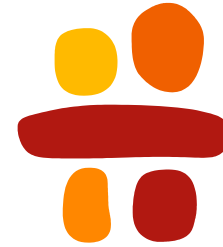


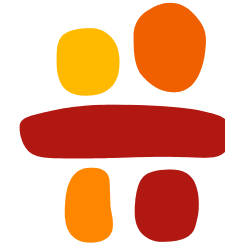
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Bobby Mehta

Group Executive – Credit Card Services & Canada

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CREDIT CARD SERVICES

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Competitive Environment

- Prime Market
 - Highly competitive, continuing consolidation, pressure on direct mail channel
 - Dominated by major issuers
 - Success requires differentiated value proposition
 - Table stakes required: analytics, customer care, operational excellence, internet channel

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Competitive Environment

- Nonprime Market
 - Underserved consumers
 - Ability to differentiate on customer care and operational excellence
 - Reduced competition in segment
 - Diversification of channels (partnerships, turndown programs)

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Business Mix

Portfolio	Percent of Portfolio	Key Segments
<u><i>Prime</i></u>		
GM Card	42	Super-Prime Prime
Union Plus Loans	29 6	Prime -
<u><i>Nonprime</i></u>		
Household Bank	7	Near-Prime
Orchard Bank	10	Subprime
Non-strategic	6	-

At December 31, 2001

CREDIT CARD SERVICES

2001 Financial Performance

Managed Basis	vs.	2000
Net Income	Increased	71%
Receivables	Increased	7%
Risk Adjusted Revenue	Increased	32 bps
Return on Assets	Increased	78 bps
Delinquency Ratio	Increased	61 bps
Charge-off Ratio	Increased	104 bps
Efficiency Ratio	Improved	278 bps

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Key Accomplishments

- Sustained profitable growth momentum
- Targeted retention and balance-building programs
- Business development
- Integrated Internet strategy
- Enhanced sales and service culture
- Adapted risk and underwriting strategies
- Innovative loss mitigation strategies

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Strategy for Consistent Growth

- True partnership approach
- Full-spectrum lending
- Leveraging HI franchise
- Customer care orientation (sales and service)

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The GM Card[®]

- Largest automobile rewards program
- Mature profitable program
 - Strong value proposition drives customer loyalty
 - New product driving increased sales
 - Booked 650,000 new accounts in 2001
 - More than 3.2 million redemptions to date
- Channels
 - GM Card/GM Internet sites
 - Expanded events
 - Dealer channel

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United Privilege

- The largest affinity group in the U.S.
- Profitable growth
 - 8 percent increase in credit card receivables and 27 percent increase in loans
 - Booked 460,000 new accounts
 - Segmentation and analytics drive industry-leading response rates
- Strengthened partner relationships
 - AFL
 - UP
 - Top 10 Internationals

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Nonprime Business

- Controlled growth of receivables and accounts
- Full-spectrum lending partnership with Best Buy nationwide
- Continue to optimize merchant partnership and turndown channels
- Pursue new relationships/acquisitions

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Risk Management

- Risk-based pricing
- Optimization of line assignment/management around credit line utilization
- Champion/challenger testing
- Models continuously validated with experience
- Models complemented by experienced management
- Infrastructure (data, people)

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Risk Management Actions

- Reduced credit lines
- Improved geographic segmentation
- Implemented more sophisticated scoring tools
- Improved credit risk modeling and tools, including bankruptcy models
- Reduced contingent liability
- Increased penetration of accounts in early delinquencies

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Objectives for 2002

- Continue momentum in UP and GM
- Continue 'prudent' growth in nonprime
- Business development - merchant programs, turndown programs
- Expand cross-sell opportunities
- Continued focus on enhancement services revenue
- Conservatively manage credit quality
- Continued focus on sale and service culture in customer care

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CANADA

CANADA

Business and Industry Overview

- HFC Canada - serving middle-market consumers since 1922
 - Traditional consumer finance products are provided through 109 branches and an indirect channel
 - Private label credit cards are issued through more than 60 active merchants
- Canadian consumer finance market is over C\$7 billion receivables
- Overall Canadian economic performance will continue to be heavily influenced by U.S.
- Consumer finance market is competitive; three primary providers
 - HFC
 - Citifinancial
 - Trans Canada (division of Wells Fargo)

CANADA

2001 Financial Performance

Managed Basis	vs.	2000
Net Income	Increased	24%
Receivables	Increased	19%
Risk Adjusted Revenue	Increased	87 bps
Return on Assets	Increased	18 bps
Delinquency Ratio	Increased	5 bps
Charge-off Ratio	Improved	37 bps
Efficiency Ratio	Increased	3 bps

CANADA

Growth Initiatives

- Prudently open new branches
- Target and sign new private label merchants
- Develop indirect business channel
- Increase product offerings to customers

CANADA

Credit Management Objectives

- Enhance and augment existing credit quality tools
- Implement improved scoring models and analytics
- Improve collection capabilities through best practices integration

CANADA

Objectives for 2002

- Double-digit receivable and income growth
- Continue to strengthen retail business
- Stable credit quality
- Maintain best-in-class efficiency ratio