BBX CAPITAL CORP
Form 10-K
March 15, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Year Ended December 31, 2015

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number

001-13133

BBX Capital Corporation

(Exact name of registrant as specified in its charter)

01 Florida	65-0507804
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

401 East Las Olas Boulevard Suite 800	
Ft. Lauderdale, Florida	33301
(Address of principal executive offices)	(Zip Code)

(954) 940-4000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, Par Value $0.01 Per Share	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES [ ] NO [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES [ ] NO [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]   Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a smaller reporting company)Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).YES [ ] NO [X]

The aggregate market value of the voting common equity held by non-affiliates was $48.2 million, computed by reference to the closing price of the registrant's Class A Common Stock on June 30, 2015. The registrant does not have any non-voting common equity.

The number of shares of the registrant's Class A Common Stock outstanding on March 7, 2016 was 16,199,145. The number of shares of the registrant's Class B Common Stock outstanding on March 7, 2016 was 195,045.

Portions of the registrant's Definitive Proxy Statement relating to its 2015 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K.

PART I

ITEM I. BUSINESS

BBX Capital Corporation is referred to in this report together with its subsidiaries as “BBX Capital” “we,” “us,” or “our”, and is referred to in this report without its subsidiaries as the “Parent Company” or “BBX Capital Corporation”. BBX Capital is a Florida-based company, involved in the acquisition, development, ownership and management of and investments in real estate and real estate development projects as well as investments in operating businesses. Prior to the sale of BankAtlantic to BB&T Corporation (“BB&T”) on July 31, 2012 BBX Capital was a bank holding company and its principal asset was the ownership of BankAtlantic. The principal assets of BBX Capital currently consist of its 46% equity interest in Woodbridge Holdings, LLC (“Woodbridge”) and its ownership interests in Florida Asset Resolution Group, LLC (“FAR”), BBX Capital Asset Management, LLC (“CAM”), BBX Partners, Inc., Renin Holdings, LLC, BBX Sweet Holdings, LLC and its acquired businesses and investments in eleven real estate joint ventures.

In April 2013, BBX Capital acquired a 46% equity interest in Woodbridge. Woodbridge’s principal asset is its ownership of Bluegreen Corporation and its subsidiaries (“Bluegreen”). Bluegreen is a vacation ownership company with over 190,000 owners and over 60 owned or managed resorts. BFC Financial Corporation (“BFC”), the controlling shareholder of BBX Capital, owns the remaining 54% of Woodbridge. Bluegreen’s net income attributable to Woodbridge was $70.3 million, $57.5 million and $37.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

CAM, which was formed in connection with the sale of BankAtlantic to BB&T and BBX Partners are wholly owned subsidiaries and their primary assets are investments in real estate joint ventures, non-performing commercial loans and foreclosed real estate formerly held by BankAtlantic. FAR, which was also formed in connection with the sale of BankAtlantic to BB&T, was a special purpose limited liability company whose membership interests were initially held by both BB&T, which held 95% of FAR’s preferred interests and BBX Capital Corporation, which held the remaining 5% of the preferred interests and all of the residual common equity interests in FAR. On May 6, 2015, BB&T’s preferred interest in FAR was repaid in full and redeemed and FAR became a wholly-owned subsidiary of BBX Capital Corporation. FAR’s primary assets are loans and foreclosed real estate formerly held by BankAtlantic.

On October 30, 2013, a newly formed joint venture entity, Renin Holdings, LLC (“Renin”), owned 81% by BBX Capital Corporation and 19% by BFC, acquired substantially all of the assets and certain liabilities of Renin Corp for approximately $12.8 million (“the Renin Transaction”). Renin had $24 million of total assets as of October 30, 2013 and manufactures interior closet doors, wall décor, hardware and fabricated glass products and operates through headquarters in Canada and two manufacturing, assembly and distribution facilities in Canada and the United States as well as a sales facility in the United Kingdom.

In December 2013, a wholly-owned subsidiary of BBX Capital, BBX Sweet Holdings, LLC, acquired Hoffman’s Chocolates (“Hoffman’s”). Hoffman’s had total assets of $5.3 million as of the acquisition date and aggregate revenues of $5.2 million for the year ended December 31, 2015. Hoffman’s is a manufacturer of gourmet chocolates, with retail locations in South Florida.

Subsequent to January 2014, BBX Sweet Holdings acquired manufacturers in the chocolate and candy industries serving wholesalers such as boutique retailer, big box chains, department stores, national resort properties, corporate customers and private label brands. The companies acquired were Williams and Bennett, Helen Grace Chocolates (“Helen Grace”), Jer’s Chocolates (“Jer’s”), Anastasia Confections (“Anastasia”) and Kencraft Confections, LLC (“Kencraft”). The wholesale manufacturing companies acquired had aggregate total assets at acquisition of $8.0 million and total aggregate revenues during the year ended December 31, 2015 of $22.5 million.

On April 30, 2015, BFC purchased 4,771,221 shares of BBX Capital’s Class A common stock through a tender offer and in September 2015, BFC acquired an additional 221,821 shares of BBX Capital’s Class A common stock from its executive officers upon the vesting of restricted stock units. These share acquisitions increased BFC's ownership percentage to approximately 81% of the issued and outstanding shares of BBX Capital's Class A common stock, which together with the shares of BBX Capital's Class B common stock owned by BFC, represented an approximate 81% equity interest and 90% voting interest in BBX Capital Corporation. BFC owns 100% of BBX Capital's Class B common stock.

As of December 31, 2015, BBX Capital had consolidated total assets of approximately $393.5 million, liabilities of $57.6 million and total equity of $336.0 million.

This document contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements, other than statements of historical fact, are forward-looking statements and may include words or phrases such as "plans," "believes," "will," "expects," "anticipates," "intends," "estimates," "our view," "we see," "would" and words and phrases of similar import. The forward loo statements in this document are also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and involve substantial risks and uncertainties. There is no assurance that such expectations will prove to be correct. Future results could differ materially as a result of a variety of risks and uncertainties, many of which are outside of management's control.

These risks and uncertainties include, but are not limited to:

- the impact of economic, competitive and other factors affecting BBX Capital and its assets, including the impact of decreases in real estate values on BBX Capital's business generally, the value of BBX Capital's assets, the ability of BBX Capital's borrowers to service their obligations and the value of collateral securing BBX Capital's loans;
- the risk that loan losses will continue and the risks of additional charge-offs, impairments and required increases in BBX Capital's allowance for loan losses and trade receivables;
- the adverse impact of and expenses associated with litigation including the risk that BBX Capital's insurance carrier seeks to obtain reimbursement of the amounts it previously advanced to BBX Capital in connection with the action brought by the SEC against BBX Capital and Alan B. Levan and that the decision, verdict or remedy ordered by the court in the SEC action against BBX Capital and Mr. Levan will not be reversed on appeal;
- adverse conditions in the stock market, the public debt market and other financial and credit markets and the impact of such conditions on BBX Capital's activities;
- the risk that the assets retained by BBX Capital in CAM, BBX Partners and FAR may not be monetized at the values currently ascribed to them and the risks associated with the impact of periodic valuation of BBX Capital's assets for impairment.

In addition, this document contains forward looking statements relating to BBX Capital's ability to successfully implement its currently anticipated business plans, which may not be realized as anticipated, if at all, and BBX Capital's current and anticipated investments in operating businesses may not achieve the returns anticipated or may not be profitable, including the risks associated with:

- BBX Capital’s investment in Bluegreen (through Woodbridge),
- the BBX Sweet Holdings’ investments in Hoffman’s, Williams & Bennett, Jer’s Chocolates, Helen Grace Chocolates, Anastasia Confections and Kencraft, and
- BBX Capital’s investment with BFC in Renin.

This document also contains forward looking statements relating to BBX Capital’s investments in real estate developments, either directly or through joint ventures. These risks include:

- exposure to downturns in the real estate and housing markets;
- exposure to risks associated with real estate development activities;
- risks associated with obtaining necessary zoning and entitlements;
- risks that BBX Capital’s joint venture partners may not fulfill its obligations, and
- risks that the projects will not be developed as anticipated or be profitable.

BBX Capital's investment in Woodbridge, which owns Bluegreen Corporation, exposes BBX Capital to:

- risks relating to Bluegreen's business and Bluegreen's ability to pay dividends to Woodbridge and in turn Woodbridge's ability to pay dividends to BBX Capital, and
- risks inherent in the vacation ownership industry, including risks associated with regulatory compliance and customer complaints and other risks which are identified in BFC's Annual Report on Form 10-K filed on March 15, 2016 with the SEC and available on the SEC's website at www.sec.gov.

BBX Sweet Holdings acquisitions and BBX Capital's acquisition of the assets of Renin Corp exposes BBX Capital to the risks of its respective businesses, which include:

- the amount and terms of indebtedness associated with the acquisitions which may impact BBX Capital's financial condition and results of operations and limit BBX Capital's activities;
- the failure of the companies to meet financial covenants and that BBX Capital may be required to make further capital contributions or advances to the acquired companies;
- the risk that the businesses acquired by BBX Capital may not be profitable;
- the risk that the integration of these operating businesses may not be completed effectively or on a timely basis;
- the risk that BBX Capital may not realize any anticipated benefits or profits; and
- Renin's operations expose BBX Capital to foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar and Great Britain pound.

Past performance and perceived trends may not be indicative of future results. In addition to the risks and factors identified above, reference is also made to other risks and factors detailed in this Annual Report on Form 10-K, including Item 1A. Risk Factors. BBX Capital cautions that the foregoing factors are not exclusive.

Operating financial information shown by segment is included in Note 22 to BBX Capital's Consolidated Financial Statements. BBX Capital reports its operations through three business segments –BBX, Renin and Sweet Holdings.

BBX Capital's internet website address is www.bbxcapital.com. BBX Capital's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports are available free of charge through BBX Capital's website, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). BBX Capital's internet website and the information contained in or connected to BBX Capital's website are not incorporated into, and are not part of this Annual Report on Form 10-K.

BBX Capital's Business Strategy

Since the sale of BankAtlantic in July 2012, BBX Capital has been repositioning its business, monetizing its legacy portfolios of loans and real estate, and pursuing its goal of transitioning into a growth business by focusing on real estate opportunities and acquiring operating businesses.

The majority of BBX Capital's assets do not generate income on a regular or predictable basis. Recognizing the nature of BBX Capital's assets, BBX Capital's goal is to build long-term value as opposed to focusing on quarterly or annual earnings. While capital markets generally encourage short term results, BBX Capital's objective continues to be long term growth as measured by increases in book value per share over time. Further, BBX Capital does not expect to generate significant revenue from the legacy BankAtlantic assets until the assets are monetized through repayments or transactions involving the sale, joint venture or development of the underlying real estate. BBX Capital is currently utilizing the cash flow from the monetization of its assets and dividends from Woodbridge to pay operating expenses and to invest in income producing real estate, real estate developments, real estate joint ventures and operating businesses. While there is no assurance it will be successful, BBX Capital is seeking to manage its cash needs and the timing of monetizing its existing assets with new investments to maximize its returns. In some cases, this may involve immediate sale and in other cases a longer term hold or development (either directly or through a joint venture). BBX Capital may also consider transactions involving its investments in operating businesses, including Renin and Sweet Holdings, and BBX Capital may in connection with BBX Capital's investment with BFC in Woodbridge pursue transactions involving Bluegreen, either directly or indirectly through a transaction involving Woodbridge, to monetize all or a portion of BBX Capital's investment in Woodbridge. Such transactions may include pursuing a future sale or spin-off of a company or other transactions involving public or private issuances of a company's debt or equity securities which might result in the ownership of less than 100% of an entity. BBX Capital is also engaged in land entitlement activities and land development projects on certain properties that BBX Capital acquired through foreclosure. These projects have included or may include in the future selling or leasing the improved properties to third parties or entering into joint ventures with developers for the development of residential and commercial real estate projects involving the contribution of properties by BBX Capital as well as potential cash investments in projects. BBX Capital has also pursed potential investments in joint venture real estate projects that include real estate held by a joint venture partner or property acquired from unrelated parties. As a result of the substantial decline in real estate values during the recession, the majority of BBX Capital's non-performing commercial real estate loans and foreclosed real estate were written down in prior periods to the then prevailing estimated fair values of the collateral less costs to sell. BBX Capital has seen significant improvements generally in real estate markets and believes that the prior estimated fair values of the underlying collateral securing certain of BBX Capital's commercial real estate loans and BBX Capital's real estate carrying values may be below current market values. Additionally, the recovery in the real estate market has favorably affected the financial condition of BBX Capital's borrowers and BBX Capital is aggressively pursuing its borrowers and/or guarantors in order to maximize recoveries through cash settlements, loan workout arrangements or participation interests in the development or performance of the collateral. If BBX Capital is successful in its efforts, BBX Capital expect to recognize gains to the extent that the amounts it collects exceed the carrying value of its commercial loans and foreclosed real estate and expect that these gains will be reflected in an increase in BBX Capital's shareholders' equity in the long term. Due to the nature of these activities however, BBX Capital does not expect to generate revenues or earnings on a predictable or consistent basis. Accordingly, BBX Capital expects the results of its operations to vary significantly on a quarterly basis and BBX Capital may experience losses in future periods.

Legacy Assets

Loans

On July 31, 2012, BBX Capital completed the sale of BankAtlantic to BB&T. BBX Capital retained through CAM, BBX Partners and FAR certain loans, tax certificates and foreclosed real estate and liabilities related to these retained assets which had been held by BankAtlantic. These retained loans were grouped in five loan segments as follows: residential loans, commercial real estate loans, consumer loans, small business loans and commercial non-mortgage loans. CAM holds loans from the commercial real estate and the commercial non-mortgage loan segments. BBX Partners holds loans from the commercial real estate segment and FAR holds loans from all five segments.

Residential: The majority of BBX Capital's residential loans were originally acquired in the secondary markets and were originated by financial institutions. These loans, which are serviced by independent servicers, are secured by properties located throughout the United States. Residential loans were typically purchased in bulk and were generally non-conforming loans under agency guidelines due primarily to the size of the individual loans ("jumbo loans"). A portfolio of residential loans which were made primarily to "low to moderate income" borrowers in accordance with the Community Reinvestment Act were also retained but were sold during the year ended December 31, 2014. BBX Capital's residential loans serviced by independent servicers were classified as loans held-for-sale as of December 31, 2015.

Commercial Real Estate: Commercial real estate loans were originated in connection with the borrowers' acquisition, development and construction of various types of properties including office buildings, retail shopping centers, residential construction and other non-residential properties. Commercial real estate loans were also originated in connection with borrowers' acquisition or refinance of existing income-producing properties. These loans were primarily secured by property located in Florida.

Commercial non-mortgage loans: These loans are generally business loans secured by the receivables, inventory, equipment, and/or general corporate assets of the borrowers.

Consumer: Consumer loans consist primarily of loans to individuals originated through BankAtlantic's retail network. The majority of consumer loans are home equity lines of credit secured by a first or second mortgage on the primary residence of the borrower, substantially all of which are located in Florida.

Small Business: BankAtlantic originated small business loans to companies located primarily in markets within BankAtlantic's branch network. Small business loans were originated primarily on a secured basis and do not generally exceed $2.0 million individually. These loans were originated with maturities ranging generally from one to three years or due upon demand. Lines of credit extended to small businesses are due upon demand. Small business loans have either fixed or variable prime-based interest rates.

Real Estate

Real estate was generally acquired through foreclosure or contractual settlements with borrowers. Real estate is classified into two categories: real estate held-for-sale or real estate held-for-investment.

Real estate held-for-sale: Real estate is classified as held-for-sale when the property is available for immediate sale in its present condition, management commits to a plan to sell the property, an active program to locate a buyer has been initiated, the property is being marketed at a price that is reasonable in relation to its current fair value and it is likely that a sale will be completed within one year.

Real estate held-for-investment: Real estate is classified as held-for-investment when the property is not available for immediate sale due to anticipated renovations and potential improvements in operating performance before sale, management pursuing joint venture opportunities, potential development, or management's decision to retain the property in anticipation of appreciation in market value in subsequent periods.

BBX Capital Business Segments

BBX Capital operates through three reportable business segments – BBX, Renin and Sweet Holdings.

BBX Reportable Segment - The BBX reportable segment consists of the activities associated with managing the commercial loan portfolio, real estate properties of BBX Capital and its consolidated subsidiaries, including BBX Partners, CAM and FAR and the portfolio of BankAtlantic's previously charged off loans, BBX Capital's investment in Woodbridge and investments in real estate developments and joint ventures.

