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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
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|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                       |                                                                                                                                                                                                                                                                                                                                            |  |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                                                       |                                                                                                                                                                                                                                                                                                                                            |  |
| <b>A</b>                                                                                                 | This return/report is for:                                                                            | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____ |  |
| <b>B</b>                                                                                                 | This return/report is:                                                                                | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                      |  |
| <b>C</b>                                                                                                 | If the plan is a collectively-bargained plan, check here. . . . . <input checked="" type="checkbox"/> |                                                                                                                                                                                                                                                                                                                                            |  |
| <b>D</b>                                                                                                 | Check box if filing under:                                                                            | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                     |  |

|                |                                                                                                                                                                                                                                                                                                                                           |           |                                                           |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------|
| <b>Part II</b> | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                            |           |                                                           |
| <b>1a</b>      | Name of plan<br><u>AT&amp;T RETIREMENT SAVINGS PLAN</u>                                                                                                                                                                                                                                                                                   | <b>1b</b> | Three-digit plan number (PN) ► <u>009</u>                 |
|                |                                                                                                                                                                                                                                                                                                                                           | <b>1c</b> | Effective date of plan<br><u>07/01/1969</u>               |
| <b>2a</b>      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>AT&amp;T INC.</u><br><br><u>P.O. BOX 132160</u><br><u>DALLAS, TX 75313-2160</u> | <b>2b</b> | Employer Identification Number (EIN)<br><u>43-1301883</u> |
|                |                                                                                                                                                                                                                                                                                                                                           | <b>2c</b> | Plan Sponsor's telephone number<br><u>210-351-3333</u>    |
|                |                                                                                                                                                                                                                                                                                                                                           | <b>2d</b> | Business code (see instructions)<br><u>517000</u>         |
|                |                                                                                                                                                                                                                                                                                                                                           |           |                                                           |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                                                                                                 |                                                   |            |                                                              |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | Filed with authorized/valid electronic signature. | 10/05/2017 | LARRY RUZICKA                                                |
|                                                                                                 | <b>Signature of plan administrator</b>            | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | <b>Signature of employer/plan sponsor</b>         | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | <b>Signature of DFE</b>                           | Date       | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address (include room or suite number) |                                                   |            | Preparer's telephone number                                  |
|                                                                                                 |                                                   |            |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br>AT&T SERVICES, INC.<br><br>P.O. BOX 132160<br>DALLAS, TX 75313-2160                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>3b</b> Administrator's EIN<br>74-2782655<br><br><b>3c</b> Administrator's telephone number<br>210-351-3333                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 242651                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year.....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 175090<br><b>6a(2)</b> 183429<br><b>6b</b> 7901<br><b>6c</b> 68225<br><b>6d</b> 259555<br><b>6e</b> 699<br><b>6f</b> 260254<br><b>6g</b> 241414<br><b>6h</b> 9530                                                                                                                                                                                                                                                                                                                                        |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2H 2I 2J 2K 2O 2R 2S 2T 3F 3H 3I<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                         |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2016</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |
| For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016                                                                                                                                |                                                                                                                                                                                                                        |                                                |
| <b>A</b> Name of plan<br>AT&T RETIREMENT SAVINGS PLAN                                                                                                                                                                     | <b>B</b> Three-digit plan number (PN) ▶                                                                                                                                                                                | 009                                            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>AT&T INC.                                                                                                                                                | <b>D</b> Employer Identification Number (EIN)<br>43-1301883                                                                                                                                                            |                                                |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 37 64 65 71                   | NONE                                                                                                     | 15529000                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

FINANCIAL ENGINES, INC.

94-3250323

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 27                            | NONE                                                                                                     | 4004000                                                                       | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                               |                                                                                                          |                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                    | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                               |                                                                                                          |                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                    | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                               |                                                                                                          |                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                    | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                               |                                                                                                          |                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                    | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**Part I Service Provider Information (continued)**

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

|                                                                                              |                                                                            |            |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>AT&amp;T RETIREMENT SAVINGS PLAN</u>                             | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>009</u> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>AT&amp;T INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>43-1301883</u>         |            |

|        |                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AT&T SAVINGS PLAN MASTER TRUST

**b** Name of sponsor of entity listed in (a): AT&T INC.

|                                       |                               |                                                                                                                        |
|---------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>43-1301883-022</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>31761625000</u> |
|---------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: DIRECTV SAVINGS PLAN MASTER TRUST

**b** Name of sponsor of entity listed in (a): DIRECTV GROUP HOLDINGS, LLC

|                                       |                               |                                                                                                                       |
|---------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>81-2893768-021</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2303675000</u> |
|---------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO COLL STABLE RETURN N35

**b** Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>52-2251296-001</u> | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3250000</u> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Internal Revenue Service</small><br><small>Department of Labor</small><br><small>Employee Benefits Security Administration</small><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                    |            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                    |            |
| <b>A</b> Name of plan<br><u>AT&amp;T RETIREMENT SAVINGS PLAN</u>                                         | <b>B</b> Three-digit plan number (PN) ►                            | <u>009</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>AT&amp;T INC.</u>                    | <b>D</b> Employer Identification Number (EIN)<br><u>43-1301883</u> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                            | <b>1b(1)</b>    | 2629000               | 5193000         |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    | 4185000               | 4301000         |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    | 0                     | 19951000        |
| <b>(2)</b> U.S. Government securities .....                                                       | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                 | <b>1c(8)</b>    | 636382000             | 694508000       |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    | 0                     | 3250000         |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 28829979000           | 34065300000     |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 0                     | 3000            |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 29473175000           | 34792506000     |

**Liabilities**

|                                                                           |           |         |         |
|---------------------------------------------------------------------------|-----------|---------|---------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 3489000 | 6221000 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |         |         |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |         |         |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |         |         |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 3489000 | 6221000 |

**Net Assets**

|                                                           |           |             |             |
|-----------------------------------------------------------|-----------|-------------|-------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 29469686000 | 34786285000 |
|-----------------------------------------------------------|-----------|-------------|-------------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total  |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|------------|
| <b>a Contributions:</b>                                                                                    |                 |            |            |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 549832000  |            |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 1117483000 |            |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 79127000   |            |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |            |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1746442000 |
| <b>b Earnings on investments:</b>                                                                          |                 |            |            |
| (1) Interest:                                                                                              |                 |            |            |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 0          |            |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |            |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |            |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |            |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 25866000   |            |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |            |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 25866000   |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |            |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |            |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 0          |            |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0          |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |            |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |            |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |            |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0          |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |            |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |            |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0          |

|                                                                                                |        | (a) Amount | (b) Total  |
|------------------------------------------------------------------------------------------------|--------|------------|------------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            | 0          |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | 2b(7)  |            |            |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            | 3229886000 |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | 2b(9)  |            |            |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            | 0          |
| c Other income.....                                                                            | 2c     |            |            |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 5002194000 |

**Expenses****e** Benefit payment and payments to provide benefits:

|                                                                                      |       |            |            |
|--------------------------------------------------------------------------------------|-------|------------|------------|
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 2050001000 |            |
| (2) To insurance carriers for the provision of benefits .....                        | 2e(2) |            |            |
| (3) Other .....                                                                      | 2e(3) |            |            |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                         | 2e(4) |            | 2050001000 |
| f Corrective distributions (see instructions) .....                                  | 2f    |            |            |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |            |            |
| h Interest expense.....                                                              | 2h    |            |            |
| i Administrative expenses: (1) Professional fees.....                                | 2i(1) |            |            |
| (2) Contract administrator fees.....                                                 | 2i(2) |            |            |
| (3) Investment advisory and management fees.....                                     | 2i(3) |            |            |
| (4) Other .....                                                                      | 2i(4) | 19533000   |            |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                  | 2i(5) |            | 19533000   |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |            | 2069534000 |

**Net Income and Reconciliation**

|                                                          |       |  |            |
|----------------------------------------------------------|-------|--|------------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 2932660000 |
| l Transfers of assets:                                   |       |  |            |
| (1) To this plan.....                                    | 2l(1) |  | 2383939000 |
| (2) From this plan.....                                  | 2l(2) |  |            |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) .....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               |           | Yes | No | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          | <b>4c</b> |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               | <b>4d</b> |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 25000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    | <b>4g</b> |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          | <b>4h</b> |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> | X   |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... | <b>4j</b> |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      | <b>4n</b> |     |    |          |
| <b>o</b> Defined Benefit Plan or Money Purchase Pension Plan Only:<br>Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? .....                           | <b>4o</b> |     |    |          |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If "Yes," enter the amount of any plan assets that reverted to the employer this year. .... ☐ Yes ☒ No **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined  
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year ..... (See instructions.)

