

COSTCO WHOLESALE CORP /NEW

Form 11-K

June 15, 2017

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

Commission File Number 0-20355

Costco 401(k) Retirement Plan
(full title of plan)

Costco Wholesale Corporation

999 Lake Drive
Issaquah, Washington 98027
(Name of issuer and address of principal executive offices of issuer)

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COSTCO 401(k) RETIREMENT PLAN

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Report of Independent Registered Public Accounting Firm

The Benefits Committee

Costco 401(k) Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of the Costco 401(k) Retirement Plan (the Plan) as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2016, has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2016 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2016 is fairly stated in all material respects in relation to the 2016 financial statements as a whole.

/s/ KPMG LLP

Seattle, Washington

June 15, 2017

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COSTCO 401(k) RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

(in thousands)

| | 2016 | 2015 |
|---|--------------|--------------|
| Assets: | | |
| Investments at fair value: | | |
| Costco Wholesale Corporation common stock | \$4,606,549 | \$4,720,350 |
| Common commingled trust funds | 2,920,636 | 2,313,903 |
| Separately managed accounts | 1,742,565 | 1,622,876 |
| Registered investment company funds | 995,090 | 866,839 |
| Investments at contract value: | | |
| Fully benefit-responsive investment contracts | 1,170,622 | 1,083,350 |
| Total investments | 11,435,462 | 10,607,318 |
| Receivables: | | |
| Notes receivable from participants | 454,622 | 432,585 |
| Employer contributions (net of forfeitures) | 300,230 | 278,537 |
| Total receivables | 754,852 | 711,122 |
| Non-interest bearing cash | 2,218 | 5,825 |
| Net assets available for benefits | \$12,192,532 | \$11,324,265 |

See accompanying notes to financial statements.

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COSTCO 401(k) RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2016 and 2015

(in thousands)

| | 2016 | 2015 |
|--|--------------|--------------|
| Net investment income: | | |
| Net appreciation of investments | \$312,820 | \$555,628 |
| Interest | 24,234 | 23,295 |
| Dividends | 88,019 | 217,359 |
| Total net investment income | 425,073 | 796,282 |
| Interest on notes receivable from participants | 20,683 | 19,979 |
| Contributions to the Plan: | | |
| Employee | 487,934 | 452,191 |
| Employer (net of forfeitures) | 357,708 | 330,883 |
| Total contributions | 845,642 | 783,074 |
| Distributions to participants | (423,131) | (451,200) |
| Net increase in net assets available for benefits | 868,267 | 1,148,135 |
| Net assets available for benefits, beginning of year | 11,324,265 | 10,176,130 |
| Net assets available for benefits, end of year | \$12,192,532 | \$11,324,265 |

See accompanying notes to financial statements.

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COSTCO 401(k) RETIREMENT PLAN

Notes to Financial Statements

December 31, 2016 and 2015

(1) Plan Description

The following description of the Costco 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. Participants in the Plan are employees of Costco Wholesale Corporation (the Company or Costco).

The Plan is a defined contribution plan for the benefit of eligible employees, established by the Company under Section 401(a) of the Internal Revenue Code (IRC). It includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(a) Employee Contributions

The Plan allows employees at least 18 years of age who have completed 90 days of service within a 12-consecutive-month period to make salary deferral contributions, commencing the first day of the month following the completion of 90 days of employment. Participants may contribute from 1% to 50% of their compensation before income taxes, subject to certain limitations set by the Internal Revenue Service (IRS). Participants may also contribute amounts representing distributions from other qualified benefit or contribution plans (known as rollover contributions).

All newly-eligible employees are automatically enrolled in the Plan at a contribution rate of 3% unless the employee elects otherwise. The percentage deferred into the Plan automatically increases by one percentage point on an active participant's employment anniversary date, and each anniversary date thereafter, to a maximum automatic deferral of 20%. Employees may choose to opt out of this automatic deferral increase.

(b) Employer Contributions

All Company contributions are made in cash and invested in accordance with investment selections made by participants. If no selection has been made, the contribution defaults to the age-based target retirement fund. Employer contributions are allocated based on an employee's classification as either: 1) a California Union Employee; or 2) an Other-than-California Union Employee.

(1) California Union Employees

The Company matches 50% of each employee's contribution up to a maximum employer matching contribution of \$250 per year. In addition, employees at least 18 years of age who have completed 12 consecutive months of service and worked at least 1,000 hours, calculated every pay period, are eligible for an annual employer contribution. Plan entry dates for this purpose occur on January 1 and July 1. If the minimum hours requirement is not met in the first 12 months, hours roll forward until the requirement is fulfilled. The Company makes contributions into the accounts of all eligible plan participants employed on the last day of the plan year, based on straight-time hours worked during the plan year, up to a maximum of 2,080 hours per calendar year and years of service. These contributions in 2016 and 2015 ranged from \$0.05 to \$0.47 per hour, totaling \$4.5 million and \$4.3 million, respectively.

(2) Other-than-California Union Employees

The Company matches 50% of each employee's contribution up to a maximum employer matching contribution of \$500 per year. In addition, employees at least 18 years of age who have completed 12 consecutive months of service and worked at least 1,000 hours, calculated every pay period, are eligible for an annual discretionary employer contribution. Plan entry dates for this purpose occur on January 1 and July 1. If the minimum hours requirement is not met in the first 12 months, hours roll forward until the requirement is fulfilled. The Company makes discretionary contributions into the accounts of all eligible plan participants employed on the last day of the plan year. These

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COSTCO 401(k) RETIREMENT PLAN
Notes to Financial Statements (Continued)
December 31, 2016 and 2015

contributions range from 3% to 9% of each participant's compensation based on years of service, as defined by the Plan, totaling \$299.3 million and \$274.2 million for the years ended December 31, 2016 and 2015, respectively.

(c) Participants' Accounts

Each participant's account is credited or debited with the participant's contributions, the Company's contributions, plan earnings, and appreciation or depreciation in underlying securities. Participant accounts are also charged with an allocation of certain expenses based on the account balances. An example of an expense is the investment fees, which vary by investment elections. The benefit to which a participant is entitled is that available from the participant's vested account.

(d) Vesting

Participants are immediately vested in their contributions, actual earnings thereon, and in other contributions as defined in the Plan document. Vesting in the employer-match, employer contributions, and discretionary contributions, including actual earnings thereon, is based on years of service, according to the following schedule:

| Years of service | Percentage vested |
|------------------|-------------------|
| Under 2 years | 0% |
| 2 years | 20% |
| 3 years | 40% |
| 4 years | 60% |
| 5 years | 100% |

(e) Forfeitures

Forfeited balances of terminated participants' non-vested accounts are used to reduce future employer contributions or to pay administrative expenses. During 2016 and 2015, forfeitures totaling \$4.0 million and \$3.8 million, respectively, were used to reduce employer contributions. At the end of 2016 and 2015 there was a forfeiture balance of \$3.6 million and \$2.9 million, respectively, which were used to offset future employer discretionary contributions. There were no unallocated forfeitures as of December 31, 2016 and 2015, after application to reduce the employer discretionary contributions. Forfeitures, without the benefit of investment gains or losses, can be restored to a participant's account if, within five years, the participant is re-hired by the Company and repays the full amount distributed upon termination.

(f) Investment Options

Upon enrollment in the Plan, a participant may direct the account balance into any of the investment options then available. Participants may change their options and transfer amounts between funds daily. In January 2016, participants' investment in the Company's common stock were limited to no more than 50% of their 401(k) Plan Account, including loan repayments. Participants were not forced to sell stock and may reinvest stock dividends in the Company's common stock. After the change, participants are no longer able to purchase additional stock if the total

stock investment exceeds 50%. T. Rowe Price (TRP) is the trustee for all investments and the keeper of records of all participant accounts. Amounts may be temporarily invested in a cash account prior to investment in the Plan's investment accounts.

The Capital Preservation Portfolio (CPP) is a fully benefit-responsive investment contract for the exclusive benefit of the Plan. The CPP invests in Synthetic Guaranteed Investment Contracts (SICs), Separate Account Contracts (SACs) and mutual funds.