Renin Reportable Segment – The Renin reportable segment consists of the activities of Renin Holdings, LLC and its subsidiaries ("Renin"). Renin manufactures interior closet doors, wall décor, hardware and fabricated glass products and its distribution channels include big box and independent home improvement retailers, builders, other manufacturers and specialty retail outlets primarily in North America. Renin is headquartered in Brampton, Ontario and has two manufacturing, assembly and distribution facilities located in Brampton, Ontario and Tupelo, Mississippi and a sales office in the United Kingdom. BBX Capital owns 81% of Renin and BFC owns the remaining 19%.

Sweet Holdings Reportable Segment - The Sweet Holdings reportable segment consists of the activities of BBX Capital's acquired operating businesses in the confection industry. The Sweet Holdings reportable segment companies manufacture chocolate and hard candy products which are sold through wholesale and retail distribution channels.

In periods prior to June 30, 2015, FAR was reported as a separate business segment as its activities were restricted by FAR's operating agreement to the monetization of FAR's assets in order to repay BB&T's preferred membership interest in FAR. As a result of the redemption of BB&T's preferred interest in FAR during May 2015, FAR activities are no longer restricted to the monetization of FAR's assets. As a consequence, management changed BBX Capital's internal reporting, combining the operations of FAR into BBX and the FAR reportable segment was consolidated with the BBX reportable segment for all periods presented.

BBX Business Segment

The BBX business segment includes the assets and related liabilities of CAM, FAR and BBX Partners and BBX Capital's investment in Woodbridge and investments in real estate joint ventures. CAM was formed prior to the closing of the BB&T Transaction when BankAtlantic contributed to CAM cash and certain non-performing commercial loans, commercial real estate and previously written-off assets. CAM assumed the liabilities related to these assets. FAR was formed prior to the closing of BB&T Transaction and until May 2015 its operations consisted of overseeing the management and monetization of its assets and, where appropriate, orderly liquidations with a view to repaying its preferred membership interests and maximizing the cash flows of any remaining assets. FAR's assets consist primarily of loans receivable and foreclosed real estate. Subsequent to May 2015, FAR became a wholly-owned subsidiary of BBX Capital managed by the BBX business segment.

The BBX business segment's primary assets are loans receivable, real estate held-for-sale and real estate held-for-investment, investments in real estate joint ventures and rights to BankAtlantic's previously charged off loan portfolio and related judgments as well as its 46% equity interest in Woodbridge.

BBX Capital acquired a 46% interest in Woodbridge in April 2013. Woodbridge's principal asset is its ownership of Bluegreen. Bluegreen is a sales, marketing and management company focused on the vacation ownership industry. Bluegreen markets, sells and manages vacation ownership interests ("VOIs") in resorts, which are generally located in popular, high-volume, "drive-to" vacation destinations, and were either developed or acquired by Bluegreen or developed and owned by others, in which case Bluegreen earns fees for providing such services. Bluegreen utilizes a points-based system, known as the Bluegreen Vacation Club, where purchasers of VOIs are allotted points that represent their ownership and beneficial use rights in perpetuity in the Bluegreen Vacation Club and can be used to reserve occupancy at participating resorts. Bluegreen Vacation Club members may use their points to stay in any of Bluegreen Vacation Club resorts or take advantage of other vacation options, including an exchange program offered by a third-party world-wide vacation ownership exchange network of over 4,000 resorts and other vacation experiences such as cruises and hotel stays. Bluegreen also provides property association management services, mortgage servicing, VOI title services, reservation services, and construction design and development services. In addition, Bluegreen provides financing to individual purchasers of VOIs, which provides significant interest income to Bluegreen. Bluegreen had total assets of $1.1 billion as of December 31, 2015 and net income attributable to Woodbridge of $70.3 million, $57.5 million and $37.6 million for the years ended December 31, 2015, 2014 and 2013 respectively.

BBX Capital had investments in unconsolidated real estate joint ventures of approximately $43.0 million as of December 31, 2015. BBX Capital anticipates actively pursuing additional joint venture investments with real estate developers which may involve BBX Capital's contribution of held-for-investment real estate acquired through foreclosure or real estate purchased with BBX Capital's own funds for joint venture development. BBX Capital may also invest funds in developments identified by joint venture partners. BBX Capital currently expects that in most cases, BBX Capital's joint venture partners will be responsible for the management of the project and BBX Capital will participate in major decisions and monitor the development's progress. These joint venture real estate developments are anticipated to include multifamily and single family housing, commercial retail complexes, office buildings and land entitlement projects. To a lesser extent, BBX Capital may engage in land entitlement and development activities without joint venture partners. BBX Capital's real estate investments will in most instances be multi-year projects and it is not expected that earnings from these activities will be generated in the near term. BBX Capital's goal is to produce earnings from these projects over time.

BBX reportable segment had investments in the following real estate joint ventures as of December 31, 2015 and 2014 (in thousands):

		December 31,	
Investment in unconsolidated real estate joint ventures		2015	2014
Altis at Kendall Square, LLC	$	764	1,264
Altis at Lakeline - Austin Investors LLC		5,210	5,000
New Urban/BBX Development, LLC		864	996
Sunrise and Bayview Partners, LLC		1,577	1,723
Hialeah Communities, LLC		4,569	5,091
PGA Design Center Holdings, LLC		1,911	1,991
CCB Miramar, LLC		875	-
Centra Falls, LLC		727	-
The Addison on Millenia Investment, LLC		5,778	-
BBX/S Millenia Blvd Investments, LLC		4,905	-
Altis at Bonterra - Hialeah, LLC		15,782	-
Investments in unconsolidated real estate joint ventures	$	42,962	16,065
Investment in consolidated real estate joint venture			
Investment in consolidated joint venture JRG/BBX Development, LLC	$	-	964

Altis at Kendall Square, LLC ("Kendall Commons")

In March 2013, BBX Capital sold land to Altman Development ("Altman"), a third party real estate developer, for net proceeds of $8.0 million. Altman is developing on that land a multifamily rental community comprised of 12 three-story apartment buildings, one mixed-use building and one clubhouse totaling 321 apartment units. BBX Capital has invested $1.3 million of cash in the project as one of a number of investors. The twelve three-story apartment buildings, clubhouse and mixed-use building have been completed. After all members (including BBX Capital) receive a preferred return of 10% and all contributed capital is returned, BBX Capital is entitled to receive 13% of venture distributions until a 15% internal rate of return has been attained. Thereafter, BBX Capital will be entitled to receive 9.75% of any venture distributions.

Altis at Lakeline – Austin Investor, LLC

In December 2014, BBX Capital invested $5.0 million as one of a number of investors in a planned multi-family development – Altis at Lakeline – being developed by Altman. Located on an approximate 23 acre parcel in the northwest area of Austin, Texas, Altis at Lakeline is planned for 19, two and three story, residential apartment buildings with 354 apartment units, 38 enclosed garages, and a private resort style 5,500 square foot clubhouse. Construction commenced in the first quarter of 2015 and the facility is anticipated to be substantially completed during the fourth quarter of 2016. After all investors receive a preferred return of 9% and all contributed capital is returned, BBX Capital is entitled to receive 26.3% of venture distributions until an 18% internal rate of return has been attained and thereafter BBX Capital will be entitled to receive 18.8% of any venture distributions.

New Urban/BBX Development, LLC (“Village at Victoria Park”)

Village at Victoria Park consists of approximately 2 acres of vacant land previously owned by BBX Capital that is located near downtown Fort Lauderdale, Florida. In December 2013, BBX Capital invested in a joint venture with New Urban Communities to develop the project as 30 single-family homes. The project is a 50% - 50% joint venture with New Urban Communities serving as the developer and manager of the joint venture. The project commenced construction and sales during the third quarter of 2014. Closings are projected to begin during the first quarter of 2016.

Bayview (Sunrise and Bayview Partners, LLC)

In June 2014, BBX Capital invested in a joint venture with an affiliate of Procacci Development Corporation. The joint venture acquired for $8.0 million approximately three acres of real estate located at Bayview Drive and Sunrise Boulevard in Fort Lauderdale, Florida. The joint venture entity, Sunrise and Bayview Partners, LLC, is a 50% - 50% joint venture between BBX Capital and an affiliate of Procacci Development. The property is currently improved with an approximate 84,000 square foot office building along with a convenience store and gas station, and located minutes from the Fort Lauderdale beaches and directly across from the Galleria at Ft. Lauderdale. BBX Capital anticipates that the property will be redeveloped into a mixed-use project at some point in the future.

Hialeah Communities, LLC (Bonterra – CC Homes)

During the third quarter of 2014, BBX Capital invested in a joint venture agreement with CC Homes, a Codina-Carr Company, to develop homes in a portion of Bonterra Communities (formerly called the Hialeah Communities) in Hialeah, Florida. As the developer and manager of the joint venture, CC Homes currently plans to build approximately 394 single-family homes. BBX Capital transferred approximately 50 acres of land at an agreed upon value of approximately $15.6 million subject to an $8.3 million mortgage which was assumed by the joint venture. In exchange, BBX Capital received its joint venture interest and $2.2 million of cash. Anticipated project profits resulting from the joint venture after receipt of aggregate capital contributions and the preferred return will be distributed to CC Homes and BBX Capital on a 55% and 45% basis, respectively. Any necessary additional capital for the joint venture is required to be contributed by CC Homes and BBX Capital on a 43% and 57% basis, respectively. BBX Capital is a guarantor of 26.3% of the joint venture's $31.0 million acquisition and development loan. The project commenced land development activities in October 2015.

PGA Design Center Holdings, LLC

In December 2013, BBX Capital purchased for $6.1 million a commercial property in Palm Beach Gardens, Florida, with three existing buildings consisting of 145,000 square feet of mainly furniture retail space. The property, which is located in a larger mixed use property now known as PGA Station (formerly PGA Place), was substantially vacant at the date of acquisition. Subsequent to the acquisition of the property, BBX Capital entered into a joint venture with Stiles Development which acquired a 60% interest in the joint venture for $2.9 million in cash. BBX Capital contributed the property (excluding certain residential development entitlements having an estimated value of $1.2 million) to the joint venture in exchange for $2.9 million in cash and the remaining 40% interest in the joint venture. BBX Capital transferred the retained residential development entitlements to adjacent parcels owned by it in the PGA mixed use property now known as PGA Station (see below for a discussion of the other parcels owned by BBX Capital in PGA Station). The joint venture intends to seek governmental approvals to change the use of a portion of the property from retail to office and subsequently sell or lease the property.

CCB Miramar, LLC

In May 2015, BBX Capital invested in a joint venture with two separate unaffiliated developers relating to the acquisition of real estate in Miramar, Florida for the construction of single-family homes. BBX Capital contributed $875,000 for an approximate 35% interest in the joint venture and one of the developers contributed to the joint venture a contract to purchase the real estate. The purchase of the real estate is subject to certain closing conditions, including receipt of all necessary entitlements and completion of due diligence by the joint venture.

Centra Falls, LLC

In August 2015, BBX Capital invested as one of a number of investors in a joint venture with an unaffiliated developer for the development and sale of 89 townhomes in Pembroke Pines, Florida. BBX Capital contributed $750,000 and is entitled to receive 7.143% of the joint venture distributions until a 12% return on its investment has been attained. Thereafter, BBX Capital will be entitled to 3.175% of the joint venture distributions thereafter. The project commenced construction and sales during the third quarter of 2015. Closings are projected to begin in 2016.

The Addison on Millenia Investment, LLC

In December 2015, BBX Capital invested as one of a number of investors in a joint venture to develop 11.8 acres in the Gardens at Millenia site located in Orlando, Florida into nine retail apartment buildings containing approximately 292 units. The joint venture intends to hold the property and operate the apartment project as an income producing business. BBX Capital transferred property with an agreed upon value of $5.8 million and $0.3 million of cash for its initial joint venture contribution. BBX Capital is entitled to receive 48% of the joint venture distributions until it receives its aggregate capital contributions plus a 10% per annum return on capital. Any distributions thereafter are shared based on its earnings with the managing member receiving an increasing percentage of distributions based on the joint venture's internal rate of return. Construction is expected to commence in the first quarter of 2016.

BBX/S Millenia Blvd Investments, LLC

In October 2015, BBX Capital and an unaffiliated developer invested in a joint venture to develop a retail center on the Gardens of Millenia site in Orlando, Florida. The joint venture intends to obtain all necessary approvals, secure financing, construct all improvements, lease the premises and sell the property. BBX Capital transferred property with an agreed upon value of $7.0 million to the joint venture and received $0.7 million in cash and a 90% interest in the joint venture. BBX Capital is entitled to receive 90% of joint venture distributions until it receives its aggregate capital contributions plus an 8% per annum return on capital. Any distributions thereafter will be shared 54% to BBX Capital and 46% to the developer. Construction is expected to commence in the first quarter of 2016.

Altis at Bonterra – Hialeah, LLC

In December 2015, BBX Capital invested in a joint venture with Altman to develop approximately 314 apartment homes in a portion of Bonterra communities in Hialeah, Florida. BBX Capital transferred approximately 14 acres of land at an agreed upon value of approximately $9.4 million and cash of $7.5 million to the joint venture. BBX Capital is entitled to receive 95% of the joint venture distributions until it receives its aggregate capital contributions plus a 9% per annum return on capital. Any distributions thereafter will be shared 85% by BBX Capital and 15% by Altman. Construction is expected to commence in the first quarter of 2016.

JRG/BBX Development, LLC ("North Flagler")

In October 2013, BBX Capital invested in a joint venture with JRG USA pursuant to which JRG USA assigned to the joint venture a contract to purchase for $10.8 million a 4.5 acre parcel overlooking the Intracoastal Waterway in West Palm Beach, Florida and BBX Capital contributed $0.5 million of cash. During 2015, the zoning district surrounding this property was changed to permit up to 15 stories in building height from 4 stories in building height.

BBX Capital also owned a 2.7 acre parcel located adjacent to the 4.5 acre parcel which was the subject of the contract held by the North Flagler joint venture with JRG USA. The 2.7 acre parcel was acquired by BBX Capital through foreclosure.

9

In May 2015, the joint venture acquired the 4.5 acre parcel and sold the parcel to a third party developer for $20.0 million and BBX Capital sold the 2.7 acre parcel which had a carrying value of $3.2 million on the date of sale to the same developer for $11.0 million. BBX Capital recognized an aggregate $15.5 million gain on the sale of both parcels

PGA Station

BBX Capital owns land located in the newly named PGA Station, in the city of Palm Beach Gardens, Florida, with carrying values aggregating $8.4 million as of December 31, 2015. The property held by the PGA Design Center Holdings joint venture described above is adjacent to PGA Station. BBX Capital believes this property presents a variety of development opportunities, some of which are currently in the planning stages and remain subject to receipt of government approvals. BBX Capital is currently seeking governmental approvals for a 111 room limited-service suite hotel and approximately 190,000 square feet of office buildings on vacant tracts of land.

The composition of the legacy loans transferred to CAM, BBX Partners and FAR in the BB&T was (in thousands):

		As of December 31, 2015		As of December 31, 2014	
Loans held-for-investment:		Unpaid Principal Balance	Carrying Amount	Unpaid Principal Balance	Carrying Amount
Loans receivable:					
Commercial non-real estate	$	12,985	11,250	3,061	1,326
Commercial real estate		23,188	16,294	40,270	24,189
Small business		5,890	4,054	-	-
Consumer		4,687	2,368	3,868	2,306
Residential		117	69	-	-
Total loans held-for-investment	$	46,867	34,035	47,199	27,821
Loans held-for-sale	$	34,342	21,354	56,887	35,423

10

The composition of the BBX reportable segment's legacy real estate held-for-sale and held-for-investment was (in thousands):

		As of December 31,	
		2015	2014
Real estate held-for-sale			
Land	$	25,994	33,505
Rental properties		17,162	1,748
Residential single-family		2,924	4,385
Other		258	2,095
Total real estate held-for-sale	$	46,338	41,733

		As of December 31,	
		2015	2014
Real estate held-for-investment			
Land	$	30,369	60,356
Rental properties		-	15,234
Other		921	962
Total real estate held-for-investment	$	31,290	76,552

Renin Business Segment

BBX Capital acquired the assets of Renin Corp. on October 30, 2013. Renin is headquartered in Brampton, Ontario and has two manufacturing, assembly and distribution facilities located in Brampton, Ontario and Tupelo, Mississippi and a sales and distribution office in the U.K. Renin manufactures interior closet doors, wall décor, hardware and fabricated glass products and its distribution channels include big box and independent home improvement retailers, builders, other manufacturers and specialty retail outlets primarily in North America. Renin had total revenues for the year ended December 31, 2015 and 2014 of $56.5 million and $57.8 million, respectively and total assets as of December 31, 2015 of $22.8 million. Renin's net loss for the years ended December 31, 2015 and 2014 was $2.1 million and $2.1 million, respectively.

