

SCHWAB CHARLES CORP
Form 11-K
June 06, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended December 31, 2015

OR

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

For the transition period from _____ to _____

Commission File Number: 1-9700

A. Full title and address of the Plan, if different from that of the issuer named below:

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN
211 Main Street
San Francisco, CA 94105

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

THE CHARLES SCHWAB CORPORATION
211 Main Street
San Francisco, CA 94105

REQUIRED INFORMATION

The SchwabPlan Retirement Savings and Investment Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, in lieu of the Requirements of Items 1-3 of Form 11-K, the financial statements and schedules of the Plan for the two fiscal years ended December 31, 2015 and 2014, which have been prepared in accordance with the financial reporting requirements of ERISA.

94-3025021

Statements as of and for the Years Ended

2015 and 2014, Supplemental

2015 and Report of

SchwabPlan®

Retirement Savings

and Investment Plan

EIN: 94-3025021

Plan Number: 002

Financial Statements as of and for the Years Ended

December 31, 2015 and 2014, Supplemental

Schedule as of December 31, 2015 and Report of

Independent Registered Public Accounting Firm

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefits Administrative Committee and Participants of the SchwabPlan Retirement Savings and Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the SchwabPlan Retirement Savings and Investment Plan (the Plan) as of December 31, 2015 and 2014, 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 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule listed in the Table of Contents has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule 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 schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including the form and content, is presented in compliance 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, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Deloitte & Touche LLP

San Francisco, California

June 6, 2016

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| DECEMBER 31, | 2015 | 2014 |
|--|------------------|------------------|
| Assets | | |
| Investments – at fair value: | | |
| Mutual and other funds | \$ 1,609,206,568 | \$ 1,518,215,474 |
| Self-directed brokerage accounts | 623,616,125 | 627,006,050 |
| Common stock funds of The Charles Schwab Corporation | 542,201,913 | 536,506,552 |
| Cash | 100,766,633 | 85,876,735 |
| Total investments | 2,875,791,239 | 2,767,604,811 |
| Receivables: | | |
| Employer contributions | - - | 65,903,638 |
| Participant notes receivable | 48,627,711 | 46,225,146 |
| Due from broker for investments sold | 3,184,310 | 3,885,092 |
| Accrued dividends and interest | 125,875 | 138,250 |
| Total receivables | 51,937,896 | 116,152,126 |
| Total assets | 2,927,729,135 | 2,883,756,937 |
| Liabilities | | |
| Due to broker for investments purchased | 3,087,694 | 4,368,878 |
| Net Assets Available for Benefits | \$ 2,924,641,441 | \$ 2,879,388,059 |

See Notes to Financial Statements.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| YEARS ENDED DECEMBER 31, | 2015 | 2014 |
|---|------------------|------------------|
| Additions to Net Assets Available for Benefits | | |
| Investment income: | | |
| Dividends and interest | \$ 61,607,315 | \$ 52,367,001 |
| Net appreciation (depreciation) in fair value of investments: | (48,664,295) | 152,038,039 |
| Total net investment income | 12,943,020 | 204,405,040 |
| Contributions: | | |
| Participants' salary deferral and rollover | 171,158,490 | 140,127,643 |
| Net employer contributions | 76,226,750 | 65,337,824 |
| Total contributions | 247,385,240 | 205,465,467 |
| Interest income on participant notes receivable | 1,583,564 | 1,585,659 |
| Total additions to Net Assets Available for Benefits | 261,911,824 | 411,456,166 |
| Deductions from Net Assets Available for Benefits | | |
| Distributions to participants | (216,658,442) | (227,773,857) |
| Net Increase in Net Assets Available for Benefits | 45,253,382 | 183,682,309 |
| Net Assets Available For Benefits | | |
| Beginning of year | 2,879,388,059 | 2,695,705,750 |
| End of year | \$ 2,924,641,441 | \$ 2,879,388,059 |

See Notes to Financial Statements.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

1. PLAN DESCRIPTION

The following description of the SchwabPlan Retirement Savings and Investment Plan (the Plan), which describes the terms of the Plan as of December 31, 2015, provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a 401(k) salary deferral program sponsored by The Charles Schwab Corporation (CSC) and covers all eligible employees of CSC and participating affiliates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Business Trust Division (BTD) serves as trustee of the Plan. BTD is a division of Charles Schwab Bank, a depository institution subsidiary of CSC. A purchasing agent, designated by BTD, acts as the agent of BTD with respect to purchases and sales of CSC common stock funds held by the Plan. Schwab Retirement Plan Services, Inc., a wholly owned direct subsidiary of CSC, provides retirement plan record keeping and related services to the Plan.