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COSTCO 401(k) RETIREMENT PLAN
Notes to Financial Statements (Continued)
December 31, 2016 and 2015

(g) Distributions

Upon termination of employment, total disability, or death, the vested interest in a participant's account is payable in a lump sum, or as a partial or installment distribution for eligible participants. Participants may apply for a distribution of all or a portion of the vested interest at any time after attaining age 59-1/2. Participants are also eligible to make withdrawals from their salary deferral contributions in the event of certain financial hardships. Following a hardship withdrawal, participants are not allowed to contribute to the Plan for a period of six months.

Dividends on the Company's stock are reinvested in the participant's Company stock account unless a distribution is requested by the participant in advance of the ex-dividend date. Dividends on the Company's stock are reported on a gross basis, with the dividends paid reported as "Dividends" and the amounts distributed reported as "Distributions to participants" in the statements of changes in net assets available for benefits. On January 29, 2015, the Company declared a special cash dividend on Costco common stock of \$5 per share, which was paid on February 27, 2015. Of the \$145.4 million special dividend paid to Plan participants, approximately \$91.7 million was distributed to the participants and the remaining \$53.7 million was reinvested into the participants' accounts.

(h) Notes Receivable from Participants

A participant may borrow up to the lesser of \$50,000 or 45% of the vested account balance, calculated using the participant's pre-tax contribution, and rollover. Only the participant's pre-tax contribution, rollover, and Company matching amounts may be borrowed against, with a minimum note of \$1,000. Notes are payable through payroll deductions over a period ranging up to 180 months. The interest rate is determined by the Plan Administrator, based on the Bank of America prime rate on the last day of the calendar year prior to when the note was made, plus 1% for a primary residence loan and 2% for a standard loan. The rates at December 31, 2016 and 2015 ranged from 4.25% to 11.50%, respectively. The notes have various maturity dates up to December 2031.

Starting January 1, 2015, participant loans requested and issued cannot be withdrawn from Company matching contributions. Loans also have an annual maintenance fee charge. This amendment was approved in December 2014. Additionally, starting January 1, 2016, terminated participants with outstanding loans are no longer in default and required to be paid within 30 days of termination. Participants are allowed to continue making regular loan payments after termination. These amendments were approved in November 2015.

(i) Plan Administrator

The Plan is administered by the Benefits Committee of the Company.

(j) Administrative and Investment Expenses

All investment management and transaction fees are netted against the "Net appreciation of investments." Certain administrative expenses of maintaining the Plan are paid by the Company, except for loan origination fees (paid by the participant requesting the loan) associated with notes receivable from participants.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. As required under U.S. generally accepted accounting principles (U.S. GAAP), fully benefit-responsive investment contracts are reported at contract value (see Note 3), while all other investments in the Plan are reported

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COSTCO 401(k) RETIREMENT PLAN
Notes to Financial Statements (Continued)
December 31, 2016 and 2015

at fair value (see Note 4). A benefit-responsive investment contract is a contract with a financial institution or an insurance company that provides for a stated return on principal invested over a specified period and that permits withdrawals at contract value for benefit payments, loans, or transfers to other investment options offered to the participant by the Plan. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates and assumptions.

(c) Investment Valuation and Income Recognition

The Plan invests in the Company's common stock, common commingled trust funds and other exchange-traded equity securities held in the separately managed accounts, as well as registered investment companies and certain fully benefit-responsive investment contracts that, in turn, invest in a combination of stocks, bonds and other investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur and that those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Registered investment company funds, Company common stock, and other equity securities (held in the separately managed accounts) are stated at fair value based upon quoted market prices.

The CPP is invested in SICs and SACs, which are fully benefit-responsive and recorded at contract value. Participant withdrawals are required to be at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than zero. Such interest rates are reviewed on a quarterly basis for resetting. Certain events may limit the ability of the Plan to transact at contract value with the issuer. Events may include, but are not limited to, Plan termination, bankruptcy of the Company, or defunction of the trustee. A result may be that the fully benefit-responsive contracts are terminated and settled at a valued amount different from the contract value. The Plan Administrator believes at this time any events that would limit the Plan's ability to transact at contract value with participants are not probable.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation of investments includes the change in the fair value or contract value of assets from one period to the next, plus realized gains and losses.

(d) Notes Receivable from Participants

Participant loans are classified as notes receivable from participants, which are segregated from Plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest.

(e) Distribution of Benefits

Distributions of benefits are recorded when paid.

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COSTCO 401(k) RETIREMENT PLAN
 Notes to Financial Statements (Continued)
 December 31, 2016 and 2015

(3) Fully Benefit-Responsive Investment Contracts

The following is a description of the fully benefit-responsive investment contracts invested in by the CPP.

SIC: Consist of a portfolio of underlying assets owned by the Plan and wrap contracts issued by an insurance company and a financial institution. The issuers of the wrap contracts provide for unscheduled withdrawals from the contracts at contract value, regardless of the value of the underlying assets, in order to fund routine permitted participant-initiated withdrawals.

SAC and wrap contract: These are contracts with an insurance company. The issuer legally owns the assets and is required to segregate them into a separate account, which is designed to be protected from the claims of the issuer's general creditors in the event of issuer insolvency. The issuer of the wrap contract provides for unscheduled withdrawals from the contract at contract value, regardless of the value of the underlying assets, in order to fund routine permitted participant-initiated withdrawals.

The table below presents the total contract value of each type of fully benefit-responsive investment contract in the Plan as of December 31, 2016, and 2015.

| | | |
|--|-----------|-------------|
| Fully benefit-responsive investment contracts (in thousands) | | |
| | 2016 | 2015 |
| | \$184,996 | \$902,262 |
| | \$85,626 | 181,088 |
| Total fully benefit-responsive investment contracts | \$270,622 | \$1,083,350 |

(4) Fair Value Measurement

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying a fair value hierarchy, which requires maximizing the use of observable inputs. The three levels of inputs are:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Significant unobservable inputs that are not corroborated by market data.

The following valuation techniques are used to measure fair value:

Level 1 primarily consists of financial instruments, such as investments in registered investment company funds and the Company's common stock, whose value is based on quoted market prices, such as quoted net asset values published by the fund as supported in an active market, exchange-traded instruments and listed equities. Level 2 includes assets and liabilities where quoted market prices are unobservable but observable inputs other than Level 1 prices, such as quoted prices for similar assets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuation methodologies are based on "consensus pricing," using market prices from a variety of industry-standard data providers or pricing that considers various assumptions, including time value, yield curve, volatility factors, credit spreads, default rates, loss severity,

current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures. All are observable in the market or can be derived principally from or corroborated by observable market data, for which the Plan typically receives independent external valuation information.

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COSTCO 401(k) RETIREMENT PLAN
 Notes to Financial Statements (Continued)
 December 31, 2016 and 2015

Level 3 assets include significant unobservable inputs reflecting our own assumptions consistent with reasonably available assumptions made by other market participants. The Plan uses the income approach for certain investments, which involves determining fair values from discounted cash flow methodologies, or replacement cost for Level 3 assets.

Valuation techniques utilized during the reporting period in the fair value measurement of Level 1, Level 2, and Level 3 assets and liabilities presented on the Plan's statements of net assets available for benefits were not changed from previous practice. The Plan reports transfers in and out of Levels 1, 2, and 3, as applicable, using the fair value of the individual securities or funds as of the beginning of the reporting period in which the transfer(s) occurred.

The carrying value of the Plan's receivables approximate fair value due to their short-term nature or fixed rates relative to prevailing market rates.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following is a description of the valuation methodologies used for assets measured at fair value.

Common stock, registered investment company funds, and separately managed accounts: Valued at the closing price reported in the active market in which the individual securities are traded. These assets are valued using Level 1 inputs.

Common commingled trust: Valued at the Net Asset Value (NAV) of shares held by the Plan at year end. Plan participant transactions of investment or withdrawals may occur on a daily basis in these trusts. There are no unfunded commitments at December 31, 2016 or 2015. Accounting Standards Update (ASU) 2015-10, Technical Corrections and Improvements updated the definition of Readily Determinable Fair Value. The valuation techniques used to measure the fair value of common commingled trust funds are based on quoted market prices, such as quoted net asset values published by the fund as supported in an active market. As such, the Plan has changed its valuation technique of the common commingled trust from NAV Practical Expedient to NAV Readily Determinable Fair Value for 2016 and 2015. This did not have a material impact to the financial statements or disclosures. These assets are valued using Level 1 inputs.