Sweet Holdings Segment

The Sweet Holding business segment activities consist of the operations of its acquired businesses in the candy and confections industry. Revenues from these acquisitions included in BBX Capital's Consolidated Statement of Operations for the year ended December 31, 2015 and 2014 aggregated $27.8 million and $16.3 million, respectively. These business acquisitions had total assets as of December 31, 2015 of $36.9 million. Sweet Holdings' net loss for the year ended December 31, 2015 was $8.4 million compared to net income of $3.1 million for the year ended December 31, 2014.

Employees

BBX Capital currently maintains comprehensive employee benefit programs that are considered by management to be generally competitive with programs provided by other employers in its markets.

The number of employees at the indicated dates was:

	December 31, 2015		December 31, 2014	
	Full-time	Part-time	Full-time	Part-time
BBX Capital	44	29	39	26
Renin	232	-	217	4
Sweet Holdings	238	108	157	63
Total	514	137	413	93

Competition

The industries in which BBX Capital conducts business are very competitive and BBX Capital faces substantial competition from real estate developers and building construction companies, and for investments from private equity funds, family offices and hedge funds. BBX Capital may compete with institutions and entities that are larger and have greater resources than the resources available to BBX Capital. Four companies in the candy and confections industry currently account for approximately 71% of the industry's revenues reflecting significant consolidation in the industry in which Sweet Holdings operates. Renin operations include the manufacturing of wall décor, hardware, and fabricated glass. Renin's products are sold mainly to large retailers as well as to housing and building construction companies. The industry in which Renin operates experiences intense competition from foreign importers and producers.

ITEM 1A. RISK FACTORS

BBX Capital’s business and operations and the mix of its assets significantly changed as a result of the sale of BankAtlantic to BB&T during July 2012, and its financial condition and results of operations depend on the monetization of its assets at or near their current book values and its results of operations will depend on the success of its investments.

As a result of the BB&T transaction, BBX Capital’s business and operations significantly changed from its business and operations prior to the sale of BankAtlantic. As a consequence, BBX Capital’s financial condition and results of operations will be dependent on its ability to successfully manage and monetize legacy assets and on the results of operations of Bluegreen and Bluegreen’s ability to continue to pay dividends to Woodbridge and in turn Woodbridge’s payment of dividends to BBX Capital. Further, BBX Capital’s loan portfolio and real estate may not be easily salable in the event BBX Capital decides to liquidate an asset through a sale transaction. BBX Capital’s financial condition and results of operations will be dependent in the long term on the success of its investments. If the legacy assets are not monetized at or near the current book values ascribed to them, or if these assets are liquidated for amounts less than book value, BBX Capital’s financial condition and results of operations would be adversely affected, and its ability to successfully pursue its business goals could be adversely affected. Because a majority of its assets do not generate income on a regular basis, BBX Capital does not expect to generate significant revenue or income with respect to these assets until such time as an asset is monetized through repayments or it consummates transactions involving the sale, joint venture or development of the underlying real estate or investments. Accordingly, BBX Capital expects its revenues and results of operations to vary significantly on a quarterly basis and from year to year.

BBX Capital’s substantial investment in Woodbridge and BBX Capital’s indirect interest in Bluegreen exposes BBX Capital to the risks associated with Bluegreen and the vacation ownership industry.

As previously described, BBX Capital invested $71.75 million in Woodbridge in April 2013 in exchange for a 46% equity interest in Woodbridge. Woodbridge owns all of the shares of Bluegreen’s common stock which constitute Woodbridge’s primary asset. While Woodbridge and Bluegreen are not consolidated into BBX Capital’s financial statements, its investment in Woodbridge is significant and its operating results and financial condition, including its liquidity, is dependent in part on Bluegreen’s performance and Bluegreen’s ability to pay dividends. Bluegreen is subject to various risks and uncertainties which may impact its business and results, including, but not limited to, the following:

- Bluegreen’s business and operations, including its ability to market Vacation Ownership Interests (“VOIs”), is subject to risks related to general economic conditions and the availability of financing;
- The vacation ownership and hospitality industries are highly competitive, and Bluegreen may not be able to compete successfully;
- Bluegreen would incur substantial losses and Bluegreen’s liquidity position could be adversely impacted if the customers to whom Bluegreen provides financing default on their obligations;
- While Bluegreen has attempted to restructure its business to reduce its need for and reliance on financing for liquidity in the short term, there is no assurance that Bluegreen’s business and profitability will not be impacted by its ability to obtain financing, which may not be available on favorable terms, or at all;
- Bluegreen's indebtedness may impact its financial condition and results of operations, and the terms of Bluegreen's indebtedness may limit its activities and its ability to pay dividends;
- The ratings of third-party rating agencies could adversely impact Bluegreen’s ability to obtain, renew or extend credit facilities, or otherwise raise funds;
- Bluegreen’s future success depends on its ability to market its products and services successfully and efficiently and Bluegreen’s marketing expenses may increase;
- Bluegreen may not be successful in increasing or expanding its capital-light business relationships, and its capital-light activities, including fee based, sales and marketing, just-in-time VOI arrangements, and secondary market sales activities, and such activities may not be profitable, which may have an adverse impact on Bluegreen’s results of operations and financial condition;

- Bluegreen's results of operations and financial condition may be materially and adversely impacted if Bluegreen does not continue to participate in exchange networks and other strategic alliances with third parties or if Bluegreen's customers are not satisfied with the networks in which Bluegreen participates or Bluegreen's strategic alliances;
- The resale market for VOIs could adversely affect Bluegreen's business;
- Bluegreen is subject to the risks of the real estate market and the risks associated with real estate development, including a decline in real estate values and a deterioration of other conditions relating to the real estate market and real estate development;
- Adverse outcomes in legal or other regulatory proceedings, including claims for development-related defects or consumer complaints to regulatory authorities, could adversely affect Bluegreen's financial condition and operating results;
- Bluegreen may be adversely affected by extensive federal, state and local laws and regulations and changes in applicable laws and regulations, including with respect to the imposition of additional taxes on operations. In addition, results of audits of Bluegreen's tax returns or those of Bluegreen's subsidiaries may have a material and adverse impact on Bluegreen's financial condition;
- Environmental liabilities, including claims with respect to mold or hazardous or toxic substances, could have a material adverse impact on Bluegreen's financial condition and operating results;
- A failure to maintain the integrity of internal or customer data could result in damage to Bluegreen's reputation and/or subject Bluegreen to costs, fines, or lawsuits;
- Bluegreen's technology requires updating and the failure to keep pace with developments in technology could impair Bluegreen's operations or competitive position; and
- The loss of the services of Bluegreen's key management and personnel could adversely affect its business.

For more detailed information regarding Bluegreen's business, the risks set forth above and other risks which Bluegreen faces, see BFC's Annual Report on Form 10-K for the year ended December 31, 2015, which is available free of charge on the SEC's website at www.sec.gov, including the "Risk Factors – Risks Related to Bluegreen" section thereof.

During the year ended December 31, 2015 and 2014 and the nine months ended December 31, 2013, BBX Capital received dividends totaling $76.0 million from Woodbridge following its receipt of dividends from Bluegreen. As indicated above, Bluegreen's debt instruments contain restrictions on its ability to pay dividends. In addition, dividend payments by Bluegreen are subject to declaration by Bluegreen's board of directors, and subsequent dividends by Woodbridge are subject to the approval of the board of directors of BFC as well as BBX Capital's board of directors. Dividend decisions outside of BBX Capital's control may not be made in BBX Capital's best interest. If Bluegreen is unable to pay dividends or Bluegreen or Woodbridge does not otherwise pay dividends, BBX Capital's liquidity would be materially and adversely impacted. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity" for additional information.

BBX Capital's future acquisitions may reduce earnings, require it to obtain additional financing and expose it to additional risks.

BBX Capital's business strategy includes investments in or acquisitions of operating companies, such as its acquisitions of Renin Corp. and the acquisitions of businesses by BBX Sweet Holdings in the candy and confections industry. Some of these investments and acquisitions may be material. While BBX Capital is seeking investments and acquisitions primarily in companies that provide opportunities for growth, it may not be successful in identifying these opportunities. Investments or acquisitions that it completes may not prove to be successful or even if successful may not initially generate income, or may generate income on an irregular basis or over a long time period. Accordingly BBX Capital's results of operations may vary significantly on a quarterly basis and from year to year. Acquisitions may result in additional risks and may have a material adverse effect on BBX Capital's results of operations. Acquisitions entail numerous risks, including:

- Difficulties in integrating and assimilating acquired management and operations;
- Risks associated with achieving profitability;
- The incurrence of significant due diligence expenses relating to acquisitions that are not completed;
- Unforeseen expenses and losses;

· Risks associated with entering new markets in which it has no or limited prior experience;
· The potential loss of key employees or founders of acquired organizations; and
· Risks associated with transferred assets and liabilities.

BBX Capital may not be able to acquire or profitably manage additional businesses, or to integrate successfully any acquired businesses, including Renin and the businesses BBX Sweet Holdings acquired, without substantial costs, delays or other operational or financial difficulties, including difficulties in integrating information systems and personnel and establishing control environment processes across acquired businesses. The failure to do so could have a material adverse effect on its business, financial condition and results of operations. In addition, to the extent that operating businesses are acquired outside the United States or the State of Florida, there will be additional risks related to compliance with foreign regulations and laws including tax laws, labor laws, currency fluctuations and geography economic conditions.

In addition, BBX Capital faces competition in making investments or acquisitions which could increase the costs associated with the investment or acquisition. Further, investments or acquisitions may rely on additional debt or equity financing. The issuance of debt will result in additional leverage which could limit its operating flexibility, and the issuance of equity could result in additional dilution to its shareholders. In addition, such financing could consist of equity securities which have rights, preferences or privileges senior to BBX Capital's Class A Common Stock.

If BBX Capital requires additional financing in the future, the financing may not be available when needed or on favorable terms, if at all. Additionally, shareholder approval will not be sought in connection with any investments or acquisitions unless required by law or regulation.

Some of BBX Capital's operations are through unconsolidated joint ventures with unaffiliated third parties and BBX Capital may be adversely impacted by a joint venture partner's failure to fulfill its obligations.

By entering into joint ventures, BBX Capital can reduce the amount invested in the ownership and development of real estate properties. However, joint venture partners may become financially unable or unwilling to fulfill their obligations under the joint venture agreements. Most joint ventures borrow money to help finance their activities, and although recourse on the loans is generally limited to the managing members, joint ventures and their properties, BBX Capital has in some cases and may in the future provide ongoing financial support or guarantees. If joint venture partners do not meet their obligations to the joint venture, BBX Capital may be required to make significant expenditures which may have an adverse effect on its operating results or financial condition.

Investments in real estate developments directly or through joint ventures expose it to market and economic risks inherent in the real estate construction and development industry.

The real estate construction and development industry is highly competitive and subject to numerous risks which in many cases are beyond management's control. The success of BBX Capital's investments in real estate developments is dependent on many factors, including:

- Demand for or oversupply of new homes, rental apartments and commercial real estate;
- Demand for commercial real estate tenants;
- Real estate market values;
- Changes in capitalization rates impacting real estate values;
- Inventory of foreclosed homes negatively impacting selling prices;
- Availability and reasonable pricing of skilled labor;
- Availability and reasonable pricing of construction materials such as lumber, framing, concrete and other building materials;
- Changes in laws and regulations for new construction and land entitlements, including environmental and zoning laws and regulations;
- Natural disasters and severe weather conditions increasing costs, delaying construction, causing uninsured losses or reducing demand for new homes;
- Availability and cost of mortgage financing for potential purchasers;

- Mortgage loan interest rates;
- Availability, delays and costs associated with obtaining permits, approvals or licenses necessary to develop property;
- Construction defects and product liability claims and;
- General economic conditions.

Any of these factors could give rise to delays in the start or completion of a project, or increase the cost of developing a project, or could result in reduced prices and values for BBX Capital's developments, including developments underlying its joint venture investments.

A significant portion of BBX Capital's assets are located in Florida and economic conditions in the Florida real estate market could adversely affect, BBX Capital's earnings and financial condition.

The legacy assets retained by BBX Capital in the BB&T Transaction and the real estate investments made by BBX Capital are primarily in the Florida market, and adverse changes to the Florida economy or the real estate market may negatively impact BBX Capital's earnings and financial condition. BBX Capital's business, the primary source of repayment for loans and the real estate collateralizing loans and real estate acquired through foreclosure or settlements with borrowers and its investments in real estate joint ventures are primarily concentrated in Florida. As a result, BBX Capital is exposed to geographic risks of high unemployment rates, declines in the housing industry and declines in the real estate market in Florida. Adverse changes in laws and regulations in Florida would have a negative impact on BBX Capital's revenues, financial condition and business. Declines in the Florida housing markets may negatively impact the credit performance of BBX Capital's loans and result in significant asset impairments. Further, the State of Florida is subject to the risks of natural disasters such as tropical storms and hurricanes, which may disrupt BBX Capital's operations, adversely impact the ability of its borrowers to timely repay their loans, adversely impact the value of any collateral securing loans and BBX Capital's portfolio of real estate (both held-for-sale and held-for-investment), or otherwise have an adverse effect on BBX Capital's results of operations. The severity and impact of tropical storms, hurricanes and other weather related events are unpredictable.

An increase in BBX Capital's allowance for loan losses will result in reduced earnings.

BBX Capital continues to be exposed to the risk that borrowers will be unable to repay their loans according to their terms and that any collateral securing the payment of these loans will not be sufficient to assure full repayment. Management evaluates the collectability of the loan portfolio and provides an allowance for loan losses that it believes is adequate based upon such factors as:

- the risk characteristics of various classifications of loans;

- previous loan loss experience;
- delinquency trends;
- estimated fair value of the collateral; and
- current economic conditions.

Many of these factors are difficult to predict or estimate accurately, particularly in a changing economic environment. The process of determining the estimated losses inherent in the loan portfolio requires subjective and complex judgments and the level of uncertainty concerning economic conditions may adversely affect the ability to estimate the losses which may be incurred in the loan portfolio. If such evaluation is incorrect and borrowers' defaults result in losses exceeding the portion of the allowance for loan losses allocated to those loans, or if perceived adverse trends requires significant increases in the allowance for loan losses in the future, BBX Capital's earnings could be significantly and adversely affected.

Non-accrual loans take significant time to resolve and adversely affect BBX Capital's results of operations and financial condition, and could result in further losses in the future.

At December 31, 2015, non-accrual loans totaled approximately $17.4 million or 72% of BBX Capital's total loan portfolio. Non-accrual loans adversely affect net income through foreclosure costs, operating expenses and taxes. Until these loans are monetized, BBX Capital may incur additional losses relating to these non-accrual loans. BBX Capital records interest income on non-accrual loans on a cash basis. When BBX Capital receives the collateral in foreclosures or similar proceedings, BBX Capital is required to mark the related collateral to the then fair market value, generally based on appraisals of the property. These loans also increase BBX Capital's risk profile, and increases in the level of non-accrual loans adversely affect BBX Capital's results of operations and financial condition. While BBX Capital seeks to manage non-accrual loans, decreases in the value of these loans or deterioration in the financial condition of borrowers, which is often impacted by economic and market conditions beyond BBX Capital's control, could adversely affect BBX Capital's business, results of operations and financial condition. In addition, the resolution of non-accrual loans requires significant commitments of management time.

BBX Capital's consumer loan portfolio is concentrated in home equity loans collateralized by properties located in South Florida.

Financial institutions and other lenders have tightened underwriting standards which has limited the ability of borrowers to refinance. The majority of BBX Capital's home equity loans are residential second mortgages that exhibit higher loss severity than residential first mortgages. If home prices decline, BBX Capital may experience higher credit losses from this loan portfolio. Since the collateral for this portfolio consists primarily of second mortgages, it is unlikely that BBX Capital will be successful in recovering all or any portion of BBX Capital's loan proceeds in the event of a default unless BBX Capital is prepared to repay the first mortgage and such repayment and the costs associated with a foreclosure are justified by the value of the property.

The cost and outcome of pending legal proceedings may impact BBX Capital's results of operations.

BBX Capital is involved in ongoing litigation which has resulted in significant selling, general and administrative expenses relating to legal and other professional fees. Pending proceedings include litigation brought by the SEC, litigation arising out of workouts and foreclosures, and legal proceedings associated with BankAtlantic's tax certificate business. As discussed under Item 3. Legal Proceedings, the jury in the SEC action found that BBX Capital and BBX Capital's Chairman and Chief Executive Officer, Alan B. Levan had engaged in an act of fraud or deceit toward shareholders or prospective investors by making materially false statements knowingly or with severe recklessness (1) with respect to three statements in a July 25, 2007 conference call and (2) failing to classify certain loans as held-for sale in the 2007 Annual Report on Form 10-K. The jury also found that Mr. Levan made or caused to be made false statements to the independent accountants regarding the held for sale issue. BBX Capital and Mr. Levan have appealed the adverse judgment to the Eleventh Circuit Court of Appeals. While the results of appellate review are uncertain legal and related costs are being incurred in connection with the appeal. BBX Capital received legal fee and cost reimbursements from its insurance carrier in connection with the SEC action of approximately $5.8 million as of December 31, 2015 and the insurance carrier has indicated it may seek reimbursement for costs, charges and expenses advanced in connection with this matter. If BBX Capital is required to reimburse the insurance carrier, such reimbursements would adversely impact BBX Capital's financial condition and results of operations. See Item 3. Legal Proceedings.

