MIZUHO FINANCIAL GROUP INC
Form 6-K
January 30, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of January 2019

Commission File Number 001-33098

Mizuho Financial Group, Inc.

(Translation of registrant s name into English)

5-5, Otemachi 1-chome

Chiyoda-ku, Tokyo 100-8176

Japan

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-________ .

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 30, 2019

Mizuho Financial Group, Inc.

By: /s/ Makoto Umemiya
Name: Makoto Umemiya
Title: Managing Executive Officer / Group CFO

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The following is the English translation of excerpt regarding the Basel Pillar 3 disclosures and the relevant information from our Japanese language disclosure material published in January 2019. The Japanese regulatory disclosure requirements are fulfilled with the Basel Pillar 3 disclosures and Japanese GAAP is applied to the relevant financial information. In this report, we, us, and our refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Mizuho Financial Group refers to Mizuho Financial Group, Inc.

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Key Metrics

Under the capital adequacy ratio regulations agreed upon by the Basel Committee on Banking Supervision, banks are required to meet certain minimum capital requirements. We calculate our capital adequacy ratio on a consolidated basis based on the criteria used by a bank holding company for deciding whether or not the adequacy of equity capital of the bank holding company and its subsidiaries is appropriate in light of the assets owned by the bank holding company and its subsidiaries pursuant to Article 52-25 of the Banking Law (Financial Services Agency, or FSA, Notice No.20 issued in 2006).

We also calculate our leverage ratio on a consolidated basis according to the leverage ratio on a consolidated basis separately prescribed by the Commissioner of the Financial Services Agency according to Article 1 Paragraph 1 item 7 of the Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of the Adequacy of Equity Capital pursuant to Article 19-2 Paragraph 1 Item 5 Sub-item (d) etc. of the Ordinance for the Enforcement of the Banking Law (FSA Notice No.13 issued in 2015).

Liquidity standards agreed upon by the Basel Committee on Banking Supervision require our liquidity coverage ratio to surpass certain minimum standards. We calculate our consolidated liquidity coverage ratio (the Consolidated LCR) in accordance with the regulation The Evaluation Criterion on the Sound Management of Liquidity Risk Defined, Based on Banking Law Article 52-25, as One of Criteria for Bank Holding Companies to Evaluate the Soundness of Their Management and the Ones of Their Subsidiaries and Others, which is also One of Evaluation Criteria on the Soundness of the Banks Management (the FSA Notice No. 62 of 2015 (the Notice No. 62)).

Key Metrics

KM1: Key Metrics

(millions of yen, except percentages)

Basel III Template No.		a As of September 30, 2018	b As of June 30, 2018	c As of March 31, 2018	d As of December 31, 2017	e As of September 30, 2017
Capital						
1	Common Equity Tier 1 capital	7,607,267	7,631,486	7,437,048	7,597,964	7,280,598
2	Tier 1 capital	9,434,893	9,112,127	9,192,244	9,321,858	9,004,810
3	Total capital	11,214,088	10,859,912	10,860,440	11,260,104	10,946,675
Risk weighted assets						
4	Risk weighted assets	60,240,051	60,157,998	59,528,983	63,414,867	61,695,509
Capital ratio						
5	Common Equity Tier 1 capital ratio	12.62%	12.68%	12.49%	11.98%	11.80%
6	Tier 1 capital ratio	15.66%	15.14%	15.44%	14.69%	14.59%
7	Total capital ratio	18.61%	18.05%	18.24%	17.75%	17.74%
Capital buffer						
8	Capital conservation buffer requirement	1.87%	1.87%	1.87%	1.25%	1.25%
9	Countercyclical buffer requirement	0.02%	0.02%	0.01%	0.00%	0.00%
10	Bank G-SIB/D-SIB additional requirements	0.75%	0.75%	0.75%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements	2.64%	2.64%	2.63%	1.75%	1.75%
12	CET1 available after meeting the bank s minimum capital requirements	8.12%	8.18%	7.99%	7.48%	7.30%

Leverage ratio						
13	Total exposures	216,920,174	217,040,028	214,277,824	217,478,350	217,304,488
14	Leverage ratio	4.34%	4.19%	4.28%	4.28%	4.14%
Liquidity coverage ratio (LCR)						
15	Total HQLA allowed to be included in the calculation	62,485,008	62,777,196	60,159,630	63,459,113	60,568,697
16	Net cash outflows	48,045,874	51,729,447	50,079,075	50,808,181	48,025,220
17	LCR	130.1%	121.3%	120.1%	124.8%	126.1%

Note:

Base III Template No. from 15 to 17 are quarterly averages.

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Status of Mizuho Financial Group s consolidated capital adequacy

Following the partial revision of Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of the Adequacy of Equity Capital Pursuant to Article 19-2, Paragraph 1, Item 5, Sub-item (d), etc. of the Ordinance for the Enforcement of the Banking Law, the disclosure of any information concerning the second half of the fiscal year ending March 31, 2019 is made in accordance with the relevant FSA Notice issued after the revision (the New FSA Notice). The figures relating to our banking activities for the second half of the fiscal year ended March 31, 2018 are disclosed in accordance with the relevant FSA Notice issued before the revision (the Old FSA Notice) (See pages 34 to 57 for the disclosure items which are different from those disclosed according to the new FSA Notice).

Scope of Consolidation

(1) Scope of Consolidation for Calculating Consolidated Capital Adequacy Ratio

(A) Difference from the companies included in the scope of consolidation based on consolidation rules for preparation of consolidated financial statements (the scope of accounting consolidation)

None as of September 30, 2017 and 2018.

(B) Number of consolidated subsidiaries

	As of September 30, 2017	As of September 30, 2018
Consolidated subsidiaries	**130**	**125**

Our major consolidated subsidiaries (and their main businesses) are Mizuho Bank, Ltd. (banking business), Mizuho Trust & Banking Co., Ltd. (trust business and banking business) and Mizuho Securities Co., Ltd. (securities business).

(C) Corporations providing financial services for which Article 9 of the FSA Notice No. 20 is applicable

None as of September 30, 2017 and 2018.

(D) Companies that are in the bank holding company s corporate group but not included in the scope of accounting consolidation and companies that are not in the bank holding company s corporate group but included in the scope of accounting consolidation

None as of September 30, 2017 and 2018.

(E) Restrictions on transfer of funds or capital within the bank holding company s corporate group

None as of September 30, 2017 and 2018.

(F) Names of any other financial institutions, etc., classified as subsidiaries or other members of the bank holding company that are deficient in regulatory capital

None as of September 30, 2017 and 2018.

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Risk-based Capital

(1) Composition of Capital, etc.