There were no Level 2 or Level 3 financial assets in the Plan that are measured at fair value on a recurring basis as of December 31, 2016 and 2015.

(5) Form 5500 Reconciliation

As of December 31, 2016, the net assets available for benefits per the financial statements agreed to the Plan's Form 5500.

In 2015, the Plan elected to early adopt ASU 2015-12 that simplified employee benefit plan accounting, eliminating the requirements to measure the fair value of fully benefit-responsive contracts. However, the Form 5500 does not allow early adoption, therefore the financial statements and Form 5500 do not agree. The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2015 to the Plan's Form 5500 (in thousands):

| | |
|--|-----------------------|
| Net assets available for benefits per the financial statements | 2015 \$ 11,324,265 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | 4,631 |
| Net assets available for benefits per the Form 5500 | \$ 11,328,896 |

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COSTCO 401(k) RETIREMENT PLAN
 Notes to Financial Statements (Continued)
 December 31, 2016 and 2015

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements at December 31, 2016 and 2015 to the Plan's Form 5500 (in thousands):

| | 2016 | 2015 |
|--|-----------|-------------|
| Net increase in net assets available for benefits per the financial statements | \$868,267 | \$1,148,135 |
| Net change due to fair value for fully benefit-responsive contracts | (4,631) | (11,535) |
| Net increase in net assets available for benefits per the Form 5500 | \$863,636 | \$1,136,600 |

(6) Plan Termination

Although it has no present intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA and the requirements of the collective bargaining agreement with the International Brotherhood of Teamsters in California. In the event of plan termination, participants will become 100% vested in their accounts.

(7) Tax Status

In a determination letter dated September 23, 2013, the IRS informed the Company that the Plan is designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the last determination letter, the Plan Administrator believes that the Plan is designed and is being operated in compliance with the requirements of the IRC.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; there are currently no audits in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2013.

(8) Party-in-Interest and Related Party Transactions

Certain Plan investments are shares of registered investment companies, benefit-responsive investment contracts, and common commingled trust funds managed by T. Rowe Price. T. Rowe Price is also the trustee and record keeper as defined by the Plan. Therefore, these transactions qualify as party-in-interest transactions. The Plan also invests in the Company's common stock, which also qualify as party-in-interest transactions.

(9) Subsequent Events

In February 2016, the Company and the International Brotherhood of Teamsters entered into a labor agreement whereby East Coast employees covered by this agreement elected to join the West Coast Union 401(k) plan. These changes took effect on January 1, 2017.

On April 25, 2017, the Company declared a special cash dividend on Costco common stock of \$7 per share, which was paid on May 26, 2017. Of the \$210.2 million special dividend paid to Plan participants, approximately \$134.9 million was distributed directly to the participants and the remaining \$75.3 million was reinvested into the participants' accounts.

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|-----------------------------|---------------|
| Registered investment company and common commingled trust funds: | | |
| American Funds | New Perspective Fund R6 | \$207,032 |
| PIMCO | Income Inst Retirement | 355,160 |
| * T. Rowe Price | Balanced Trust D TRP Ret | 22,391 |
| * T. Rowe Price | 2005 Active Trust D TRP Ret | 13,392 |
| * T. Rowe Price | 2010 Active Trust D TRP Ret | 36,459 |
| * T. Rowe Price | 2015 Active Trust D TRP Ret | 112,208 |
| * T. Rowe Price | 2020 Active Trust D TRP Ret | 281,232 |
| * T. Rowe Price | 2025 Active Trust D TRP Ret | 378,097 |
| * T. Rowe Price | 2030 Active Trust D TRP Ret | 392,740 |
| * T. Rowe Price | 2035 Active Trust D TRP Ret | 322,922 |
| * T. Rowe Price | 2040 Active Trust D TRP Ret | 411,499 |
| * T. Rowe Price | 2045 Active Trust D TRP Ret | 460,645 |
| * T. Rowe Price | 2050 Active Trust D | 239,177 |
| * T. Rowe Price | | 236,483 |

| | | |
|---|---------------|-----------|
| | TRP Ret | |
| | 2055 Active | |
| | Trust D | |
| * T. Rowe Price | TRP Ret | |
| | 2060 Active | 13,391 |
| | Trust D | |
| | Total Bond | |
| Vanguard | Market | 48,812 |
| | Index Fund | |
| | Institutional | |
| Vanguard | Institutional | 384,086 |
| | Index, Plus | |
| Total registered investment company and common commingled trust funds | | 3,915,726 |
| Separately managed accounts: | | |
| Mid-Cap Growth Portfolio: | | |
| Canadian Dollar | Cash | 3 |
| Acadia Healthcare Co Inc | Common | 2,819 |
| | Stock | |
| Alkermes Plc | Common | 9,914 |
| | Stock | |
| Allegion Plc | Common | 7,953 |
| | Stock | |
| Atlassian Corp Plc-Class | Common | 3,330 |
| | Stock | |
| Centennial Resource Devel | Common | 674 |
| | Stock | |
| Ferrari Nv | Common | 2,913 |
| | Stock | |
| Henry Schein Inc | Common | 6,233 |
| | Stock | |
| IHS Markit Ltd | Common | 10,113 |
| | Stock | |
| Keysight Technologies In | Common | 9,198 |
| | Stock | |
| L Brands Inc | Common | 4,816 |
| | Stock | |
| Manpowergroup Inc | Common | 1,425 |
| | Stock | |
| Marriott International -C | Common | 12,096 |
| | Stock | |
| Martin Marietta Materials | Common | 6,438 |
| | Stock | |
| Match Group Inc | Common | 1,602 |
| | Stock | |
| Mednax Inc | Common | 10,821 |
| | Stock | |
| Mettler-Toledo Internatio | Common | 2,936 |
| | Stock | |
| Mgm Resorts International | Common | 4,854 |
| | Stock | |

| | | |
|---------------------------|-----------------|--------|
| Michaels Cos Inc/The | Common Stock | 5,082 |
| Microchip Technology Inc | Common Stock | 13,628 |
| Middleby Corp | Common Stock | 3,872 |
| Msci Inc | Common Stock | 5,210 |
| Neurocrine Biosciences In | Common Stock | 620 |
| Norwegian Cruise Line Hol | Common Stock | 12,487 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Nxp Semiconductors Nv | Common Stock | 5,598 |
| Old Dominion Freight Line | Common Stock | 1,376 |
| O'Reilly Automotive Inc | Common Stock | 8,649 |
| Palo Alto Networks Inc | Common Stock | 877 |
| Progressive Corp | Common Stock | 8,965 |
| PVH Corp | Common Stock | 2,713 |
| Quintiles Ims Holdings In | Common Stock | 4,496 |
| Red Hat Inc | Common Stock | 9,639 |
| Rockwell Collins Inc | Common Stock | 7,157 |
| Roper Technologies Inc | Common Stock | 11,925 |
| Royal Caribbean Cruises L | Common Stock | 5,673 |
| RPM International Inc | Common Stock | 6,959 |
| Sabre Corp | Common Stock | 4,925 |
| SBA Communications Corp | Common Stock | 1,345 |
| Sensata Technologies Hold | Common Stock | 8,899 |
| Servicenow Inc | Common Stock | 2,458 |
| Splunk Inc | Common Stock | 3,383 |
| Sprouts Farmers Market In | Common Stock | 4,271 |
| SS&C Technologies Holding | Common Stock | 3,783 |
| Stericycle Inc | Common Stock | 1,667 |

