

June 30, 2002 - Quarterly Highlights

Summary Owned Income Statement

(\$ millions)	Three Months Ended			% Change from Prior	
	06/30/02	03/31/02	06/30/01	Qtr.	Year
Owned-basis net interest margin and other revenues	\$ 2,675.5	\$ 2,771.6	\$ 2,282.6	(3.5) %	17.2 %
Owned-basis provision for credit losses	850.9	923.0	657.1	(7.8)	29.5
Total costs and expenses	1,057.8	1,071.5	955.8	(1.3)	10.7
Income before income taxes	766.8	777.1	669.7	(1.3)	14.5
Income taxes	253.3	266.1	230.7	(4.8)	9.8
Net income	\$ 513.5	\$ 511.0	\$ 439.0	0.5 %	17.0 %

Common Stock Data

Basic earnings per common share	\$ 1.09	\$ 1.10	\$.94	(0.9) %	16.0 %
Diluted earnings per common share	1.08	1.09	.93	(0.9)	16.1
Average common shares (millions)	456.3	456.8	463.0	(0.1)	(1.4)
Average common and equivalent shares (millions)	461.2	462.1	469.6	(0.2)	(1.8)
Common stock price:					
High	\$ 63.25	\$ 60.90	\$ 69.98	3.9 %	(9.6) %
Low	47.06	43.50	57.45	8.2	(18.1)
Period end	49.70	56.80	66.70	(12.5)	(25.5)
Dividends declared per common share	\$.25	\$.22	\$.22	13.6 %	13.6 %
Book value per common share	21.06	20.23	17.94	4.1	17.4

Selected Financial Ratios

Owned Basis

Return on average common shareholders' equity	22.2 %	23.4 %	22.4 %	(5.1) %	(0.9) %
Return on average owned assets	2.20	2.26	2.21	(2.7)	(0.5)
Net interest margin	7.66	7.87	7.83	(2.7)	(2.2)
Common and preferred equity as a percentage of owned assets	10.16	10.75	9.95	(5.5)	2.1
Common and preferred equity, and trust preferred securities as a percentage of owned assets (1)	11.16	11.83	11.03	(5.7)	1.1

Managed Basis

Return on average managed assets	1.79 %	1.82 %	1.78 %	(1.6) %	0.6 %
Efficiency ratio	32.2	31.6	35.5	1.9	(9.3)
Net interest margin	8.58	8.79	8.34	(2.4)	2.9
Common and preferred equity as a percentage of managed assets	8.26	8.68	8.00	(4.8)	3.3
Common and preferred equity, and trust preferred securities as a percentage of managed assets (1)	9.08	9.55	8.87	(4.9)	2.4
Tangible equity to tangible managed assets (1)	8.24	8.41	7.61	(2.0)	8.3

(1) Represents a non-GAAP measure which may differ from similarly named measures presented by other companies.

Year-to-Date Highlights

Summary Owned Income Statement

(\$ millions)	Six Months Ended		% Change
	06/30/02	06/30/01	
Owned-basis net interest margin and other revenues	\$ 5,447.1	\$ 4,612.4	18.1 %
Owned-basis provision for credit losses	1,773.9	1,360.7	30.4
Total costs and expenses	2,129.3	1,916.4	11.1
Income before income taxes	1,543.9	1,335.3	15.6
Income taxes	519.4	464.5	11.8
Net income	\$ 1,024.5	\$ 870.8	17.7 %

Common Stock Data

Basic earnings per common share	\$ 2.19	\$ 1.86	17.7 %
Diluted earnings per common share	2.17	1.84	17.9
Average common shares (millions)	456.6	464.5	(1.7)
Average common and equivalent shares (millions)	461.5	470.8	(2.0)
Common stock price:			
High	\$ 63.25	\$ 69.98	(9.6) %
Low	43.50	52.00	(16.3)
Period end	49.70	66.70	(25.5)
Dividends declared per common share	\$.47	\$.41	14.6 %

Selected Financial Ratios

Owned Basis

Return on average common shareholders' equity	22.8 %	22.4 %	1.8 %
Return on average owned assets	2.23	2.21	0.9
Net interest margin	7.77	7.72	0.6