401(k) Salary Deferral Program—Eligible employees may participate in the 401(k) salary deferral program upon their hire date. Participants may elect to have up to 50 percent of their eligible compensation (generally defined as wages as reported on Form W-2) contributed directly to the Plan, not to exceed the limit on 401(k) deferrals under the Internal Revenue Code (IRC) (\$18,000 for 2015 and \$17,500 for 2014). Such contributions are not currently taxable to participants and may be matched by CSC's contribution (Basic Match) equal to 100 percent of salary deferred, up to a maximum of five percent of eligible compensation. The Plan also permits eligible participants who will reach the age 50 or older before the end of the Plan year to make catch-up contributions up to 50 percent of their eligible compensation subject to the limit on catch-up contributions under section 414(v) of the IRC (\$6,000 for 2015 and \$5,500 for 2014). Catch-up contributions are not eligible for the Basic Match. The Basic Match contribution was provided by CSC in 2015 and 2014. At the discretion of CSC, an additional contribution (Profit Contribution) based

on CSC's performance may also be made. No Profit Contribution was made by CSC in 2015 or 2014.

Employees eligible to participate in the 401(k) salary deferral program are eligible to elect and make Roth 401(k) contributions, which are made on an after-tax basis. Combined pre-tax contributions and Roth 401(k) contributions may not exceed the limit on 401(k) deferrals under the IRC. CSC may match Roth 401(k) contributions in the same manner as the pre-tax 401(k) Basic Match. Any of CSC's Roth 401(k) match contributions are made on a pre-tax basis and will be taxable to the participant upon distribution from the Plan.

CSC's Basic Match is made each pay period and vests immediately. The Basic Match allocation is based on the participant's salary deferral contribution and eligible compensation. CSC's Profit Contribution, if any, are made in full or by installments in the subsequent year, at the Board's discretion. A participant must be an eligible employee on the last workday of the year to receive a Profit Contribution for that Plan year. However, if a participant terminates employment during the year due to death, retirement or disability as defined in the Plan, the participant is eligible to receive the Profit Contribution for that Plan year, if made. The Profit Contribution allocation is based on eligible compensation while an employee during the Plan year, if made.

Participant Accounts—Individual accounts are maintained for each Plan participant. Each participant account is credited with the participant's contribution, the Basic Match, the Profit Contribution, if any, and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investment Options—Participants have the option of investing in the index mutual funds according to an investment strategy developed through Schwab Retirement Planner® or on their own. Schwab Retirement Planner integrates independent, third-party advice from Morningstar Associates, LLC, and personal factors, such as participants'

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

current 401(k) plan account balance, savings rate, and expected retirement age to create a personalized investment strategy.

As of December 31, 2015, participants had 17 core investment options, which included mutual and other funds that cover stocks and bonds, common stock funds of CSC, and a cash account.

CSC also provides a self-directed brokerage account investment alternative called Schwab Personal Choice Retirement Account® (PCRA), which offers participants additional investment choices beyond the core investment options. Participants are responsible for paying trading fees and commissions in their PCRA. PCRA investments are regulated by ERISA, and CSC policies. Participants may choose to invest all or part of their Plan balance in a PCRA.

Participants may invest their 401(k) contributions or rebalance their accounts in any or all of these options in increments of one percent.

Participant Notes Receivable—Participants may borrow a minimum of \$1,000 up to a maximum of 50 percent of their 401(k) account balances or \$50,000, whichever is less. Loan terms may not exceed 5 years (or 15 years for the purchase of a primary residence). A loan is secured by the balance in the participant's account and bears interest at a rate equal to the prime rate, at the time the loan application is made, plus one percent. Principal and interest are paid ratably through payroll deductions. Loan payoffs can be made with no prepayment penalties.

