

ANNUAL FUNDING NOTICE

for
The Citigroup Pension Plan

Introduction

This Annual Funding Notice (the “Notice”) includes important information about the funding status of the Citigroup Pension Plan (the “Plan”) and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this Notice every year regardless of their funding status. This Notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This Notice also contains information regarding how you may obtain a statement showing your pension benefits. This Notice is for the plan year beginning January 1, 2015 and ending December 31, 2015 (“Plan Year”).

Plan assets are held in trust for the exclusive benefit of Plan participants and beneficiaries and are completely separate from corporate assets of Citigroup. Plan assets cannot be used to pay any general obligations of Citigroup.

Federal law requires all qualified defined benefit pension plans, such as the Plan, to provide this Notice. The content and form of this Notice is based on guidance issued by the Department of Labor and is legally required to be provided to you. Before you read this Notice, please note the following general facts, which apply to all Annual Funding Notices:

- The Annual Funding Notice *must be provided* irrespective of a pension plan’s actual financial condition or level of funding.
- The Annual Funding Notice *must contain* certain information relating to the Plan’s funded status, as well as a summary of federal rules governing the termination of single-employer defined benefit pension plans and of benefit payments guaranteed by the PBGC.

Accordingly, please understand that the funded status, guaranteed payment, and plan termination information contained in the Notice is provided solely to comply with the required disclosure requirements, and is not an indication as to whether any adverse conditions will ever apply to the Plan. Based on its current funded status and a reasonable forecast of future events, as developed by the Plan’s actuaries, Citigroup does not anticipate that the Plan will become insolvent or need PBGC relief at any time in the foreseeable future. *In fact, the Plan presently meets the federally mandated funding levels.*

How Well Funded Is the Plan

Under federal law, the Plan administrator must report how well the Plan is funded by using a measure called the “Funding Target Attainment Percentage.” This percentage is obtained by dividing the Plan’s Net Plan Assets by Plan Liabilities on the Valuation Date for the Plan Year. In general, the higher the percentage, the better funded the plan. The Plan’s Funding Target Attainment Percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

Funding Target Attainment Percentage			
	2015	2014	2013
1. Valuation Date	January 1, 2015	January 1, 2014	January 1, 2013
2. Plan Assets			
a. Total Plan Assets	\$13,022,423,025	\$12,715,708,081	\$12,230,718,088
b. Funding Standard Carryover Balance	\$2,591,619,719	\$2,440,314,443	\$2,337,753,970
c. Prefunding Balance	\$0	\$0	\$0
d. Net Plan Assets (a) – (b) – (c) = (d)	\$10,430,803,306	\$10,275,393,638	\$9,892,964,118
3. Plan Liabilities	\$10,645,498,388	\$10,582,997,125	\$10,651,092,579
4. Funding Target Attainment Percentage (2d)/(3)	97.98%	97.09%	92.88%

Plan Assets and Credit Balances

Total Plan Assets is the value of the Plan’s assets on the Valuation Date (see line 2a in the chart above). Credit balances were subtracted from Total Plan Assets to determine Net Plan Assets (line 2d) used in the calculation of the Funding Target Attainment Percentage shown in line 4 of the chart. While pension plans are permitted to maintain credit balances (also called “Funding Standard Carryover Balances” or “Prefunding Balances” and shown in lines 2b and 2c of the chart) for funding purposes, they may not be taken into account when calculating a plan’s Funding Target Attainment Percentage. This does not mean that the actual Plan asset value (the amount available to pay benefits) is less than the amount shown on line 2a for any given Valuation Date. If the Funding Standard Carryover (credit) Balance shown in line 2b were not subtracted from Plan assets, the funding percentage at January 1, 2015 would be 122.32%. A plan might have a credit balance, for example, if in a prior year an employer made contributions to the plan above the minimum level required by law. Generally, the excess contributions are counted as “credits” and may be applied in future years toward the minimum level of contributions a plan sponsor is required to make by law.

Plan Liabilities

Plan Liabilities shown in line 3 of the chart above are the liabilities used to determine the Plan’s Funding Target Attainment Percentage. This figure is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the Plan. These values differ from liabilities published in other Citigroup financial statements because they are calculated based on different assumptions, which are dictated by law. For example, the mortality assumptions used to calculate the Plan’s liabilities in Citigroup’s financial statements differ from the mortality assumptions required to be used to determine the Plan’s minimum legal funding obligations shown in the chart above.

Year-End Assets and Liabilities

The asset values in the chart above are actuarial values, measured as of the first day of the Plan Year. Actuarial values are used because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market. Pension law allows plans to use actuarial values in order to smooth out those fluctuations, making it easier to predict future contribution levels for funding purposes. The asset values *below* are market values measured as of the last day of the Plan Year. Market values tend to show a clearer picture of a plan’s funded status at a given point in time. As of December 31, 2015, the fair market value of the Plan’s assets was \$12,136,815,000. On this same date, the Plan’s liabilities were \$12,402,848,000.

Participant Information

The total number of participants and beneficiaries in the Plan as of the Plan's Valuation Date was 194,602. Of this number, 38,413 were active participants, 58,165 were retired or separated from service and receiving benefits, and 98,024 were retired or separated from service and entitled to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for promised benefits. The funding policy of the Plan is generally to contribute the amounts needed to meet applicable minimum funding requirements and avoid "at risk" status and benefit restrictions. (If a plan's Funding Target Attainment Percentage for the prior plan year is below a specified level, the plan is considered under law to be in "at risk" status. "At risk" plans are required to use actuarial assumptions that result in a higher value of plan liabilities and require more funding by the employer.) Citi may, at its discretion and within legal limits, increase its contributions above the minimum legally required contribution, if appropriate to its tax and cash position and the Plan's funded position.