Managed Basis

Return on average managed assets	1.81 %	1.77 %	2.3 %
Efficiency ratio	31.9	35.5	(10.1)
Net interest margin	8.68	8.28	4.8

Consolidated Statements of Income - Owned Basis

Three Months

(\$ millions)	Three Months Ended			% Change from Prior	
	06/30/02	03/31/02	06/30/01	Qtr.	Year
Finance and other interest income	\$ 2,618.5	\$ 2,547.0	\$ 2,451.2	2.8 %	6.8 %
Interest expense	980.9	938.8	1,048.4	4.5	(6.4)
Net interest margin	1,637.6	1,608.2	1,402.8	1.8	16.7
Provision for credit losses on owned receivables	850.9	923.0	657.1	(7.8)	29.5
Net interest margin after provision for credit losses	786.7	685.2	745.7	14.8	5.5
Securitization revenue	526.2	521.2	400.6	1.0	31.4
Insurance revenue	177.5	170.1	159.3	4.4	11.4
Investment income	44.0	46.2	37.8	(4.8)	16.4
Fee income	194.9	237.9	232.7	(18.1)	(16.2)
Other income	95.3	188.0	49.4	(49.3)	92.9
Total other revenues	1,037.9	1,163.4	879.8	(10.8)	18.0
Salaries and fringe benefits	453.0	445.3	387.2	1.7	17.0
Sales incentives	67.6	54.1	73.6	25.0	(8.2)
Occupancy and equipment expense	93.3	92.2	83.7	1.2	11.5
Other marketing expenses	141.5	148.4	129.0	(4.6)	9.7
Other servicing and administrative expenses	202.5	229.3	171.7	(11.7)	17.9
Amortization of acquired intangibles and goodwill	12.5	18.2	37.5	(31.3)	(66.7)
Policyholders' benefits	87.4	84.0	73.1	4.0	19.6
Total costs and expenses	1,057.8	1,071.5	955.8	(1.3)	10.7
Income before income taxes	766.8	777.1	669.7	(1.3)	14.5
Income taxes	253.3	266.1	230.7	(4.8)	9.8
Net income	513.5	511.0	439.0	0.5	17.0
Preferred dividends	(15.5)	(8.5)	(2.3)	82.4	100+
Earnings available to common shareholders	\$ 498.0	\$ 502.5	\$ 436.7	(0.9) %	14.0 %
Effective tax rate	33.0 %	34.2 %	34.4 %	(3.5) %	(4.1) %

Securitization Revenue

(\$ millions)	Three Months Ended		
	06/30/02	03/31/02	06/30/01
Net initial gain	\$ 73.8	\$ 74.4	\$ 39.9
Net replenishment gains	127.0	124.2	102.6
Servicing revenue and excess spread	325.4	322.6	258.1
Total	\$ 526.2	\$ 521.2	\$ 400.6

Receivables Securitized:

Auto finance	\$ 925.0	\$ 425.0	\$ 595.0
MasterCard/Visa	613.4	600.0	78.0
Private label	-	500.0	-
Personal non-credit card	450.0	902.7	698.6
Total	\$ 1,988.4	\$ 2,427.7	\$ 1,371.6

Six Months

(\$ millions)	Six Months Ended		
	06/30/02	06/30/01	% Change
Finance and other interest income	\$ 5,165.5	\$ 4,881.5	5.8 %
Interest expense	1,919.7	2,155.2	(10.9)
Net interest margin	3,245.8	2,726.3	19.1
Provision for credit losses on owned receivables	1,773.9	1,360.7	30.4
Net interest margin after provision for credit losses	1,471.9	1,365.6	7.8
Securitization revenue	1,047.4	806.9	29.8
Insurance revenue	347.6	317.9	9.3
Investment income	90.2	79.6	13.3
Fee income	432.8	470.6	(8.0)
Other income	283.3	211.1	34.2
Total other revenues	2,201.3	1,886.1	16.7
Salaries and fringe benefits	898.3	764.8	17.5
Sales incentives	121.7	128.1	(5.0)
Occupancy and equipment expense	185.5	167.2	10.9
Other marketing expenses	289.9	264.2	9.7
Other servicing and administrative expenses	431.8	365.1	18.3
Amortization of acquired intangibles and goodwill	30.7	76.4	(59.8)
Policyholders' benefits	171.4	150.6	13.8
Total costs and expenses	2,129.3	1,916.4	11.1
Income before income taxes	1,543.9	1,335.3	15.6
Income taxes	519.4	464.5	11.8
Net income	1,024.5	870.8	17.7
Preferred dividends	(24.0)	(4.6)	100+
Earnings available to common shareholders	\$ 1,000.5	\$ 866.2	15.5 %
Effective tax rate	33.6 %	34.8 %	(3.4) %