## Part V Trust Information

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                      | <div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2016</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>AT&T RETIREMENT SAVINGS PLAN                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ► 009                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>AT&T INC.                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>43-1301883                                            |
| Part I                                                                                                                                                                                                                                                                                                                                               | Distributions                                                                                                                                                                                                                                                                                    |                                                                                                 |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  | 1 0                                                                                             |
| 2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): 04-6568107                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  | 3                                                                                               |
| Part II                                                                                                                                                                                                                                                                                                                                              | Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>If the plan is a defined benefit plan, go to line 8.                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                  | 6a                                                                                              |
| b Enter the amount contributed by the employer to the plan for this plan year                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                  | 6b                                                                                              |
| c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  | 6c                                                                                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 7 Will the minimum funding amount reported on line 6c be met by the funding deadline? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part III                                                                                                                                                                                                                                                                                                                                             | Amendments                                                                                                                                                                                                                                                                                       |                                                                                                 |
| 9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> No        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part IV                                                                                                                                                                                                                                                                                                                                              | ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.                                                                                                                                                       |                                                                                                 |
| 10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| 11 a Does the ESOP hold any preferred stock?                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                        |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market?                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                             |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2016 v. 160205                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
|           | <b>a</b> The current year .....                                                                                                                                                                                                                      | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year .....                                                                                                                                                                             | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year .....                                                                                                                                                                                                        | <b>14c</b> |  |
| <b>15</b> | Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:                                                                         |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year .....                                                                                                                                                                           | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                             | <b>16a</b> |  |
|           | <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....                                                                               | <b>16b</b> |  |
| <b>17</b> | If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                      |                          |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>18</b> | If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .....                         | <input type="checkbox"/> |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)                                                                                                                                                                                                                                                                                                                 |                          |
|           | <b>a</b> Enter the percentage of plan assets held as:<br>Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%                                                                                                                                                                                                                                       |                          |
|           | <b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more |                          |
|           | <b>c</b> What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____                                                                                                                                                |                          |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                             |                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? If "No," skip b .....                                                                                                                                                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>20b</b> How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: .....                                                        | <input type="checkbox"/> Design-based safe harbor <input type="checkbox"/> "Prior year" ADP test<br><input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A |
| <b>21a</b> What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: .....                                                                            | <input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/> N/A                                                         |
| <b>21b</b> Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>22a</b> If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter   /   /   and the serial number   .      |                                                                                                                                                                                   |
| <b>22b</b> If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter   /   /   .                                     |                                                                                                                                                                                   |

**ACCOUNTANT'S OPINION AND FINANCIAL STATEMENTS**

**Schedule H, Line 3**

PLAN NAME: AT&T RETIREMENT SAVINGS PLAN

EIN: 43-1301883

PLAN NUMBER: 009

AT&T Inc. – AT&T Retirement Savings Plan, Financial Statements, 12/31/2016.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

**FORM 11-K**



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

For the fiscal year ended December 31, 2016

**OR**



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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number:1-8610

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

---

**AT&T RETIREMENT SAVINGS PLAN  
AT&T PUERTO RICO RETIREMENT SAVINGS PLAN**

---

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

**AT&T INC.**

208 S. Akard, Dallas, Texas 75202

**AT&T RETIREMENT SAVINGS PLAN**  
**AT&T PUERTO RICO RETIREMENT SAVINGS PLAN**

**Financial Statements, Supplemental Schedules and Exhibit**

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| Statements of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2016 | 3  |
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| Supplemental Schedules:                                                                         |    |
| Schedule H, Line 4(i) – Schedules of Assets (Held at End of Year) as of December 31, 2016       | 24 |
| Exhibit:                                                                                        |    |
| 23 – Consent of Independent Registered Public Accounting Firm                                   | 27 |

## Report of Independent Auditors

To the Plan Administrator of the

AT&T Retirement Savings Plan and AT&T Puerto Rico Retirement Savings Plan

We have audited the accompanying financial statements of AT&T Retirement Savings Plan and AT&T Puerto Rico Retirement Savings Plan (collectively referred to as the Plans), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements for each of the Plans referred to above present fairly, in all material respects, the net assets available for benefits of AT&T Retirement Savings Plan and AT&T Puerto Rico Retirement Savings Plan at December 31, 2016 and 2015, and the changes in their net assets available for benefits for the year ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

## **Supplemental Schedules**

Our audits were conducted for the purpose of forming an opinion on the financial statements for each of the Plans as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2016, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ernst & Young LLP*

June 22, 2017

**Statements of Net Assets Available For Benefits**  
**(Dollars in Thousands)**

|                                                              | <u>December 31, 2016</u>                        |                                                                 | <u>December 31, 2015</u>                        |                                                                 |
|--------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
|                                                              | <u>AT&amp;T<br/>Retirement<br/>Savings Plan</u> | <u>AT&amp;T<br/>Puerto Rico<br/>Retirement<br/>Savings Plan</u> | <u>AT&amp;T<br/>Retirement<br/>Savings Plan</u> | <u>AT&amp;T<br/>Puerto Rico<br/>Retirement<br/>Savings Plan</u> |
| <b>Assets</b>                                                |                                                 |                                                                 |                                                 |                                                                 |
| Cash                                                         | \$ 19,951                                       | \$ -                                                            | \$ -                                            | \$ -                                                            |
| Investment in AT&T Savings Plan Master Trust,<br>(Note 4)    | 31,761,625                                      | 88,253                                                          | 28,829,979                                      | 75,898                                                          |
| Investment in DIRECTV Savings Plan Master Trust,<br>(Note 4) | 2,303,675                                       | -                                                               | -                                               | -                                                               |
| Investments at Fair Value,<br>(Note 4)                       | 3,253                                           | -                                                               | -                                               | -                                                               |
| Receivables:                                                 |                                                 |                                                                 |                                                 |                                                                 |
| Notes receivable from participants                           | 694,508                                         | 8,083                                                           | 636,382                                         | 7,594                                                           |
| Employer contribution receivable                             | 5,193                                           | -                                                               | 2,629                                           | 60                                                              |
| Participant contribution receivable                          | 4,301                                           | -                                                               | 4,185                                           | 91                                                              |
| Net Assets Available for Benefits                            | <u>\$ 34,792,506</u>                            | <u>\$ 96,336</u>                                                | <u>\$ 29,473,175</u>                            | <u>\$ 83,643</u>                                                |

See Notes to Financial Statements.

**Statements of Changes in Net Assets Available For Benefits**  
**For the Year Ended December 31, 2016**  
(Dollars in Thousands)

|                                                              | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> | <b>AT&amp;T<br/>Puerto Rico<br/>Retirement<br/>Savings Plan</b> |
|--------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
| Net Assets Available for Benefits, December 31, 2015         | \$ 29,473,175                                   | \$ 83,643                                                       |
| <b>Additions to Net Assets</b>                               |                                                 |                                                                 |
| Contributions:                                               |                                                 |                                                                 |
| Participant contributions                                    | 1,117,483                                       | 5,196                                                           |
| Employer contributions                                       | 549,832                                         | 3,421                                                           |
| Rollover contributions                                       | 79,127                                          | 53                                                              |
| Investment Income:                                           |                                                 |                                                                 |
| Net income from investment in AT&T Savings Plan Master Trust | 3,229,886                                       | 8,734                                                           |
| Interest income on notes receivable from participants        | 25,866                                          | 323                                                             |
| Total Additions                                              | 5,002,194                                       | 17,727                                                          |
| <b>Deductions from Net Assets</b>                            |                                                 |                                                                 |
| Administrative Expenses                                      | 19,533                                          | 190                                                             |
| Distributions                                                | 2,047,269                                       | 4,844                                                           |
| Total Deductions                                             | 2,066,802                                       | 5,034                                                           |
| Net increase before transfers                                | 2,935,392                                       | 12,693                                                          |
| Transfer from other qualified savings plan (Note 1)          | 2,379,270                                       | -                                                               |
| Transfers from affiliated plans                              | 4,669                                           | -                                                               |
| Net Assets Available for Benefits, December 31, 2016         | <u>\$ 34,792,506</u>                            | <u>\$ 96,336</u>                                                |

See Notes to Financial Statements.

**Notes to Financial Statements**  
**(Dollars in Thousands)**

**NOTE 1. PLAN DESCRIPTIONS**

The following descriptions provide only general information. Detailed provisions covering participant eligibility, participant allotments from pay, participant withdrawals, participant loans, employer contributions and related vesting of contributions and plan expenses are provided in the plan texts and prospectuses. The AT&T Retirement Saving Plan and AT&T Puerto Rico Retirement Savings Plan (collectively referred to as the Plans) are defined contribution plans and are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The AT&T Retirement Savings Plan (ARSP) was originally established by BellSouth Corporation (BellSouth) to provide a convenient way for eligible non-management and bargained for employees of participating BellSouth companies to save on a regular and long-term basis. In December 2006, BellSouth was acquired by AT&T Inc. (AT&T). The ARSP became sponsored by AT&T Inc. effective December 31, 2008.

The AT&T Puerto Rico Retirement Savings Plan (ARSP-PR) was originally established by CCPR Inc. to provide a convenient way for eligible employees of its Puerto Rico subsidiary, CCPR Services Inc., and certain affiliates, to save on a regular and long-term basis. The ARSP-PR became sponsored by AT&T effective December 31, 2008.

The Plans participate in the AT&T Savings Plan Master Trust (AT&T Master Trust) for certain participant investment fund options as described below. The AT&T Master Trust invests in the AT&T Savings Group Investment Trust (Group Trust) for the remaining participant investment fund options. The Bank of New York (BNY) Mellon Corporation (BNY Mellon) serves as trustee for both the AT&T Master Trust and Group Trust. With respect to the ARSP-PR, BNY Mellon serves as a U.S. custodian pursuant to a custodian agreement and Oriental Financial Group serves as trustee of the associated trust known as the AT&T Puerto Rico Retirement Savings Plan Trust. Fidelity Investments Institutional Operations Company, Inc. (Fidelity) serves as recordkeeper for the Plans.