Once contributed to the Plan, funds are invested by Plan officials, called fiduciaries, who invest the funds in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for Plan investments with guidelines or general instructions concerning investment management decisions. The Plan's general investment policy or strategy is to maintain a globally diversified investment portfolio across several asset classes targeting an annual rate of return of 7.0%, that, when combined with Citi's contributions to the Plan, will maintain the Plan's ability to meet all required benefit obligations.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
Stocks	13.7%
Investment-grade debt instruments	26.9%
High-yield debt instruments	4.1%
Real estate	2.5%
Other asset classes*	52.8%

*Investments in the "Other asset classes" category above are comprised of interests in: 103-12 investment entities (4.5%), common/collective trusts (21.2%), interest-bearing cash (0.4%), hedge funds (44.1%), private equity funds (10.6%), natural resources private equity funds (1.9%), unallocated insurance contract (0.4%) and other investments (16.9%).

Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the Plan's annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202-693-8673. For 2009 and subsequent Plan Years, you may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a request to the Plan administrator. For your convenience, this information is also available on the Plan administrator's website. The annual report does not contain individual information, such as the amount of your accrued benefit under the Plan. If you are seeking information regarding your benefits under the Plan, contact the Plan administrator identified below under "Where to Get More Information or Update Your Contact Information."

Summary of Rules Governing Termination of Single-Employer Plans

If a plan is terminated, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. Under a standard termination, the plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly, for life or for a set period of time when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC's guarantee ends when your employer purchases your annuity or gives you the lump-sum payment. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that the PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy and the bankruptcy proceeding began on or after September 16, 2006, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2016, the maximum guarantee is \$5,011 per month, or \$60,136 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, and the bankruptcy proceeding began on or after September 16, 2006, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from the PBGC before age 65 to reflect the fact that a younger retiree is expected to receive more monthly pension checks over his or her lifetime. The maximum guarantee by age can be found on the PBGC's website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees “basic benefits” earned before a plan is terminated, which include:

- Pension benefits at normal retirement age;
- Most early retirement benefits;
- Annuity benefits for survivors of plan participants; and
- Disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- Benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- Benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.
- The PBGC generally does not pay lump sums exceeding \$5,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional general information about the PBGC and the pension insurance program guarantees, go to the "General FAQs about PBGC" on the PBGC's website at www.pbgc.gov/generalfaq. Please contact the Plan for specific information about the Plan or your pension benefit. The PBGC does not have that information. See "Where to Get More Information or Update Your Contact Information," below.

Where to Get More Information or Update Your Contact Information

For more information about this notice, you may contact the Plan through ConnectOne at 1-800-881-3938. From the ConnectOne main menu, choose the "pension" option. Representatives are available from 8 a.m. to 8 p.m. Eastern time on weekdays, excluding holidays.

If you are calling from outside the United States or you are an expatriate employee: Call 1-469-220-9600.

If you are hearing impaired and using a TDD, call National Relay Services at 711, then call ConnectOne at 1-800-881-3938 and follow the instructions above.

To contact the Plan online, visit TotalComp@Citi at www.totalcomponline.com, available from the Citi intranet and the Internet 24/7.

You could lose your benefit if it is payable after you terminate employment and the Plan is unable to locate you at your last known address. Therefore, it is very important that you notify the Plan of any change in your mailing address. The responsibility for keeping it updated rests with you.

For identification purposes, the official Plan number is 020 and the Plan sponsor's employer identification number, or "EIN," is 52-1568099. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov.

Right to Request Benefit Statement

If you are eligible for a benefit from the Plan, you may obtain a free written statement describing the estimated amount of your benefit, as of whatever date you choose, by contacting the Plan through ConnectOne using the instructions set forth above. You also can visit the Your Benefits Resources™ website through TotalComp@Citi at www.totalcomponline.com where you can prepare your own estimated benefit statement online.

**SUPPLEMENT TO ANNUAL FUNDING NOTICE
OF THE CITIGROUP PENSION PLAN FOR
PLAN YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

This is a temporary supplement to your Annual Funding Notice. It is required by a federal law named Moving Ahead for Progress in the 21st Century Act (MAP-21) and the Highway and Transportation Funding Act of 2014 (HATFA). These federal laws changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the Plan at a time when market interest rates are at or near historical lows.

The “Information Table” below compares the impact of using interest rates based on the 25-year average (the “adjusted interest rates”) and interest rates based on a two-year average on the Plan’s: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The Funding Target Attainment Percentage of a plan is a measure of how well the plan is funded on a particular date. The Funding Shortfall of a plan is the amount by which liabilities exceed net plan assets. The Minimum Required Contribution is the amount of money an employer is required by law to contribute to a plan in a given year. The following table shows this information determined with and without the adjusted interest rates. The information is provided for the 2015 Plan Year and for each of the two preceding Plan Years, if applicable.

INFORMATION TABLE						
	2015		2014		2013	
	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates
Funding Target Attainment Percentage	97.98%	82.83%	97.09%	80.09%	92.88%	79.95%
Funding Surplus/ (Shortfall)*	\$(214,695,082)	\$(2,162,128,410)	\$(307,603,487)	\$(2,553,141,442)	\$(758,128,461)	\$(2,480,188,668)
Minimum Required Contribution prior to application of Funding Balances	\$35,646,645	\$36,381,700	\$37,106,247	\$432,330,907	\$40,771,249	\$429,060,048
Minimum Required Contribution net of available Funding Balances	\$0	\$0	\$0	\$0	\$0	\$0

*A positive number represents a plan surplus.