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| | | |
|---------------------------|-----------------|--------|
| Tableau Software Inc-Cl A | Common Stock | 2,534 |
| TD Ameritrade Holding Cor | Common Stock | 11,010 |
| Teleflex Inc | Common Stock | 14,372 |
| Tesaro Inc | Common Stock | 2,021 |
| Tesla Inc | Common Stock | 2,570 |
| Textron Inc | Common Stock | 18,206 |
| T-Mobile Us Inc | Common Stock | 8,472 |
| Transunion | Common Stock | 1,519 |
| Treehouse Foods Inc | Common Stock | 5,353 |
| Tripadvisor Inc | Common Stock | 2,323 |
| Vail Resorts | Common Stock | 2,520 |
| Valvoline Inc | Common Stock | 1,939 |
| Vantiv Inc - Cl A | Common Stock | 8,723 |
| Veeva Systems Inc-Class A | Common Stock | 4,038 |
| Verisign Inc | Common Stock | 8,614 |
| Verisk Analytics Inc | Common Stock | 8,541 |
| Vertex Pharmaceuticals In | Common Stock | 2,953 |
| Wabco Holdings Inc | Common Stock | 2,659 |
| Waste Connections Inc | Common Stock | 8,899 |
| We Work Compan Class | Common Stock | 426 |
| West Pharmaceutical Servi | Common Stock | 4,505 |
| Willis Towers Watson Plc | Common Stock | 15,562 |
| Workday Inc-Class A | Common Stock | 3,245 |
| Xilinx Inc | Common Stock | 3,993 |
| Xylem Inc | Common Stock | 6,054 |
| Zillow Group Inc - A | | 1,205 |

Common
Stock

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Zillow Group Inc - C | Common Stock | 1,791 |
| Zoetis Inc | Common Stock | 5,257 |
| Acuity Brands Inc | Common Stock | 3,701 |
| Agilent Technologies Inc | Common Stock | 10,409 |
| Air Products & Chemicals | Common Stock | 9,368 |
| Alnylam Pharmaceuticals I | Common Stock | 1,538 |
| Aramark | Common Stock | 5,226 |
| Arc Resources Ltd | Common Stock | 3,034 |
| Ashland Global Holdings I | Common Stock | 5,695 |
| Autozone Inc | Common Stock | 12,663 |
| Ball Corp | Common Stock | 8,576 |
| Bats Global Markets Inc | Common Stock | 1,645 |
| Black Knight Financial | Common Stock | 224 |
| Blue Buffalo Pet Products | Common Stock | 2,409 |
| Bruker Corp | Common Stock | 6,473 |
| Burlington Stores Inc | Common Stock | 4,161 |
| Carmax Inc | Common Stock | 9,937 |
| Carter's Inc | Common Stock | 3,982 |
| Catalent Inc | Common Stock | 5,673 |
| CBOE Holdings Inc | Common Stock | 9,626 |

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| | | |
|---------------------------|-----------------|--------|
| Choice Hotels Intl Inc | Common Stock | 1,854 |
| Cimarex Energy Co | Common Stock | 1,770 |
| Coach Inc | Common Stock | 8,282 |
| Cognex Corp | Common Stock | 2,614 |
| Colfax Corp | Common Stock | 2,664 |
| Conagra Foods Inc | Common Stock | 5,866 |
| Concho Resources Inc | Common Stock | 2,259 |
| Cooper Cos Inc/The | Common Stock | 10,518 |
| Corelogic Inc | Common Stock | 6,016 |
| CSRA Inc | Common Stock | 3,465 |
| Dentsply International In | Common Stock | 9,452 |
| Dick's Sporting Goods Inc | Common Stock | 3,086 |
| Digitalglobe Inc | Common Stock | 5,139 |
| Dollar General Corp | Common Stock | 12,024 |
| E*Trade Financial Corp | Common Stock | 3,993 |
| Electronic Arts Inc | Common Stock | 3,867 |
| Envision Healthcare Corp | Common Stock | 5,708 |
| EQT Corp | Common Stock | 6,947 |
| Equifax Inc | Common Stock | 11,223 |
| Equinix Inc | Common Stock | 716 |
| Factset Research Systems | Common Stock | 3,275 |
| Fidelity National Info Se | Common Stock | 4,396 |
| Fiserv Inc | Common Stock | 18,105 |
| Fleetcor Technologies Inc | Common Stock | 7,374 |
| FNF Group | Common Stock | 12,115 |
| Fortive Corp | | 6,610 |

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Stock

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Franco-Nevada Corp | Common Stock | 4,431 |
| Gartner Inc | Common Stock | 4,456 |
| Global Payments Inc | Common Stock | 8,973 |
| Guidewire Software Inc | Common Stock | 1,780 |
| Hanesbrands Inc | Common Stock | 2,805 |
| Harman International | Common Stock | 4,010 |
| Harris Corp | Common Stock | 10,063 |
| Hologic Inc | Common Stock | 13,428 |
| Hunt (JB) Transprt Svcs I | Common Stock | 3,210 |
| IDEX Corp | Common Stock | 12,274 |
| Idexx Laboratories Inc | Common Stock | 4,818 |
| Illumina Inc | Common Stock | 4,234 |
| Incyte Corp | Common Stock | 3,617 |
| Intercontinental Exchange | Common Stock | 10,120 |
| Intuitive Surgical Inc | Common Stock | 8,261 |
| Jones Lang Lasalle Inc | Common Stock | 1,620 |
| Kansas City Southern | Common Stock | 6,887 |
| KAR Auction Services Inc | Common Stock | 5,509 |
| Kla-Tencor Corp | Common Stock | 2,602 |
| US Govt STIF 5 Bps | Money Market | 1,681 |

| | | |
|----------------------------|----------------------------|--------|
| T. Rowe Price Tre Res Fund | Security Mutual Fund | 12,142 |
| Large Cap Value Portfolio: | | |
| Abbott Laboratories | Common Stock | 1,273 |
| Adient Plc - Wi | Common Stock | 422 |
| AES Corp | Common Stock | 961 |
| Aetna Inc | Common Stock | 3,053 |
| Agilent Technologies Inc | Common Stock | 1,422 |
| American Airlines Group I | Common Stock | 2,607 |
| American Electric Power | Common Stock | 2,321 |
| American International Gr | Common Stock | 2,247 |
| Ameriprise Financial Inc | Common Stock | 2,923 |
| Analog Devices Inc | Common Stock | 772 |
| Anthem Inc | Common Stock | 2,167 |
| Apple Inc | Common Stock | 2,949 |
| Applied Materials Inc | Common Stock | 647 |
| Baker Hughes Inc | Common Stock | 232 |
| Ball Corp | Common Stock | 1,423 |
| Bank Of New York Mellon | Common Stock | 3,308 |
| Becton Dickinson And Co | Common Stock | 1,797 |
| Boeing Co/The | Common Stock | 2,960 |
| Bristol-Myers Squibb Co | Common Stock | 1,008 |
| Bunge Ltd | Common Stock | 1,313 |
| CF Industries Holdings | Common Stock | 219 |
| Chevron Corp | Common Stock | 3,210 |
| Chubb Ltd | Common Stock | 397 |
| Cisco Systems Inc | | 2,936 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Citigroup Inc | Common Stock | 3,552 |
| Comcast Corp-Class A | Common Stock | 1,786 |
| Coty Inc-Cl A | Common Stock | 721 |
| CVS Health Corp | Common Stock | 585 |
| Danaher Corp | Common Stock | 678 |
| Delphi Automotive Plc | Common Stock | 473 |
| Dollar General Corp | Common Stock | 891 |
| DTE Energy Company | Common Stock | 1,067 |
| Du Pont (E.I.) De Nemours | Common Stock | 1,700 |
| Encana Corp | Common Stock | 766 |
| EOG Resources Inc | Common Stock | 1,472 |
| EQT Corp | Common Stock | 554 |
| Eversource Energy | Common Stock | 438 |
| Exelon Corp | Common Stock | 4,367 |
| Exxon Mobil Corp | Common Stock | 4,344 |
| Fifth Third Bancorp | Common Stock | 2,827 |
| Firstenergy Corp | Common Stock | 564 |
| General Electric Co | Common Stock | 3,678 |
| General Growth Properties | Common Stock | 656 |
| General Motors Co | Common Stock | 567 |