Vesting—Participants are immediately vested in their 401(k) contributions, rollovers, Basic Match, and investment earnings on these amounts. Participants with at least four years of service are fully vested in the value of any discretionary Profit Contribution. A year of service is defined as a calendar year during which the participant has

completed at least 1,000 hours of service.

Distributions—A participant is entitled to receive a distribution of the vested portion of his or her account upon termination of employment for any reason, including on account of death, disability, or retirement. Distributions may be made only in the form of a single lump sum, unless the participant is receiving a minimum required distribution as defined in the Plan. Distributions are also available in the event of certain defined events constituting financial hardship and upon meeting specific criteria. Once distributed to the participant, the hardship distribution cannot be deposited back into the participant's account. The Plan also allows a terminating participant to receive a distribution in-kind to a Charles Schwab & Co. (CS&Co.), Inc. brokerage account, for certain mutual fund shares instead of cash, and permits a terminating participant to elect to receive, in cash or in-kind, the value of his or her account in the Plan that had been invested in CSC's common stock through investment in CSC's unitized stock funds.

Forfeitures—Participants forfeit any nonvested portion of any discretionary Profit Contribution upon termination of employment for any reason other than death, disability, or retirement. Retirement is defined as the earlier of age 55 with ten years of service or age 65 (age 50 with seven years of service for participants who were participating in the Plan as of December 31, 2008). The forfeited amount may be restored if the participant is rehired, depending upon the circumstances. Participants must also forfeit any portion of a Basic Match associated with a salary deferral contribution that is in excess of the IRC 401(k) deferral limit. Forfeitures of any discretionary Profit Contributions or Basic Match arising during the plan year are generally used to reduce the amount of the employer contribution for that year. During 2015 and 2014, forfeiture amounts used to reduce the employer contribution were not material.

Administrative Expenses—The Plan document provides for payment of professional fees and other administrative expenses by the Plan, but permits such expenses to be paid by CSC.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Termination of the Plan—CSC has the right under the Plan document to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA. CSC has not expressed any intent to terminate the Plan. In the event that the Plan is terminated, affected participants' account balances will become fully vested and distributed immediately.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make certain estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results may differ from those estimates.

Risks and Uncertainties—The investments of the Plan are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Investments—The Plan's investments are generally stated at fair value. The Plan classifies its investments into three levels: Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's policy is to recognize transfers of financial instruments between levels as of the beginning of the period in which the transfer occurs.

When available, the Plan uses quoted prices in active markets to measure the fair value of assets. When quoted prices do not exist, the Plan uses quoted prices for similar securities and valuations provided by alternative pricing sources supported by observable inputs, such as interest rates, prepayment speeds, credit risk, and illiquidity and/or non-transferability discounts. Investments classified as Level 2 include positions that are not traded in active markets and/or are subject to transfer restrictions. The Plan did not adjust any valuations to reflect entity-specific illiquidity or non-transferability at December 31, 2015 or 2014.

CSC's common stock is valued at the closing price reported on the New York Stock Exchange on the last business day of the Plan year. Shares of mutual and other funds, and the money market fund are valued at the quoted net asset value of shares held by the Plan or using quoted prices of the underlying investments of these funds at year end. The carrying value of funds held in the Schwab Bank Savings cash account approximates fair value. Investments held in a PCRA are valued using quoted market prices at year end, when available. When quoted prices do not exist, investments are valued using quoted prices for similar securities and valuations provided by alternative pricing sources supported by observable inputs.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Distributions and benefits are recorded when paid or at the time of in-kind distribution.

Management fees and operating expenses charged to the Plan for investments in mutual and other funds and are deducted from income earned by such investments on a daily basis and are not separately disclosed on the statements of changes in net assets available for benefits.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Participant Notes Receivable—Participant notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document and are reported as taxable income to the participant regardless of whether the loan amount was provided from pre-tax or after-tax accounts. Participant loans are considered delinquent upon becoming 90 days past due as to interest or principal.

Payment of Benefits—Benefit payments to participants are recorded upon distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan, but have not yet been paid, were \$335,863 and \$187,589 at December 31, 2015 and 2014, respectively.