Adverse market conditions may affect BBX Capital's business and results of operations.

BBX Capital's financial condition and results of operations may be adversely impacted as a result of any downturn in the U.S. housing and commercial real estate markets and general economic conditions. Negative market and economic developments may cause increases in delinquencies and default rates of BBX Capital's loans and may impact charge-offs and provisions for loan losses and the value of BBX Capital's real estate and other real estate related assets.

Renin sales are concentrated with two significant customers and there is significant competition in the industry.

A significant amount of Renin's sales are to big-box home centers. These home centers in many instances have significant negotiating leverage with their vendors, and are able to affect the prices Renin receives for its products and the terms and conditions on which Renin conducts its business with them. These home centers may also reduce the number of vendors they purchase from or make significant changes in their volume of purchases. Although homebuilders, dealers and other retailers represent other channels of distribution for Renin's products, the loss of a home center customer or reduced sales volume from any of these home centers would have a material adverse effect on Renin's business. Further, Renin has substantial competition from overseas manufacturers of products similar to those sold by Renin.

A significant portion of Renin's business relies on home improvement and new home construction activity, both of which are cyclical and outside of management's control.

A significant portion of Renin's business in Canada and the United States is dependent on the levels of home improvement activity, including spending on repair and remodeling projects, and new home construction activity. Macroeconomic conditions including consumer confidence levels, fluctuations in home prices, unemployment and underemployment levels, interest rates, regulatory initiatives, and the availability of home equity loans and mortgage financing affect both discretionary spending on home improvement projects as well as new home construction activity. Adverse changes in these factors or uncertainty regarding these macroeconomic conditions could result in a decline in spending on home improvement projects and a decline in demand for new home construction, both of which could adversely affect Renin's results of operations.

The operating results of Renin and BBX Sweet Holdings would be negatively impacted if they experience increased commodity costs or a limited availability of commodities.

BBX Capital's operating businesses purchase various commodities to manufacture products, including steel, aluminum, glass and mirror in the case of Renin, and sugar and cocoa in the case of BBX Sweet Holdings. Fluctuations in the availability and prices of these commodities could increase the cost to manufacture products. Further, increases in energy costs could increase production costs as well as transportation costs, each of which could negatively affect these businesses operating results. Renin's and BBX Sweet Holdings' existing arrangements with customers, competitive considerations and the relative negotiating power and resistance of home center customers and big-box retailers to price increases make it difficult to increase selling prices to absorb increased production costs. If Renin and BBX Sweet Holdings are not able to increase the prices of its products or achieve other cost savings or productivity improvements to offset any increased commodity and production costs, BBX Capital's operating results could be negatively impacted.

Unexpected events, such as natural disasters, severe weather and terrorist activities may disrupt Renin's operations and increase its production costs.

The occurrence of one or more unexpected events, including tsunamis, hurricanes, earthquakes, floods and other forms of severe weather or terrorist activities in countries or regions in which Renin's suppliers are located could adversely affect Renin's operations and financial performance. Natural disasters, acts or threats of war or terrorism, or other unexpected events could result in temporary or long-term disruption in the delivery or supply of necessary raw materials and component products from Renin's suppliers, which would disrupt Renin's production capabilities and likely increase its cost of doing business.

Market demand for chocolate and candy products could decline.

BBX Sweet Holdings and its acquired businesses operate in highly competitive markets and compete with larger companies that have greater resources. The success of these businesses is impacted by many factors, including the following:

- Effective retail execution;
- Effective and cost efficient advertising campaigns and marketing programs;
- Adequate supply of commodities at a reasonable cost;
- Oversight of product safety;
- Ability to sell manufactured products at competitive prices;
- Response to changes in consumer preferences and tastes; and
- Changes in consumer health concerns, including obesity and the consumption of certain ingredients.

A decline in market demand for chocolate and candy products could negatively affect operating results.

18

BBX Sweet Holdings product recall or product liability claims could have a material and adverse effect.

Selling products for human consumption involves inherent legal and other risks, including product contamination, spoilage, product tampering, allergens, or other adulteration. BBX Sweet Holdings could decide or be required to destroy inventory, recall products or lose sales in connection with contamination, tampering, adulteration or other deficiencies. These events could result in significant losses and may damage BBX Sweet Holdings' reputation, and discourage consumers from buying products, or cause production and delivery disruptions which would adversely affect BBX Sweet Holdings' financial condition and results of operations. BBX Sweet Holdings may also incur losses if products cause injury, illness or death. A significant product liability claim may adversely affect both reputation and profitability, even if the claim is unsuccessful.

BBX Capital's financial performance may adversely affect its ability to access capital and may have a material adverse effect on its business, financial condition and results of operations.

BBX Capital's ability to fund operations and investment opportunities may depend on its ability to raise capital in the secondary markets and on its ability to monetize its portfolio of non-accruing loans and foreclosed real estate. Its ability to raise additional capital will depend on, among other things, conditions in the financial markets at the time, which are outside of BBX Capital's control, as well as litigation and its financial condition, results of operations and prospects. The failure to obtain capital may have a material adverse effect on our results of operation and financial condition.

BBX Capital is controlled by BFC and its controlling shareholders, and this control position may adversely affect the market price of BBX Capital's Class A Common Stock.

BFC currently owns 13,321,441 shares of BBX Capital's Class A Common Stock, representing approximately 81% of the outstanding shares of such stock and all 195,045 outstanding shares of BBX Capital's Class B Common Stock representing approximately 90% of BBX Capital's total voting power. Additionally, Alan B. Levan and John E. Abdo, Vice Chairman of BBX Capital and BFC, collectively beneficially own shares of BFC's Class A Common Stock and Class B Common Stock representing approximately 63% of BFC's total voting power. BBX Capital's Class A Common Stock and Class B Common Stock vote as a single group on most matters. Accordingly, BFC, directly, and Messrs. Levan and Abdo, indirectly through BFC, are in a position to control BBX Capital, elect BBX Capital's board of directors and significantly influence the outcome of any shareholder vote. This control position may have an adverse effect on the market price of BBX Capital's Class A Common Stock.

BFC can reduce its economic interest in BBX Capital and still maintain voting control.

BBX Capital's Class A Common Stock and Class B Common Stock generally vote together as a single class, with the Class A Common Stock possessing a fixed 53% of the aggregate voting power of BBX Capital, and the Class B Common Stock possessing a fixed 47% of such aggregate voting power. BBX Capital's Class B Common Stock currently represents less than 1% of BBX Capital's total common equity and 47% of BBX Capital's total voting power. As a result, the voting power of BBX Capital's Class B Common Stock does not bear a direct relationship to the economic interest represented by the shares.

Any issuance of shares of Class A Common Stock will further dilute the relative economic interest of the Class B Common Stock, but will not decrease the voting power represented by the Class B Common Stock. Further, BBX Capital's Restated Articles of Incorporation provide that these relative voting percentages will remain fixed until such time as BFC and its affiliates own less than 97,253 shares of the Class B Common Stock, which is approximately 50% of the number of shares of Class B Common Stock that BFC now owns, even if additional shares of Class A Common Stock are issued. Therefore, BFC may sell up to approximately 50% of its shares of Class B Common Stock (after converting those shares to shares of Class A Common Stock), and significantly reduce its economic interest in BBX Capital, while still maintaining its voting power. If BFC were to take this action, it would widen the disparity between the equity interest represented by the Class B Common Stock and its voting power. Any conversion of shares of Class B Common Stock into shares of Class A Common Stock would further dilute the voting interests of the holders of the Class A Common Stock.

Provisions in BBX Capital's Restated Articles of Incorporation and Amended and Restated Bylaws, and recently adopted shareholder rights plan, may make it difficult for a third party to acquire BBX Capital and could depress the price of BBX Capital's Class A Common Stock.

BBX Capital's Restated Articles of Incorporation and Amended and Restated Bylaws contain provisions that could delay, defer or prevent a change of control of BBX Capital or its management. These provisions could make it more difficult for shareholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that investors are willing to pay in the future for shares of BBX Capital's Class A Common Stock. These provisions include:

- the provisions in the Restated Articles of Incorporation regarding the voting rights of Class B Common Stock;
- the authority of the board of directors to issue additional shares of common or preferred stock and to fix the relative rights and preferences of the preferred stock without additional shareholder approval; and
- advance notice procedures to be complied with by shareholders in order to make shareholder proposals or nominate directors.

In addition, on February 7, 2013, BBX Capital adopted a shareholder rights plan which is designed to preserve certain tax benefits available to BBX Capital. However, because the rights plan provides a deterrent to investors from acquiring a 5% or greater ownership interest in Class A Common Stock, it may have an anti-takeover effect.

The loss of key personnel or the failure to attract and retain highly qualified personnel could adversely affect BBX Capital's operations.

BBX Capital's performance is largely dependent on the talents and efforts of skilled individuals. BBX Capital's business operations could be adversely affected if BBX Capital is unable to retain and motivate BBX Capital's existing employees and attract new employees as needed. In addition, as previously described, the jury in the SEC action found that BBX Capital and Alan B. Levan committed violations of federal securities laws. While BBX Capital and Mr. Levan appealed the adverse judgment to the Eleventh Circuit Court of Appeals, the results of appellate review are uncertain. Mr. Alan Levan resigned as BBX Capital's Chairman and Chief Executive Officer on December 23, 2015. BBX Capital believes that Mr. Abdo, who serves as a director and Vice Chairman of BBX Capital and Jarett Levan, the Board appointed acting Chairman and Chief Executive Officer will mitigate the loss of Mr. Alan Levan as Chairman and Chief Executive Officer.

Information technology failures and data security breaches could harm BBX Capital's business.

BBX Capital relies on information technology (IT) systems, including Internet sites, data hosting facilities and other hardware and platforms, some of which are hosted by third parties. These IT systems, like those of most companies, may be vulnerable to a variety of interruptions, including, but not limited to, natural disasters, telecommunications failures, hackers, and other security issues. Moreover, BBX Capital's computer systems, like those of most companies, are subjected to computer viruses or other malicious codes, and to cyber or phishing-attacks. Although administrative and technical controls have been implemented which attempt to minimize the risk of cyber incidents, computer intrusion efforts are becoming increasingly sophisticated, and any enhanced controls installed might be breached. If the IT systems cease to function properly, BBX Capital could suffer interruptions in its operations. If the cyber-security is breached, unauthorized persons may gain access to proprietary or confidential information, including information about borrowers, employees or investments. This could require BBX Capital to incur significant costs to repair or restore the security of its systems.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

BBX Capital leases its principal executive offices which are located at 401 East Las Olas Blvd, Fort Lauderdale, Florida, 33301. The office lease expiration date is June 30, 2021. BBX Capital has the right to renew the terms of the lease for two additional five year terms.

Renin leases its executive offices located at 110 Walker Drive, Brampton, Ontario. The office lease expiration date is December 31, 2024. Renin leases two manufacturing facilities in the United States and Canada which have lease expiration dates of December 31, 2022 and December 31, 2024.

Hoffman’s owns its chocolate manufacturing facility located at 5190 Lake Worth Road, Greenacres, Florida. The facility is comprised of a 4,000 square foot office and store front area and a 11,526 square foot manufacturing area. Hoffman’s also owns two warehouse facilities in Riviera Beach, Florida and leases a warehouse in Greenacres, Florida which expires June 30, 2017.

Hoffman’s leases three of its retail locations in West Palm Beach, Florida with lease expiration dates ranging from March 5, 2017 to December 31, 2019. Hoffman’s leases four retail locations in Broward County, Florida with lease expiration dates ranging from June 30, 2019 to December 31, 2020.

Williams and Bennett leases its chocolate manufacturing facility located at 2045 High Ridge Road, Boynton Beach, Florida with an expiration date of January 31, 2020. The facility is comprised of 30,000 square feet of office, manufacturing, warehousing and food storage areas.

Anastasia leases its chocolate manufacturing facility located at 1815 Cypress Lake Drive, Orlando, Florida with an expiration date of September 30, 2019 with three additional option terms of five years each commencing as of the expiration date. The facility is comprised of 80,000 square feet of office, manufacturing, warehousing and food storage areas.

Kencraft leases a manufacturing, storage and distribution facility located at 680 South 500 East, American Fork, Utah, with a lease expiration date of May 31, 2023.

ITEM 3. LEGAL PROCEEDINGS

Securities and Exchange Commission v. BankAtlantic Bancorp, Inc. and Alan B. Levan, Case No. 12-60082-CV-SCOLA, United States District Court, Southern District of Florida

On January 18, 2012, the SEC brought an action in the United States District Court for the Southern District of Florida against BBX Capital and Alan B. Levan, BBX Capital's Chairman and Chief Executive Officer, alleging that they violated securities laws by not timely disclosing known adverse trends in BBX Capital's commercial real estate loans, selectively disclosing problem loans and engaging in improper accounting treatment of certain specific loans which may have resulted in a material understatement of its net loss in BBX Capital's Annual Report on Form 10-K for the year ended December 31, 2007. Further, the complaint alleged that Mr. Alan B. Levan intentionally misled investors in related earnings calls. The Court denied summary judgment as to most issues, but granted the SEC's motion for partial summary judgment that certain statements in one of Alan Levan's answers on a July 25, 2007 investor conference call were false.

On December 15, 2014, after a six-week trial, the jury found in favor of BBX Capital and Alan B. Levan with respect to the disclosures made during an April 2007 earnings conference call and in BBX Capital's quarterly reports on Form 10-Q for the 2007 first and second quarters, but found that they had engaged in an act of fraud or deceit toward shareholders or prospective investors by making materially false statements knowingly or with severe recklessness (1) with respect to three statements in the July 25, 2007 conference call referenced above, and (2) failing to classify certain loans as held-for sale in the 2007 Annual Report on Form 10-K. The jury also found that Mr. Levan made or caused to be made false statements to the independent accountants regarding the held for sale issue.

The SEC sought a final judgment: (i) permanently barring Alan B. Levan from serving as an officer or director of any SEC reporting company; (ii) imposing civil penalties of $5.2 million against BBX Capital and $1.56 million against Alan B. Levan; and (iii) permanently restraining BBX Capital and Alan B. Levan from violating securities laws. On September 24, 2015, the court entered a final judgment denying the SEC's request for a permanent bar from Mr. Levan serving as an officer or director of any public company, but instead ordered Mr. Levan barred from serving as an officer or director of any public company for a period of two years commencing on December 23, 2015. As a result of the court's decision, on December 23, 2015 Mr. Levan resigned as Chairman and Chief Executive Officer of BBX Capital, as Chairman, Chief Executive Officer and President of BFC, and as a director of BBX Capital and BFC. The court also imposed monetary penalties against BBX Capital in the amount of $4,550,000 and monetary penalties against Mr. Levan in the amount of $1,300,000. BBX Capital and Mr. Levan are appealing the final judgment to the Eleventh Circuit Court of Appeals.

On January 14, 2015, BBX Capital received notice from its insurance carrier that, based upon its interpretation of the jury verdict in this action, the carrier does not believe it is obligated to advance further payments towards fees and costs incurred in connection with this action and that it reserves its right to obtain reimbursement of the amounts it previously advanced with respect to this action. BBX Capital has received legal fee and cost reimbursements from its insurance carrier in connection with this action of approximately $5.8 million.

In re: New Jersey Tax Sales Certificates Antitrust Litigation v. BBX Capital Corporation f/k/a BankAtlantic Bancorp, Inc., Fidelity Tax, LLC, Gary I. Branse, Michael Deluca and BB&T Corporation, and multiple other individuals and entities who purchased New Jersey tax certificates between 1998 to February 2009, Case No.12-CV-01893-MAS-TJB, United States District Court, District of New Jersey (Trenton)

On December 21, 2012, plaintiffs filed an Amended Complaint in an existing purported class action filed in Federal District Court in New Jersey adding BBX Capital and Fidelity Tax, LLC, a wholly owned subsidiary of CAM, among others as defendants. The class action complaint was brought on behalf of a class defined as “all persons who owned real property in the State of New Jersey and who had a Tax Certificate issued with respect to their property that was purchased by a Defendant during the Class Period at a public auction in the State of New Jersey at an interest rate above 0%.” Plaintiffs alleged that beginning in January 1998 and at least through February

2009, the Defendants were part of a statewide conspiracy to manipulate interest rates associated with tax certificates sold at public auction from at least January 1, 1998, through February 28, 2009. During this period, Fidelity Tax was a subsidiary of BankAtlantic. Fidelity Tax was contributed to CAM in connection with the sale of BankAtlantic in the BB&T Transaction. While BBX Capital believed the claims to be without merit, BBX Capital reached an agreement to settle the action, subject to court approval. The settlement has been preliminarily approved by the court and the final approval hearing is currently scheduled for the second quarter of 2016.