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| | | |
|---------------------------|-----------------|--------|
| Gilead Sciences Inc | Common Stock | 804 |
| Great Plains Energy Inc | Common Stock | 823 |
| Harris Corp | Common Stock | 1,109 |
| HCA Holdings Inc | Common Stock | 1,711 |
| Hess Corp | Common Stock | 604 |
| Hologic Inc | Common Stock | 1,460 |
| Honeywell International I | Common Stock | 1,196 |
| Illinois Tool Works | Common Stock | 602 |
| International Paper Co | Common Stock | 1,378 |
| JM Smucker Co/The | Common Stock | 141 |
| Johnson Controls Internat | Common Stock | 2,839 |
| JPMorgan Chase & Co | Common Stock | 10,791 |
| Keycorp | Common Stock | 2,044 |
| Keysight Technologies In | Common Stock | 453 |
| L Brands Inc | Common Stock | 409 |
| Las Vegas Sands Corp | Common Stock | 731 |
| Lennar Corp-A | Common Stock | 620 |
| Liberty Global Plc-Series | Common Stock | 1,069 |
| Lowe's Cos Inc | Common Stock | 1,494 |
| Mallinckrodt Plc | Common Stock | 410 |
| Marathon Petroleum Corp | Common Stock | 2,163 |
| Marsh & McLennan Cos | Common Stock | 2,501 |
| Mattel Inc | Common Stock | 1,314 |
| Mckesson Corp | Common Stock | 493 |
| Medtronic Plc | Common Stock | 3,273 |
| Merck & Co. Inc. | | 3,087 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Metlife Inc | Common Stock | 2,573 |
| Microchip Technology Inc | Common Stock | 447 |
| Microsoft Corp | Common Stock | 5,950 |
| Mondelez International In | Common Stock | 523 |
| Morgan Stanley | Common Stock | 4,112 |
| Nextera Energy Inc | Common Stock | 749 |
| Nextera Energy Inc | Common Stock | 833 |
| Norwegian Cruise Line Hol | Common Stock | 1,618 |
| NRG Energy Inc | Common Stock | 779 |
| NXP Semiconductors Nv | Common Stock | 471 |
| Occidental Petroleum Corp | Common Stock | 1,981 |
| Pentair Plc | Common Stock | 326 |
| Pepsico Inc | Common Stock | 629 |
| Pfizer Inc | Common Stock | 4,217 |
| Philip Morris Internation | Common Stock | 5,944 |
| PNC Financial Services Gr | Common Stock | 106 |
| Qualcomm Inc | Common Stock | 1,889 |
| Red Hat Inc | Common Stock | 1,139 |
| Rockwell Collins Inc | Common Stock | 770 |
| Roper Technologies Inc | Common Stock | 1,266 |

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| | | |
|---------------------------|-----------------|-------|
| Schwab (Charles) Corp | Common Stock | 1,212 |
| Sempra Energy | Common Stock | 999 |
| Spectra Energy Corp | Common Stock | 1,575 |
| State Street Corp | Common Stock | 2,229 |
| Stericycle Inc | Common Stock | 968 |
| Synchrony Financial | Common Stock | 1,522 |
| Targa Resources Corp | Common Stock | 206 |
| Te Connectivity Ltd | Common Stock | 1,277 |
| Texas Instruments Inc | Common Stock | 1,639 |
| Thermo Fisher Scientific | Common Stock | 1,681 |
| Total SA-Spon Adr | Common Stock | 4,190 |
| Trans Canada Corp | Common Stock | 1,884 |
| Twenty-First Century Fox | Common Stock | 1,636 |
| Tyson Foods Inc-Cl A | Common Stock | 6,631 |
| United Technologies Corp | Common Stock | 1,433 |
| US Bancorp | Common Stock | 2,112 |
| Vereit Inc | Common Stock | 1,337 |
| Verizon Communications In | Common Stock | 2,696 |
| Vulcan Materials Co | Common Stock | 590 |
| Walgreens Boots Alliance | Common Stock | 1,971 |
| Wal-Mart Stores Inc | Common Stock | 1,497 |
| Walt Disney Co/The | Common Stock | 648 |
| Wells Fargo & Co | Common Stock | 5,302 |
| Western Digital Corp | Common Stock | 402 |
| Weyerhaeuser Co | Common Stock | 1,255 |
| Willis Towers Watson Plc | | 650 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| XI Group Ltd | Common Stock | 3,022 |
| Ashland Global Holdings | Common Stock | 1,222 |
| P G & E Corp | Common Stock | 3,479 |
| US Govt STIF 5 Bps | Money Market Securities | 1,557 |
| T Rowe Price Gov Res Fund | Mutual Funds | 1,117 |
| Small-Cap Core Portfolio: | | |
| Canadian Dollar | Cash | 2 |
| Aaon Inc | Common Stock | 1,077 |
| Acadia Healthcare Co Inc | Common Stock | 1,211 |
| Acadia Pharmaceuticals In | Common Stock | 621 |
| Acadia Realty Trust | Common Stock | 674 |
| Acceleron Pharma Inc | Common Stock | 468 |
| Accuray Inc | Common Stock | 277 |
| Adtran Inc | Common Stock | 769 |
| Advanced Accelerator App- | Common Stock | 208 |
| Alamo Group Inc | Common Stock | 849 |
| Albany Intl Corp-CI A | Common Stock | 886 |
| Alexander & Baldwin Inc | Common Stock | 1,543 |
| Alkermes PLC | Common Stock | 1,329 |
| American Campus Communiti | Common Stock | 1,607 |
| American Public Education | | 577 |

| | | |
|---------------------------|-----------------|-------|
| | Common Stock | |
| Applied Industrial Tech I | Common Stock | 1,001 |
| Aquinox Pharmaceuticals I | Common Stock | 175 |
| Arctic Cat Inc | Common Stock | 232 |
| Ariad Pharmaceuticals Inc | Common Stock | 550 |
| Assured Guaranty Ltd | Common Stock | 2,398 |
| At Home Group Inc | Common Stock | 184 |
| Atlantic Capital Bancshar | Common Stock | 473 |
| AZZ Inc | Common Stock | 2,032 |
| Bankunited Inc | Common Stock | 3,103 |
| Bats Global Markets Inc | Common Stock | 2,210 |
| Beneficial Bancorp Inc | Common Stock | 1,390 |
| Blackbaud Inc | Common Stock | 510 |
| Blue Hills Bancorp Inc | Common Stock | 558 |
| Blueprint Medicines Corp | Common Stock | 73 |
| BNC Bancorp | Common Stock | 1,348 |
| Bojangles' Inc | Common Stock | 490 |
| Booz Allen Hamilton Holdi | Common Stock | 1,319 |
| Boston Beer Company Inc-A | Common Stock | 1,016 |
| Bottomline Technologies (| Common Stock | 1,297 |
| Bridge Bancorp Inc | Common Stock | 1,088 |
| Brink's Co/The | Common Stock | 2,401 |
| Brinker International Inc | Common Stock | 1,417 |
| Broadsoft Inc | Common Stock | 773 |
| Bruker Corp | Common Stock | 1,112 |
| Burlington Stores Inc | | 1,512 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| BWX Technologies Inc | Common Stock | 902 |
| Cable One Inc | Common Stock | 1,549 |
| Calatlantic Group Inc | Common Stock | 267 |
| California Water Service | Common Stock | 1,375 |
| Cal-Maine Foods Inc | Common Stock | 1,315 |
| Capital Bank Financial-CI | Common Stock | 1,822 |
| Capitol Federal Financial | Common Stock | 1,460 |
| Cargurus Inc Series D Pfd | Common Stock | 403 |
| Cargurus Inc Series E Pfd | Common Stock | 139 |
| Catalent Inc | Common Stock | 1,089 |
| Catchmark Timber Trust In | Common Stock | 469 |
| Cavium Inc | Common Stock | 1,326 |
| Centene Corp | Common Stock | 1,555 |
| Centennial Resource Devel | Common Stock | 459 |
| Centennial Resource Devel | Common Stock | 273 |
| Centennial Resuorc Wts | Common Stock | 65 |
| Chart Industries Inc | Common Stock | 1,371 |
| Cheesecake Factory Inc/Th | Common Stock | 1,015 |
| Chegg Inc | Common Stock | 528 |
| Chemical Financial Corp | Common Stock | 971 |