(A) Composition of capital disclosure

Composition of capital disclosure (International standard)

			(Millions of yen, except percentage)			
			As of September 30, 2017		As of September 30, 2018	
Basel III template				**Amounts excluded under transitional arrangements**		**Amounts excluded under transitional arrangements**
Common equity Tier 1 capital: instruments and reserves		(1)				
1a+2-1c-26	Directly issued qualifying common share capital plus related stock surplus and retained earnings		7,126,803	/	7,559,684	/
1a	of which: capital and stock surplus		3,391,317	/	3,395,202	/
2	of which: retained earnings		3,837,147	/	4,267,569	/
1c	of which: treasury stock (-)		6,475	/	7,888	/
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)		95,186	/	95,197	/
	of which: other than above			/		/
1b	Subscription rights to common shares		1,173	/	714	/
3	Accumulated other comprehensive income and other disclosed reserves		1,296,157	324,039	1,542,038	/
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		14,173	/	11,788	/
			23,889	/	/	/

	Total of items included in common equity Tier 1 capital: instruments and reserves subject to phase-out arrangements					
	of which: amount allowed in group CET1 capital subject to phase-out arrangements on common share capital issued by subsidiaries and held by third parties		23,889	/	/	/
6	Common equity Tier 1 capital: instruments and reserves	(A)	8,462,197	/	9,114,225	/
Common equity Tier 1 capital: regulatory adjustments		(2)				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		635,819	158,954	776,925	/
8	of which: goodwill (net of related tax liability, including those equivalent)		73,542	18,385	76,910	/
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)		562,276	140,569	700,015	/
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		35,022	8,755	43,383	/
11	Deferred gains or losses on derivatives under hedge accounting		(6,171)	(1,542)	(123,418)	/
12	Shortfall of eligible provisions to expected losses		31,942	7,990	95,020	/
13	Securitization gain on sale		45	11	6	/
14	Gains and losses due to changes in own credit risk on fair valued liabilities		1,856	464	3,382	/
15	Net defined benefit asset		458,030	114,507	682,547	/

16	Investments in own shares (excluding those reported in the net assets section)	4,373	1,093	2,990	/

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(Millions of yen, except percentage)

Basel III template		As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2018	Amounts excluded under transitional arrangements
17	Reciprocal cross-holdings in common equity				/
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	20,679	5,169	26,120	/
19+20+21	Amount exceeding the 10% threshold on specified items				/
19	of which: significant investments in the common stock of financials				/
20	of which: mortgage servicing rights				/
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)				/
22	Amount exceeding the 15% threshold on specified items				/
23	of which: significant investments in the common stock of financials				/
24	of which: mortgage servicing rights				/
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)				/

27	Regulatory adjustments applied to common equity Tier 1 due to insufficient additional Tier 1 and Tier 2 to cover deductions			/		/
28	Common equity Tier 1 capital: regulatory adjustments	(B)	1,181,599	/	1,506,958	/
Common equity Tier 1 capital (CET1)						
29	Common equity Tier 1 capital (CET1) ((A)-(B))	(C)	7,280,598	/	7,607,267	/
Additional Tier 1 capital: instruments		(3)				
30 31a	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			/		/
30 31b	Subscription rights to additional Tier 1 instruments			/		/
30 32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards		1,220,000	/	1,570,000	/
30	Qualifying additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities			/		/
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)		30,283	/	30,891	/
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in additional Tier 1 capital: instruments		577,500	/	303,000	/
33	of which: directly issued capital instruments subject to phase out from additional Tier 1		577,500	/	303,000	/

35	of which: instruments issued by subsidiaries subject to phase out	/	/

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Basel III template			As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2018	Amounts excluded under transitional arrangements
	Total of items included in additional Tier 1 capital: instruments subject to phase-out arrangements		(15,115)	/	/	/
	of which: foreign currency translation adjustments		(15,115)	/	/	/
36	Additional Tier 1 capital: instruments	(D)	1,812,667	/	1,903,891	/
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own additional Tier 1 instruments				2,600	/
38	Reciprocal cross-holdings in additional Tier 1 instruments					/
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		97	24	164	/
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		58,800	14,700	73,500	/
	Total of items included in additional Tier 1 capital: regulatory		29,557	/	/	/

	adjustments subject to phase-out arrangements					
	of which: goodwill equivalent		14,508	/	/	/
	of which: intangible fixed assets recognized as a result of a merger		11,044	/	/	/
	of which: capital increase due to securitization transactions		11	/	/	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		3,992	/	/	/
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions			/		/
43	Additional Tier 1 capital: regulatory adjustments	(E)	88,455	/	76,264	/
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E))	(F)	1,724,212	/	1,827,626	/
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G)	9,004,810	/	9,434,893	/
Tier 2 capital: instruments and provisions		(4)				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			/		/
46	Subscription rights to Tier 2 instruments			/		/
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards		828,555	/	994,185	/
46	Tier 2 instruments plus related stock surplus		169,110	/	170,370	/

	issued by special purpose vehicles and other equivalent entities				
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,117	/	9,681	/

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Basel III template			As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2018	Amounts excluded under transitional arrangements
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions		768,789	/	613,542	/
47	of which: directly issued capital instruments subject to phase out from Tier 2		162,256	/	129,106	/
49	of which: instruments issued by subsidiaries subject to phase out		606,532	/	484,436	/
50	Total of general allowance for loan losses and eligible provisions included in Tier 2		4,639	/	4,457	/
50a	of which: general allowance for loan losses		4,639	/	4,457	/
50b	of which: eligible provisions			/		/
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements		193,665	/	/	/
	of which: 45% of unrealized gains on other securities		174,670	/	/	/
	of which: 45% of revaluation reserve for land		18,994	/	/	/
51	Tier 2 capital: instruments and provisions	(H)	1,974,876	/	1,792,236	/
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments		1,658	414	2,631	/
53	Reciprocal cross-holdings in Tier 2 instruments					/
54			8,678	2,169	10,410	/

	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)					
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)					/
	Total of items included in Tier 2 capital: regulatory adjustments subject to phase-out arrangements		22,675	/	/	/
	of which: investments in the capital banking, financial and insurance entities		18,682	/	/	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		3,992	/	/	/
57	Tier 2 capital: regulatory adjustments	(I)	33,011	/	13,041	/
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I))	(J)	1,941,864	/	1,779,194	/
Total capital (TC = T1 + T2)						
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	10,946,675	/	11,214,088	/

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Basel III template			As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2018	Amounts excluded under transitional arrangements
Risk weighted assets		(5)				
	Total of items included in risk weighted assets subject to phase-out arrangements		262,706	/	/	/
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		129,524	/	/	/
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		8,755	/	/	/
	of which: net defined benefit asset		114,507	/	/	/
	of which: investments in the capital banking, financial and insurance entities		9,918	/	/	/
60	Risk weighted assets	(L)	61,695,509	/	60,240,051	/
Capital ratio (consolidated)						
61	Common equity Tier 1 capital ratio (consolidated) ((C)/(L))		11.80%	/	12.62%	/
62	Tier 1 capital ratio (consolidated) ((G)/(L))		14.59%	/	15.66%	/
63	Total capital ratio (consolidated) ((K)/(L))		17.74%	/	18.61%	/
Regulatory adjustments		(6)				
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		731,117	/	763,336	/
73			127,552	/	159,464	/

	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)				
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)		/		/
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	176,254	/	219,310	/
Provisions included in Tier 2 capital: instruments and provisions	(7)				
76	Provisions (general allowance for loan losses)	4,639	/	4,457	/
77	Cap on inclusion of provisions (general allowance for loan losses)	46,794	/	43,176	/
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as nil)		/		/
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	299,418	/	288,806	/
Capital instruments subject to phase-out arrangements	(8)				
82	Current cap on AT1 instruments subject to phase-out arrangements	1,041,569	/	833,255	/
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)		/		/
84	Current cap on T2 instruments subject to	843,530	/	674,824	/

phase-out arrangements

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Basel III template		As of September 30, 2017 Amounts excluded under transitional arrangements	As of September 30, 2018 Amounts excluded under transitional arrangements
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)	/	/

Notes:

1. The above figures are calculated based on the international standard applied on a consolidated basis under the FSA Notice No. 20.