Securitization Revenue

(\$ millions)	Six Months Ended	
	06/30/02	06/30/01
Net initial gain	\$ 148.2	\$ 66.2
Net replenishment gains	251.2	197.6
Servicing revenue and excess spread	648.0	543.1
Total	\$ 1,047.4	\$ 806.9

Receivables Securitized:

Auto finance	\$ 1,350.0	\$ 973.8
MasterCard/Visa	1,213.4	151.2
Private label	500.0	-
Personal non-credit card	1,352.7	1,148.6
Total	\$ 4,416.1	\$ 2,273.6

Credit Quality/Credit Loss Reserves - Owned Basis

Two-Months-and-Over Contractual Delinquency

As a percent of owned consumer receivables, excludes commercial.	06/30/02	03/31/02	06/30/01
Real estate secured	2.78 %	2.88 %	2.59 %
Auto finance	2.99	2.04	2.35
MasterCard/Visa	6.13	6.54	4.80
Private label	6.19	6.33	6.54
Personal non-credit card	9.12	9.60	8.79
Total	4.61 %	4.77 %	4.48 %

Quarter-to-Date Charge-offs, Net of Recoveries

As a percent of average owned consumer receivables, annualized, excludes commercial.	06/30/02	03/31/02	06/30/01
Real estate secured	.85 %	.65 %	.48 %
Auto finance	4.80	5.63	3.26
MasterCard/Visa	9.94	9.73	8.33
Private label	5.86	6.25	5.25
Personal non-credit card	8.59	7.71	6.84
Total	3.76 %	3.61 %	3.26 %
Real estate charge-offs and REO expense as a percent of average owned real estate secured receivables	1.23 %	1.05 %	.78 %

Credit Loss Reserves

(\$ millions)	06/30/02	03/31/02	06/30/01
Reserves for owned receivables at beginning of quarter	\$ 2,876.6	\$ 2,663.1	\$ 2,282.4
Provision for credit losses	850.9	923.0	657.1
Charge-offs, net of recoveries	(765.6)	(718.7)	(573.2)
Other, net	21.4	9.2	10.2
Reserves for owned receivables at end of quarter	\$ 2,983.3	\$ 2,876.6	\$ 2,376.5
	3.59 % (1)	3.61 % (1)	3.31 % (1)

Nonperforming Assets

(\$ millions)	06/30/02	03/31/02	06/30/01
Nonaccrual owned receivables	\$ 2,356.4	\$ 2,261.0	\$ 1,855.2
Accruing owned receivables 90 or more days delinquent	752.0	840.6	755.9
Total nonperforming owned receivables	3,108.4	3,101.6	2,611.1
Real estate owned	456.7	459.4	365.2
Total nonperforming assets	\$ 3,565.1	\$ 3,561.0	\$ 2,976.3
Owned credit loss reserves as a percent of nonperforming owned receivables	96.0 %	92.7 %	91.0 %

(1) % Columns: comparisons to appropriate receivables.