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| | | |
|---------------------------|-----------------|-------|
| Chesapeake Lodging Trust | Common Stock | 737 |
| Chesapeake Utilities Corp | Common Stock | 787 |
| Chico's Fas Inc | Common Stock | 1,644 |
| Ciena Corp | Common Stock | 1,396 |
| Clearwater Paper Corp | Common Stock | 836 |
| Clifton Bancorp Inc | Common Stock | 359 |
| Cohen & Steers Inc | Common Stock | 780 |
| Colucid Pharmaceuticals I | Common Stock | 462 |
| Comfort Systems USA Inc | Common Stock | 339 |
| Compass Minerals Internat | Common Stock | 437 |
| Computer Modelling Group | Common Stock | 310 |
| Constellium Nv- Class A | Common Stock | 270 |
| Conyers Park Acquisit - U | Common Stock | 539 |
| Core-Mark Holding Co Inc | Common Stock | 2,056 |
| Corporate Office Properti | Common Stock | 1,537 |
| Cross Country Healthcare | Common Stock | 591 |
| CSRA Inc | Common Stock | 1,556 |
| CTS Corp | Common Stock | 712 |
| CU Bancorp | Common Stock | 29 |
| Cyberark Software Ltd/Isr | Common Stock | 1,428 |
| Deluxe Corporation | Common Stock | 250 |
| Denny's Corp | Common Stock | 1,454 |
| Descartes Systems Grp/The | Common Stock | 1,898 |
| Diamond Offshore Drilling | Common Stock | 787 |
| Diamondback Energy Inc | Common Stock | 1,712 |
| Diodes Inc | | 995 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Dril-Quip Inc | Common Stock | 652 |
| E*Trade Financial Corp | Common Stock | 3,188 |
| East West Bancorp Inc | Common Stock | 1,434 |
| Eastgroup Properties Inc | Common Stock | 2,002 |
| El Paso Electric Co | Common Stock | 501 |
| Ellie Mae Inc | Common Stock | 1,560 |
| Encore Capital Group Inc | Common Stock | 1,051 |
| Enstar Group Ltd | Common Stock | 1,025 |
| Entellus Medical Inc | Common Stock | 134 |
| Epam Systems Inc | Common Stock | 596 |
| Equity Commonwealth | Common Stock | 1,528 |
| Equity One Inc | Common Stock | 1,116 |
| Esco Technologies Inc | Common Stock | 2,321 |
| Essent Group Ltd | Common Stock | 497 |
| Etsy Inc | Common Stock | 375 |
| Exelixis Inc | Common Stock | 956 |
| Exponent Inc | Common Stock | 968 |
| FB Financial Corp | Common Stock | 476 |
| Financial Engines Inc | Common Stock | 1,502 |
| Finisar Corporation | Common Stock | 2,329 |

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| | | |
|---------------------------|-----------------|-------|
| First Hawaiian Inc | Common Stock | 661 |
| First Horizon National Co | Common Stock | 2,660 |
| Firstservice Corp | Common Stock | 839 |
| Five Below | Common Stock | 546 |
| Five9 Inc | Common Stock | 1,071 |
| Flotek Industries Inc | Common Stock | 338 |
| Forestar Group Inc | Common Stock | 485 |
| Forterra Inc | Common Stock | 423 |
| Fortinet Inc | Common Stock | 291 |
| Forum Energy Technologies | Common Stock | 559 |
| Franco-Nevada Corp | Common Stock | 896 |
| Frank's International NV | Common Stock | 310 |
| Gentherm Inc | Common Stock | 2,123 |
| Gibraltar Industries Inc | Common Stock | 350 |
| Glacier Bancorp Inc | Common Stock | 924 |
| Graco Inc | Common Stock | 1,317 |
| Graham Corp | Common Stock | 143 |
| Grubhub Inc | Common Stock | 1,320 |
| Guidewire Software Inc | Common Stock | 2,055 |
| Halyard Health Inc | Common Stock | 1,563 |
| Hannon Armstrong Sustaina | Common Stock | 608 |
| Haynes International Inc | Common Stock | 703 |
| Healthcare Services Group | Common Stock | 492 |
| Heritage Commerce Corp | Common Stock | 725 |
| Hexcel Corp | Common Stock | 1,861 |
| HMS Holdings Corp | | 1,922 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| HNI Corp | Common Stock | 262 |
| Home Bancshares Inc | Common Stock | 1,669 |
| Hope Bancorp Inc | Common Stock | 919 |
| HSN Inc | Common Stock | 557 |
| Infinity Property & Casua | Common Stock | 2,173 |
| Inphi Corp | Common Stock | 387 |
| Insmed Inc | Common Stock | 498 |
| Integrated Device Tech In | Common Stock | 881 |
| Ionis Pharmaceuticals Inc | Common Stock | 648 |
| Ironwood Pharm Inc | Common Stock | 881 |
| Ixia | Common Stock | 613 |
| Jack In The Box Inc | Common Stock | 3,015 |
| Janus Capital Group Inc | Common Stock | 299 |
| John Bean Technologies Co | Common Stock | 3,332 |
| K2M Group Holdings Inc | Common Stock | 2,243 |
| Kearny Financial Corp/Md | Common Stock | 550 |
| Knight Transportation Inc | Common Stock | 1,683 |
| Landstar System Inc | Common Stock | 1,445 |
| Lattice Semiconductor Cor | Common Stock | 763 |
| Lennox International Inc | Common Stock | 1,878 |

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| | | |
|---------------------------|-----------------|-------|
| Lifepoint Health Inc | Common Stock | 934 |
| Live Oak Bancshares Inc | Common Stock | 142 |
| Louisiana-Pacific Corp | Common Stock | 670 |
| Luxfer Holdings Plc-Adr | Common Stock | 451 |
| Macom Technology Solution | Common Stock | 660 |
| Manitowoc Company Inc | Common Stock | 499 |
| Manitowoc Foodservice Inc | Common Stock | 1,094 |
| Martin Marietta Materials | Common Stock | 508 |
| Matador Resources Co | Common Stock | 1,333 |
| Matson Inc | Common Stock | 1,249 |
| Matthews Intl Corp-Class | Common Stock | 735 |
| Medicines Company | Common Stock | 812 |
| Meridian Bancorp Inc | Common Stock | 940 |
| Meridian Bioscience Inc | Common Stock | 369 |
| Meritage Homes Corp | Common Stock | 971 |
| Michaels Cos Inc/The | Common Stock | 1,107 |
| Microsemi Corp | Common Stock | 2,471 |
| Minerals Technologies Inc | Common Stock | 1,655 |
| Mobile Mini Inc | Common Stock | 977 |
| Monro Muffler Brake Inc | Common Stock | 1,015 |
| Moog Inc-Class A | Common Stock | 1,277 |
| MSA Safety Inc | Common Stock | 2,522 |
| Mueller Water Products In | Common Stock | 1,333 |
| Multi Packaging Solutions | Common Stock | 945 |
| Multi-Color Corp | Common Stock | 1,083 |
| National Instruments Corp | | 1,499 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Nautilus Inc | Common Stock | 347 |
| New Gold Inc | Common Stock | 1,055 |
| New Media Investment Group | Common Stock | 416 |
| New Relic Inc | Common Stock | 531 |
| Nextera Energy Partners L | Common Stock | 532 |
| Northwestern Corp | Common Stock | 606 |
| Novanta Inc | Common Stock | 519 |
| NRG Energy Inc | Common Stock | 580 |
| Ollie's Bargain Outlet Ho | Common Stock | 428 |
| One Gas Inc | Common Stock | 3,366 |
| Ophthotech Corp | Common Stock | 4 |
| Osisko Gold Royalties Ltd | Common Stock | 497 |
| Outfront Media Inc | Common Stock | 451 |
| Pacific Continental Corp | Common Stock | 384 |
| Pacira Pharmaceuticals In | Common Stock | 1,053 |
| Pandora Media Inc | Common Stock | 451 |
| Paramount Group Inc | Common Stock | 870 |
| Park Sterling Corp | Common Stock | 807 |
| Parsley Energy Inc-Class | Common Stock | 1,215 |
| PDF Solutions Inc | Common Stock | 935 |