2. In calculating the consolidated capital adequacy ratio, we underwent an examination following the procedures agreed with Ernst & Young ShinNihon LLC, on the basis of Treatment in implementing examination by agreed-upon procedures for calculating capital adequacy ratio (Industry Committee Practical Guideline No. 30 of the Japanese Institute of Certified Public Accountants). Note that this is not a part of the accounting audit performed on our consolidated financial statements. This consists of an examination under agreed-upon procedures performed by Ernst & Young ShinNihon LLC on a portion of the internal control structure concerning the calculation of the capital adequacy ratio and a report of the results to us. As such, they do not represent an opinion regarding the capital adequacy ratio itself nor the internal controls related to the calculation of the capital adequacy ratio.

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(B) Explanation of (A) Composition of capital disclosure

Reconciliation between Consolidated balance sheet and items of consolidated balance sheet and Composition of capital disclosure

Items	Consolidated balance sheet as in published financial statements (Millions of yen) As of September 30, 2017	As of September 30, 2018	Cross-reference to Appended template	Reference # of Basel III template under the Composition of capital disclosure
(Assets)				
Cash and due from banks	50,982,819	46,579,445		
Call loans and bills purchased	894,076	336,548		
Receivables under resale agreements	9,408,646	10,275,017		
Guarantee deposits paid under securities borrowing transactions	3,585,209	2,709,640		
Other debt purchased	2,666,336	2,577,593		
Trading assets	12,465,215	12,274,307	6-a	
Money held in trust	269,577	409,725		
Securities	32,072,076	34,975,299	2-b, 6-b	
Loans and bills discounted	79,811,834	80,516,017	6-c	
Foreign exchange assets	1,951,926	2,229,807		
Derivatives other than for trading assets	1,844,878	1,428,605	6-d	
Other assets	5,299,252	4,342,091	6-e	
Tangible fixed assets	1,113,753	1,093,635		
Intangible fixed assets	1,083,617	1,074,255	2-a	
Net defined benefit asset	824,534	983,445	3	
Deferred tax assets	56,567	42,924	4-a	
Customers liabilities for acceptances and guarantees	5,543,662	5,964,576		
Reserves for possible losses on loans	(364,743)	(252,177)		
Total assets	209,509,243	207,560,759		
(Liabilities)				
Deposits	124,646,612	120,819,088		
Negotiable certificates of deposit	11,992,948	12,500,325		
Call money and bills sold	1,602,970	5,736,053		
Payables under repurchase agreements	19,521,855	17,488,448		
	2,640,306	1,838,150		

Guarantee deposits received under securities lending transactions			
Commercial paper	339,787	683,390	
Trading liabilities	7,815,999	7,682,367	6-f
Borrowed money	5,353,682	4,817,339	8-a
Foreign exchange liabilities	426,712	473,194	
Short-term bonds	122,566	303,302	
Bonds and notes	8,060,465	8,696,783	8-b
Due to trust accounts	4,692,390	4,725,740	
Derivatives other than for trading liabilities	1,656,576	1,397,924	6-g
Other liabilities	4,902,561	4,174,229	
Reserve for bonus payments	46,173	49,284	
Reserve for variable compensation	1,614	1,500	
Net defined benefit liability	56,163	59,466	
Reserve for director and corporate auditor retirement benefits	1,284	1,308	
Reserve for possible losses on sales of loans	124	1,153	
Reserve for contingencies	5,473	4,750	
Reserve for reimbursement of deposits	19,378	19,802	
Reserve for reimbursement of debentures	28,132	28,197	
Reserves under special laws	2,285	2,358	

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Items	Consolidated balance sheet as in published financial statements As of September 30, 2017	As of September 30, 2018	Cross-reference to Appended template	Reference # of Basel III template under the Composition of capital disclosure
Deferred tax liabilities	369,526	353,680	4-b	
Deferred tax liabilities for revaluation reserve for land	66,237	65,732	4-c	
Acceptances and guarantees	5,543,662	5,964,576		
Total liabilities	199,915,493	197,888,149		
(Net assets)				
Common stock and preferred stock	2,256,548	2,256,767	1-a	
Capital surplus	1,134,768	1,138,434	1-b	
Retained earnings	3,837,710	4,268,037	1-c	
Treasury stock	(6,475)	(7,888)	1-d	
Total shareholders equity	7,222,552	7,655,351		
Net unrealized gains (losses) on other securities	1,409,766	1,335,533		
Deferred gains or losses on hedges	(7,714)	(123,418)	5	
Revaluation reserve for land	144,817	143,248		
Foreign currency translation adjustments	(75,579)	(90,790)		
Remeasurements of defined benefit plans	148,906	277,466		
Total accumulated other comprehensive income	1,620,196	1,542,038		3
Stock acquisition rights	1,173	714		1b
Non-controlling interests	749,827	474,506	7	
Total net assets	9,593,750	9,672,610		
Total liabilities and net assets	209,509,243	207,560,759		

Note:

The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Appended template

1. Shareholders equity

(1) Consolidated balance sheet

			(Millions of yen)	
Ref.	**Consolidated balance sheet items**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
1-a	Common stock and preferred stock	2,256,548	2,256,767	
1-b	Capital surplus	1,134,768	1,138,434	
1-c	Retained earnings	3,837,710	4,268,037	
1-d	Treasury stock	(6,475)	(7,888)	
	Total shareholders equity	7,222,552	7,655,351	

(2) Composition of capital

			(Millions of yen)	
Basel III template	**Composition of capital disclosure**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,221,989	7,654,882	Shareholders equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,391,317	3,395,202	
2	of which: retained earnings	3,837,147	4,267,569	
1c	of which: treasury stock (-)	6,475	7,888	
	of which: other than above			
31a	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			

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2. Intangible fixed assets

(1) Consolidated balance sheet

			(Millions of yen)	
Ref.	**Consolidated balance sheet items**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
2-a	Intangible fixed assets	1,083,617	1,074,255	
2-b	Securities	32,072,076	34,975,299	
	of which: share of goodwill of companies accounted for using the equity method	19,383	9,381	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(308,227)	(306,710)	