Balance Sheet Data

(\$ millions)	06/30/02	03/31/02	06/30/01
Owned assets	\$97,345.5	\$90,367.9	\$80,977.6
Owned receivables	83,137.9	79,594.5	71,754.8
Investment securities	8,229.7	5,035.8	3,471.0
Managed assets	119,668.2	111,951.1	100,761.3
Managed receivables	105,460.6	101,177.7	91,538.5
Debt	82,479.9	74,462.8	67,792.1
Trust originated preferred securities	975.0	975.0	875.0
Preferred stock	843.2	843.2	164.4
Common shareholders' equity	9,047.3	8,875.4	7,896.4

Receivables Analysis

End-of-Period Receivables

(\$ millions)	06/30/02	03/31/02	06/30/01	% Change from Prior	
				Qtr.	Year
Owned receivables:					
Real estate secured	\$ 48,312.1	\$ 45,628.9	\$ 38,600.7	5.9 %	25.2 %
Auto finance	2,362.6	2,602.9	2,039.0	(9.2)	15.9
MasterCard/Visa (1)	6,880.7	6,970.2	7,915.7	(1.3)	(13.1)
Private label	10,827.1	10,688.4	10,330.0	1.3	4.8
Personal non-credit card	14,272.6	13,213.0	12,311.9	8.0	15.9
Commercial and other	482.8	491.1	557.5	(1.7)	(13.4)
Total owned receivables	83,137.9	79,594.5	71,754.8	4.5	15.9
Accrued finance charges	1,551.6	1,515.3	1,418.6	2.4	9.4
Credit loss reserve for owned receivables	(2,983.3)	(2,876.6)	(2,376.5)	3.7	25.5
Unearned credit insurance premiums and claims reserves	(878.0)	(886.4)	(832.4)	(0.9)	5.5
Interest-only strip receivables (2)	1,012.2	1,034.5	826.2	(2.2)	22.5
Amounts due and deferred from receivables sales	292.6	243.0	419.1	20.4	(30.2)
Total owned receivables, net	82,133.0	78,624.3	71,209.8	4.5	15.3
Receivables serviced with limited recourse:					
Real estate secured	575.4	619.8	1,205.8	(7.2)	(52.3)
Auto finance	4,518.2	4,012.7	3,120.6	12.6	44.8
MasterCard/Visa	9,905.8	9,378.3	9,127.7	5.6	8.5
Private label	2,649.9	2,634.0	1,650.0	0.6	60.6
Personal non-credit card	4,673.4	4,938.4	4,679.6	(5.4)	(0.1)
Total receivables serviced with limited recourse	22,322.7	21,583.2	19,783.7	3.4	12.8
Total managed receivables, net	\$104,455.7	\$100,207.5	\$ 90,993.5	4.2 %	14.8 %

End-of-Period Managed Receivables

(\$ millions)	06/30/02		03/31/02		06/30/01		% Change from Prior	
		(3)		(3)		(3)	Qtr.	Year
Real estate secured	\$ 48,887.5	46.4 %	\$ 46,248.7	45.7 %	\$ 39,806.5	43.5 %	5.7 %	22.8 %
Auto finance	6,880.8	6.5	6,615.6	6.5	5,159.6	5.6	4.0	33.4
MasterCard/Visa	16,786.5	15.9	16,348.5	16.2	17,043.4	18.6	2.7	(1.5)
Private label	13,477.0	12.8	13,322.4	13.2	11,980.0	13.1	1.2	12.5
Personal non-credit card (4)	18,946.0	18.0	18,151.4	17.9	16,991.5	18.6	4.4	11.5
Commercial and other	482.8	0.4	491.1	0.5	557.5	0.6	(1.7)	(13.4)
Managed portfolio	\$ 105,460.6	100.0 %	\$ 101,177.7	100.0 %	\$ 91,538.5	100.0 %	4.2 %	15.2 %

(1) MasterCard and Visa are registered trademarks of MasterCard International, Incorporated and VISA USA Inc., respectively.

(2) The change in our interest-only strip receivables, net of the related loss reserve and excluding the mark-to-market adjustment recorded in accumulated other comprehensive income was \$29.8 million at 06/30/02, \$29.0 million at 03/31/02, and \$(2.5) million at 06/30/01. Our estimate of the recourse obligation totaled \$1,385.6 million at 06/30/02, \$1,269.9 million at 03/31/02, and \$1,080.0 million at 06/30/01.