Effective December 31, 2016, the Company merged the DIRECTV 401(k) Plan into the ARSP. As a result of the merger, net assets in the amount of \$2,355,620 were transferred into the ARSP on December 31, 2016, and included in the Transfers from other qualified savings plans line on the Statement of Changes in Net Assets Available for Benefits. The DIRECTV Master Trust was merged into the AT&T Savings Plan Master Trust in January 2017. State Street Bank and Trust Company (State Street) serve as the trustee of the DIRECTV Savings Plan Master Trust (DIRECTV Master Trust), and with the completion of the trust merger, State Street's role as trustee was terminated. All provisions of the ARSP remain the same.

Effective December 31, 2016, the Company merged the Alascom 401(k) Plan (Alascom) into the ARSP. As a result of the merger, net assets in the amount of \$23,650 were transferred into the ARSP on December 31, 2016, and included in the Transfers from other qualified savings plans line on the Statement of Changes in Net Assets Available for Benefits. The assets of Alascom were merged into the AT&T Savings Plan Master Trust in January 2017, Wells Fargo Bank, N.A. (Wells Fargo) serves as the trustee of the investments held outside of the master trusts, and with the completion of the trust merger, Wells Fargo's role as trustee was terminated. All provisions of the ARSP will remain the same.

During 2016, participants could invest their contributions in one or more of 11 funds in 1% increments:

- |                                                                         |                                               |
|-------------------------------------------------------------------------|-----------------------------------------------|
| • AT&T Total Return Bond Fund*                                          | • Small and Mid-Sized U.S. Stock Index Fund** |
| • AT&T U.S. Stock Fund*                                                 | • International Stock Index Fund**            |
| • AT&T International Stock Fund*                                        | • Large Cap U.S. Stock Index Fund**           |
| • AT&T Stable Value Fund*                                               | • AT&T Shares Fund**                          |
| • AT&T Age-Based Asset Allocation Funds<br>(based on retirement date)** | • Fidelity BrokerageLink®**                   |
| • Total U.S. Stock Market Index Fund**                                  |                                               |

\* Investment fund option of the Group Trust.

\*\* Investment fund option of the AT&T Master Trust.

Participants contribute to the Plans through payroll allotments. The Company contributes to the Plans by matching the participants' contributions based on the provisions of the respective plan. For the ARSP, some matching contributions are made in the form of cash and are participant directed immediately upon allocation. The majority of Company matching contributions

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

for the ARSP and all Company matching contributions for the ARSP-PR are made solely in the form of shares of AT&T's common stock. Matching contributions made in stock into the ARSP are held in an Employee Stock Ownership Plan (ESOP), which is part of the AT&T Shares Fund, within the AT&T Master Trust. Matching contributions made in stock into the ARSP-PR are held in a separate stock bonus portion of the ARSP-PR. Company contributions made to the Plans can be immediately diversified into any of the fund options above.

Dividends on AT&T shares held in the ARSP can either be reinvested in the AT&T Shares Fund on a quarterly basis, or paid into a short-term interest bearing fund for distribution (or pass-through) before the end of the year. Interest earned on dividends held in the short-term interest bearing fund are used to purchase additional units of the AT&T Shares Fund in the participant's account. During 2016, participants in the ARSP elected to receive \$27,369 in dividend distributions, which are included in distributions on the statements of changes in net assets available for benefits. Dividends on AT&T shares held in the ARSP are reinvested in the AT&T Shares Fund on a quarterly basis. Dividends on AT&T shares held in the ARSP-PR are not eligible for pass-through and are reinvested in the AT&T Shares Fund on a quarterly basis.

Each participant is entitled to exercise voting rights attributable to the AT&T shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. Subject to the fiduciary provisions of ERISA, the trustee will not vote any allocated shares for which instructions have not been given by the participant. The trustee votes any unallocated shares in the same proportion as it votes those shares that were allocated to the extent the proportionate vote is consistent with the trustee's fiduciary obligation under ERISA. Participants have the same voting rights in the event of a tender or exchange offer.

Although it has not expressed any intent to do so, AT&T has the right under the Plans to discontinue its contributions at any time and to terminate the Plans subject to the provisions of ERISA. In the event that the Plans are terminated, subject to the conditions set forth by ERISA, the account balances of all participants shall be 100% vested.

*Administrative and Operating Expenses; Investment Manager Fees* Except to the extent paid by the Company, all expenses incident to the administration and operation of the Plans are charged to participants, either directly to their accounts or through the investment funds offered under the Group Trust or AT&T Master Trust, in accordance with administrative procedures established by the plan administrator. Investment manager fees are charged through the investment funds. Expenses charged directly to participant accounts (e.g., recordkeeping, communications fees) are reflected as a periodic fee on the participant account statements. In addition, expenses and fees with respect to certain transactions and services (e.g., plan loan initiation fees) are charged directly to participants who incur them rather than to the Plans as a whole.

*Subsequent Events* Effective April 17, 2017, the Company merged the DIRECTV Puerto Rico 401(k) Plan into the ARSP-PR. As a result of the merger, net assets in the amount of \$6,623 were transferred into the ARSP-PR in April 2017. All provisions of the ARSP-PR will remain the same.

Effective April 17, 2017, the Company merged the Quickplay 401(k) Plan into the ARSP. As a result of the merger, net assets in the amount of \$2,414 were transferred into the ARSP in April 2017. All provisions of the ARSP will remain the same.

## **NOTE 2. ACCOUNTING POLICIES**

The accompanying financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP), which require management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Distributions are recorded when paid.

*Investment Valuation and Income Recognition* Investments are stated at fair value except those investments that are fully benefit-responsive investments which are stated at contract value. Fair value is 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. See Note 3 for discussion of fair value measurements. Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the last reported bid price. Shares of registered investment companies (i.e. mutual funds) are valued based on quoted market prices, which represent the net asset value of shares held at year-end.

Common/collective trust funds and 103-12 investment entities (i.e. an investment entity that holds the assets of two or more plans which are not members of a related group or employee benefit plan) are valued at quoted redemption values that represent

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

the net asset values of units held at year-end. Publicly traded partnerships are valued using trades on a national securities exchange based on the last reported sales price on the last business day of the year.

Investment contracts held by a defined contribution plan are required to be reported at contract value. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plans. The Group Trust invests in fully benefit-responsive and synthetic guaranteed investment contracts (Synthetic GICs). The underlying investments of the Synthetic GICs are owned by the Group Trust and are comprised of corporate bonds and notes, registered investment companies and government securities. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are reflected as of the trade date. Dividend income is recognized on the ex-dividend date. Interest earned on investments is recognized on the accrual basis.

*Notes Receivable from Participants* Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued, but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2016 or 2015. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a distribution is recorded.

Recent Accounting Standards

In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-06 “Employee Benefit Plan Master Trust Reporting” (ASU 2017-06). ASU 2017-06 requires plans to report interests in a master trust and changes in the value of that interest as separate line items on the plan’s financial statements. The plans must also disclose the master trust’s investments by general type as well as other assets and liabilities and disclose the dollar amount of the plan’s interest in each category disclosed. The new standard is effective for fiscal years beginning after December 15, 2018 with retrospective application. Early adoption is permitted. Management is currently evaluating this updated guidance.

**NOTE 3. FAIR VALUE MEASUREMENTS**

ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2      Inputs to the valuation methodology include:
- Quoted prices for similar assets and liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted market prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Plan management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2016 and 2015.

See Note 4 for fair value hierarchy for the Group Trust's and AT&T Master Trust's investments.

**NOTE 4. INVESTMENTS**

The Plans held investments in the AT&T Master Trust (for certain investment fund options as disclosed in Note 1), and the AT&T Master Trust held an investment in the Group Trust as of December 31, 2016 and 2015, and for the year ended December 31, 2016.

**AT&T Savings Plan Master Trust Investments**

AT&T established the AT&T Master Trust to manage assets of pooled investment options among various AT&T sponsored employee benefit plans.

Each participating plan's interest in the investment fund options (i.e., separate accounts) of the AT&T Master Trust is based on account balances of the participants and their elected investment fund options. The AT&T Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and expenses) that can be specifically identified, and by allocating investment income and administrative expenses related to the AT&T Master Trust on a daily basis based on each participant's account balance within each investment fund option.