(2) Composition of capital

Basel III			(Millions of yen)	
template	**Composition of capital disclosure**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
8	Goodwill (net of related tax liability, including those equivalent)	91,928	76,910	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	702,845	700,015	Software and other
	Mortgage servicing rights (net of related tax liability)			
20	Amount exceeding the 10% threshold on specified items			
24	Amount exceeding the 15% threshold on specified items			
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)			

3. Net defined benefit asset

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of September 30, 2017	(Millions of yen) As of September 30, 2018	Remarks
3	Net defined benefit asset	824,534	983,445	
	Income taxes related to above	(251,996)	(300,898)	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of September 30, 2017	(Millions of yen) As of September 30, 2018	Remarks
15	Net defined benefit asset	572,538	682,547	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of September 30, 2017	(Millions of yen) As of September 30, 2018	Remarks
4-a	Deferred tax assets	56,567	42,924	
4-b	Deferred tax liabilities	369,526	353,680	
4-c	Deferred tax liabilities for revaluation reserve for land	66,237	65,732	
	Tax effects on intangible fixed assets	308,227	306,710	
	Tax effects on net defined benefit asset	251,996	300,898	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen) As of September 30, 2017	As of September 30, 2018	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	43,777	43,383	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
	Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability)	176,254	219,310	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
21	Amount exceeding the 10% threshold on specified items			
25	Amount exceeding the 15% threshold on specified items			
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	176,254	219,310	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen) As of September 30, 2017	As of September 30, 2018	Remarks
5	Deferred gains or losses on hedges	(7,714)	(123,418)	

(2) Composition of capital

Basel III template	(Millions of yen)	Remarks

	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2018
11	Deferred gains or losses on derivatives under hedge accounting	(7,714)	(123,418)

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

(Millions of yen)

Ref.	Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2018	Remarks
6-a	Trading assets	12,465,215	12,274,307	Including trading account securities and derivatives for trading assets
6-b	Securities	32,072,076	34,975,299	
6-c	Loans and bills discounted	79,811,834	80,516,017	Including subordinated loans
6-d	Derivatives other than for trading assets	1,844,878	1,428,605	
6-e	Other assets	5,299,252	4,342,091	Including money invested
6-f	Trading liabilities	7,815,999	7,682,367	Including trading account securities sold
6-g	Derivatives other than for trading liabilities	1,656,576	1,397,924	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2018	Remarks
		(Millions of yen)		
	Investments in own capital instruments	7,540	8,221	
16	Common equity Tier 1 capital	5,467	2,990	
37	Additional Tier 1 capital		2,600	
52	Tier 2 capital	2,073	2,631	
	Reciprocal cross-holdings in the capital of banking, financial and insurance entities			
17	Common equity Tier 1 capital			
38	Additional Tier 1 capital			
53	Tier 2 capital			
	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	767,936	800,032	
18	Common equity Tier 1 capital	25,849	26,120	
39	Additional Tier 1 capital	122	164	
54	Tier 2 capital	10,848	10,410	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	731,117	763,336	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	201,052	232,964	

19	Amount exceeding the 10% threshold on specified items			
23	Amount exceeding the 15% threshold on specified items			
40	Additional Tier 1 capital	73,500	73,500	
55	Tier 2 capital			
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	127,552	159,464	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of September 30, 2017	(Millions of yen) As of September 30, 2018	Remarks
7	Non-Controlling Interests	749,827	474,506	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of September 30, 2017	(Millions of yen) As of September 30, 2018	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,173	11,788	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)
30-31ab-32	Qualifying additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities			After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	30,283	30,891	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)

46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	169,110	170,370	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,117	9,681	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)

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8. Other capital instruments

(1) Consolidated balance sheet

			(Millions of yen)	
Ref.	**Consolidated balance sheet items**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
8-a	Borrowed money	5,353,682	4,817,339	
8-b	Bonds and notes	8,060,465	8,696,783	
	Total	13,414,148	13,514,122	

(2) Composition of capital

Basel III			(Millions of yen)	
template	**Composition of capital disclosure**	**As of September 30, 2017**	**As of September 30, 2018**	**Remarks**
32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	1,220,000	1,570,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	828,555	994,185	

Note:

Amounts in the Composition of capital disclosure as of September 30, 2017 are based on those before considering amounts under transitional arrangements and include Amounts excluded under transitional arrangements disclosed in (A) Composition of capital disclosure as well as amounts included as regulatory capital. In addition, items for regulatory purposes under transitional arrangements are excluded from this table.

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Summary of Risk-weighted Assets (RWA)

(1) Summary of RWA

(A) OV1: Overview of Risk-weighted Assets (RWA)

(Millions of yen)

Basel III Template No.		a	b	c	d
		RWA		capital requirements	
		As of September 30, 2018	As of September 30, 2017	As of September 30, 2018	As of September 30, 2017
1	**Credit risk (excluding counterparty credit risk)**	**39,321,500**	/	**3,318,738**	/
2	Of which: standardized approach (SA)	1,746,997	/	139,759	/
3	Of which: internal rating-based (IRB) approach	36,045,504	/	3,056,658	/
	Of which: significant investments		/		/
	Of which: estimated residual value of lease transaction		/		/
	Others	1,528,998	/	122,319	/
4	**Counterparty credit risk (CCR)**	**4,224,033**	/	**342,012**	/
5	Of which: SA-CCR		/		/
	Of which: current exposure method	191,124	/	15,676	/
6	Of which: expected positive exposure (EPE) method	785,753	/	65,991	/
	Of which: credit valuation adjustment (CVA) risk	2,217,316	/	177,385	/
	Of which: central counterparty-related	209,223	/	16,737	/
	Others	820,615	/	66,221	/
7	**Equity positions in banking book under market-based approach**	**2,933,478**	/	**248,758**	/
	Fund exposures standardized approach		/		/
	Fund exposures regarded method	**3,502,698**	/	**296,200**	/
11	**Settlement risk**	**6,530**	/	**552**	/
12	**Securitization exposures in banking book**	**441,369**	/	**37,270**	/

13	Of which: IRB ratings-based approach (RBA) or IRB internal assessment approach (IAA)	116,430	/	9,873	/
14	Of which: IRB supervisory formula approach (SFA)	283,679	/	24,056	/
15	Of which: SA/simplified supervisory formula approach (SSFA)	30,262	/	2,421	/
	Of which: 1250% risk weight is applied	10,996	/	920	/
16	**Market risk**	**2,939,149**	/	**235,131**	/
17	Of which: standardized approach (SA)	1,567,039	/	125,363	/
18	Of which: internal model approaches (IMM)	1,372,110	/	109,768	/
19	**Operational risk**	**3,285,870**	/	**262,869**	/
20	Of which: basic indicator approach	608,277	/	48,662	/
21	Of which: standardized approach		/		/
22	Of which: advanced measurement approach	2,677,592	/	214,207	/
23	**Exposures of specified items not subject to regulatory adjustments**	**946,938**	/	**77,668**	/
	Amounts included in RWA subject to phase-out arrangements		/		/
24	**Floor adjustment**		/		/
25	**Total (after applying the scaling factor)**	**60,240,051**	/	**4,819,204**	/

Note:

We disclose the data for the second half of the fiscal year ending March 31, 2019 according to the New FSA Notice.