Administrative Expenses—Certain administrative functions are performed by officers or employees of CSC or its subsidiaries. No such officer or employee receives compensation from the Plan. The day-to-day operation of the Plan involves expenses for basic administrative services, such as plan record keeping, accounting, and legal and trustee services, which are necessary for administering the Plan as a whole. Additional services, such as telephone voice response systems, access to a customer service representative, educational seminars, retirement planning software, investment advice, electronic access to plan information, daily valuation and online transactions, can result in additional administrative expenses. The investment managers' fees applicable to each investment fund are netted against the related investment income before investment income is allocated to participants' accounts. Fees for managed account services provided by an independent third-party are charged directly to participant accounts only for individuals that use this service. Revenue sharing received from investments in mutual funds and other revenue to CS&Co. from record keeping and related services are used to offset administrative fees. The remaining administrative fees associated with the Plan are paid by CSC.

New Accounting Standards

Adoption of New Accounting Standards

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2015-12, “Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965).” As it relates to the Plan, ASU 2015-12 eliminates the requirement to disclose individual investments that represent five percent or more of net assets available for benefits. Additionally, the net appreciation or depreciation in investments, including fair value disclosures, for the period still will be required to be presented in the aggregate, but will no longer be required to be disaggregated and disclosed by general type. The Plan has elected to adopt ASU 2015-12 as of December 31, 2015 as permitted. Accordingly, the Plan’s statements of assets available for benefits and notes to the financial statements reflect the amended disclosure requirements on a retrospective basis.

3. FAIR VALUE MEASUREMENTS

For a description of the fair value hierarchy and the Plan’s fair value methodologies, see note “2. Summary of Significant Accounting Policies.”

There were no transfers in or out of Levels 1, 2, or 3, for the years ended December 31, 2015 or 2014.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

The following tables present the fair value hierarchy for the Plan's investments measured at fair value:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at Fair Value |
|----------------------------------|---|---|--|--------------------------|
| December 31, 2015 | | | | |
| Investments: | | | | |
| Mutual and other funds | \$ 1,609,206,568 | \$ - | \$ - | \$ 1,609,206,568 |
| Self-directed brokerage accounts | 615,255,874 | 8,360,251 | - | 623,616,125 |
| Common stock funds | 542,201,913 | - | - | 542,201,913 |
| Schwab Bank Savings cash account | 100,766,633 | - | - | 100,766,633 |
| Total investments at fair value | \$ 2,867,430,988 | \$ 8,360,251 | \$ - | \$ 2,875,791,239 |

December 31, 2014

Investments:

| | | | | |
|----------------------------------|------------------|--------------|------|------------------|
| Mutual and other funds | \$ 1,518,215,474 | \$ - | \$ - | \$ 1,518,215,474 |
| Self-directed brokerage accounts | 618,887,309 | 8,118,741 | - | 627,006,050 |
| Common stock funds | 536,506,552 | - | - | 536,506,552 |
| Schwab Bank Savings cash account | 85,876,735 | - | - | 85,876,735 |
| Total investments at fair value | \$ 2,759,486,070 | \$ 8,118,741 | \$ - | \$ 2,767,604,811 |

4.TAX STATUS

The Internal Revenue Service (IRS) determined, and informed CSC in a letter dated May 25, 2007, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan and related trust are currently being operated in compliance with those sections. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan applied for a new IRS determination letter on October 31, 2011 and received it on December 8, 2015.

GAAP requires 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's management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, 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; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

5. ADMINISTRATION OF PLAN ASSETS

The Plan's assets, including CSC common stock, are held in trust by BTD. The dividend income earned on the CSC common stock held by the Plan was \$4,071,082 and \$4,486,133 for 2015 and 2014, respectively.

CSC contributions are held by BTD, which invests cash received, interest, and dividend income and makes distributions to participants in shares or cash value, as directed by the participants.

Subsidiaries of CSC also provide investment management services related to several plan investments.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

See note “2. Summary of Significant Accounting Policies” for detail relating to administrative expenses of the Plan, including services for which such expenses are incurred.