The participating plans and ownership percentages of the AT&T Master Trust are listed below:

|                                          | December 31, |        |
|------------------------------------------|--------------|--------|
|                                          | 2016         | 2015   |
| AT&T Retirement Savings Plan             | 99.72%       | 99.74% |
| AT&T Puerto Rico Retirement Savings Plan | 0.28%        | 0.26%  |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The Plans' percentage interest in each of the investment fund options within the AT&T Master Trust at December 31, 2016 is disclosed below:

|                                           | <b>December 31, 2016</b>                        |                                                                 |
|-------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
|                                           | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> | <b>AT&amp;T<br/>Puerto Rico<br/>Retirement<br/>Savings Plan</b> |
| Total U.S. Stock Market Index Fund        | 99.890 %                                        | 0.110 %                                                         |
| Large Cap U.S. Stock Index Fund           | 99.720 %                                        | 0.280 %                                                         |
| Small and Mid-Sized U.S. Stock Index Fund | 99.660 %                                        | 0.340 %                                                         |
| International Stock Index Fund            | 99.510 %                                        | 0.490 %                                                         |
| AT&T Shares Fund                          | 99.730 %                                        | 0.270 %                                                         |
| AT&T Age-Based Asset Allocation Funds:    |                                                 |                                                                 |
| AT&T Age-Based Allocation 2000 Fund       | 99.700 %                                        | 0.300 %                                                         |
| AT&T Age-Based Allocation 2005 Fund       | 99.880 %                                        | 0.120 %                                                         |
| AT&T Age-Based Allocation 2010 Fund       | 99.700 %                                        | 0.300 %                                                         |
| AT&T Age-Based Allocation 2015 Fund       | 99.890 %                                        | 0.110 %                                                         |
| AT&T Age-Based Allocation 2020 Fund       | 99.800 %                                        | 0.200 %                                                         |
| AT&T Age-Based Allocation 2025 Fund       | 99.840 %                                        | 0.160 %                                                         |
| AT&T Age-Based Allocation 2030 Fund       | 99.730 %                                        | 0.270 %                                                         |
| AT&T Age-Based Allocation 2035 Fund       | 99.420 %                                        | 0.580 %                                                         |
| AT&T Age-Based Allocation 2040 Fund       | 99.230 %                                        | 0.770 %                                                         |
| AT&T Age-Based Allocation 2045 Fund       | 99.250 %                                        | 0.750 %                                                         |
| AT&T Age-Based Allocation 2050 Fund       | 99.440 %                                        | 0.560 %                                                         |
| AT&T Age-Based Allocation 2055 Fund       | 99.810 %                                        | 0.190 %                                                         |
| AT&T Age-Based Allocation 2060 Fund       | 99.960 %                                        | 0.040 %                                                         |
| Fidelity BrokerageLink®                   | 100.000 %                                       | -                                                               |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The Plans' percentage interest in each of the investment fund options within the AT&T Master Trust at December 31, 2015 is disclosed below:

|                                           | <b>December 31, 2015</b>                        |                                                                 |
|-------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
|                                           | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> | <b>AT&amp;T Puerto<br/>Rico<br/>Retirement<br/>Savings Plan</b> |
| Total U.S. Stock Market Index Fund        | 99.890 %                                        | 0.110 %                                                         |
| Large Cap U.S. Stock Index Fund           | 99.740 %                                        | 0.260 %                                                         |
| Small and Mid-Sized U.S. Stock Index Fund | 99.680 %                                        | 0.320 %                                                         |
| International Stock Index Fund            | 99.620 %                                        | 0.380 %                                                         |
| AT&T Shares Fund                          | 99.740 %                                        | 0.260 %                                                         |
| AT&T Age-Based Asset Allocation Funds:    |                                                 |                                                                 |
| AT&T Age-Based Allocation 2000 Fund       | 99.730 %                                        | 0.270 %                                                         |
| AT&T Age-Based Allocation 2005 Fund       | 99.890 %                                        | 0.110 %                                                         |
| AT&T Age-Based Allocation 2010 Fund       | 99.730 %                                        | 0.270 %                                                         |
| AT&T Age-Based Allocation 2015 Fund       | 99.860 %                                        | 0.140 %                                                         |
| AT&T Age-Based Allocation 2020 Fund       | 99.800 %                                        | 0.200 %                                                         |
| AT&T Age-Based Allocation 2025 Fund       | 99.830 %                                        | 0.170 %                                                         |
| AT&T Age-Based Allocation 2030 Fund       | 99.710 %                                        | 0.290 %                                                         |
| AT&T Age-Based Allocation 2035 Fund       | 99.390 %                                        | 0.610 %                                                         |
| AT&T Age-Based Allocation 2040 Fund       | 99.260 %                                        | 0.740 %                                                         |
| AT&T Age-Based Allocation 2045 Fund       | 99.200 %                                        | 0.800 %                                                         |
| AT&T Age-Based Allocation 2050 Fund       | 99.350 %                                        | 0.650 %                                                         |
| AT&T Age-Based Allocation 2055 Fund       | 99.810 %                                        | 0.190 %                                                         |
| Fidelity BrokerageLink <sup>®</sup>       | 100.000 %                                       | -                                                               |

The financial position of the AT&T Master Trust was as follows:

|                                   | <b>December 31,</b>  |               |
|-----------------------------------|----------------------|---------------|
|                                   | <b>2016</b>          | <b>2015</b>   |
| AT&T common stock                 | <b>\$ 5,851,943</b>  | \$ 4,664,078  |
| Mutual funds                      | <b>75,668</b>        | 56,385        |
| Common/collective trust funds     | <b>13,328,780</b>    | 12,098,091    |
| Fidelity BrokerageLink            | <b>1,879,075</b>     | 1,799,725     |
| Investment in Group Trust         | <b>10,726,185</b>    | 10,285,800    |
| AT&T Master Trust investments     | <b>\$ 31,861,651</b> | \$ 28,904,079 |
| Net other assets and liabilities  | <b>(11,773)</b>      | 1,798         |
| Net assets available for benefits | <b>\$ 31,849,878</b> | \$ 28,905,877 |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

**Net Appreciation in Fair Value of AT&T Master Trust Investments and Total Investment Income for the year ended December 31, 2016:**

|                                                                       | 2016         |
|-----------------------------------------------------------------------|--------------|
| Total net appreciation in fair value of AT&T Master Trust Investments | \$ 2,750,059 |
| Investment interest income                                            | \$ 85        |
| Income from investment in Group Trust                                 | \$ 488,476   |

The following tables set forth by level, within the fair value hierarchy, the AT&T Master Trust's assets at fair value, excluding its investment in the Group Trust:

| <b>AT&amp;T Master Trust Assets at Fair Value as of<br/>December 31, 2016</b> |                     |                 |                |                      |
|-------------------------------------------------------------------------------|---------------------|-----------------|----------------|----------------------|
|                                                                               | <b>Level 1</b>      | <b>Level 2</b>  | <b>Level 3</b> | <b>Total</b>         |
| AT&T common stock                                                             | \$ 5,851,943        | \$ -            | \$ -           | \$ 5,851,943         |
| Mutual funds                                                                  | 75,668              | -               | -              | 75,668               |
| Self-directed brokerage accounts                                              | 1,875,317           | 3,758           | -              | 1,879,075            |
| <b>Total assets in fair value hierarchy</b>                                   | <b>\$ 7,802,928</b> | <b>\$ 3,758</b> | <b>\$ -</b>    | <b>\$ 7,806,686</b>  |
| Common/collective trusts measured at net asset value                          |                     |                 |                |                      |
| Asset allocation funds <sup>1</sup>                                           |                     |                 |                | 4,562,716            |
| Total U.S. stock market index fund <sup>2</sup>                               |                     |                 |                | 1,078,921            |
| Large cap U.S. stock index fund <sup>3</sup>                                  |                     |                 |                | 4,119,929            |
| Small and mid-sized U.S. stock index fund <sup>4</sup>                        |                     |                 |                | 2,277,138            |
| International stock index fund <sup>5</sup>                                   |                     |                 |                | 1,290,076            |
| <b>Total assets at fair value</b>                                             |                     |                 |                | <b>\$ 21,135,466</b> |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The following tables set forth by level, within the fair value hierarchy, the AT&T Master Trust's assets at fair value, excluding its investment in the Group Trust:

| <b>AT&amp;T Master Trust Assets at Fair Value as of<br/>December 31, 2015</b> |                     |                 |                |                      |
|-------------------------------------------------------------------------------|---------------------|-----------------|----------------|----------------------|
|                                                                               | <b>Level 1</b>      | <b>Level 2</b>  | <b>Level 3</b> | <b>Total</b>         |
| AT&T common stock                                                             | \$ 4,664,078        | \$ -            | \$ -           | \$ 4,664,078         |
| Mutual funds                                                                  | 56,385              | -               | -              | 56,385               |
| Self-directed brokerage accounts                                              | 1,795,961           | 3,764           | -              | 1,799,725            |
| <b>Total assets in fair value hierarchy</b>                                   | <b>\$ 6,516,424</b> | <b>\$ 3,764</b> | <b>\$ -</b>    | <b>\$ 6,520,188</b>  |
| Common collective trusts measured at net asset value                          |                     |                 |                |                      |
| Asset allocation funds <sup>1</sup>                                           |                     |                 |                | 4,174,913            |
| Total U.S. stock market index fund <sup>2</sup>                               |                     |                 |                | 928,786              |
| Large cap U.S. stock index fund <sup>3</sup>                                  |                     |                 |                | 3,802,256            |
| Small and mid-sized U.S. stock index fund <sup>4</sup>                        |                     |                 |                | 2,039,895            |
| International stock index fund <sup>5</sup>                                   |                     |                 |                | 1,152,241            |
| <b>Total assets at fair value</b>                                             |                     |                 |                | <b>\$ 18,618,279</b> |

<sup>1</sup>This category includes 12 common/collective trust funds also known as Aged-Based Asset Allocation Funds which are well diversified portfolios that adjust the mix of the various underlying investments over time. The change in allocation of investments is designed to move from a more aggressive investment strategy to a more conservative strategy through the projected retirement date and for a number of years thereafter. The year associated with the fund identification denotes the projected year of retirement of the participant selecting the fund. There are currently no redemption restrictions on these investments.