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(B) Credit Risk-weighted Assets by Asset Class and Ratings Segment

(Billions of yen)

	As of September 30, 2017			As of September 30, 2018		
	EAD	RWA	Risk Weight (%)	EAD	RWA	Risk Weight (%)
Internal ratings-based approach	**188,644.2**	**50,102.5**	**26.55**	**193,945.7**	**48,333.8**	**24.92**
Corporate, etc.	**163,110.6**	**30,839.0**	**18.90**	**168,638.0**	**30,272.7**	**17.95**
Corporate (except specialized lending)	78,267.6	28,172.9	35.99	84,490.1	27,747.6	32.84
Ratings A1-B2	56,939.5	14,611.7	25.66	63,327.7	14,669.1	23.16
Ratings C1-D3	19,491.2	11,691.7	59.98	19,822.4	11,831.0	59.68
Ratings E1-E2	1,242.9	1,659.9	133.55	827.7	1,073.1	129.65
Ratings E2R-H1	593.9	209.5	35.28	512.2	174.2	34.01
Sovereign	79,046.8	1,097.1	1.38	77,614.4	896.5	1.15
Ratings A1-B2	78,923.2	1,018.9	1.29	77,500.9	813.1	1.04
Ratings C1-D3	123.2	77.5	62.96	113.3	83.2	73.47
Ratings E1-E2	0.3	0.5	143.05	0.2	0.1	56.74
Ratings E2R-H1	0.0	0.0	40.48	0.0	0.0	39.19
Bank	5,622.1	1,385.0	24.63	6,374.1	1,460.3	22.91
Ratings A1-B2	5,057.2	1,078.5	21.32	5,839.3	1,128.3	19.32
Ratings C1-D3	563.3	306.0	54.32	534.4	331.8	62.09
Ratings E1-E2	0.0	0.0	184.04	0.1	0.0	72.69
Ratings E2R-H1	1.4	0.4	29.54	0.2	0.0	29.94
Specialized lending	173.9	183.9	105.71	159.2	168.1	105.59
Retail	**11,935.7**	**4,464.1**	**37.4**	**11,304.0**	**3,735.1**	**33.04**
Residential mortgage	9,218.6	3,105.6	33.68	8,858.9	2,505.9	28.28
Qualifying revolving loan	654.7	435.1	66.46	657.6	508.5	77.32
Other retail	2,062.3	923.3	44.76	1,787.4	720.5	40.31
Equities	**5,337.7**	**8,973.4**	**168.11**	**5,174.5**	**8,383.9**	**162.02**
PD/LGD approach	4,221.3	5,367.5	127.15	4,213.9	5,266.7	124.98
Market-based approach	1,116.3	3,605.9	323.01	960.5	3,117.2	324.51
Regarded-method exposure	**1,839.1**	**3,574.3**	**194.35**	**2,058.6**	**3,702.6**	**179.85**
Securitizations	**4,247.9**	**369.2**	**8.69**	**4,525.3**	**433.1**	**9.57**
Others	**2,173.0**	**1,882.3**	**86.62**	**2,245.0**	**1,806.3**	**80.45**
Standardized approach	**17,523.9**	**3,544.0**	**20.22**	**13,805.2**	**3,254.6**	**23.57**
CVA risk	**/**	**2,216.1**	**/**	**/**	**2,217.3**	**/**
Central counterparty-related	**/**	**219.5**	**/**	**/**	**209.2**	**/**
Total	**206,168.1**	**56,082.3**	**27.2**	**207,750.9**	**54,015.0**	**25.99**

Note:

Specialized lending is specialized lending exposure under supervisory slotting criteria.

<Reference> The following table sets forth information with respect to the definition of obligor ratings:

Obligor ratings (major category)		**Definition of ratings**	**Classification**
A1 A3		Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.	Investment grade zone
B1 B2		Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.	
C1 C3		Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.	
D1 D3		Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future changes in business environment is low.	Non-investment grade zone
E1 E2		Obligors who require close watching going forward because there are problems with their borrowing conditions, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions as a result of their poor or unstable business conditions.	
	R*		
F1		Obligors who are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans (including obligors who are receiving ongoing support from financial institutions).	Default
G1		Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable of restructuring.	
H1		Obligors who have already gone bankrupt, from both a legal and/or formal perspective.	

* Obligors who have loans in need of monitoring (restructured loans and loans past due for three months or more) out of the obligors who require close watching going forward

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Credit Risk

(1) Quantitative Disclosure on Credit Risk

Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures below.

(A) CR1: Credit Quality of Assets

(Millions of yen)

		As of September 30, 2018			
		a	b	c	d
		Gross carrying values of			
		Defaulted exposures	Non-defaulted exposures	Reserve	Net values (a+b-c)
	On-balance sheet exposures				
1	Loans	560,796	78,277,208	215,070	78,622,934
2	Debt securities	4,698	26,834,507		26,839,206
3	Other on-balance sheet debt exposures	5,275	50,244,030	2,810	50,246,495
4	**Total on-balance sheet exposures (1+2+3)**	**570,771**	**155,355,746**	**217,880**	**155,708,636**
	Off-balance sheet exposures				
5	Guarantees	18,376	5,945,316	23,767	5,939,925
6	Commitments	15,616	26,434,835		26,450,452
7	**Total off-balance sheet exposures (5+6)**	**33,993**	**32,380,151**	**23,767**	**32,390,377**
	Total				
8	**Total assets (4+7)**	**604,764**	**187,735,898**	**241,648**	**188,099,014**

Notes:

1. Other on-balance sheet debt exposures include deposits, call loans, bills purchased, other debt purchased, money held in trust and foreign exchange assets, etc.
2. Defaulted exposures include restructured loans, loans past due for three months or more, loans to bankrupt borrowers and so on.
3. Reserve corresponds to the amount of reserves for possible loan losses

(B) CR2: Changes in Defaulted Loans and Debt Securities

No.			(Millions of yen) Exposure
1	Defaulted loans and debt securities as of March 31, 2018		653,659
2		Defaulted	72,124
3		Returned to non-defaulted status	46,073
4	Breakdown of changes in	Amounts written off	22,596
5	loans and debt securities during this reporting period	Other changes	(86,342)
6	Defaulted loans and debt securities as of September 30, 2018 (1+2-3-4+5)		570,771

Note:

Other changes corresponds to the amount of variation in defaulted exposures arising from debt recovery and additional credit to defaulted obligors, etc.