ITEM 4. Mine Safety Disclosures.

Not Applicable

PART II

ITEM 5.MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

BBX Capital’s Class A Common Stock is traded on the New York Stock Exchange under the symbol “BBX.” BFC Financial Corporation (“BFC”) is the sole holder of BBX Capital’s Class B Common Stock and there is no trading market for BBX Capital’s Class B Common Stock. The Class B Common Stock may only be owned by BFC or its affiliates and is convertible into Class A Common Stock on a share for share basis.

On March 8, 2016, there were approximately 236 record holders and 16,199,145 shares of the Class A Common Stock issued and outstanding. In addition, there were 195,045 shares of Class B Common Stock outstanding at March 8, 2016.

The following table sets forth, for the periods indicated, the high and low sale prices of the Class A Common Stock as reported by the New York Stock Exchange:

	Class A Common Stock High	Low
Calendar Year 2014		
First quarter	$ 22.54	$ 14.18
Second quarter	20.50	17.06
Third quarter	19.95	17.25

Fourth quarter	18.50	11.80
For the year ended December 31, 2014	22.54	11.80
Calendar Year 2015		
First quarter	$ 18.79	$ 13.26
Second quarter	19.18	15.39
Third quarter	16.56	15.32
Fourth quarter	18.44	14.45
For the year ended December 31, 2015	19.18	13.26

Dividends

There were no cash dividends paid by BBX Capital during the years ended December 31, 2015, and 2014. While BBX Capital currently expects to continue to utilize its available cash to pursue opportunities in accordance with its business strategies, it may consider the payment of dividends in the future depending upon its results of operations, liquidity needs and other factors.

Issuer Purchases of Equity Securities

In September 2014 BBX Capital's Board of Directors approved a share repurchase program which authorizes the repurchase of up to $20.0 million of Class A Common Stock. BBX Capital announced the share repurchase program on November 10, 2014 and have yet to make any repurchases under the program.

Securities Available Under Equity Compensation Plan

The following table lists all securities authorized for issuance under the Company's equity compensation plans at December 31, 2015:

Plan category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans excluding outstanding options
Equity compensation plans approved by security holders	7,016	$ 108.24	177,410
Total	7,016	$ 108.24	177,410

In March 2015 BBX Capital's Board of Directors approved an amendment to both the BBX Capital Corporation 2014 Stock Incentive Plan and the 2005 Restricted Stock and Option Plan. The amendment to each Plan authorizes the Compensation Committee to issue restricted stock awards in the form of restricted stock units rather than just restricted stock. Following the amendment, BBX Capital and its executive officers agreed to retire any shares of BBX Capital's outstanding Class A restricted common stock awards ("RSAs") previously issued in the name of the Compensation Committee and subject to forfeiture until vested in exchange for BBX Capital issuing to the executive officers restricted Class A common stock units ("RSUs") resulting in the retirement of 1,391,282 Class A common shares. Pursuant to the terms of the RSUs, BBX Capital promises to issue Class A common stock only at the time the underlying units vest. The RSUs issued have the same terms, and cover the same number of underlying shares of Class A common stock, as the RSAs that were retired.

Shareholder Return Performance Graph

Set forth below is a graph comparing the cumulative total returns (assuming reinvestment of dividends) for the Class A common stock, the Standard and Poor's 500 Stock Index and the Standard and Poor's 500 Small-Cap Stock Index and assumes $100 is invested on December 31, 2010.

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
BBX Capital Corporation	100.00	58.78	116.52	271.30	286.09	272.17
Standard and Poor's Small-Cap Stock Index	100.00	99.752	114.06	159.38	166.58	160.81
Standard and Poor's 500 Stock Index	100.00	99.997	113.40	146.97	163.71	162.52

25

BBX Capital has focused on repositioning its business since the sale of BankAtlantic to BB&T in July 2012, and BBX Capital is not able to identify a group of peer companies or industry or line-of-business index which it believes is comparable to BBX Capital and its current operations. Accordingly, the Standard and Poor's Small-Cap Stock Index was selected based on BBX Capital's market capitalization.

The performance graph should not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference into any filing of BBX Capital under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present a summary of selected historical consolidated financial data as of and for the periods indicated below. The selected historical consolidated statements of operations for fiscal years 2015, 2014 and 2013 and the selected consolidated statements of financial condition as of December 31, 2015 and 2014 are derived from BBX Capital's consolidated financial statements included in Item 8 of this report. The selected historical consolidated statements of operations for fiscal years 2012 and 2011 and the selected consolidated statements of financial condition as of December 31, 2013, 2012 and 2011 are derived from BBX Capital's previously filed audited consolidated financial statements and have been updated to conform to the current presentation.

		For the Years Ended December 31,				
(In thousands except per share data)		2015	2014	2013	2012	2011
Statements of Operations Data:						
Total revenues	$	131,483	92,645	48,658	33,285	45,682
Recoveries from (provision for) for loan losses		13,457	7,155	43,865	(2,405)	(37,874)
Asset impairments, net		(287)	(7,015)	(4,708)	(9,931)	(14,666)
Other costs and expenses		(134,780)	(116,305)	(53,596)	(68,169)	(72,134)
Total costs and expenses		(121,610)	(116,165)	(14,439)	(80,505)	(124,674)
Equity in earnings of Woodbridge Holdings, LLC		14,974	25,282	13,461	-	-
Equity in losses of unconsolidated real estate joint ventures		(1,565)	(559)	-	-	-
Income (loss) from continuing operations before income taxes		23,282	1,203	47,680	(47,220)	(78,992)
Provision (benefit) for income taxes (5)		(245)	(3,101)	20	(18,744)	(19,480)
Income (loss) from continuing operations		23,527	4,304	47,660	(28,476)	(59,512)
Discontinued operations, net of tax (4)		-	-	-	264,238	30,771
Net income (loss)		23,527	4,304	47,660	235,762	(28,741)
Less: net (earnings) loss attributable to noncontrolling interest		(1,753)	391	179	-	(336)
Net income (loss) attributable to BBX Capital Corporation	$	21,774	4,695	47,839	235,762	(29,077)

		For the Years Ended December 31,				
(In thousands except per share data)		2015	2014	2013	2012	2011
Per Common Share Data (1):						
Basic earnings (loss) per share (5)(6)	$	1.34	0.29	3.02	15.00	(2.04)
Diluted earnings (loss) per share (5)(6)	$	1.30	0.28	2.94	15.00	(2.04)
Book value per share (2)	$	20.42	19.16	18.93	15.24	(1.08)
Weighted Average Number of Common Shares Outstanding:						
Basic weighted average number of common shares outstanding		16,229	16,043	15,843	15,720	14,227

Diluted weighted average number of common shares outstanding	16,805	16,678	16,278	15,720	14,227

		As of December 31,				
(In thousands except share and per share data)		2015	2014	2013	2012	2011
Statements of Financial Condition Data (at period end):						
Loans held-for-sale	$	21,354	35,423	53,846	24,748	55,601
Loans receivable, net of allowance for loan losses		34,035	26,844	72,226	292,562	2,448,203
Total assets		393,541	392,936	431,147	470,703	3,678,119
Deposits		-	-	-	-	3,280,083
Other borrowings (3)		21,421	42,021	99,213	207,178	359,114
Total equity		335,979	311,280	303,566	240,324	(16,926)

1. No cash dividends have been declared or paid during each of the years in the five year period ended December 31, 2015.
2. The denominator of book value per share for all periods was computed by combining the number of Class A and Class B shares outstanding at year end.
3. Other borrowings consisted of notes payable for the year ended December 31, 2015. Other borrowings consisted of BB&T's preferred interest in FAR, notes payable to related parties and notes payable as of December 31, 2014, 2013 and 2012. Other borrowings were primarily FHLB advances, subordinated debentures, and junior subordinated debentures as of December 31, 2011.
4. Discontinued operations include the results of operations of BankAtlantic's Community Banking, Investments, Tax Certificates and Capital Services reporting units for each of the years in the two year per period ended December 31, 2012.
5. During each of the years in the five year period ended December 31, 2015, BBX Capital maintained a deferred tax valuation allowance for its entire net deferred tax asset. During the years ended December 31, 2015 and 2014, BBX Capital recognized a tax benefit of $0.3 million and $3.1 million from the reduction in the deferred tax valuation allowance for taxable temporary differences recognized in connection with certain BBX Sweet Holdings acquisitions. During the years ended December 31, 2012 and 2011, BBX Capital recognized a tax benefit of $18.7 million and $19.2 million, respectively, from the reduction in the deferred tax asset valuation allowance associated with income from discontinued operations.
6. For the years ended December 31, 2012 and 2011, basic and diluted earnings per share from discontinued operations was $16.81 and $2.17 per share, respectively.

ITEM 7.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

BBX Capital Corporation was organized under the laws of the State of Florida in 1994. BBX Capital Corporation's principal asset until July 31, 2012 was its ownership of BankAtlantic and its subsidiaries. BankAtlantic was a federal savings bank headquartered in Fort Lauderdale, Florida and provided traditional retail banking services and a wide range of commercial banking products and related financial services through a broad network of community branches located in Florida. On July 31, 2012, BBX Capital completed the sale to BB&T of all of the issued and outstanding shares of capital stock of BankAtlantic (the "BB&T Transaction").

BBX Capital's activities subsequent to the consummation of the BB&T Transaction involve the ownership, acquisition, investment and management of real estate and real estate development projects as well as its investments in operating businesses.

BBX Capital's investments in real estate joint ventures generally were arrangements with developers for residential and commercial development projects in which BBX Capital has funded its equity investment in joint ventures through cash investments or by contributing real estate properties.

Consolidated Results of Operations

BBX Capital reports its consolidated results of operations in three reportable segments, BBX, Renin and Sweet Holdings.

Income (loss) from each of BBX Capital's reportable segments was as follows (in thousands):

		For the Years Ended December 31,		
		2015	2014	2013
BBX	$	33,334	3,224	48,659
Renin		(2,058)	(2,044)	(941)
Sweet Holdings		(8,767)	23	(38)
Reconciling item (1)		773	-	-
Income before income taxes		23,282	1,203	47,680

(Benefit) provision for income taxes	(245)	(3,101)	20
Net income	$ 23,527	4,304	47,660

(1) Represents capitalized interest on real estate development and joint venture activities in excess of interest expense incurred in the BBX reportable segment.

Overview

BBX Reportable Segment

The increase in BBX reportable segment income for the year ended December 31, 2015 compared to the same 2014 period resulted primarily from a $25.6 million increase in net gains on the sales of assets, $6.3 million of higher recoveries from loan losses and a $6.7 million reduction in asset impairments. The above improvements in BBX reportable segment income were partially offset by $10.3 million of lower equity in earnings from BBX Capital's investment in Woodbridge.

Gains on sales of assets for the year ended December 31, 2015 were $31.1 million compared to $5.5 million during the comparable 2014 period. The gains on the sales of assets during the year ended December 31, 2015 resulted primarily from the sales of four properties. Two of the properties were located in West Palm Beach, Florida, a third property was located in the Bonterra master-planned community and the fourth property was acquired through a loan participation and sold by the lead bank. BBX recognized aggregate gains of $31.4 million in connection with sales of these four properties.

Recoveries for loan losses for the year ended December 31, 2015 were $13.5 million compared to $7.2 million during the comparable 2014 period. The improvement in recoveries during 2015 was mainly due to lower charge-offs and higher recoveries from the charged off loan portfolio. During the year ended December 31, 2015 charge-offs were $1.0 million compared to $7.2 million during the same 2014 period.

The lower asset impairments for the year ended December 31, 2015 compared to the same 2014 period resulted primarily from $8.6 million of impairments on two student housing rental facilities in Tallahassee, Florida during the year ended December 31, 2014 compared to a $1.8 million additional impairment on one of the student housing rental facilities in Tallahassee, Florida during the year ended December 31, 2015.

The $10.3 million decline in the equity in earnings of Woodbridge resulted primarily from Woodbridge’s $36.5 million settlement of litigation brought by Bluegreen’s former shareholders related to Woodbridge’s April 2013 acquisition of Bluegreen as described in further detail under “Liquidity and Capital Resources”. As BBX has a 46% ownership interest in Woodbridge, the $36.5 million settlement reduced BBX’s equity in earnings of Woodbridge by $16.8 million for the year ended December 31, 2015. The reduction in BBX’s equity in earnings of Woodbridge as a consequence of the litigation settlement was partially offset by improved earnings at Bluegreen. Bluegreen’s net income attributable to shareholder was $68.0 million for the year ended December 31, 2015 compared to $54.5 million during the comparable 2014 period.

The decline in BBX reportable segment income for the year ended December 31, 2014 compared to the same 2013 period resulted primarily from $36.7 million of lower recoveries from loan losses and a $18.9 million decline in interest income recoveries associated with the repayment of non-accrual loans. The above declines in BBX reportable segment income were partially offset by $11.8 million of higher equity earnings from BBX Capital’s investment in Woodbridge and lower interest expense associated with BB&T’s preferred interest in FAR.

Recoveries from loan losses and interest income recognized on non-accrual loans were $7.2 million and $5.4 million, respectively, for the year ended December 31, 2014 compared to $43.9 million and $24.3 million during the same 2013 period, respectively. The significant loan loss recoveries and interest income for the year ended December 31, 2013 resulted primarily from a settlement with a borrower which resulted in reversals of previously charged-off commercial loans of $20.1 million and interest income recoveries of $13.6 million.

BBX Capital’s equity in earnings of Woodbridge was $25.3 million for the year ended December 31, 2014 compared to $13.5 million during the same 2013 period. Equity in earnings of Woodbridge for the year ended December 31, 2013 were from the date of the investment (April 2, 2013) through December 31, 2013.

Renin Reportable Segment

Renin’s reportable segment loss during the year ended December 31, 2015 resulted primarily from $1.0 million of foreign exchange losses and expenses associated with the hiring of additional sales representatives and advertising expenditures for sales initiatives during 2015 as well as consulting expenditures to achieve product development and manufacturing efficiencies. Renin's new members of management include its CEO hired in June 2015 and a Vice President of Sales hired in September 2015. Renin incurred severance costs associated with the reorganization of its marketing and corporate personnel during the year ended December 31, 2015. Renin improved its gross margin and gross margin percentage for the year ended December 31, 2015 compared to the same 2014 period as a greater proportion of Renin's trade sales were higher margin hardware products. Renin's interest expense was lower during the year ended December 31, 2015 compared to the same 2014 period as Renin refinanced its notes payable in June 2014 at lower interest rates.

Renin's reportable segment loss during the year ended December 31, 2014 resulted primarily from a $0.7 million loss on foreign currency exchange and $0.9 million of costs associated with the consolidation of manufacturing facilities in Canada.

Renin's reportable segment loss for the two months ended December 31, 2013 included $1.0 million of acquisition related costs offset by a $1.0 million bargain purchase gain. Management believes that it was able to acquire Renin for a bargain purchase gain because Renin Corp. was a distressed company.

Sweet Holdings Reportable Segment

The higher Sweet Holdings reportable segment loss for the year ended December 31, 2015 compared to the same 2014 period resulted primarily from increases in selling, general and administrative expenses, inventory markdowns as well as lower acquisition bargain purchase gains partially offset by an increase in trade sales associated with acquired companies.

The higher selling, general and administrative expenses of $9.1 million for the year ended December 31, 2015 compared to 2014 reflects operating expenses associated with companies acquired and costs to integrate these companies as well as increased compensation expense related to the hiring of industry professionals and fees to consultants. Executives hired during the first quarter of 2015 included a President for BBX Sweet Holdings and a President for Hoffman's. Also contributing to higher selling, general and administrative expenses were costs associated with relocating the Helen Grace California manufacturing facilities to Kencraft's manufacturing facilities in Utah and costs associated with Hoffman's retail store expansion initiatives. Hoffman's opened one retail location during the third quarter of 2014 as well as three retail locations during the year ended December 31, 2015 and anticipates opening additional retail locations in 2016. Included in selling, general and administrative expenses for the year ended December 31, 2015 were $1.3 million of employee severance expenses and costs to relocate the Helen Grace manufacturing facilities to Utah.

The gross margin was adversely affected for the year ended December 31, 2015 by $600,000 of inventory markdowns and the relocation of Helen Grace's manufacturing facilities from California to Utah in September 2015.

The bargain purchase gain of $254,000 for the year ended December 31, 2015 was associated with the Kencraft acquisition and the bargain purchase gain of $1.2 million for the year ended December 31, 2014 was associated with the Helen Grace acquisition.