(3) % of managed portfolio

(4) Personal non-credit card receivables are comprised of the following:

	06/30/02	03/31/02	06/30/01
Domestic personal unsecured	\$ 9,711.0	\$ 9,547.1	\$ 9,173.6
Union Plus personal unsecured	1,193.7	1,065.0	894.3
Personal homeowner loans	5,157.5	4,926.4	4,455.1
Foreign unsecured	2,883.8	2,612.9	2,468.5
Total	\$ 18,946.0	\$ 18,151.4	\$ 16,991.5

Supplemental Managed Basis Information

Securitizations and sales of consumer receivables are a source of liquidity for us. We continue to service the securitized receivables after such receivables are sold and we retain a limited recourse obligation. Securitizations impact the classification of revenues. When reporting on a managed basis, net interest margin, provision for credit losses, fee income, and securitization revenue related to receivables sold are reclassified from securitization revenue into the appropriate caption.

Three Months

(\$ millions)	Three Months Ended				% Change from Prior			
	06/30/02	(1)	03/31/02	(1)	06/30/01	(1)	Qtr.	Year
Finance and other interest income	\$ 3,426.8	12.84 %	\$ 3,388.5	13.15 %	\$ 3,216.8	14.17 %	1.1 %	6.5 %
Interest expense	1,137.5	4.26	1,124.0	4.36	1,322.5	5.83	1.2	(14.0)
Net interest margin	2,289.3	8.58 %	2,264.5	8.79 %	1,894.3	8.34 %	1.1	20.9
Provision for credit losses	1,278.4		1,362.3		934.8		(6.2)	36.8
Net interest margin after provision for credit losses	\$ 1,010.9		\$ 902.2		\$ 959.5		12.0 %	5.4 %
Insurance revenue	\$ 177.5		\$ 170.1		\$ 159.3		4.4 %	11.4 %
Investment income	44.0		46.2		37.8		(4.8)	16.4
Fee income	362.7		396.3		396.3		(8.5)	(8.5)
Securitization revenue	134.2		145.8		23.2		(8.0)	100+
Other income	95.3		188.0		49.4		(49.3)	92.9
Total other revenues	\$ 813.7		\$ 946.4		\$ 666.0		(14.0) %	22.2 %
Average managed receivables:								
Real estate secured	\$ 47,562.1		\$ 45,800.7		\$ 38,779.6		3.8 %	22.6 %
Auto finance	6,684.8		6,530.6		4,947.9		2.4	35.1
MasterCard/Visa	16,730.6		16,890.8		16,969.9		(0.9)	(1.4)
Private label	13,385.5		13,621.4		11,971.1		(1.7)	11.8
Personal non-credit card	18,393.1		18,030.3		16,691.5		2.0	10.2
Commercial and other	491.5		496.5		566.9		(1.0)	(13.3)
Total	103,247.6		101,370.3		89,926.9		1.9	14.8
Average noninsurance investments	2,950.4		1,178.6		420.9		100+	100+
Other interest-earning assets	558.3		538.3		454.6		3.7	22.8
Average managed interest-earning assets	\$ 106,756.3		\$ 103,087.2		\$ 90,802.4		3.6 %	17.6 %

(1) % Columns: comparison to average managed interest-earning assets, annualized.

Six Months

(\$ millions)	Six Months Ended				% Change
	06/30/02	(1)	06/30/01	(1)	
Finance and other interest income	\$ 6,815.3	12.99 %	\$ 6,463.6	14.37 %	5.4 %
Interest expense	2,261.5	4.31	2,739.5	6.09	(17.4)
Net interest margin	4,553.8	8.68 %	3,724.1	8.28 %	22.3
Provision for credit losses	2,640.7		1,867.6		41.4
Net interest margin after provision for credit losses	\$ 1,913.1		\$ 1,856.5		3.0 %
Insurance revenue	\$ 347.6		\$ 317.9		9.3 %
Investment income	90.2		79.6		13.3
Fee income	759.0		789.5		(3.9)
Securitization revenue	280.0		(2.9)		100+
Other income	283.3		211.1		34.2
Total other revenues	\$ 1,760.1		\$ 1,395.2		26.2 %
Average managed receivables:					
Real estate secured	\$ 46,681.4		\$ 38,059.1		22.7 %
Auto finance	6,607.7		4,815.4		37.2
MasterCard/Visa	16,810.7		17,044.8		(1.4)
Private label	13,503.5		11,992.1		12.6
Personal non-credit card	18,211.7		16,529.2		10.2
Commercial and other	493.9		574.2		(14.0)
Total	102,308.9		89,014.8		14.9
Average noninsurance investments	2,064.5		474.4		100+
Other interest-earning assets	548.3		451.5		21.4
Average managed interest-earning assets	\$ 104,921.7		\$ 89,940.7		16.7 %