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|---------------------------|-----------------|-------|
| Pennymac Financial Servic | Common Stock | 294 |
| Performance Food Group Co | Common Stock | 502 |
| Petra Diamonds Ltd | Common Stock | 194 |
| PGT Innovations Inc | Common Stock | 527 |
| Pinnacle Financial Partne | Common Stock | 1,167 |
| Pinnacle Foods Inc | Common Stock | 3,282 |
| PNM Resources Inc | Common Stock | 2,448 |
| Polyone Corporation | Common Stock | 770 |
| Popular Inc | Common Stock | 1,433 |
| Portland General Electric | Common Stock | 1,848 |
| Post Holdings Inc | Common Stock | 1,859 |
| Progress Software Corp | Common Stock | 1,047 |
| Proofpoint Inc | Common Stock | 3,049 |
| Prosperity Bancshares Inc | Common Stock | 2,289 |
| Prothena Corp Plc | Common Stock | 174 |
| PS Business Parks Inc/Ca | Common Stock | 2,902 |
| Quanex Building Products | Common Stock | 981 |
| Quotient Technology Inc | Common Stock | 393 |
| Radian Group Inc | Common Stock | 1,532 |
| Radius Health Inc | Common Stock | 887 |
| Rambus Inc | Common Stock | 1,226 |
| RBC Bearings Inc | Common Stock | 2,229 |
| Re/Max Holdings Inc-CI A | Common Stock | 943 |
| Red Robin Gourmet Burgers | Common Stock | 1,497 |
| Restoration Hardware Hold | Common Stock | 594 |
| Retail Opportunity Invest | | 1,544 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Rice Energy Inc | Common Stock | 600 |
| Ringcentral Inc-Class A | Common Stock | 799 |
| Ritchie Bros Auctioneers | Common Stock | 2,389 |
| Rli Corp | Common Stock | 642 |
| Rush Enterprises Inc-Cl A | Common Stock | 992 |
| Safety Insurance Group In | Common Stock | 859 |
| Sage Therapeutics Inc | Common Stock | 366 |
| Saia Inc | Common Stock | 1,523 |
| Scholastic Corp | Common Stock | 1,070 |
| Seacor Holdings Inc | Common Stock | 1,598 |
| Seattle Genetics Inc | Common Stock | 710 |
| Selective Insurance Group | Common Stock | 2,407 |
| Semtech Corp | Common Stock | 1,233 |
| Simmons First Natl Corp-C | Common Stock | 644 |
| Simpson Manufacturing Co | Common Stock | 1,064 |
| Skechers USA Inc-Cl A | Common Stock | 1,683 |
| SLM Corp | Common Stock | 1,674 |
| SM Energy Co | Common Stock | 543 |
| Snyders-Lance Inc | Common Stock | 852 |
| Sonic Corp | Common Stock | 2,405 |

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| | | |
|---------------------------|-----------------|-------|
| South Jersey Industries | Common Stock | 712 |
| Southwest Gas Holdings In | Common Stock | 2,039 |
| SP Plus Corp | Common Stock | 471 |
| Spark Therapeutics Inc | Common Stock | 477 |
| Sprouts Farmers Market In | Common Stock | 620 |
| SS&C Technologies Holding | Common Stock | 3,178 |
| State Auto Financial Corp | Common Stock | 804 |
| Steris PLC | Common Stock | 2,082 |
| Sun Hydraulics Corp | Common Stock | 1,040 |
| Synovus Financial Corp | Common Stock | 1,576 |
| Tableau Software Inc-Cl A | Common Stock | 802 |
| Tangoe Inc/Ct | Common Stock | 792 |
| Teledyne Technologies Inc | Common Stock | 3,053 |
| Tempur Sealy Internationa | Common Stock | 3,552 |
| Tennant Co | Common Stock | 1,057 |
| Tesaro Inc | Common Stock | 2,241 |
| Tesco Corp | Common Stock | 298 |
| Texas Capital Bancshares | Common Stock | 2,649 |
| Therapeuticsmd Inc | Common Stock | 523 |
| Thermon Group Holdings In | Common Stock | 339 |
| Tile Shop Hldgs Inc | Common Stock | 1,722 |
| Toro Co | Common Stock | 2,894 |
| Towne Bank | Common Stock | 1,229 |
| Treehouse Foods Inc | Common Stock | 2,677 |
| Triumph Group Inc | Common Stock | 1,033 |
| Tuesday Morning Corp | | 758 |

Common
Stock

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| U.S. Physical Therapy Inc | Common Stock | 1,064 |
| Ultragenyx Pharmaceutical | Common Stock | 84 |
| Univar Inc | Common Stock | 1,133 |
| Universal American Corp | Common Stock | 126 |
| Urstadt Biddle - Class A | Common Stock | 733 |
| Valmont Industries | Common Stock | 1,779 |
| Waste Connections Inc | Common Stock | 2,052 |
| Webster Financial Corp | Common Stock | 1,572 |
| Wellcare Health Plans Inc | Common Stock | 3,511 |
| West Fraser Timber Co Ltd | Common Stock | 426 |
| Westamerica Bancorporatio | Common Stock | 784 |
| Western Alliance Bancorp | Common Stock | 2,995 |
| Wingstop Inc | Common Stock | 950 |
| Wisdomtree Investments In | Common Stock | 466 |
| Woodward Inc | Common Stock | 234 |
| Wright Medical Group Nv | Common Stock | 1,888 |
| Xencor Inc | Common Stock | 346 |
| Zendesk Inc | Common Stock | 714 |
| Zillow Group Inc - A | Common Stock | 102 |
| Zillow Group Inc - C | Common Stock | 167 |

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| | | |
|---------------------------------|-------------------------------|-------|
| Zumiez Inc | Common Stock | 1,492 |
| US Govt STIF 5 Bps | Money Market Securities | 997 |
| T.Rowe Price Tre Res Fund | Mutual Funds | 6,267 |
| International Equity Portfolio: | | |
| Federated Gov Obli Fund | Money Market Securities | 3,214 |
| AAC Technologies H-Unspon | Common Stock | 1,879 |
| ABB Ltd-Spon Adr | Common Stock | 1,763 |
| Adecco Group Ag-Reg-Unsp | Common Stock | 2,248 |
| Aflac Inc | Common Stock | 2,397 |
| Air Liquide-Unsponsored A | Common Stock | 1,880 |
| Allianz Se-Spon Adr | Common Stock | 2,260 |
| Astellas Pharma Inc-Unsp | Common Stock | 1,969 |
| Axa -Spons Adr | Common Stock | 2,312 |
| Banco Bilbao Vizcaya-Sp A | Common Stock | 2,187 |
| Bancolombia S.A.-Spons Ad | Common Stock | 2,212 |
| BASF Se-Spon Adr | Common Stock | 1,730 |
| BHP Billiton Ltd-Spon Adr | Common Stock | 1,252 |
| BNP Paribas-Adr | Common Stock | 2,225 |
| Carrefour Sa-Sp Adr | Common Stock | 2,126 |
| Coca-Cola Hbc Ag-Unsn Adr | Common Stock | 1,717 |
| Compass Group Plc-Spon Ad | Common Stock | 1,986 |
| Continental Ag-Spons Adr | Common Stock | 2,474 |
| Credicorp Ltd | Common Stock | 2,457 |
| CSL Ltd-Sponsored Adr | Common Stock | 1,621 |
| Dassault Systemes S-Spon | Common Stock | 1,103 |

| | | |
|--------------------------|-----------------|-------|
| Diageo Plc-Sponsored ADR | Common Stock | 1,782 |
|--------------------------|-----------------|-------|