<sup>2</sup>This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 5000 Index. There are currently no redemption restrictions on this investment.

<sup>3</sup>This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Standard and Poor's Composite Stock Price Index of 500 stocks (the S&P 500®). There are currently no redemption restrictions on this investment.

<sup>4</sup>This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 4500 Index. There are currently no redemption restrictions on this investment.

<sup>5</sup>This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the All Country World Index ex U.S. Index. Except for a short-term trading fee applicable to certain participant transactions, there are currently no redemption restrictions on this investment.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

**AT&T Savings Group Investment Trust Investments**

AT&T established the Group Trust to manage assets of pooled investment options among various AT&T sponsored employee benefit trusts. Each participating trust's interest in the investment fund options (i.e., separate accounts) of the Group Trust is based on account balances of the participants and their elected investment fund options. The Group Trust assets are allocated among the participating plans by assigning to each trust those transactions (primarily contributions, distributions, and expenses) that can be specifically identified and by allocating investment income and administrative expenses to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

The participating entities and ownership percentages of the Group Trust are listed below:

|                                     | December 31,   |         |
|-------------------------------------|----------------|---------|
|                                     | <b>2016</b>    | 2015    |
| AT&T Master Trust                   | <b>94.5 %</b>  | 94.3 %  |
| BellSouth Savings and Security Plan | <b>5.5 %</b>   | 5.7 %   |
| Total                               | <b>100.0 %</b> | 100.0 % |

The AT&T Master Trust's percentage interest in each of the investment fund options within the Group Trust is disclosed below as of December 31, 2016.

|                                                                         | <b>AT&amp;T Total<br/>Return Bond<br/>Fund</b> | <b>AT&amp;T U.S.<br/>Stock Fund</b> | <b>AT&amp;T<br/>International<br/>Stock Fund</b> | <b>AT&amp;T<br/>Stable Value<br/>Fund</b> | <b>Group<br/>Trust</b> |
|-------------------------------------------------------------------------|------------------------------------------------|-------------------------------------|--------------------------------------------------|-------------------------------------------|------------------------|
| Interest bearing cash                                                   | \$ 15,420                                      | \$ -                                | \$ -                                             | \$ -                                      | \$ 15,420              |
| Corporate debt                                                          | 137,313                                        | -                                   | -                                                | -                                         | 137,313                |
| Government securities                                                   | 254,983                                        | -                                   | -                                                | -                                         | 254,983                |
| Common/collective trust funds                                           | 349,296                                        | 2,182,833                           | 150,217                                          | -                                         | 2,682,346              |
| 103-12 investment entities                                              | -                                              | -                                   | 184,463                                          | -                                         | 184,463                |
| Equities - common stock                                                 | -                                              | 340,452                             | 141,536                                          | -                                         | 481,988                |
| Equities - preferred stock                                              | -                                              | -                                   | 802                                              | -                                         | 802                    |
| Futures                                                                 | 8                                              | -                                   | -                                                | -                                         | 8                      |
| Registered investment companies                                         | 983,183                                        | 63,805                              | 2,995                                            | 183,525                                   | 1,233,508              |
| Group Trust investments at fair value                                   | 1,740,203                                      | 2,587,090                           | 480,013                                          | 183,525                                   | 4,990,831              |
| Unsettled trades and other                                              | (122,816)                                      | (359)                               | 226                                              | (273,085)                                 | (396,034)              |
| Fully benefit-responsive investments contracts valued at contract value | -                                              | -                                   | -                                                | 6,755,551                                 | 6,755,551              |
| Group Trust net assets                                                  | <b>\$ 1,617,387</b>                            | <b>\$ 2,586,731</b>                 | <b>\$ 480,239</b>                                | <b>\$ 6,665,991</b>                       | <b>\$ 11,350,348</b>   |
| AT&T Master Trust's percentage ownership interest of investments        | <b>100.0 %</b>                                 | <b>100.0 %</b>                      | <b>99.6 %</b>                                    | <b>90.6 %</b>                             | <b>94.5 %</b>          |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The AT&T Master Trust's percentage interest in each of the investment fund options within the Group Trust is disclosed below as of December 31, 2015.

|                                                                         | <b>AT&amp;T Total<br/>Return Bond<br/>Fund</b> | <b>AT&amp;T U.S.<br/>Stock Fund</b> | <b>AT&amp;T<br/>International<br/>Stock Fund</b> | <b>AT&amp;T<br/>Stable Value<br/>Fund</b> | <b>Group<br/>Trust</b> |
|-------------------------------------------------------------------------|------------------------------------------------|-------------------------------------|--------------------------------------------------|-------------------------------------------|------------------------|
| Interest bearing cash                                                   | \$ -                                           | \$ -                                | \$ 76                                            | \$ -                                      | \$ 76                  |
| Corporate debt                                                          | -                                              | 3,168                               | -                                                | -                                         | 3,168                  |
| Common/collective trust funds                                           | 223,554                                        | 1,270,030                           | 154,807                                          | -                                         | 1,648,391              |
| 103-12 investment entities                                              | -                                              | -                                   | 174,297                                          | -                                         | 174,297                |
| Equities - common stock                                                 | -                                              | 1,226,111                           | 150,140                                          | -                                         | 1,376,251              |
| Equities - preferred stock                                              | -                                              | -                                   | 433                                              | -                                         | 433                    |
| Publicly traded partnerships                                            | -                                              | 8,176                               | -                                                | -                                         | 8,176                  |
| Registered investment companies                                         | 1,220,725                                      | 31,929                              | 4,194                                            | 171,302                                   | 1,428,150              |
| Group Trust investments at fair value                                   | 1,444,279                                      | 2,539,414                           | 483,947                                          | 171,302                                   | 4,638,942              |
| Unsettled trades and other                                              | 3,373                                          | (1,746)                             | (89)                                             | (165,522)                                 | (163,984)              |
| Fully benefit-responsive investments contracts valued at contract value | -                                              | -                                   | -                                                | 6,432,747                                 | 6,432,747              |
| Group Trust net assets                                                  | <u>\$ 1,447,652</u>                            | <u>\$ 2,537,668</u>                 | <u>\$ 483,858</u>                                | <u>\$ 6,438,527</u>                       | <u>\$ 10,907,705</u>   |
| AT&T Master Trust's percentage ownership interest of investments        | <u>100.0 %</u>                                 | <u>100.0 %</u>                      | <u>100.0 %</u>                                   | <u>90.4 %</u>                             | <u>94.3 %</u>          |

**Net Appreciation in Fair Value of Group Trust Investments and  
Total Investment Income for the year ended December 31, 2016**

|                                                                 | <b>Group<br/>Trust</b> |
|-----------------------------------------------------------------|------------------------|
| Total net appreciation in fair value of Group Trust Investments | \$ 280,062             |
| Investment income:                                              |                        |
| Interest                                                        | \$ 161,039             |
| Dividends                                                       | 61,149                 |
| Total investment income of Group Trust Investments              | <u>\$ 222,188</u>      |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The following table sets forth by level, within the fair value hierarchy, the Group Trust's assets at fair value as of December 31, 2016:

| <b>Group Trust Assets and Liabilities at Fair Value</b>             |                     |                   |                |                     |
|---------------------------------------------------------------------|---------------------|-------------------|----------------|---------------------|
| <b>December 31, 2016</b>                                            |                     |                   |                |                     |
|                                                                     | <b>Level 1</b>      | <b>Level 2</b>    | <b>Level 3</b> | <b>Total</b>        |
| Corporate debt                                                      | \$ -                | \$ 137,313        | \$ -           | \$ 137,313          |
| Interest-bearing investments                                        | -                   | 15,420            | -              | 15,420              |
| Common stock                                                        | 481,988             | -                 | -              | 481,988             |
| Preferred stock                                                     | 802                 | -                 | -              | 802                 |
| Futures                                                             | 8                   | -                 | -              | 8                   |
| Registered investment companies                                     | 1,132,971           | -                 | -              | 1,132,971           |
| Government debt                                                     | -                   | 254,983           | -              | 254,983             |
| <b>Total assets in fair value hierarchy</b>                         | <b>\$ 1,615,769</b> | <b>\$ 407,716</b> | <b>\$ -</b>    | <b>\$ 2,023,485</b> |
| Investments measured at net asset value                             |                     |                   |                |                     |
| U.S. common/collective trusts <sup>1</sup>                          |                     |                   |                | 2,333,051           |
| International common/collective trusts <sup>2</sup>                 |                     |                   |                | 349,295             |
| 103-12 investments <sup>3</sup>                                     |                     |                   |                | 184,463             |
| Non-publically traded registered investments companies <sup>4</sup> |                     |                   |                | 100,537             |
| <b>Total assets and liabilities at fair value</b>                   |                     |                   |                | <b>\$ 4,990,831</b> |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The following table sets forth by level, within the fair value hierarchy, the Group Trust's assets at fair value as of December 31, 2015:

| <b>Group Trust Assets and Liabilities at Fair Value</b>     |                     |                 |                |                     |
|-------------------------------------------------------------|---------------------|-----------------|----------------|---------------------|
| <b>December 31, 2015</b>                                    |                     |                 |                |                     |
|                                                             | <b>Level 1</b>      | <b>Level 2</b>  | <b>Level 3</b> | <b>Total</b>        |
| Corporate debt                                              | \$ -                | \$ 3,168        | \$ -           | \$ 3,168            |
| Interest bearing cash                                       | 76                  | -               | -              | 76                  |
| Common stock                                                | 1,376,251           | -               | -              | 1,376,251           |
| Publicly traded partnerships                                | 8,176               | -               | -              | 8,176               |
| Preferred stock                                             | 433                 | -               | -              | 433                 |
| Registered investment companies                             | 1,428,150           | -               | -              | 1,428,150           |
| <b>Total assets and liabilities in fair value hierarchy</b> | <b>\$ 2,813,086</b> | <b>\$ 3,168</b> | <b>\$ -</b>    | <b>\$ 2,816,254</b> |
| Investments measured at net asset value                     |                     |                 |                |                     |
| U.S. common/collective trusts <sup>1</sup>                  |                     |                 |                | 1,424,837           |
| International common/collective trusts <sup>2</sup>         |                     |                 |                | 223,554             |
| 103-12 investments <sup>3</sup>                             |                     |                 |                | 174,297             |
| <b>Total assets and liabilities at fair value</b>           |                     |                 |                | <b>\$ 4,638,942</b> |

<sup>1</sup>The objective of the common/collective trust funds held in the AT&T U.S. Stock Fund is to deliver diversified exposure to the large-capitalization U.S. equity market as represented by the Russell 3000 Index. This common/collective trust fund has redemption restrictions limited to daily and monthly settlement.

<sup>2</sup>The objective of the common/collective trust funds held in the AT&T International Stock Fund is to provide diversified exposure to international markets as represented by the All Country World Index ex U.S. and MSCI Emerging Markets Net Dividend Index. The three common/collective trust funds have redemption restrictions limited to daily, weekly or monthly. One fund is invested broadly in developed and emerging market countries, while the other two funds are invested primarily in emerging market countries.

<sup>3</sup>These are equity commingled funds that invest primarily in developed countries. These funds have redemption restrictions limited to monthly settlement.

<sup>4</sup>These are non-publicly traded registered investment companies, consisting of a short-term floating rate portfolio plus publicly-traded high-yield and asset-backed fixed income securities. The fair value of the investments in this group have been estimated using the net asset values reported by the fund manager. These funds are utilized on a discretionary basis as part of a broad fixed income mandate. These are open-ended funds, with no final termination dates.

**Derivative Financial Instruments**

In the normal course of operations, Group Trust assets and liabilities held in the AT&T Stable Value Fund (Stable Value Fund) may include derivative financial instruments (futures and foreign currency forward contracts). These instruments involve, in varying degrees, elements of credit and market volatility risks in excess of more traditional investment holdings such as equity and debt instruments. The contract or notional amounts disclosed provide a measure of the Group Trust's involvement in such instruments but are not indicative of potential loss. The intent is to use derivative financial instruments as an economic hedge to manage market volatility and foreign currency exchange rate risk associated with the Stable Value Fund's investment assets. The Group Trust's fiduciaries do not anticipate any material adverse effect on the Group Trust's financial position resulting from its involvement in these instruments.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The following table presents the effect of gains (losses) with respect to these derivative instruments, by type of derivative. The gains (losses) are located on the Statement of Changes in Net Assets Available for Benefits as Net Income from Investment in AT&T Savings Plan Master Trust to the extent of the Plans' ownership in the AT&T Master Trust.

|                                                  | <b>Year Ended</b><br><b>December 31, 2016</b> |
|--------------------------------------------------|-----------------------------------------------|
| Futures contracts                                | \$ 93                                         |
| Forward foreign currency exchange rate contracts | \$ 8,011                                      |

**Futures Contracts**

The primary risk managed by the Group Trust using futures contracts is the price risk associated with investments. On behalf of the AT&T Master Trust, investment managers for the Group Trust enter into various futures contracts to economically hedge investments in domestic securities. These contracts, which are considered derivatives under ASC Topic 815, *Derivatives and Hedging* are agreements between two parties to buy or sell a security or financial interest at a set price on a future date and are standardized and exchange-traded. Upon entering into such a contract on behalf of the Group Trust, the investment manager is required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange on which the contract is traded. Pursuant to the contract, the investment manager agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded on a daily basis by the trustee as a realized gain or loss equal to the difference in the value of the contract between daily closing prices. Upon entering into such contracts, the Group Trust bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case, the Group Trust may not achieve the anticipated benefits of the futures contracts and may realize a loss. With futures, there is minimal counterparty credit risk to the Group Trust since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The investments in the Group Trust are subject to equity price risk and interest rate risk, in the normal course of pursuing its investment objectives. The U.S. interest rate futures held in the portfolio as of December 31, 2016 and 2015 were used primarily to hedge and manage the duration risk of the portfolio.

The fair value of the open futures contracts is separately disclosed in the detail of the Group Trust investments presented below and are included in the Statement of Net Assets Available for Benefits to the extent of the Plans' ownership in the AT&T Master Trust.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

At December 31, 2016, open futures contracts held in the Group Trust were as follows:

| <b>Type of Contract</b>           | <b>Number of<br/>Contracts<br/>Buy/(Sell)</b> | <b>Expiration</b> | <b>Notional<br/>Value</b> | <b>Fair Value</b> |
|-----------------------------------|-----------------------------------------------|-------------------|---------------------------|-------------------|
| U.S. 10-Year Treasury Note Future | (50)                                          | 3/2017            | \$ (6,703)                | \$ 46             |
| U.S. 10-Year Treasury Note Future | (13)                                          | 3/2017            | (1,743)                   | 12                |
| U.S. 10-Year Treasury Note Future | 10                                            | 3/2017            | 1,280                     | (37)              |
| U.S. Treasury Bond Future         | (115)                                         | 3/2017            | (17,325)                  | (164)             |
| U.S. Treasury Bond Future         | 13                                            | 3/2017            | 1,959                     | (10)              |
| U.S. Treasury Bond Future         | (54)                                          | 3/2017            | (8,135)                   | 9                 |
| U.S. Treasury Bond Future         | (732)                                         | 3/2017            | (110,280)                 | 740               |
| U.S. Treasury Bond Future         | 7                                             | 3/2017            | 1,066                     | (12)              |
| U.S. 10-Year Treasury Note Future | (44)                                          | 3/2017            | (5,468)                   | 33                |
| U.S. 10-Year Treasury Note Future | (146)                                         | 3/2017            | (18,145)                  | 61                |
| U.S. 10-Year Treasury Note Future | 541                                           | 3/2017            | 67,236                    | (481)             |
| U.S. 10-Year Treasury Note Future | (356)                                         | 3/2017            | (44,244)                  | 143               |
| U.S. 10-Year Treasury Note Future | 29                                            | 3/2017            | 3,604                     | (20)              |
| U.S. 5-Year Treasury Note Future  | 454                                           | 3/2017            | 53,419                    | (104)             |
| U.S. 5-Year Treasury Note Future  | 380                                           | 3/2017            | 44,712                    | (22)              |
| U.S. 5-Year Treasury Note Future  | 97                                            | 3/2017            | 11,413                    | (40)              |
| U.S. 5-Year Treasury Note Future  | (17)                                          | 3/2017            | (2,000)                   | 3                 |
| U.S. 2-Year Treasury Note Future  | 242                                           | 3/2017            | 52,438                    | 16                |
| U.S. 2-Year Treasury Note Future  | (31)                                          | 3/2017            | (6,717)                   | 1                 |
| U.S. 2-Year Treasury Note Future  | 41                                            | 3/2017            | 8,884                     | (4)               |
| U.S. 2-Year Treasury Note Future  | 1,230                                         | 3/2017            | 266,526                   | (175)             |
| U.S. 2-Year Treasury Note Future  | (334)                                         | 3/2017            | (72,431)                  | 58                |
| U.S. Ultra Bond                   | (94)                                          | 3/2017            | (15,064)                  | 71                |
| U.S. Ultra Bond                   | 135                                           | 3/2017            | 21,634                    | (201)             |
| U.S. Ultra Bond                   | (38)                                          | 3/2017            | (6,090)                   | (37)              |
| U.S. Ultra Bond                   | 60                                            | 3/2017            | 9,615                     | 165               |
| U.S. Ultra Bond                   | (32)                                          | 3/2017            | (5,128)                   | 42                |
| Total                             |                                               |                   | <u>\$ 224,313</u>         | <u>\$ 93</u>      |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

