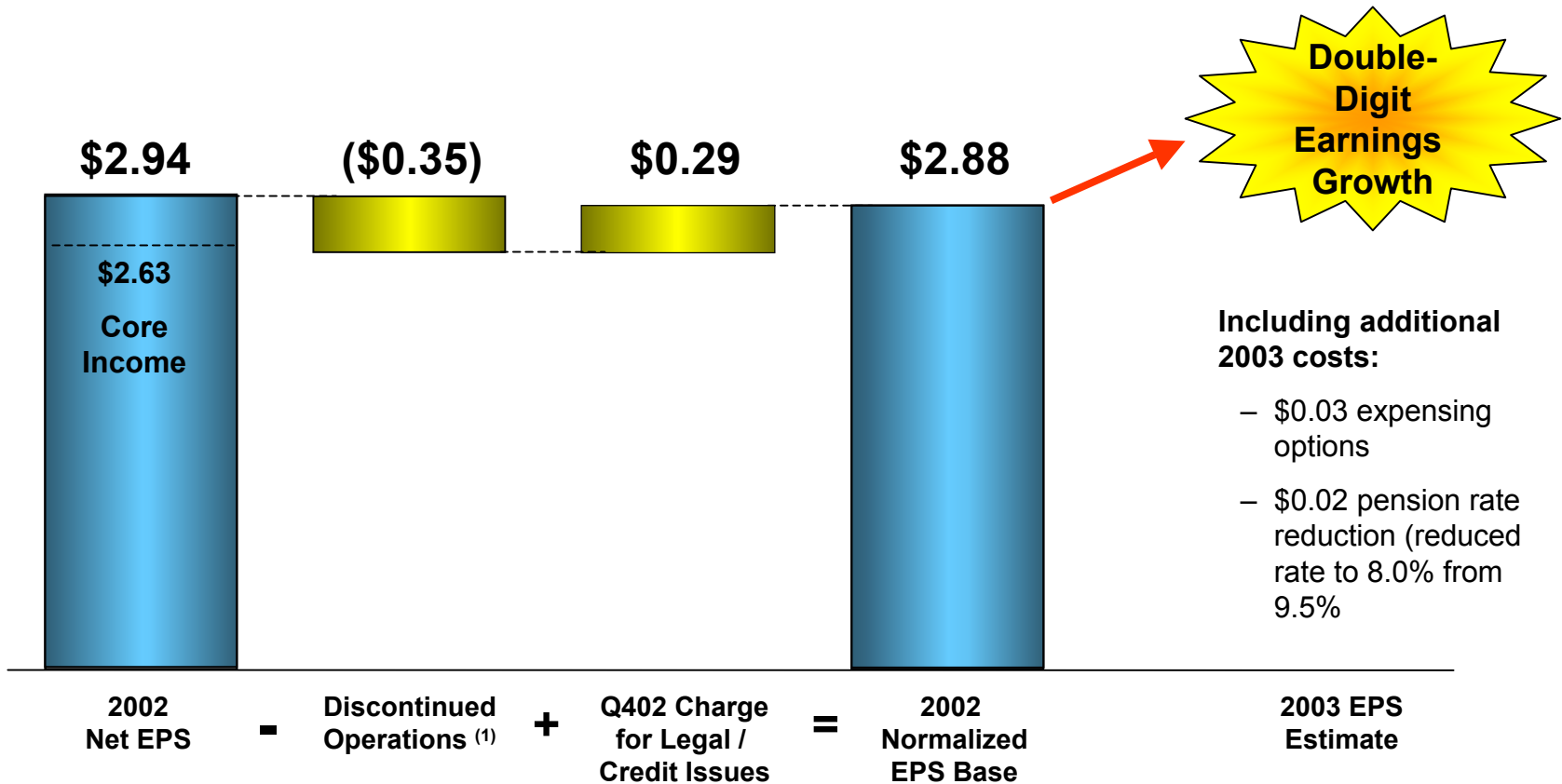
- **Management Discipline**

- Operate to a higher standard

- **Global leader in financial services** ✓

- **Maintain double-digit earnings growth and industry leading ROE** ✓

2003 EPS Outlook



(1) Includes impact of accounting change.

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.