Benefit for Income Taxes

The benefit for income taxes of $0.3 million for the year ended December 31, 2015 resulted from acquisition re-measurement adjustments and a reduction in BBX Capital's deferred tax valuation allowance as a result of net taxable temporary differences that Sweet Holdings recognized in connection with the Kencraft acquisition.

The $3.1 million benefit for income taxes represents the reduction in BBX Capital's deferred tax valuation allowance as a result of net taxable temporary differences that Sweet Holdings recognized in connection with its 2014 acquisitions.

BBX Reportable Segment Results of Operations

The following table is a condensed income statement summarizing the results of operations of the BBX reportable segment ("BBX") (in thousands):

		For the Years Ended Ended December 31,			Change	Change
		2015	2014	2013	2015 vs 2014	2014 vs 2013
Interest income	$	10,286	5,422	24,337	4,864	(18,915)
Net gains on sales of assets		31,092	5,527	6,728	25,565	(1,201)
Income from real estate operations		3,887	5,516	4,161	(1,629)	1,355
Other revenues		2,585	2,533	3,375	52	(842)
Total revenues		47,850	18,998	38,601	28,852	(19,603)
BB&T's priority return in FAR distributions		72	775	3,397	(703)	(2,622)
Interest expense		-	815	1,774	(815)	(959)
Real estate operating expenses		4,773	6,296	5,807	(1,523)	489
Recoveries from loan losses, net		(13,457)	(7,155)	(43,865)	(6,302)	36,710
Asset impairments, net		287	7,015	4,708	(6,728)	2,307
Selling, general and administrative expenses		36,250	32,751	31,582	3,499	1,169
Total costs and expenses		27,925	40,497	3,403	(12,572)	37,094
Equity in earnings of Woodbridge		14,974	25,282	13,461	(10,308)	11,821
Equity in losses of unconsolidated real estate joint ventures		(1,565)	(559)	-	(1,006)	(559)
Income before income taxes		33,334	3,224	48,659	30,110	(45,435)
Provision for income taxes		88	-	20	88	(20)
BBX segment income	$	33,246	3,224	48,639	30,022	(45,415)

Interest Income

The increase in interest income for the year ended December 31, 2015 compared to 2014 reflects higher interest income recognized on a cash basis from the payoffs of nonaccrual loans partially offset by lower interest income recognized on accruing loans associated with declining accruing loan balances due primarily to loan repayments and loan sales. Accruing loan balances declined from $23.0 million as of December 31, 2013 to $6.7 million at December 31, 2015.

During the year ended December 31, 2015, $5.8 million of interest income was recognized on the payoff of two commercial loans.

The decline in interest income for the year ended December 31, 2014 compared to 2013 resulted primarily from lower interest income recognized on a cash basis from the settlement of non-accrual loans and secondarily from lower interest income recognized on accruing loans due primarily to lower accruing loan balances.

During the year ended December 31, 2013, $13.6 million of interest income was recovered in connection with the repayment of non-accrual loans pursuant to a settlement agreement with respect to litigation between CAM and Daniel S. Catalfumo and certain members of his family and affiliated entities.

32

Net Gains on the Sales of Assets

The net gains on the sales of assets during the years ended December 31, 2015, 2014 and 2013 were primarily gains on the sales of real estate properties.

Gains on the sales of assets during the year ended December 31, 2015 resulted primarily from the sales of four properties. Two of the properties were located in West Palm Beach, Florida. One of the properties, which was purchased by the JRG/BBX Development joint venture for $10.8 million, was sold to a third party developer for $20.0 million. A second property, which had a $3.2 million carrying value at the date of sale, was acquired by BBX through foreclosure and sold for $11.0 million. A third property was located in the Bonterra master-planned community in Hialeah, Florida, had a carrying value of $13.9 million and sold for $26.2 million. The fourth property was acquired through foreclosure in Las Vegas, Nevada, had a carrying value of $2.6 million and sold for $6.0 million. BBX recognized gains of $31.4 million in the aggregate in connection with these four property sales.

Included in net gains on the sales of assets during the year ended December 31, 2014 was a $2.5 million gain on the sale of one property, the sale of first lien consumer and residential loans for a $0.6 million gain and gains of $1.3 million on the sales of various real estate properties.

Included in net gains on the sales of assets during the year ended December 31, 2013 was a $1.5 million gain from the sale of rental property, $0.9 million of gains associated with the sale of tax certificates, a $1.0 million gain on the sale of a storage facility and a $0.6 million gain on the sale of a held-for-sale commercial real estate loan.

Income from Real Estate Operations

Income from real estate operations consists of rental income from foreclosed properties.

The lower income from real estate operations during the year ended December 31, 2015 compared to the same 2014 period resulted primarily from the sales of rental properties and one operating property during the fourth quarter of 2014.

The increase in income from real estate operations during the year ended December 31, 2014 compared to the same 2013 period reflects an increase in the number of income producing foreclosed properties which resulted in higher rental income during 2014 compared to 2013. The additional foreclosed properties included two student housing facilities that BBX acquired through settlements with borrowers in September 2013 and January 2014.

Other Revenues

Other revenues during the year ended December 31, 2015 consisted mainly of $1.5 million of rental income from a public storage operating facility that was acquired through foreclosure in April 2013, $0.4 million of office facilities revenues paid by BFC for use of its office space and $0.4 million of management fees recognized from Sweet Holdings. The Sweet Holdings management fees were eliminated in consolidation.

Other revenues during the year ended December 31, 2014 consisted mainly of $1.2 million of rental income associated with a public storage operating facility, $0.6 million of income associated with a foreclosed loan, $0.4 million of office facilities revenues from BFC and $0.2 million of management fees from Sweet Holdings.

Other revenues during the year ended December 31, 2013 consisted mainly of $0.7 million of rental income associated with the public storage operating facility, $0.9 million of income associated with a foreclosed loan, $0.7 million of recoveries on loans in excess of contractual principal, $0.2 million of deposit overdraft recoveries associated with the charged off deposit overdraft portfolio retained in the BB&T Transaction and $0.4 million of office facilities revenues from BFC.

BB&Ts Priority Return in FAR Distributions

BB&T's priority return in FAR distributions during the year ended December 31, 2015, 2014 and 2013 represented the priority return paid to BB&T pursuant to its preferred membership interests in FAR. The required priority return was set at LIBOR + 200 basis points per annum on the unpaid preferred membership interest preference amount. The preferred membership interest preference amount was reduced from $196.9 million as of December 31, 2012 to $72.1 million as of December 31, 2013 to $12.3 million as of December 31, 2014 and was paid in full in May 2015. FAR utilized cash receipts primarily from loan repayments and the sales of assets to repay the preference amount and fund the priority return.

Interest Expense

For the year ended December 31, 2015 $0.4 million of BBX reportable segment interest expense was capitalized in connection with real estate development and joint venture activities. The capitalized interest expense for year ended December 31, 2015 was incurred in connection with the Woodbridge promissory note. The Woodbridge promissory note was repaid in full during September 2015.

Interest expense for the year ended December 31, 2014 resulted from $0.6 million of interest expense recognized on the Woodbridge promissory note and $0.2 million of interest expense recognized on the Florida Community Bank mortgage. The $8.3 million Florida Community Bank mortgage was assumed by the Hialeah Communities joint venture in June 2014.

Interest expense for the year ended December 31, 2013 resulted from two notes payable aggregating $10.3 million issued as of December 31, 2012. The notes were issued to two third party participants in loans for which BBX Capital was the lead lender in connection with BBX Capital's acquisition of the participants' interest in a loan and certain real estate property. One note payable in the amount of $2.5 million was repaid in December 2013.

Real Estate Operating Expenses

Real estate operating expenses for the years ended December 31, 2015, 2014 and 2013 represent real estate holding costs, including taxes and insurance, associated with real estate acquired through foreclosure.

The decline in real estate operating expenses for the year ended December 31, 2015 compared to 2014 reflects the sale of properties and the transfer of properties to real estate joint ventures.

The increase in real estate operating expenses for the year ended December 31, 2014 compared to 2013 resulted primarily from loan foreclosures.

Recoveries from Loan Losses

Changes in the allowance for loan losses were as follows (in thousands):

		For the Years Ended December 31,		
Allowance for Loan Losses:		2015	2014	2013
Balance, beginning of period	$	977	2,713	5,311
Charge-offs		(1,037)	(7,189)	(10,867)
Recoveries		13,517	12,608	52,134
Recoveries from loan losses		(13,457)	(7,155)	(43,865)
Balance, end of period	$	-	977	2,713

Loan charge-offs for the year ended December 31, 2015 were mainly second-lien consumer loans.

Loan charge-offs for the year ended December 31, 2014 consisted of a charge-off of a $1.9 million commercial non-mortgage business loan, $2.7 million of charge-offs associated with the transfer of performing second lien consumer loans to loans held-for-sale and $0.7 million of charge-offs due to initial charge downs on loans past due greater than 120 days and first lien foreclosures. The remaining charge-offs during the year ended December 31, 2014 related primarily to updated valuations on collateral dependent loans.

Loan charge-offs during the year ended December 31, 2013 consisted primarily of consumer and residential loan charge-offs of $3.3 million and charge-offs of $0.7 million upon the transfer of the loans to loans held-for-sale. The remaining charge-offs reflect updated valuations on non-accrual loans and initial charge downs on loans past due greater than 120 days.

Recoveries for the year ended December 31, 2015 related primarily to settlements on charged off commercial loans of $5.3 million and recoveries from the charged off loan portfolio.

Recoveries for the year ended December 31, 2014 related primarily to $6.1 million of cash collected on certain previously charged-off commercial loans and related judgments which were transferred from BankAtlantic to CAM in connection with the BB&T Transaction, $1.6 million of recoveries from non-accrual loan payoffs, $1.4 million of property tax refunds on a charged off commercial land loan and a $1.9 million recovery from the transfer of a commercial land loan to real estate held-for-investment.

Recoveries for the year ended December 31, 2013 related primarily to the repayment of non-accrual commercial loans including two nonaccrual loans that were previously charged down by $9.5 million and the Catalfumo settlement agreement which resulted in reversals of previously charged-off commercial real estate and commercial non-real estate loans of $10.2 million and $9.9 million, respectively. Additionally, BBX foreclosed on a residential commercial real estate property resulting in an $11.0 million recovery as the fair value of the collateral based on an updated valuation was greater than the recorded investment in the loan. The remaining recoveries during the year ended December 31, 2013 related primarily to cash collected on certain previously charged-off loans and related judgments and recoveries from foreclosures as the fair value of the underlying collateral less cost to sell was greater than the recorded investment on certain loans.

The allowance for loan losses at December 31, 2013 consisted primarily of a $1.0 million specific valuation allowances on two commercial non-real estate loans with an aggregate recorded investment of $3.0 million and $1.5 million allowance on consumer loans. The allowance for loan losses as of December 31, 2014, consisted primarily of consumer second-lien loans greater than 120 days past due and $0.1 million on commercial real estate loans. The majority of BBX’s commercial loans receivable were collateral dependent and charged down to the fair value of the collateral less cost to sell. There was no allowance for loan losses as of December 31, 2015 as the consumer second-lien loans greater than 120 days past due were deemed uncollectible and charged-off.

Asset Impairments

Asset impairments during the year ended December 31, 2015 resulted primarily from valuation allowance adjustments of $3.6 million on foreclosed real estate properties to reflect updated valuations partially offset by recoveries of previously written down loans in connection with short sales and payoffs of residential loans held-for-sale.

Asset impairments for the year ended December 31, 2014 were primarily the result of $8.6 million of impairments on two student housing rental facilities in Tallahassee, Florida. The impairments reflected a decline in occupancy rates and rents per unit. The student housing impairments were partially offset by $1.6 million of loans held-for-sale valuation allowance recoveries associated with loan repayments, short sales and updated valuations.

Asset impairments during the year ended December 31, 2013 consisted of $2.7 million of net impairments on real estate to reflect updated valuations, a $1.6 million increase in the loans held-for-sale valuation allowance and a $0.2 million increase in the provision for tax certificate losses. The real estate impairments were primarily associated with a $2.0 million impairment on an office warehouse property based on an updated valuation. The increase in the valuation allowance for loans held-for-sale resulted from a decline in small business loan valuations.

Selling, general and administrative expenses ("SG&A") consisted of the following (in thousands):

		For the Years Ended December 31,			Change 2015 vs	Change 2014 vs
		2015	2014	2013	2014	2013
Employee compensation and benefits	$	18,490	15,951	14,437	2,539	1,514
Occupancy and equipment		2,315	2,063	1,690	252	373
Professional fees		8,331	7,578	7,172	753	406
SEC Civil Penalty		3,550	1,000	-	2,550	1,000
Other		2,964	4,396	5,518	(1,432)	(1,122)
Asset servicing expenses		600	1,763	2,765	(1,163)	(1,002)
Total selling, general and administrative expenses	$	36,250	32,751	31,582	3,499	1,169

Employee Compensation and Benefits

The increase in employee compensation and benefits expense in each of the years in the three year period ended December 31, 2015 was primarily the result of higher share based compensation associated with the issuance of restricted stock awards and higher salaries and bonuses. Share based compensation increased $1.8 million during the year ended December 31, 2015 compared to 2014 and $1.2 million during the year ended December 31, 2014 compared to 2013 primarily as a result of the granting of 419,492, 396,082 and 430,000 shares of Class A restricted common stock awards in September 2015, October 2014 and October 2013, respectively. The higher salaries and bonuses were mainly due to new hires and annual salary increases.

Occupancy and Equipment

The increase in occupancy and equipment for the year ended December 31, 2015 compared to 2014 was primarily the result of increased rent associated with leasing additional corporate office space.

The increase in occupancy and equipment for the year ended December 31, 2014 compared to 2013 relate primarily to the operations of a public storage rental facility that was acquired through foreclosure in April 2013.

Professional Fees

The increase in professional fees during the year ended December 31, 2015 compared to 2014 resulted primarily from higher accounting and consulting fees. During the year ended December 31, 2014, the insurance carrier reimbursed $1.7 million of legal fees in connection with the SEC civil action compared to no reimbursements of legal fees during the year ended December 31, 2015. The higher professional and accounting fees were mainly due to the BFC tender offer and higher audit fees associated with acquired businesses, real estate joint venture investments and the SEC civil action.

The increase in professional fees during the year ended December 31, 2014 compared to 2013 resulted primarily from higher legal and consulting fees associated with the termination of the merger agreement with BFC and the SEC civil action. The SEC civil action trial commenced on November 3, 2014 and lasted six weeks.

SEC Civil Penalty

The SEC civil penalty assessed against BBX Capital in connection with the SEC action was $4.6 million. While the penalty is being appealed, BBX Capital recognized $1.0 million of the civil penalty as an accrual during the year ended December 31, 2014 with the balance of the civil penalty of $3.6 million recognized during the year ended December 31, 2015.

Other

The decrease in other expenses during the year ended December 31, 2015 compared to 2014 reflects $1.1 million of lower foreclosure costs. Foreclosure expenses consisted primarily of real estate taxes on delinquent collateral dependent loans in foreclosure. The decline in foreclosure expenses resulted primarily from a significant decrease in the number of loans in BBX's loan portfolio.

The decrease in other expenses during the year ended December 31, 2014 compared to 2013 resulted primarily from lower foreclosure expenses. The significant decline in foreclosure expense for the year ended December 31, 2014 compared to 2013 reflects $0.8 million of bankruptcy trustee and accounting fees associated with the foreclosure of two related properties during 2013 and a decision to pay delinquent real estate taxes on residential loans during 2013.

Asset Servicing Expense

Asset servicing expenses for the years ended December 31, 2015, 2014 and 2013 were fees to third party management companies who service loans and real estate. The significant decline in asset servicing costs reflects loan repayments and sales, real estate liquidations and the renegotiation of the servicing contract at lower rates as well as BBX taking back the servicing of certain commercial loans and real estate from a third party servicer.

Equity in Earnings of Woodbridge

BBX recognized equity in earnings of Woodbridge during the years ended December 31, 2015, 2014 and 2013 of $15.0 million, $25.3 million and $13.5 million, respectively. Woodbridge's earnings for year ended December 31, 2015 included a $36.5 million settlement of litigation brought by Bluegreen's former shareholders related to Woodbridge's April 2013 acquisition of Bluegreen as described in further detail under "Liquidity and Capital Resources". As BBX has a 46% ownership interest in Woodbridge, the $36.5 million liability reduced BBX's equity in earnings of Woodbridge by $16.8 million for the year ended December 31, 2015. Equity in earnings of Woodbridge for the year ended December 31, 2013 were from the date of the investment (April 2, 2013) through December 31, 2013. Woodbridge's earnings consisted primarily of the operations of Bluegreen.