At December 31, 2015, open futures contracts held in the Group Trust were as follows:

| Type of Contract                  | Number of<br>Contracts<br>Buy/(Sell) | Expiration | Notional<br>Value | Fair Value      |
|-----------------------------------|--------------------------------------|------------|-------------------|-----------------|
| U.S. Treasury Bond Future         | (403)                                | 3/2016     | \$ (61,961)       | \$ (173)        |
| U.S. Treasury Bond Future         | (79)                                 | 3/2016     | (12,146)          | 141             |
| U.S. Treasury Bond Future         | (44)                                 | 3/2016     | (6,765)           | (10)            |
| U.S. Treasury Bond Future         | (63)                                 | 3/2016     | (9,686)           | 13              |
| U.S. 10-Year Treasury Note Future | 44                                   | 3/2016     | 5,540             | (19)            |
| U.S. 10-Year Treasury Note Future | (279)                                | 3/2016     | (35,128)          | 97              |
| U.S. 10-Year Treasury Note Future | 183                                  | 3/2016     | 23,041            | (74)            |
| 90 Day Eurodollar Future          | (4)                                  | 3/2016     | (993)             | -               |
| 90 Day Eurodollar Future          | 119                                  | 3/2016     | 29,531            | (37)            |
| 90 Day Eurodollar Future          | (119)                                | 9/2016     | (29,433)          | 40              |
| U.S. 5-Year Treasury Note Future  | 455                                  | 3/2016     | 53,836            | (123)           |
| U.S. 5-Year Treasury Note Future  | 9                                    | 3/2016     | 1,065             | 2               |
| U.S. 5-Year Treasury Note Future  | 651                                  | 3/2016     | 77,027            | (153)           |
| U.S. 2-Year Treasury Note Future  | 197                                  | 3/2016     | 42,795            | (57)            |
| U.S. 2-Year Treasury Note Future  | (687)                                | 3/2016     | (149,240)         | 226             |
| U.S. 2-Year Treasury Note Future  | 522                                  | 3/2016     | 113,396           | (184)           |
| U.S. Ultra Bond Future            | (36)                                 | 3/2016     | (5,713)           | 4               |
| U.S. Ultra Bond Future            | (148)                                | 3/2016     | (23,486)          | (130)           |
| U.S. Ultra Bond Future            | (28)                                 | 3/2016     | (4,443)           | (27)            |
| Total                             |                                      |            | <u>\$ 7,237</u>   | <u>\$ (464)</u> |

**Foreign Currency Contracts**

The primary risks managed by the Group Trust using foreign currency forward contracts is the foreign currency exchange rate risk associated with the Group Trust's investments denominated in foreign currencies. On behalf of the AT&T Master Trust, investment managers for the Group Trust enter into forward foreign currency contracts, which are agreements to exchange foreign currencies at a specified future date at a specified rate, the terms of which are not standardized on an exchange. These contracts are intended to minimize the effect of currency fluctuations on the performance of investments denominated in foreign currencies. Although in some cases, forward foreign currency contracts are used to express a view on the direction of a particular currency, risk arises both from the possible inability of the counterparties to meet the terms of the contracts (credit risk) and from movement in foreign currency exchange rates (market risk). Foreign currency forward contracts are entered into with major banks to minimize credit risk, and accordingly, no credit reserve has been established against these amounts.

The contracts are recorded at fair value on the date the contract is entered into, which is typically zero. The fair value of the foreign currency contracts are disclosed in unsettled trades and other of the Group Trust and are included in the Statement of Net Assets Available for Benefits to the extent of the Plans' ownership in the AT&T Master Trust.

As of December 31, 2016 and 2015, the contracts held by the Group Trust were:

|                        | Notional Value |        | Fair Value |      |
|------------------------|----------------|--------|------------|------|
|                        | 2016           | 2015   | 2016       | 2015 |
| Derivative assets      | \$ 55          | \$ 195 | \$ -       | \$ - |
| Derivative liabilities | \$ 61          | \$ 201 | \$ -       | \$ - |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

**Fully Benefit-Responsive Investment Contracts**

The Stable Value Fund consists of fully benefit-responsive investment contracts with various financial institutions and insurance companies which can be accounted for by the Plans at contract value. Generally contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

The investments held by the Stable Value Fund as of December 31, 2016 include Synthetic GICs which are fully benefit-responsive investment contracts. Synthetic GICs are constructed by combining a stable value insurance wrapper contract and a fixed income portfolio. The assets supporting the Synthetic GICs are owned by the Group Trust and generally consist of high quality fixed income securities.

Traditional Guaranteed Investment Contracts (“Traditional GICs” also known as “General Account GICs”) are issued by insurance companies and typically pay a guaranteed fixed or floating rate of interest over the life of the contract with a repayment of principal at maturity. A Synthetic GIC is similar to a Traditional GIC but has unbundled the insurance and investment components of the Traditional GIC.

Wrapper contracts are typically issued by a bank or insurance company, and seek to provide preservation of principal by permitting daily liquidity at contract value for participant directed transactions, in accordance with the provisions of the Plans. Wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments through adjustments to the future interest crediting rate of the contract. Wrapper contracts typically contain contractual provisions that prevent the interest crediting rate from falling below zero.

In certain circumstances, the amount withdrawn from the wrapper contract could be payable at fair value rather than at contract value. These events include termination of the Plans, a material adverse change to the provisions of the Plans, if AT&T elects to withdraw from a wrapper contract in order to switch to a different investment provider or, in the event of a spin-off or sale of a division, if the terms of the successor plan do not meet the contract issuers’ underwriting criteria for issuance of a clone wrapper contract. Events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plans’ loss of qualified status, un-cured material breaches of responsibilities or material and adverse changes to the provisions of the Plans. The Company does not believe any of the events are probable of occurring in the foreseeable future.

**Investment Risk**

Investments held by the Group Trust and the AT&T Master Trust 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 could occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the statements of net assets available for benefits. Participants’ accounts that are invested in funds holding AT&T stock are exposed to market risk in the event of a significant decline in the value of AT&T stock.

Additionally, the Group Trust invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage-backed securities. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

**DIRECTV Savings Plan Master Trust**

The DIRECTV Master Trust was transferred to the Plan upon the merger of the DIRECTV 401(k) Plan into the Plan on December 31, 2016. The DIRECTV Master Trust was created pursuant to a trust agreement between DIRECTV and State Street, as trustee of the funds, to permit the commingling of plan assets for investment and administrative purposes. As of December 31, 2016, ARSP was the only plan in the DIRECTV Master Trust. The assets of the DIRECTV Master Trust are held by State Street. The DIRECTV Master Trust was subsequently merged into the AT&T Master Trust in January 2017. (See Note 1)

The following tables summarize the net assets and net investment income of the DIRECTV Master Trust.

**Net Assets of the DIRECTV Master Trust**

|                                                               | <b>December 31,<br/>2016</b> |
|---------------------------------------------------------------|------------------------------|
| Total investments, at fair value                              | <b>\$ 2,303,731</b>          |
| Dividends and interest receivable                             | <b>803</b>                   |
| Receivable for securities sold                                | <b>103</b>                   |
| Payable for securities purchased                              | <b>(329)</b>                 |
| Payable for investment management and administrative expenses | <b>(633)</b>                 |
|                                                               | <hr/>                        |
| Net assets of the DIRECTV Master Trust                        | <b><u>\$ 2,303,675</u></b>   |

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The following table sets forth by level within the fair value hierarchy a summary of the DIRECTV Master Trust's investments measured at fair value on a recurring basis as of December 31, 2016:

| <b>DIRECTV Master Trust Assets at Fair Value as of<br/>December 31, 2016</b> |                     |                |                |                     |
|------------------------------------------------------------------------------|---------------------|----------------|----------------|---------------------|
|                                                                              | <b>Level 1</b>      | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>        |
| Mutual funds                                                                 | \$ 251,359          | \$ -           | \$ -           | \$ 251,359          |
| Common stocks                                                                | 870,075             | -              | -              | 870,075             |
| Brokerage account                                                            | 13,619              | -              | -              | 13,619              |
| <b>Total asset in the fair value hierarchy</b>                               | <b>\$ 1,135,053</b> | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ 1,135,053</b> |
| Common/collective trusts measured at net asset value                         |                     |                |                |                     |
| Short-term investment fund <sup>1</sup>                                      |                     |                |                | 81,554              |
| Stable value funds <sup>2</sup>                                              |                     |                |                | 295,356             |
| Fixed income funds <sup>3</sup>                                              |                     |                |                | 65,197              |
| Balanced funds <sup>4</sup>                                                  |                     |                |                | 5,593               |
| Large cap equity funds <sup>5</sup>                                          |                     |                |                | 159,131             |
| Small/mid cap equity funds <sup>6</sup>                                      |                     |                |                | 82,565              |
| International equity funds <sup>7</sup>                                      |                     |                |                | 106,068             |
| Target retirement fixed income funds <sup>8</sup>                            |                     |                |                | 26,109              |
| Target retirement blended funds <sup>8</sup>                                 |                     |                |                | 54,946              |
| Target retirement equity funds <sup>8</sup>                                  |                     |                |                | 292,159             |
|                                                                              |                     |                |                | <u>1,168,678</u>    |
| <b>Total investments at fair value</b>                                       |                     |                |                | <b>\$ 2,303,731</b> |

<sup>1</sup> The short-term collective trust is designed to provide safety of principal, daily liquidity, and a competitive yield by investing in high quality money market instruments.