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(2) Credit Risk under Internal Ratings-Based (IRB) Approach

(i) Quantitative Disclosure on Credit Risk under Internal Ratings-based Approach

(A) CR6: IRB Credit Risk Exposures by Portfolio and PD Range

(Millions of yen, %, number in the thousands,

	a	b	c	d	e	f	g	h	i	j	k	
le	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Pro
					As of September 30, 2018							
ereign												
to 5	66,102,098	467,936	78.11	67,863,464	0.00	0.3	38.00	1.5	664,156	0.97	900	
to 5												
to 0	26,107	1,474	75.00	7,940	0.27	0.0	37.97	3.8	4,439	55.91	8	
to 5	6,284			5,833	0.50	0.0	35.49	3.4	3,664	62.81	10	
to 0	128,826	5,111	75.00	85,064	1.24	0.0	37.97	1.3	60,186	70.75	402	
to 00	69,790	6,574	75.00	1,877	3.21	0.0	37.97	3.2	2,210	117.76	22	
0 to).00	18,114			191	15.16	0.0	5.30	3.9	53	27.88	1	
00 ault)	1,802			2	100.00	0.0	30.82	1.0	0	36.97	0	
-total	**66,353,025**	**481,096**	**78.02**	**67,964,374**	**0.00**	**0.3**	**38.00**	**1.5**	**734,712**	**1.08**	**1,347**	
ks												
to 5	3,606,369	843,108	68.47	4,618,831	0.06	0.3	37.47	1.5	788,903	17.08	1,098	
to 5												
to 0	140,336	38,272	71.62	167,096	0.27	0.0	34.76	1.5	55,296	33.09	149	
to 5	92,297	22,242	54.12	99,739	0.50	0.0	36.64	1.7	52,737	52.87	179	
to 0	227,774	42,464	69.49	240,074	1.12	0.0	37.07	1.1	175,765	73.21	999	

to 00	23,274	13,728	72.61	14,083	3.16	0.0	42.03	1.7	16,730	118.78	186
0 to 0.00											
00 fault)	265			265	100.00	0.0	96.57	5.0	75	28.24	250
-total	**4,090,317**	**959,816**	**68.37**	**5,140,091**	**0.14**	**0.5**	**37.36**	**1.5**	**1,089,508**	**21.19**	**2,864**
porate (except SME and specialized lending)											
to 5	39,465,542	23,308,850	73.71	57,563,759	0.07	7.0	38.03	2.4	12,329,342	21.41	16,945
to 5											
to 0	4,373,841	1,325,306	75.19	5,057,722	0.27	5.3	33.54	2.7	2,074,548	41.01	4,695
to 5	3,499,199	943,452	74.03	4,072,508	0.50	3.8	33.90	2.8	2,289,355	56.21	6,948
to 0	4,616,743	1,147,157	75.92	4,948,057	1.19	5.0	31.92	2.8	3,556,995	71.88	18,898
to 00	1,470,179	335,920	69.61	1,253,154	3.66	6.0	30.29	2.7	1,157,675	92.38	14,126
0 to 0.00	473,095	160,093	77.38	400,862	15.16	0.7	28.29	2.3	551,975	137.69	17,203
00 fault)	346,619	27,415	73.89	345,218	100.00	0.5	40.03	2.2	107,016	30.99	129,650
-total	**54,245,221**	**27,248,196**	**73.85**	**73,641,283**	**0.80**	**28.5**	**36.91**	**2.5**	**22,066,910**	**29.96**	**208,468**
E											
to 5	86,027	53,668	73.10	122,125	0.10	0.0	32.19	3.1	24,804	20.31	38
to 5											
to 0	601,492	29,485	71.95	612,641	0.27	3.1	25.19	2.8	163,263	26.64	427
to 5	643,451	16,959	71.32	636,153	0.50	3.4	22.87	3.1	201,174	31.62	732
to 0	1,310,885	45,293	74.58	1,301,707	1.20	5.9	21.50	3.4	540,949	41.55	3,466
to 00	449,935	18,866	79.68	442,031	3.30	2.7	20.65	3.8	234,136	52.96	3,078
0 to 0.00	157,157	5,157	74.51	153,317	15.16	0.7	18.78	3.1	121,803	79.44	4,369
00 fault)	145,333	775	61.86	136,457	100.00	0.6	42.62	2.3	42,442	31.10	54,763
-total	**3,394,284**	**170,206**	**73.84**	**3,404,435**	**5.72**	**16.7**	**23.42**	**3.2**	**1,328,574**	**39.02**	**66,876**
cialized Lending											
	2,600,569	305,192	76.56	2,414,041	0.09	0.4	35.28	4.3	756,824	31.35	819

to 5											
to 5											
to 0	400,392	185,609	78.26	432,729	0.27	0.0	39.64	4.2	265,989	61.46	474
to 5	222,812	99,798	74.62	242,831	0.50	0.0	38.78	4.0	185,663	76.45	473
to 0	400,411	92,648	75.08	321,920	0.97	0.0	38.15	4.5	316,881	98.43	1,191
to 00	79,164	7,794	76.51	39,764	4.16	0.0	36.76	4.6	54,069	135.97	615
0 to 0.00	42,410	1,400	93.96	9,800	15.16	0.0	37.97	3.9	19,729	201.31	564
00 fault)	27,688	418	99.99	24,576	100.00	0.0	64.54	4.3	12,093	49.20	14,896
-total	**3,773,450**	**692,861**	**76.59**	**3,485,664**	**1.01**	**0.6**	**36.56**	**4.3**	**1,611,251**	**46.22**	**19,035**
ities (PD/LGD approach)											
to 5	3,682,099	115,548	100.00	3,797,647	0.05	1.0	90.00	5.0	3,956,333	104.17	/
to 5											/
to 0	95,148			95,148	0.27	0.4	90.00	5.0	150,572	158.25	/
to 5	39,354			39,354	0.50	0.3	90.00	5.0	80,497	204.54	/
to 0	105,586			105,586	1.25	0.2	90.00	5.0	291,781	276.34	/
to 00	12,058			12,058	4.06	0.0	90.00	5.0	46,523	385.81	/
0 to 0.00	943			943	15.16	0.0	90.00	5.0	6,318	669.85	/
00 fault)	4,030			4,030	100.00	0.1	90.00	5.0	45,341	1,125.00	/
-total	**3,939,221**	**115,548**	**100.00**	**4,054,769**	**0.21**	**2.3**	**90.00**	**5.0**	**4,577,368**	**112.88**	/

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(-Continued)

(Millions of yen, %, number in the thousands,

	a	b	c	d	e	f	g	h	i	j	k	
le	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Pro
					As of September 30, 2018							
chased receivables (Corporate, etc.) Default Risk Equivalent												
0 to 5	1,900,286	635,299	75.19	2,371,285	0.07	0.6	38.29	2.1	431,196	18.18	720	
to 25												
to 50	128,441	61,875	76.44	175,739	0.27	0.1	37.93	2.0	70,720	40.24	184	
0 to 75	146,916	20,555	81.80	163,730	0.50	0.1	37.86	1.8	85,199	52.03	311	
to 50	84,293	40,154	78.62	115,867	1.13	0.0	37.97	1.9	84,432	72.87	499	
0 to .00	13,609			13,047	3.40	0.0	37.96	2.5	14,622	112.07	168	
00 to 0.00	436	19,048	75.73	14,862	15.16	0.0	37.97	1.0	25,939	174.53	855	
00 fault)	1,905			1,905	100.00	0.0	55.41	1.0	1,067	56.00	970	
-total	**2,275,890**	**776,933**	**75.65**	**2,856,439**	**0.31**	**1.1**	**38.24**	**2.0**	**713,178**	**24.96**	**3,711**	
chased receivables (Retail) Default Risk Equivalent												
0 to 5												
to 25												
to 50												
0 to 75												
to 50	87			87	2.12	0.0	42.69	1.0	49	55.82	0	
0 to .00												