Bluegreen Corporation is a sales, marketing, and management company focused on the vacation ownership industry. Bluegreen Vacations markets, sells and manages vacation ownership interests in resorts, which are generally located in popular, high-volume, "drive-to" vacation destinations. The resorts in which Bluegreen Vacations markets, sells or manages VOIs were either developed or acquired by Bluegreen, or were developed and are owned by third parties. Bluegreen Vacations earns fees for providing sales and marketing services to these third party developers. Bluegreen Vacations also earns fees by providing management services to the Bluegreen Vacation Club and property owners' associations, mortgage servicing, VOI title services, reservation services, and construction design and development services. In addition, Bluegreen Vacations provides financing to FICO® score-qualified individual purchasers of VOIs, which generates significant interest income.

In addition to Bluegreen's traditional vacation ownership operations, Bluegreen has in recent years pursued a business strategy, referred to herein as the "capital-light" business strategy, involving activities that typically do not require the significant costs and capital investments generally incurred in connection with the acquisition and development of VOIs under Bluegreen's traditional vacation ownership business. Bluegreen believes its capital-light business strategy enables it to leverage its expertise and existing infrastructure in resort management, sales and marketing, mortgage servicing, title services, and construction management to generate recurring revenues from third parties. Bluegreen's goal is for its capital-light business activities to become an increasing portion of its business over time; however, these efforts may not be successful. As of December 31, 2015, Bluegreen's capital-light business activities consisted of the following: fee-based sales and marketing arrangements; just-in-time inventory acquisition arrangements; secondary market arrangements; and other fee-based services. Each of these categories is described below.

Fee-Based Sales and Marketing Arrangements

In 2009, Bluegreen began offering sales and marketing services to third-party developers for a fee. Under these arrangements, Bluegreen sells third-party VOIs as Bluegreen Vacation Club interests through its distribution network of sales offices, typically on a non-committed basis. Bluegreen seeks to structure its fee for these services to cover its selling and marketing costs, plus an operating profit. Because the completed VOI was built by a third-party, Bluegreen is not at risk for the development financing of these projects and Bluegreen has little to no capital requirements. Notes receivable originated in connection with Bluegreen's sale of third party VOIs under commission-based arrangements are held by the third party developer, and in certain cases are serviced by Bluegreen for a fee. Bluegreen refers to sales made on behalf of third-party developers as "FBS Sales".

Just-In-Time Arrangements

In 2013, Bluegreen began entering into agreements with third-party developers that allow Bluegreen to buy VOI inventory from time to time in close proximity to the timing of when Bluegreen intends to sell such VOIs. Bluegreen strives to enter into such arrangements on a non-committed basis, although Bluegreen may engage in committed arrangements under certain circumstances. Because the completed VOI was built by a third-party, Bluegreen is not at risk for the development financing of these projects. Unlike FBS Sales, receivables originated in connection with sales of just-in-time inventory are held by Bluegreen. Bluegreen refers to sales of inventory acquired through these arrangements as "Just-In-Time Sales".

Secondary Market Arrangements

In 2012, Bluegreen began a program to acquire VOI inventory from POAs and other third parties on a non-committed basis, in close proximity to the timing of when Bluegreen intends to sell such VOIs. Such VOIs are typically obtained by the POAs through foreclosure in connection with maintenance fee defaults, and are generally acquired by Bluegreen at a significant discount. Bluegreen refers to sales of inventory acquired through these arrangements as "Secondary Market Sales".

Other Fee-Based Services

Bluegreen also earns fees for providing management services to the Bluegreen Vacation Club and to certain POAs. In connection with the management services provided to the Bluegreen Vacation Club, Bluegreen manages the club reservation system and provides owner services as well as billing and collection services. In connection with Bluegreen's management of POAs, Bluegreen provides day-to-day management services, including oversight of housekeeping services, maintenance, and certain accounting and administrative services. As of December 31, 2015, Bluegreen provided management services to 46 timeshare resort properties and hotels. Other fee-based services also include the processing of sales of VOIs through Bluegreen's wholly-owned title company subsidiary, which earns title fees in connection with the closing of the VOI transactions.

Bluegreen's Operating Results

Bluegreen's net income attributable to Woodbridge was $70.3 million, $57.5 million and $37.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. The higher Bluegreen net income in each year during the three year period ended December 31, 2015 resulted primarily from increased sales of VOIs sold on behalf of third parties on a commission basis and higher commissions earned on these commission based sales. The increase in VOI sales primarily reflected the results of an increased number of tours. Bluegreen's management believes that the increase in tours mainly resulted from efforts to expand marketing initiatives to new sales prospects as well as expanded marketing programs targeting existing owners. The increase in sales was partially offset by higher selling and marketing expenses associated with these marketing initiatives. Sales to existing owners generally involve lower marketing expenses than sales to new prospects. Bluegreen expects to continue to increase its focus on sales to new prospects and, as a result, sales and marketing expenses may continue to increase.

Equity in Losses of Unconsolidated Real Estate Joint Ventures

BBX recognized equity in losses of unconsolidated joint ventures of $1.6 million and $0.6 million during the years ended December 31, 2015 and 2014, respectively. The unconsolidated real estate joint ventures are generally real estate joint ventures that develop properties for residential and commercial use. The joint ventures are currently in the entitlement and construction phases and the losses during the year ended December 31, 2015 and 2014 mainly represent marketing and management fees.

Renin Reportable Segment Results of Operations

		For the Years Ended Ended December 31,		For the Two Months Ended December 31,
		2015	2014	2013
Trade sales	$	56,461	57,839	9,300
Cost of goods sold		(42,122)	(43,888)	(7,227)
Gross margin		14,339	13,951	2,073
Interest expense		308	551	144
Selling, general and administrative expenses		15,051	14,729	3,515
Bargain purchase gain		-	-	(1,001)
Foreign exchange loss		1,038	715	356
Total costs and expenses		16,397	15,995	3,014
Loss before income taxes		(2,058)	(2,044)	(941)
Benefit for income taxes		(4)	6	-
Net loss	$	(2,054)	(2,050)	(941)
Gross margin percentage	%	25.40	24.12	22.29
SG&A as a percent of trade sales	%	26.66	25.47	37.80

Trade sales declined for the year ended December 31, 2015 compared to the same 2014 period due to the discontinuation by a major customer of the wall décor product partially offset by increased sales of newly designed hardware products.

The improvement in the gross margin percentage for the year ended December 31 2015 compared to the same 2014 period reflects increased sales of higher margin hardware products and lower sales of lower margin wall décor products. Also contributing to the improved gross margin percentage was the consolidation of manufacturing facilities during the second half of 2014.

Renin’s interest expense for the year ended December 31, 2014 resulted primarily from the Bluegreen notes payable. Renin refinanced the Bluegreen notes payable with a financial institution in June 2014 under a facility with lower interest rates and outstanding balances. The decline in average notes payable balances was the result of BBX Capital and BFC contributing $2.0 million and $0.5 million of capital, respectively, to repay a portion of the Bluegreen notes payable in connection with the refinancing transaction.

Included in Renin’s selling, general and administrative expenses for year ended December 31, 2015 were salaries and recruitment fees associated with the hiring of additional sales representatives and advertising expenditures for sales initiatives as well as consulting expenditures associated with identifying ways to enhance product development and improve manufacturing efficiencies. Renin's new members of management include its CEO hired in June 2015 and a Vice President of Sales hired in September 2015. Also included in selling, general and administrative expenses for the year ended December 31, 2015 was severance associated with the reorganization of Renin's marketing and corporate personnel.

Included in Renin's selling, general and administrative expenses for year ended December 31, 2014 was $0.9 million of costs associated with the consolidation of manufacturing facilities in Canada. Renin also incurred $0.1 million of acquisition related expenses and $0.2 million of process improvement professional fees during the year ended December 31, 2014.

The loss on foreign currency exchange for the year ended December 31, 2015, 2014 and 2013 resulted from the decrease in value of the Canadian dollar compared to the U.S. dollar. The Canadian dollar to U.S. dollar exchange rate declined from 94.02 as of December 31, 2013 to 86.2 as of December 31, 2014 to 72.09 at December 31, 2015.

Renin's trade sales and gross margin as a percent of trade sales for the year ended December 31, 2014 were consistent with prior quarters during 2014. The improvement in the gross margin from 22.29% during the two months end December 31, 2013 to 24.12% during the year ended December 31, 2014 reflects the consolidation of the Concord manufacturing facility into the Brampton facility and higher average trade sales volume during the year ended December 31, 2014 compared to the two months ended December 31, 2013.

Renin's interest expense for the year ended December 31, 2014 included $0.3 million of interest expense associated with the Bluegreen notes payable. Renin refinanced the Bluegreen notes payable with a financial institution in June 2014 at lower interest rates and outstanding balances.

Included in selling, general and administrative expenses during the two months ended December 31, 2013 were $1.0 million of acquisition related costs incurred in connection with the Renin acquisition.

Sweet Holdings Reportable Segment Results of Operations

		For the Years Ended Ended December 31,		For the One Month Ended December 31,
		2015	2014	2013
Trade sales	$	27,837	16,257	966
Cost of goods sold		(20,585)	(10,794)	(633)
Gross margin		7,252	5,463	333
Interest expense		949	440	24

Bargain purchase gain		(254)	(1,237)	-
Selling, general and administrative expenses		15,324	6,237	347
Total costs and expenses		16,019	5,440	371
(Loss) income before income taxes		(8,767)	23	(38)
Benefit for income taxes		(329)	(3,107)	-
Net (loss) income	$	(8,438)	3,130	(38)
Gross margin percentage	%	26.05	33.60	34.47
SG&A as a percent of trade sales	%	55.05	38.37	35.92

40

The Sweet Holdings results of operations for the year ended December 31, 2015 consisted of the activities of Hoffman's, Williams & Bennett, Helen Grace Chocolates, Jer's Chocolates and Anastasia Confections for the entire year and the operations of Kencraft for the nine months ended December 31, 2015.

Sweet Holdings results of operation for the year ended December 31, 2014 includes the activities of Hoffman's and Williams and Bennett for the year ended December 31, 2014, and the activities of Jer's, Helen Grace and Anastasia from their respective dates of acquisition, July 1, 2014, July 21, 2014 and October 1, 2014.

Sweet Holdings results of operations for the year ended December 31, 2013 include the activities of Hoffman's for the month of December 2013.

The lower gross margin percentage for the year ended December 31, 2015 compared to 2014 was primarily the result of a higher percent of wholesale trade sales compared to retail trade sales and secondarily from approximately $725,000 of inventory markdowns related to Helen Grace and Williams & Bennett obsolete inventory. The majority of Sweet Holdings acquisitions subsequent to September 30, 2014 were acquisitions of manufacturers selling to wholesale customers. Trade sales to wholesale customers typically have lower gross margins than trade sales to retail customers.

The increase in interest expense for each of the years in the three year period ended December 31, 2015 resulted primarily from additional borrowings for working capital lines-of-credit and acquisition promissory notes.

The bargain purchase gain for the year ended December 31, 2015 was associated with the Kencraft acquisition and the bargain purchase gain for the year ended December 31, 2014 was associated with the Helen Grace acquisition. The bargain purchase gain represents the amount by which the fair value of identifiable net assets acquired exceeded the purchase consideration. Management believes that it was able to acquire Kencraft and Helen Grace for bargain purchase gains because Kencraft and Helen Grace were distressed companies.

The higher selling, general and administrative expenses for the year ended December 31, 2015 compared to 2014 reflects operating expenses associated with companies acquired and costs to integrate these companies as well as increased compensation expense related to the hiring of industry professionals and fees to consultants. Executives hired during the first quarter of 2015 included a President for BBX Sweet Holdings and a President for Hoffman's. Also contributing to higher selling, general and administrative expenses were costs associated with relocating the Helen Grace California manufacturing facilities to Kencraft's manufacturing facilities in Utah and costs associated with Hoffman's retail store expansion initiatives. Hoffman's opened one retail location during the third quarter of 2014 as well as three retail locations during the year ended December 31, 2015 and anticipates opening additional retail locations in 2016. Included in selling, general and administrative expenses for the year ended December 31, 2015 were $1.3 million of employee severance expenses and costs to relocate the Helen Grace manufacturing facilities to Utah.

41

BBX Capital Corporation Consolidated Financial Condition

BBX Capital’s total assets as of December 31, 2015 were $393.5 million compared to $392.9 million as of December 31, 2014. The changes in the components of total assets from December 31, 2014 to December 31, 2015 are summarized below:

- Increase in cash resulting primarily from sales of real estate and dividends from Woodbridge partially offset by land development and improvement costs, repayment of BB&T’s preferred interest in FAR, notes payable scheduled payments, repayment of the Woodbridge note payable, investments in unconsolidated real estate joint ventures, additional investment in Woodbridge and operating expenses.
- Increase in trade receivables due to acquisitions by BBX Sweet Holdings partially offset by $0.8 million of lower Renin trade receivables,
- Decrease in real estate held-for-investment due primarily to the transfer of $41.8 million of real estate held-for-investment to real estate held-for-sale and the contribution of $19.4 million of real estate to joint ventures partially offset by $16.0 million of property improvements,
- Increase in real estate held-for-sale due primarily to $41.8 million of properties transferred from real estate held-for-investment, $13.9 million of real estate purchases and property improvements and $3.2 million of real estate acquired through foreclosure partially offset by $51.0 million of real estate sales and $3.2 million in impairments,
- Increase in investments in unconsolidated real estate joint ventures reflecting $8.0 million of cash investments in real estate joint ventures and $19.4 million of property contributed to joint ventures in exchange for joint venture membership interests,
- Increase investment in Woodbridge reflecting an additional investment in Woodbridge of $11.4 million and the recognition of $15.0 million of equity in Woodbridge’s earnings partially offset by $23.8 million of dividends received from Woodbridge,
- Increase in properties and equipment associated with the opening of Hoffman stores and corporate headquarter renovations partially offset by $2.1 million of depreciation expense,
- Increase in inventory resulting primarily from acquisitions by BBX Sweet Holdings,
- Increase in goodwill and other intangible assets resulting from acquisitions by BBX Sweet Holdings, and
- Increase in other asset balances resulting primarily from $1.2 million of investments in securities and a $1.1 million escrow balance associated with land sales.

BBX Capital's total liabilities at December 31, 2015 were $57.6 million compared to $81.7 million at December 31, 2014. The changes in the components of total liabilities from December 31, 2014 to December 31, 2015 are summarized below:

- Higher accounts payable balances due primarily to an increase in trade accounts payable at Renin and BBX Sweet Holdings,
- Payment in full of BB&T’s preferred interest in FAR using proceeds from the monetization of FAR’s assets,
- Decrease in note payable to Woodbridge as the note was paid-in-full in September 2015, and
- Increase in notes payable reflecting $1.4 million of promissory notes issued in connection with the Kencraft acquisition, a $5.0 million line-of-credit from a financial institution issued to fund BBX Sweet Holdings working capital, partially offset by $3.6 million of notes payable scheduled principal repayments.

Liquidity and Capital Resources

BBX Capital's current assets at December 31, 2015 consisted of cash, inventory and trade receivables aggregating $81.3 million. This does not include $18.0 million of current assets held in Renin. BBX Capital had $19.8 million of current liabilities as of December 31, 2015. This does not include $7.5 million of current liabilities of Renin. BBX Capital's principal sources of liquidity are its cash holdings, funds obtained from scheduled payments on loans, loan recoveries, sales of its loans, loan payoffs, sales of real estate, income from income producing real estate, revenues from BBX Sweet Holdings' operations and distributions received from Woodbridge. Management believes that BBX Capital has sufficient liquidity to fund future operations.

Bluegreen's former public shareholders brought an action against Bluegreen, the directors of Bluegreen, BFC, Woodbridge, certain directors and officers of BFC and others, challenging the terms of the merger pursuant to which Bluegreen merged into a wholly owned subsidiary of Woodbridge and Bluegreen's shareholders (other than Woodbridge) were paid $10.00 in cash for each share of Bluegreen's common stock that they held immediately prior to the effective time of the merger, and on June 5, 2015 the plaintiffs and defendants agreed to a settlement of the litigation. Pursuant to the settlement, Woodbridge paid $36.5 million, which amounts to approximately $2.50 per share, into a settlement fund for the benefit of former shareholders of Bluegreen whose shares were acquired in connection with the merger. The amount to be received by such former Bluegreen shareholders will be reduced by administrative costs and attorneys' fees and costs. In connection with the settlement, BBX Capital repaid its $11.75 million promissory note to Woodbridge and BBX Capital and BFC made additional capital contributions to Woodbridge of $11.4 million and $13.4 million, respectively, based on their respective 46% and 54% ownership interests in Woodbridge.