<sup>2</sup> The stable value funds primarily invest in investment contracts offered by major banks, insurance companies, and other financial institutions. It seeks to provide stability of principal and interest, and to achieve higher returns over time than money market funds.

<sup>3</sup> The fixed income funds primarily invest in high quality bonds and other fixed income securities, including U.S. government obligations, corporate bonds, mortgages and asset-backed securities. It seeks to track the performance of the Barclays Capital Aggregate Bond Index.

<sup>4</sup> The balanced fund primarily invests in inflation sensitive equities, commodities, treasury inflation protected securities (TIPS) and emerging market inflation-linked bonds. It seeks to provide returns above inflation as calculated by the U.S. Consumer Price Index over a market cycle.

<sup>5</sup> The large cap equity funds invest primarily in U.S. company stocks, with the objective of providing long-term growth of capital or providing results that correspond to the total return performance of the S&P 500 Index.

<sup>6</sup> The small/mid cap funds invest primarily in U.S. smaller capitalization equity securities and some mid-capitalization equity securities, and certain of these funds are designed to approximate the performance of the Russell 2500 Index, or generally to seek long-term capital appreciation through the fund's investment strategy.

<sup>7</sup> The international equity funds invest primarily in established foreign companies or companies of emerging markets outside the U.S. and the funds are designed to approximate the performance of the MSCI Emerging Markets Index or the MSCI All Country World ex-U.S. Index.

<sup>8</sup> The Target Retirement Funds seek their objectives by investing in a set of underlying SSgA collective trust funds representing various assets classes, such as stocks, real estate investment trusts, commodities interests and fixed-income securities. Each Fund's asset allocation becomes more conservative as it approaches its target retirement date.

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

The fair values of participation units held in collective trusts are based on the net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. Each collective trust provides for daily redemptions by the Plan at reported net asset values per share, with no advance notification requirement.

**Investments at Fair Value**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2016 following the transfer of assets from Alascom (Note 1):

| <b>Assets at Fair Value as of December 31, 2016</b> |                |                |                |                 |
|-----------------------------------------------------|----------------|----------------|----------------|-----------------|
|                                                     | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>    |
| Mutual funds                                        | \$ 3           | –              | –              | \$ 3            |
| <b>Total assets in fair value hierarchy</b>         | <b>\$ 3</b>    | <b>\$ –</b>    | <b>\$ –</b>    | <b>\$ 3</b>     |
| Investments measured at net asset value             |                |                |                |                 |
| Collective Stable Return Fund <sup>1</sup>          |                |                |                | 3,250           |
| Total assets at fair value                          |                |                |                | <b>\$ 3,253</b> |

1 This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, any Plan sponsor or Plan fiduciary initiated withdrawal from the fund will require a 12-month written notice of the intent to withdraw assets from the fund. At the discretion of Wells Fargo, the notification periods identified for withdrawals may be waived. Redemptions or exchanges of fund shares may be delayed or suspended for up to 12 months, or even longer if Wells Fargo obtains an exemptive order or other appropriate relief from the Comptroller of the Currency, as defined in the Declaration of Trust for the fund.

**NOTE 5. PARTIES IN INTEREST TRANSACTIONS**

The assets of the Plans are invested in AT&T stock either through the Group Trust, AT&T Master Trust or DTV Master Trust. Because the Company is the plan sponsor of the Plans, transactions involving the Company's stock qualify as party-in-interest transactions. In addition, certain investments held by the Plans, Group Trust, AT&T Master Trust and DTV Master Trust are managed by BNY Mellon and Fidelity as trustee or custodian and record keeper, respectively, as defined by various agreements. Therefore, these transactions and fees paid to these entities qualify as parties-in-interest transactions. All of these transactions are exempt from the prohibited transactions rules.

**NOTE 6. TAX STATUS**

The ARSP has received a determination letter from the IRS dated May 7, 2015, stating that the ARSP is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS the Plan was amended. Once qualified, the ARSP is required to operate in conformity with the IRC to maintain its qualification. The plan administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

The ARSP-PR has received a determination letter from the Commonwealth of Puerto Rico's Department of Treasury (Treasury) dated October 2, 2015, stating that the ARSP-PR is qualified under Section 1081.01 of the Internal Revenue Code for a New Puerto Rico (the Puerto Rico Code), and therefore, the related trust is exempt from taxation. Subsequent to this determination by the Treasury, the ARSP-PR was amended. Once qualified, the ARSP-PR is required to operate in conformity with the Puerto Rico Code to maintain its qualification. The plan administrator believes the ARSP-PR is being operated in compliance with the applicable requirements of the Puerto Rico Code and, therefore, believes that the ARSP-PR, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate uncertain tax positions taken by the Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS or Treasury. The Plans administrator has analyzed the tax positions taken by the Plans, and has concluded that as of December 31, 2016, there were no uncertain positions taken or

**Notes to Financial Statements (Continued)**  
**(Dollars in Thousands)**

expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**NOTE 7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of Net Assets Available for Benefits per the ARSP financial statements to the Form 5500 as of December 31, 2016:

|                                                                | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> |
|----------------------------------------------------------------|-------------------------------------------------|
| Net Assets Available for Benefits per the financial statements | \$ 34,792,506                                   |
| Distributions payable to participants                          | (6,221)                                         |
| Net Assets Available for Benefits per the Form 5500            | <u>\$ 34,786,285</u>                            |

The following is a reconciliation of Net Assets Available for Benefits per the ARSP financial statements to the Form 5500 as of December 31, 2015:

|                                                                | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> |
|----------------------------------------------------------------|-------------------------------------------------|
| Net Assets Available for Benefits per the financial statements | \$ 29,473,175                                   |
| Distributions payable to participants                          | (3,489)                                         |
| Net Assets Available for Benefits per the Form 5500            | <u>\$ 29,469,686</u>                            |

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date. The following is a reconciliation of distributions to participants per the ARSP financial statements to the Form 5500 for the year ended December 31, 2016:

|                                                            | <b>AT&amp;T<br/>Retirement<br/>Savings Plan</b> |
|------------------------------------------------------------|-------------------------------------------------|
| Distributions to participants per the financial statements | \$ 2,047,269                                    |
| Distributions payable to participants at December 31, 2016 | 6,221                                           |
| Distributions payable to participants at December 31, 2015 | (3,489)                                         |
| Distributions to participants per the Form 5500            | <u>\$ 2,050,001</u>                             |

**SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2016**  
**(Dollars in Thousands)**

**AT&T RETIREMENT SAVINGS PLAN**  
**EIN 43-1301883, PLAN NO. 009**

| <u>Identity of Issue</u>       | <u>Description of Investment</u>     | <u>Current Value</u>     |
|--------------------------------|--------------------------------------|--------------------------|
| <b><u>Investments</u></b>      |                                      |                          |
| * Wells Fargo Funds Management | Collective Stable Return Fund        | 3,250                    |
| * Wells Fargo Funds Management | Advantage Government Securities Fund | 3                        |
|                                |                                      | <u>3,253</u>             |
| <b><u>Loan Fund</u></b>        |                                      |                          |
| * Loans to Plan Participants   | 3.25% -10.5%                         | \$ 694,508               |
| <b>TOTAL</b>                   |                                      | <b><u>\$ 697,761</u></b> |
| * Party-in-Interest.           |                                      |                          |

**AT&T PUERTO RICO RETIREMENT SAVINGS PLAN**  
**EIN 43-1301883, PLAN NO. 011**

| <u>Identity of Issue</u>     | <u>Description of Investment</u> | <u>Current Value</u>   |
|------------------------------|----------------------------------|------------------------|
| <b><u>Loan Fund</u></b>      |                                  |                        |
| * Loans to Plan Participants | 4.25% - 9.25%                    | \$ 8,083               |
| <b>TOTAL</b>                 |                                  | <b><u>\$ 8,083</u></b> |
| * Party-in-Interest.         |                                  |                        |

## **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee (or other persons who administer the employee benefit plan) has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

AT&T Retirement Savings Plan  
AT&T Puerto Rico Retirement Savings Plan

By AT&T Services, Inc.,  
Plan Administrator for the Foregoing Plans

By /s/ Debra L. Dial  
Debra L. Dial  
Senior Vice President and Controller

Date: June 22, 2017

## EXHIBIT INDEX

Exhibit identified below, Exhibit 23 is filed herein as an exhibit hereto.

Exhibit  
Number

23 Consent of Independent Registered Public Accounting Firm

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-189789) pertaining to the AT&T Retirement Savings Plan of our report dated June 22, 2017, with respect to the financial statements and schedule of the AT&T Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2016.

Dallas, Texas  
June 22, 2017

/s/ Ernst & Young LLP

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-189789) pertaining to the AT&T Puerto Rico Retirement Savings Plan of our report dated June 22, 2017, with respect to the financial statements and schedule of the AT&T Puerto Rico Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended 2016.

Dallas, Texas

/s/ Ernst & Young LLP

June 22, 2017

**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**Schedule H, Line 4i**

PLAN NAME: AT&T RETIREMENT SAVINGS PLAN

EIN: 43-1301883

PLAN NUMBER: 009

The Schedule H, line 4i -- Schedule of Assets (Held At End of Year) is included in the attachment titled ACCOUNTANT'S OPINION AND FINANCIAL STATEMENTS.