00 to 0.00												
00 fault)												
-total	**87**			**87**	**2.12**	**0.0**	**42.69**	**1.0**	**49**	**55.82**	**0**	
chased receivables (Dilution Risk Equivalent)												
to .5	922,426	12,592	100.00	935,019	0.08	0.1	6.14		139,131	14.88	312	
to 25												
to 50	49,619			49,619	0.27	0.0	13.12		15,467	31.17	52	
to 75	45,740			45,740	0.50	0.0	19.96		23,057	50.40	87	
to 50	71,032			71,032	1.66	0.0	26.50		54,315	76.46	449	
to .00	6,166			6,166	3.74	0.0	37.97		6,136	99.51	87	
0 to 0.00	1,119			1,119	15.16	0.0	37.97		1,882	168.13	64	
00 fault)	4,940			4,940	100.00	0.0	49.24		2,560	51.83	2,227	
-total	**1,101,045**	**12,592**	**100.00**	**1,113,638**	**0.69**	**0.1**	**8.72**		**242,552**	**21.78**	**3,280**	
ail qualifying revolving retail exposures (QRRE)												
to 5								/				
to 25				31	0.18	0.4	77.41	/	2	7.82	0	
to 50				70	0.35	2.0	78.04	/	9	13.14	0	
to 75								/				
to 50	241,806	873,575	14.80	371,125	2.31	479.3	78.03	/	207,006	55.77	6,708	
to .00	171,763	895,589	8.24	245,510	4.08	1,841.3	78.04	/	200,242	81.56	7,825	
0 to 0.00	33,971	16,943	37.26	40,284	18.45	118.8	78.04	/	72,007	178.74	5,800	
00 fault)	521	1,337	11.36	670	100.00	2.0	71.84	/	533	79.54	438	
-total	**448,063**	**1,787,445**	**11.72**	**657,693**	**4.06**	**2,444.0**	**78.03**	**/**	**479,801**	**72.95**	**20,773**	**1**
ail Residential mortgage												
to 5	1,587,493			1,621,320	0.07	123.8	29.13	/	89,974	5.54	361	
	1,403,767			1,405,418	0.19	90.5	31.43	/	176,710	12.57	883	

to 25												
to 50	2,073,588			2,078,207	0.35	145.1	33.14	/	420,958	20.25	2,460	
) to 75	1,921,100	94,608	97.90	1,971,708	0.67	178.3	36.00	/	673,648	34.16	4,718	
to 50	1,595,251	743	100.00	1,597,278	1.12	122.3	36.04	/	768,886	48.13	6,385	
) to .00	80,452	3,072	100.00	84,070	9.60	7.2	37.36	/	140,223	166.79	3,015	
0 to 0.00	29,884	2,332	100.00	32,229	48.13	3.1	39.78	/	61,705	191.45	6,179	
00 fault)	67,292	1,345	100.00	68,718	100.00	4.3	45.29	/	31,999	46.56	28,565	
-total	**8,758,831**	**102,101**	**98.06**	**8,858,952**	**1.52**	**674.9**	**33.45**	**/**	**2,364,108**	**26.68**	**52,570**	**3**
er retail												
) to 5	21			280,380	0.05	38.8	43.49	/	18,105	6.45	71	
to 25	8			54,272	0.17	4.3	43.08	/	8,740	16.10	41	
to 50	119,038	27	100.00	135,414	0.34	4.5	46.57	/	36,665	27.07	220	
) to 75	185,818	572	75.15	184,617	0.69	70.0	26.63	/	40,919	22.16	322	
to 50	932,959	3,515	79.07	864,854	1.39	24.7	51.23	/	471,471	54.51	5,437	
) to .00	375,436	1,936	66.77	164,544	6.32	10.4	19.74	/	48,416	29.42	1,781	
0 to 0.00	92,135	9,564	53.10	47,419	18.26	11.4	31.50	/	30,984	65.34	3,012	
00 fault)	69,080	2,701	90.54	55,052	100.00	2.8	43.88	/	24,155	43.87	22,226	
-total	**1,774,499**	**18,317**	**65.81**	**1,786,555**	**4.93**	**167.2**	**43.22**	**/**	**679,460**	**38.03**	**33,114**	**1**
all ios)	**150,153,939**	**32,365,116**	**70.60**	**172,963,985**	**0.64**	**3,336.7**	**38.16**	**2.10**	**35,887,475**	**20.67**	**412,043**	**23**

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. On-balance sheet exposures, pre-CCF and pre- CRM off-balance sheet exposures, and the average CCF are allocated to the PD ranges based on pre- CRM PD estimates.
3. The number of credits is disclosed as the number of data of obligors for QRRE, residential mortgage and other retail excluding credit for business purpose.

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(B) CR10: IRB -Specialized Lending under the Slotting Criteria Approach and Equity Exposures under the Market-based Approach etc.

(Millions of yen, %)

As of September 30, 2018

a	b	c	d	e	f	g	h	i	j	k	l
Specialized lending under slotting criteria approach											
Other than HVCRE											
						Exposure amount					
Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**RW**	**P F**	**O F**	**C F**	**I P R E**	**Total**	**RWA**	**Expected losses**
Strong	Less than 2.5 years			50%							
	Equal to or more than 2.5 years	24,962		70%		24,962			24,962	17,473	99
Good	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			90%							
Satisfactory		3,255		115%		3,260			3,260	3,749	91
Weak		10,884		250%		11,045			11,045	27,614	883
Default		3,081				9,312			9,312		4,656
Total		**42,183**				**48,581**			**48,581**	**48,837**	**5,731**

HVCRE

Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**RW**	**Exposure amount**	**RWA**	**Expected losses**
Strong	Less than 2.5 years	6,299		70%	6,299	4,409	25
	Equal to or more than 2.5 years	59,337	26,856	95%	79,483	75,509	317
Good	Less than 2.5 years	9		95%	9	9	0
		21,384	3,970	120%	24,385	29,263	97

Equal to or more than 2.5 years						
Satisfactory			140%			
Weak			250%			
Default						
Total	**87,031**	**30,826**		**110,178**	**109,191**	**440**

Equity exposures under the market-based approach etc.

Categories	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA
Equity exposures under the market-based approach					
Exchange-traded equity exposures	872,252	22,143	300%	894,395	2,683,187
Private equity exposures	60,140	1,733	400%	61,440	245,761
Other equity exposures					
Total	**932,392**	**23,877**		**955,836**	**2,928,949**
Equity exposures to which a risk weight of 100% is applied					
Equity exposures to which a risk weight of 100% is applied	**4,528**		**100%**	**4,528**	**4,528**

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. PF, OF, CF and IPRE respectively stand for project finance, object finance, commodity finance and income-producing real estate.