6.RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to the Form 5500 is as follows:

| | December 31, | |
|--|------------------|------------------|
| | 2015 | 2014 |
| Net assets available for benefits per the financial statements | \$ 2,924,641,441 | \$ 2,879,388,059 |
| Amounts allocated to withdrawing participants | (335,863) | (187,589) |
| Net assets available for benefits per the Form 5500 | \$ 2,924,305,578 | \$ 2,879,200,470 |

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2015:

Benefits paid to participants per the financial statements \$ 216,658,442

| | |
|---|----------------|
| Add: Amounts allocated to withdrawing participants at December 31, 2015 | 335,863 |
| Less: Amounts allocated to withdrawing participants at December 31, 2014 | 187,589 |
| Benefits paid to participants per Form 5500 | \$ 216,806,716 |

Amounts allocated to withdrawing participants are recorded in the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2015, but not yet paid as of that date.

7.SUBSEQUENT EVENTS

CSC has evaluated the impact of events that have occurred subsequent to December 31, 2015, through the date the Plan's financial statements were filed with the SEC. Based on this evaluation, other than as recorded or disclosed within these financial statements and related notes, CSC has determined none of these events were required to be recognized or disclosed.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

(EIN: 94-3025021; PN 002)

FORM 5500, SCHEDULE H, PART IV, LINE 4i—

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2015

| (a) (b) | (c) Shares or Par Value | (d) Cost (1) | (e) Current Value |
|---|-------------------------------|-----------------|-------------------------|
| COMMON STOCK FUNDS OF THE CHARLES SCHWAB CORPORATION: | | | |
| * Schwab 401(k) Equity Unit Fund | 9,826,278 | | \$ 325,513,883 |
| * Schwab ESOP Equity Unit Fund | 6,563,667 | | 216,688,030 |
| Total common stock funds of The Charles Schwab Corporation | 16,389,945 | | 542,201,913 |
| MUTUAL AND OTHER FUNDS: | | | |
| Vanguard Total Bond Market Index Fund | 47,383,181 | | 504,157,043 |
| ** Schwab S&P 500 Index Fund | 4,603,297 | | 145,280,067 |
| Vanguard Growth Index Fund | 2,516,045 | | 137,803,761 |
| Vanguard Small-Cap Value Index Fund | 4,213,144 | | 99,977,917 |
| Vanguard Value Index Fund | 3,568,228 | | 113,541,017 |
| ** Schwab Fundamental US Large Company Index Fund | 7,151,757 | | 100,339,147 |
| Vanguard Small-Cap Growth Index Fund | 1,506,163 | | 51,540,882 |
| Vanguard Emerging Markets Stock Index Fund | 3,447,194 | | 71,632,698 |
| ** Schwab Fundamental US Small Company Index Fund | 5,651,810 | | 65,956,623 |
| Vanguard REIT Index Fund | 4,025,481 | | 70,405,665 |
| ** Schwab International Index Fund® | 5,353,815 | | 93,584,688 |
| ** Schwab Fundamental International Small Company Index Fund | 3,592,809 | | 39,377,188 |
| ** Schwab Small-Cap Index Fund® | 2,616,850 | | 63,066,092 |
| ** Schwab Fundamental International Large Company Index Fund | 5,659,074 | | 47,052,234 |
| ** Schwab Fundamental Emerging Markets Large Company Index Fund | 927,626 | | 5,491,546 |
| Total mutual and other funds | 102,216,474 | | 1,609,206,568 |
| SELF-DIRECTED BROKERAGE ACCOUNTS | | | 623,616,125 |

| | |
|--|------------------|
| CASH: | |
| ** Schwab Bank Savings Cash Account | 100,766,633 |
| * PARTICIPANT NOTES RECEIVABLE: | |
| 5,643 loans with interest rates ranging from 4.25% to 10.50%, maturing through 2027 | 48,627,711 |
| TOTAL | \$ 2,924,418,950 |

(1) Cost information not required as investments are participant directed.

* A party in interest as defined by ERISA.

** Managed by a party in interest as defined by ERISA.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

Exhibit Index

The following exhibit is filed as part of this Annual Report on Form 11-K.

Exhibit
Number Exhibit

23.1 Consent of Independent Registered Public Accounting Firm

11

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

SIGNATURE

The Plan. 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.

SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

Date: June 6, 2016 /s/ Dave Callahan
Dave Callahan
Senior Vice President —
Human Resources Compensation and Benefits
on behalf of Charles Schwab & Co. Inc.,
the Plan Administrator