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|--|---------------------------|---------------|
| Enbridge Inc | Common Stock | 1,576 |
| Fanuc Corp-Unsp Adr | Common Stock | 1,044 |
| Fresenius Se & Co-Spn Adr | Common Stock | 1,680 |
| Fuji Heavy Indus-Unspons | Common Stock | 2,495 |
| Gemalto Nv-Sponsored Adr | Common Stock | 1,971 |
| Givaudan-Unspon Adr | Common Stock | 1,674 |
| Grupo Fin Banorte-Spon Ad | Common Stock | 2,179 |
| Henkel Kгаа-Spons Adr Pfd | Common Stock | 1,806 |
| Imperial Oil Ltd | Common Stock | 1,544 |
| Japan Tobacco Inc-Unspon | Common Stock | 1,757 |
| JGC Corp-Unsponsored Adr | Common Stock | 1,505 |
| Komatsu Ltd -Spons Adr | Common Stock | 1,473 |
| Kubota Corp-Spons Adr | Common Stock | 1,772 |
| L'Oreal-Unsponsored Adr | Common Stock | 1,464 |
| Macquarie Group Ltd-Adr | Common Stock | 1,664 |
| Magna International Inc | Common Stock | 2,858 |
| Mettler-Toledo Internatio | Common Stock | 1,839 |
| MTN Group Ltd-Spons Adr | Common Stock | 1,654 |
| Muenchener Rueck-Unspon A | Common Stock | 2,389 |
| Nestle Sa-Spons Adr | Common Stock | 1,779 |

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| | | |
|---------------------------|-----------------|-------|
| Nitto Denko Corp-Unspons | Common Stock | 1,701 |
| Novartis Ag-Sponsored Adr | Common Stock | 1,589 |
| Novo-Nordisk A/S-Spons Ad | Common Stock | 1,869 |
| NXP Semiconductors NV | Common Stock | 628 |
| Orix - Sponsored Adr | Common Stock | 2,108 |
| Pandora A/S-Unsp Adr | Common Stock | 2,044 |
| Prudential Plc-Adr | Common Stock | 1,392 |
| Reckitt Benckiser-Spon Ad | Common Stock | 1,748 |
| Roche Holdings Ltd-Spons | Common Stock | 1,890 |
| Royal Dutch Shell-Spon Ad | Common Stock | 1,866 |
| Ryanair Holdings Plc-Sp A | Common Stock | 2,079 |
| Sandvik Ab-Sponsored Adr | Common Stock | 1,569 |
| SAP Se-Sponsored Adr | Common Stock | 1,569 |
| Schlumberger Ltd | Common Stock | 928 |
| Siemens Ag-Spons Adr | Common Stock | 2,134 |
| Singapore Telecommunicat- | Common Stock | 1,934 |
| SKF Ab-Sponsored Adr | Common Stock | 1,868 |
| Svenska Cellulosa Ab-Sp A | Common Stock | 1,825 |
| Sysmex Corp-Unspon Adr | Common Stock | 1,616 |
| Taiwan Semiconductor-Sp A | Common Stock | 1,978 |
| Tokyo Electron Ltd-Unsp A | Common Stock | 1,784 |
| Total SA-Spon Adr | Common Stock | 1,911 |
| Volkswagen Ag-Spons Adr | Common Stock | 2,399 |
| Walmart De Mexico-Spon Ad | Common Stock | 1,577 |
| Woodside Petroleum-Sp Adr | Common Stock | 1,597 |
| WPP PLC-Sponsored Adr | | 1,816 |

Common
Stock

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|---|---------------------------------|------------------|
| Large Cap Growth Portfolio: | | |
| Activision Blizzard Inc | Common Stock | 9,282 |
| Acuity Brands Inc | Common Stock | 5,373 |
| Adobe Systems Inc | Common Stock | 8,238 |
| Alexion Pharmaceuticals I | Common Stock | 9,604 |
| Alibaba Group Holding-Sp | Common Stock | 10,193 |
| Amazon.com Inc | Common Stock | 12,776 |
| Biogen Inc | Common Stock | 7,925 |
| Bristol-Myers Squibb Co | Common Stock | 13,100 |
| Celgene Corp | Common Stock | 11,120 |
| Dexcom Inc | Common Stock | 5,318 |
| Edwards Lifesciences Corp | Common Stock | 7,114 |
| Facebook Inc-A | Common Stock | 9,587 |
| Illumina Inc | Common Stock | 8,827 |
| Intercept Pharmaceuticals | Common Stock | 7,112 |
| Intercontinental Exchange | Common Stock | 8,368 |
| Mercadolibre Inc | Common Stock | 6,702 |
| Mobileye Nv | Common Stock | 9,291 |
| Monster Beverage Corp | Common Stock | 8,996 |
| Nike Inc -CI B | Common Stock | 11,175 |
| Nvidia Corporation | | 3,683 |

| | | |
|--|--------------------------|-----------|
| | Common Stock | |
| Palo Alto Networks Inc | Common Stock | 6,814 |
| Priceline Group Inc/The | Common Stock | 10,436 |
| Salesforce.com Inc | Common Stock | 9,295 |
| Schwab (Charles) Corp | Common Stock | 8,862 |
| Servicenow Inc | Common Stock | 8,814 |
| Sherwin-Williams Co/The | Common Stock | 8,438 |
| Shire Plc-Adr | Common Stock | 5,691 |
| Splunk Inc | Common Stock | 8,205 |
| Starbucks Corp | Common Stock | 11,290 |
| TJX Companies Inc | Common Stock | 5,932 |
| Ulta Beauty Inc | Common Stock | 3,258 |
| Vertex Pharmaceuticals In | Common Stock | 9,218 |
| Visa Inc-Class A Shares | Common Stock | 9,094 |
| Dreyfus Treasury & Agency | Common Stock | 3,799 |
| Total separately managed accounts | | 1,742,565 |
| Fully Benefit-Responsive Contracts: Capital Preservation Portfolio: | | |
| * T Rowe Price Reserve Inv Fund | Mutual and Trust Fund | 93,210 |
| * T Rowe Price Short Term Common: | | |
| American General Life | Mutual and Trust Fund | 52,436 |
| Bank of Tokyo-Mitsubishi UFJ Trust | Mutual and Trust Fund | 39,913 |
| Prudential Building Block Trust | Mutual and Trust Fund | 59,404 |
| State Street Building Block Trust | Mutual and Trust Fund | 62,479 |
| Pacific Life Building Block Trust | Mutual and Trust Fund | 65,066 |
| RBC Building Block Trust | Mutual and Trust Fund | 83,517 |

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COSTCO 401(k) RETIREMENT PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Continued)

December 31, 2016

(in thousands)

| Identity of issuer, borrower, lessor, or similar party | Description of investment | Current value |
|---|---------------------------------|------------------|
| Transamerica Building Block Trust | Mutual and Trust Fund | 57,926 |
| * T Rowe Price Int Term Common: | | |
| Bank of Tokyo-Mitsubishi UFJ Trust | Mutual and Trust Fund | 34,823 |
| Prudential Building Block Trust | Mutual and Trust Fund | 51,828 |
| State Street Building Block Trust | Mutual and Trust Fund | 54,511 |
| Pacific Life Building Block Trust | Mutual and Trust Fund | 56,768 |
| American General Life | Mutual and Trust Fund | 45,749 |
| RBC Building Block Trust | Mutual and Trust Fund | 72,866 |
| Transamerica Building Block Trust | Mutual and Trust Fund | 50,539 |
| * T Rowe Price Managed Bond: | | |
| Bank of Tokyo-Mitsubishi UFJ Trust | Mutual and Trust Fund | 9,862 |
| Prudential Building Block Trust | Mutual and Trust Fund | 14,678 |
| State Street Building Block Trust | Mutual and Trust Fund | 15,438 |
| Pacific Life Building Block Trust | Mutual and Trust Fund | 16,077 |
| American General Life | Mutual and Trust Fund | 12,957 |
| RBC Building Block Trust | Mutual and Trust Fund | 20,636 |
| Transamerica Building Block Trust | Mutual and Trust Fund | 14,313 |
| Metropolitan Life | Separate Account | 184,828 |
| Uninvested Cash | Cash | 798 |
| Total Fully Benefit-Responsive Contracts | Contracts | 1,170,622 |
| * Costco Wholesale Corporation | Common stock | 4,606,549 |
| Total investments | | 11,435,462 |

| | | |
|-------------------|--|--------------|
| Participant loans | Interest rates of 4.25% to 11.50% maturing through December 2031 | 454,622 |
| Total | | \$11,890,084 |

* Indicates a party-in-interest

See accompanying report of independent registered public accounting firm.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

COSTCO 401(k) RETIREMENT PLAN

June 15, 2017 By/s/ PATRICK CALLANS

Date Patrick Callans
Senior Vice President
Costco Wholesale Corporation