Credit Quality/Credit Loss Reserves Information - Managed Basis

Two-Months-and-Over Contractual Delinquency

As a percent of managed consumer receivables, excludes commercial.	06/30/02	03/31/02	06/30/01
Real estate secured	2.82 %	2.93 %	2.63 %
Auto finance	3.19	2.51	2.09
MasterCard/Visa	3.90	4.39	3.60
Private label	5.85	5.82	5.66
Personal non-credit card	9.06	9.02	8.43
Total	4.53 %	4.63 %	4.27 %

Quarter-to-Date Charge-offs, Net of Recoveries

As a percent of average managed consumer receivables, annualized, excludes commercial.	06/30/02	03/31/02	06/30/01
Real estate secured	.86 %	.65 %	.48 %
Auto finance	6.17	6.70	4.47
MasterCard/Visa	7.54	7.17	6.82
Private label	5.38	5.57	5.09
Personal non-credit card	8.56	7.86	6.82
Total	4.26 %	4.09 %	3.71 %
Real estate charge-offs and REO expense as a percent of average managed real estate secured receivables	1.23 %	1.05 %	.77 %

Credit Loss Reserves

(\$ millions)	06/30/02	03/31/02	06/30/01
Reserves for managed receivables			
at beginning of quarter	\$ 4,146.5	\$ 3,811.4	\$ 3,340.2
Provision for credit losses	1,278.4	1,362.3	934.8
Charge-offs, net of recoveries	(1,092.7)	(1,031.5)	(829.1)
Other, net	36.7	4.3	10.6
Reserves for managed receivables at end of quarter	\$ 4,368.9	4.14 % (1)	\$ 4,146.5
		4.10 % (1)	\$ 3,456.5
			3.78 % (1)

Nonperforming Assets

(\$ millions)	06/30/02	03/31/02	06/30/01
Nonaccrual managed receivables	\$ 2,877.6	\$ 2,722.6	\$ 2,232.5
Accruing managed receivables			
90 or more days delinquent	1,008.8	1,105.6	912.2
Total nonperforming managed receivables	3,886.4	3,828.2	3,144.7
Real estate owned	456.7	459.4	365.2
Total nonperforming assets	\$ 4,343.1	\$ 4,287.6	\$ 3,509.9
Managed credit loss reserves as a percent of nonperforming managed receivables	112.4 %	108.3 %	109.9 %

(1) % Columns: comparisons to appropriate receivables.

Reage Statistics

Our credit policies for consumer loans permit the reset of the contractual delinquency status of an account to current, subject to certain limits, if a predetermined number of consecutive payments has been received and there is evidence that the reason for the delinquency has been cured. Such reaging policies vary by product and are designed to manage customer relationships and ensure maximum collections. The below table summarizes the percent of the domestic portfolio outstanding as of the dates indicated by time period the reage was given or by product.

Total Domestic Portfolio

	06/30/02	12/30/01
Never reaged	83.3 %	83.1 %
Reaged in the last 6 months	7.4	9.0
Reaged in the last 7-12 months	5.1	3.6
Previously reaged	4.2	4.3
Total ever reaged	16.7	16.9
Total	100.0 %	100.0 %

Total Reaged by Product

	06/30/02	12/30/01
Real estate secured	19.1 %	20.0 %
Auto finance	15.9	15.0
MasterCard/Visa	3.4	3.2
Private label	10.5	11.1
Personal non-credit card	27.1	27.2
Total	16.7 %	16.9 %