BBX Capital expects that it will receive dividends from time to time from its 46% ownership interest in Woodbridge. Distributions must be declared by Woodbridge and approved in advance by both BFC and BBX Capital. Dividends from Woodbridge will be dependent on and subject to Bluegreen's results of operations, cash flows and business of Bluegreen, as well as restrictions contained in Bluegreen's debt facilities. Additionally, in April 2015, BFC borrowed $80 million from Bluegreen to finance the purchase of 4,771,221 shares of BBX Capital's Class A common stock in BFC's completed tender offer. As a consequence, BBX Capital may not receive dividends from Woodbridge consistent with prior periods or in the time frames or amounts anticipated, or at all. BBX Capital may also receive funds from BFC in connection with its tax sharing agreement to the extent BFC utilizes BBX Capital's tax benefits in BFC's consolidated tax return. BBX Capital also expects to obtain funds in subsequent periods from cash flows on its loans, real estate and investments in unconsolidated real estate joint ventures. BBX Capital also may seek to obtain funds through borrowings or the issuance of equity securities. BBX Capital anticipates utilizing these funds for general corporate purposes, including selling, general and administrative expenses, loan servicing costs, real estate operating expenses, Renin and BBX Sweet Holdings operating expenses and, to the extent of available liquidity, to pursue its business strategy of investing, directly or through joint ventures, in real estate (which may include the acquisition and/or development of real estate) and operating businesses. BBX Sweet Holdings currently intends to continue to pursue acquisitions in the candy and confections industry.

A significant source of BBX Capital's liquidity is proceeds from the liquidation of loans and real estate, recoveries from the charged off loan portfolio, cash proceeds from the contribution of properties to real estate joint ventures and dividends from Woodbridge. During the year ended December 31, 2015, proceeds from principal repayments of loans and sales of real estate were approximately $30.2 million and $72.2 million, respectively. During the year ended December 31, 2015, BBX Capital received $23.8 million of dividends from Woodbridge. There is no assurance that BBX Capital will realize proceeds from these sources in future periods in similar amounts or on similar timeframes.

BBX Capital's real estate activities include hiring property managers to operate income producing properties, making protective expenditures (including the payment of property taxes) in an effort to maintain the value of properties and undertaking the zoning and entitlement, development or improvement of properties to position the properties for sale or potential joint venture arrangements. There is no assurance that BBX Capital will realize proceeds from these sources in future periods in similar amounts or on similar timeframes.

Notes payable as of December 31, 2015 consisted of a term loan and revolving credit advances issued by Renin with an aggregate balance of $8.1 million, $6.7 million of promissory notes and holdback amounts owed by BBX Sweet Holdings in connection with its acquisitions, $5.0 million revolving line of credit to BBX Sweet Holdings and a $1.6 million note payable issued by a subsidiary of BBX Sweet Holdings. See Note 15, Notes Payable to the "Notes to Consolidated Financial Statements", for a discussion of the notes payable terms and covenants.

BBX Capital guarantees certain obligations of its wholly-owned subsidiaries and unconsolidated real estate joint ventures. See Note 17 Commitments and Contingencies and Note 15, Notes Payable to the "Notes to Consolidated Financial Statements", for a discussion of BBX Capital's guarantees.

BBX Capital's Contractual Obligations and Off Balance Arrangements as of December 31, 2015 were (in thousands):

		Payments Due by Period				
			Less than			After 5
Contractual Obligations		Total	1 year	1-3 years	4-5 years	years
Operating lease obligation	$	18,990	3,065	6,031	5,069	4,825
Notes payable (1)		21,591	2,315	10,492	7,171	1,613
Other obligations		340	120	220	-	-
Total contractual cash obligations	$	40,921	5,500	16,743	12,240	6,438

(1) Amounts represent scheduled principal payments and do not include interest payments.

The operating lease obligations represent minimum future lease payments on executed leases for BBX Capital's headquarters, BBX Sweet Holdings and subsidiaries' manufacturing facilities, office space and retail stores and Renin's manufacturing, equipment leases and office facilities.

BBX Capital Corporation and its subsidiaries are parties to lawsuits as plaintiff or defendant involving its collections, lending and prior period tax certificate activities. Although BBX Capital believes it has meritorious defenses in all current legal actions, the outcome and the ultimate resolution of litigation are inherently difficult to predict and uncertain.

Reserves are accrued for matters in which it is probable that a loss will be incurred and the amount of such loss can be reasonably estimated. The actual costs of resolving these legal claims may be substantially higher or lower than the amounts anticipated for these claims. There were no reserves accrued as of December 31, 2015. See Item 3. Legal Proceedings and Note 17 Commitments and Contingencies to the "Notes to Consolidated Financial Statements" for more information regarding BBX Capital's legal matters.

BBX Capital had no commitments to fund loans as of December 31, 2015.

Consolidated Cash Flows

A summary of BBX Capital's consolidated cash flows follows (in thousands):

		For the Years Ended December 31,		
		2015	2014	2013
Net cash provided by (used in):				
Operating activities	$	(16,045)	2,835	(190)
Investing activities		53,722	71,852	104,076
Financing activities		(27,456)	(59,006)	(123,125)
Increase (decrease) in cash and cash equivalents	$	10,221	15,681	(19,239)

The decrease in cash flows from operating activities during 2015 compared to 2014 resulted primarily from higher operating losses at Renin and BBX Sweet Holdings and an increase in selling, general and administrative expenses.

The increase in cash flows from operating activities during 2014 compared to 2013 resulted primarily from lower operating expenses associated with a decline in loan servicing fees, foreclosure expenses and collection fees associated with a declining loan portfolio.

The decline in cash flows from investing activities during 2015 compared to 2014 resulted primarily from higher investments in real estate and real estate joint ventures as well as an additional $11.4 million investment in Woodbridge partially offset by a $38.9 million increase in proceeds from the sales of real estate.

The decline in cash flows from investing activities during 2014 compared to 2013 resulted primarily from lower loan payments partially offset by a $60.4 million investment in Woodbridge in April 2013.

The decrease in cash outflows from financing activities during 2015 compared to 2014 resulted primarily from lower distributions to BB&T from FAR on account of the payoff of BB&T's preferred interest in FAR in May 2015 partially offset by the repayment of the Woodbridge notes payable.

The decrease in cash outflows from financing activities during 2014 compared to 2013 resulted primarily from lower distributions to BB&T from FAR.

Critical Accounting Policies

Management views critical accounting policies as accounting policies that are important to the understanding of BBX Capital's financial statements and also involve estimates and judgments about inherently uncertain matters. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated statements of financial condition and assumptions that affect the recognition of income and expenses on the Consolidated Statements of Operations for the periods presented. Actual results could differ significantly from those estimates. Significant estimates that are particularly susceptible to significant change in subsequent periods relate to the determination of the allowance for loan losses, including the valuation of collateral dependent loans, the valuation of loans held-for-sale, the impairment of long-lived assets including amortizable intangible assets, real estate held-for-sale and held-for-investment, the determination of lower of cost or market for inventories, the valuation of assets acquired and liabilities assumed in the acquisition of a business, the amount of the deferred tax asset valuation allowance, accounting for uncertain tax positions and accounting for contingencies. The three accounting policies that BBX Capital has identified as critical accounting policies are allowance for loan losses, inventory reserves and impairment of long-lived assets. See Note 2, Summary of Significant Accounting

Policies to the “Notes to Consolidated Financial Statements”, for a detailed discussion of BBX Capital’s significant accounting policies.

Allowance for loan losses, valuation of collateral dependent loans and loans-held-for-sale

The allowance for loan losses is maintained at an amount that is believed by its management to be a reasonable estimate of probable losses inherent in BBX Capital’s loan portfolio as of the date of the financial statements presented. BBX Capital has developed policies and procedures for evaluating the allowance for loan losses which considers all available information. However, BBX Capital relies on estimates and judgments regarding issues where the outcome is unknown. As a consequence, if circumstances differ from BBX Capital’s estimates and judgments, the allowance for loan losses may decrease or increase significantly and the amount of losses actually realized in BBX Capital’s loan portfolio could be significantly higher or lower. There was no allowance for loan losses as of December 31, 2015. BBX Capital’s loans receivable as of December 31, 2015 was $34.0 million and were primarily collateralized by real estate. Declines in real estate market condition in geographical areas where BBX Capital’s collateral is located may result in material changes to BBX Capital’s allowance for loan losses.

In June 2015, BBX Capital transferred its small business, residential and second-lien consumer loans from loans held-for-sale to loans receivable measured at the lower of cost or fair value at the transfer date. The difference between the carrying amount of the loans and the fair value was recognized as a discount. The discount on the transferred loans was greater than the calculated allowance for loan loss. As a consequence there was no allowance for loan losses assigned to these loans as of December 31, 2015.

Commercial loans were evaluated individually and were either written down to the fair value of the collateral or based on the primary source of repayment and pier group analysis management determined no allowance for loan losses should be assigned to the commercial loan portfolio.

Valuation allowances or charge downs on collateral dependent loans and the fair value of loans held-for-sale are established using management estimates of the fair value of collateral or based on valuation models that present value estimated expected future cash flows. The outstanding balance of collateral dependent loans and loans held-for-sale was $9.6 million and $21.4 million, respectively, as of December 31, 2015.

These valuations are based on available information and require estimates and subjective judgments about fair values of the collateral or expected future cash flows. Most of BBX Capital’s loans do not have an observable market price, and an estimate of the collection of contractual cash flows is based on the judgment of management. BBX Capital generally utilizes broker price opinions and third party appraisals to assist us in determining the fair value of collateral. The appraisers or brokers use professional judgment in determining the fair value of the collateral. It is likely that the results would materially differ if different assumptions or conditions were to prevail. As a consequence of the estimates and assumptions required to calculate the valuation allowance, charge downs on collateral dependent loans or the fair value of loans held-for-sale, a change in these highly uncertain estimates could have a materially favorable or unfavorable impact on BBX Capital’s financial condition and results of operations.

BBX Capital analyzes its loan portfolio quarterly by monitoring credit quality, loan-to-value ratios, delinquency trends, collateral valuations and economic conditions. As a consequence, BBX Capital’s allowance for loan losses and fair value estimates will change from period to period. BBX Capital believes that its performance in subsequent periods will be highly sensitive to changes in the Florida real estate market and availability of mortgage financing in Florida. If real estate and economic conditions deteriorate, BBX Capital is likely to experience increased credit losses and valuation allowance adjustments.

Inventory lower of cost or market

Inventories consisted of $8.4 million at Renin and $7.9 million at BBX Sweet Holdings as of December 31, 2015. Inventories are stated at the lower of cost (first-in, first-out) or market. Fluctuations in the market price of raw materials and labor costs may affect the value of inventory and may have a favorable or unfavorable effect on costs of goods sold and gross margin. For the Renin inventory, when expected market sales prices move below costs, or when BBX Capital identifies slow moving or obsolete inventory, BBX Capital records adjustments to write down the carrying values of inventories. Renin recognized $0.1 million of inventory adjustment write downs during the year ended December 31, 2015. BBX Sweet Holdings evaluates its inventory periodically and recognized $1.7 million of inventory adjustments during the year ended December 31, 2015. Renin and BBX Sweet Holdings maintain inventories of bulk raw materials and included in BBX Sweet Holdings inventory was paper goods and packaging material. For Renin, quantities were determined based upon its inventory systems and are subject to periodic verification techniques including observation, weighing and other methods. For BBX Sweet Holdings inventory quantities were determined by period-end observation and weighing. The quantities and costs are generally subject to change in estimates based on market sales prices and general economic conditions in the industry. As a consequence, if raw material or labor costs increase or if market sales prices decline, BBX Capital will likely experience higher amounts of obsolete inventory, higher inventory reserves with a corresponding increase cost of goods sold and lower gross margins.

Impairment of long lived assets including amortizable intangible assets

Long-lived assets such as properties and equipment, amortizable intangible assets and real estate held-for-investment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When testing a long-lived asset for recoverability, it may be necessary to review estimated lives and adjust the depreciation or amortization period. Changes in circumstances and the estimates of future cash flows, as well as evaluating estimated lives of long-lived assets, are subjective and involve a significant amount of judgment. A change in the estimated life of a long-lived asset may substantially change depreciation and amortization expense in subsequent periods.

Real estate held-for-sale is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Fair values are not available for many of BBX Capital’s long-lived assets, and estimates must be based on available information, including prices of similar assets and present value valuation techniques.

During the years ended December 31, 2015 and 2014, BBX Capital recognized impairments on real estate of $3.6 million and $8.9 million, respectively. BBX Capital generally utilizes broker price opinions and third party appraisals to assist in determining the fair value of real estate. The appraisers or brokers use professional judgment in determining the fair value of the properties and BBX Capital may also adjust these values for changes in market conditions subsequent to the valuation date when current appraisals are not available.

The assumptions used to calculate the fair values are highly subjective and extremely sensitive to changes in market conditions. The assumptions used are representative of assumptions that BBX Capital believes market participants would use in fair valuing these assets, but different assumptions may result in significantly different results. BBX Capital validates assumptions by comparing completed transactions with prior period fair value estimates and BBX Capital may check its assumptions against multiple valuation sources.

The outstanding balance of real estate held-for-sale, real estate held-for-investment, amortizable intangible assets and properties and equipment was $46.3 million, $31.3 million, $8.2 million and $18.1 million, respectively, as of December 31, 2015. The amount ultimately realized upon the sale or operation of these properties may be significantly different than the recorded amounts. Future events, including volatility in real estate values, may result in additional impairments or recoveries of long-lived assets in the foreseeable future.

Dividends

BBX Capital has historically not paid dividends. While BBX Capital currently expects to continue to utilize its available cash to pursue opportunities in accordance with its business strategies, it may consider the payment of dividends in the future depending upon its results of operations, liquidity needs and other factors considered by its board of directors.

Impact of Inflation

The financial statements and related financial data and notes presented herein have been prepared in accordance accounting principles generally accepted in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Consolidated Market Risk

Market risk is defined as the risk of loss arising from adverse changes in market valuations which arise from interest rate risk, foreign currency exchange rate risk, commodity price risk and equity price risk.

BBX Capital's market risk consists primarily of equity pricing risk and secondarily interest rate risk of real estate assets. The majority of BBX Capital's assets are investments in unconsolidated real estate companies, real estate held-for-investment or held-for-sale and loans secured by real estate. BBX Capital's financial condition and earnings are significantly affected by changes in real estate values in the markets where the real estate or real estate collateral is located and changes in interest rates which affects the affordability of real estate. As a result, BBX Capital is exposed to equity pricing and interest rate risk in the real estate market.

BBX Capital is also subject to foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar and Great Britain Pound as a result of the operations of Renin. The assets, liabilities, revenue and expenses that are denominated in foreign currencies will be affected by changes in the exchange rates between the U.S. dollar and the Canadian dollar or Great Britain Pound. As of December 31, 2015, BBX Capital has not entered into any foreign exchange forward contracts as hedges against foreign currency exchange risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness, as of December 31, 2015, of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on such evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2015. Grant Thornton, an independent registered certified public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2015, as stated in its report which appears herein.

Management has excluded Kencraft Confections, LLC from its assessment of internal control over financial reporting as of December 31, 2015. We acquired this business during the second quarter of 2015 and our management has not conducted an assessment of the acquired business' internal control over financial reporting. Total revenues and total assets of Kencraft Confections, LLC represent 5% and 2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2015.

/s/ Jarett S. Levan

Jarett S. Levan

Acting Chairman, and

Chief Executive Officer

/s/ Raymond S. Lopez

Raymond S. Lopez

Executive Vice President

Chief Financial Officer

March 15, 2016

F-2

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders

BBX Capital Corporation

We have audited the accompanying consolidated balance sheet of BBX Capital Corporation (a Florida corporation) and subsidiaries (the “Company”) as of December 31, 2015, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year ended December 31, 2015. Our audit of the basic consolidated financial statements included the financial statement schedules listed in the index appearing under Item 15(a)(2). These financial statements and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BBX Capital Corporation and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2015, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 15, 2016 expressed an unqualified opinion.

/s/Grant Thornton LLP

Fort Lauderdale, Florida

March 15, 2016

F-3

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders

BBX Capital Corporation

We have audited the internal control over financial reporting of BBX Capital Corporation (a Florida corporation) and subsidiaries (the "Company") as of December 31, 2015, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting ("Management's Report"). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. Our audit of, and opinion on, the Company's internal control over financial reporting does not include the internal control over financial reporting of Kencraft Confections, LLC, a wholly-owned subsidiary, whose financial statements reflect total assets and revenues constituting 2 and 5 percent, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2015. As indicated in Management's Report, Kencraft Confections, LLC was acquired during 2015. Management's assertion on the effectiveness of the Company's internal control over financial reporting excluded internal control over financial reporting of Kencraft Confections, LLC.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

F-4

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2015, and our report dated March 15, 2016 expressed an unqualified opinion on those financial statements.

/s/Grant Thornton LLP

Fort Lauderdale, Florida

March 15, 2016