(C) Credit RWA Exposures under Regarded-method

	(Millions of yen)
	As of September 30, 2018
Ending balance	**2,058,655**

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(3) Credit Risk under Standardized Approach

(i) Quantitative disclosure on credit risk under standardized approach

(A) CR5: Standardized Approach Exposures by Asset Classes and Risk Weights

(Millions of yen)

		a	b	c	d	e	f	g	h	i	j	k
		As of September 30, 2018										
		Credit exposures amount (post CCF and post-CRM)										
Asset classes	**Risk weight**	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**1,250%**	**Total**
1	Cash	10,201										**10,201**
2	Japanese sovereigns and Bank of Japan	8,487,594										**8,487,594**
3	Foreign central sovereigns and central banks	59,051		38,912		108,388		41,517				**247,870**
4	Bank for International Settlements, etc.											
5	Japanese non-central governmental PSEs	45,808										**45,808**
6	Non-central governmental PSEs other than foreign central sovereigns, etc.			8,767		0		15				**8,783**
7	International development banks	2,821										**2,821**
8	Japan Finance Organization for Municipalities		36,000									**36,000**
9	Japanese government institutions		566,186									**566,186**
10	Three regional public sectors of Japan											
11	Financial institutions and business			463,086		33,647		90,703				**587,438**

	operators conducting the type I financial instruments business							
12	Corporates, etc.					1,416,382		**1,416,382**
13	Regulatory retail portfolios and individuals							
14	Mortgage housing loan							
15	Real estate acquisition business, etc.							
16	Claims past due for 3 months or more (excluding mortgage housing loan)				85	12	25	**123**
17	Claims past due for 3 months or more regarding mortgage housing loan							
18	Bills in process of collection							
19	With guarantee of Credit Guarantee Corporations, etc.							
20	With guarantee of Regional Economy Vitalization Corporation of Japan							
21	Investments, etc. (excluding significant investments)							
22	**Total**	**8,605,476**	**602,186**	**510,767**	**142,122**	**1,548,631**	**25**	**11,409,210**

Note:

Counterparty credit risk exposures, credit risk related to securitization transactions, and exposures which are underlaid with the plural number of assets and transactions are excluded from the amount of credit risk exposures above.

(B) Exposures which are underlaid with the plural number of assets and transactions and cannot be judged the risk weights directly in the institutions that adopt The Standardized Approach

	(Millions of yen) As of September 30, 2018
Ending balance	

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(4) Credit Risk Mitigation Techniques

(i) Quantitative Disclosure on Credit Risk Mitigation Techniques

Counterparty risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures below.

(A) CR3: Credit Risk Mitigation Techniques Overview

(Millions of yen)

		As of September 30, 2018				
		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	61,823,877	16,799,056	6,081,367	7,390,764	5,162
2	Debt securities	26,303,832	535,373	198,610	267,613	
3	Other on balance debt assets	50,137,483	109,012	2,843	105,593	
4	**Total (1+2+3)**	**138,265,193**	**17,443,443**	**6,282,820**	**7,763,971**	**5,162**
5	Of which defaulted	174,020	278,197	117,123	52,746	

Notes:

1. Other on-balance debt assets include deposits, call loans, bills purchased, monetary claims bought, money held in trust, and foreign exchange assets, etc.
2. Defaulted exposures include restructured loans, loans past due for three months or more, loans to bankrupt borrowers and so on.

(B) CR4: Standardized Approach Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects

(Millions of yen, except percentages)

	As of September 30, 2018					
	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM			
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density

1	Cash	10,201		10,201			0.00
2	Japanese sovereigns and Bank of Japan	8,487,594		8,487,594			0.00
3	Foreign central sovereigns and central banks	247,870		247,870		103,494	41.75
4	Bank for International Settlements, etc.						
5	Japanese non-central governmental PSEs	45,808		45,808			0.00
6	Non-central governmental PSEs other than foreign central sovereigns, etc.	8,783		8,783		1,769	20.14
7	International development banks	2,821		2,821			0.00
8	Japan finance organization for municipalities	36,000		36,000		3,600	10.00
9	Japanese government institutions	566,186		566,186		21,569	3.80
10	Three regional public sectors of Japan						
11	Financial institutions and business operators conducting the type I financial instruments business	593,045	759	587,058	379	200,144	34.07
12	Corporates, etc.	1,208,648	263,808	1,208,634	207,748	1,416,326	99.99
13	Regulatory retail portfolios and individuals						
14	Mortgage housing loan						
15	Real estate acquisition business, etc.						
16	Loans past due for 3 months or more (excluding mortgage housing loan)	123		123		93	75.72
17	Loans past due for 3 months or more regarding mortgage housing loan						
18	Bills in process of collection						
19	With guarantee of Credit Guarantee Corporation, etc.						
20	With guarantee of Regional Economy Vitalization Corporation of Japan						
21	Investments, etc. (excluding significant investments)						
22	**Total**	**11,207,083**	**264,567**	**11,201,082**	**208,128**	**1,746,997**	**15.31**

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(C) CR7: IRB Effect on RWA of Credit Derivatives Used as CRM Techniques

		(Millions of yen)	
		As of September 30, 2018	
		a	b
	Portfolios	Pre-credit derivatives RWA	Actual RWA
1	Sovereign FIRB		
2	Sovereign AIRB	611,652	611,652
3	Banks FIRB		
4	Banks AIRB	1,028,501	1,028,501
5	Corporate (except Specialized lending) FIRB		
6	Corporate (except Specialized lending) AIRB	23,483,705	23,481,461
7	Specialized lending FIRB		
8	Specialized lending AIRB	1,867,370	1,867,370
9	Retail qualifying revolving retail exposures (QRRE)	479,801	479,801
10	Retail residential mortgage exposures	2,364,108	2,364,108
11	Other retail exposures	679,460	679,460
12	Equity FIRB		
13	Equity AIRB	4,586,769	4,586,769
14	Purchased receivables FIRB		
15	Purchased receivables AIRB	955,779	955,779
16	**Total**	**36,057,149**	**36,054,905**

Counterparty Credit Risk

(1) Quantitative Disclosure on Counterparty Credit Risk

(A) CCR1: Analysis of Counterparty Credit risk (CCR) Exposure by Approach

							(Millions of yen)
		As of September 30, 2018					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR			/	1.4		
	Current Exposure Method	279,700	256,537	/	/	506,701	191,124

2	Internal Model Method	/	/	1,739,752	1.4	2,435,654	785,753
3	Simple Approach for credit risk mitigation	/	/	/	/	337,612	41,269
4	Comprehensive Approach for credit risk mitigation	/	/	/	/	10,489,748	779,346
5	VAR for SFTs	/	/	/	/		
6	**Total**	**/**	**/**	**/**	**/**	**/**	**1,797,493**

(B) CCR2: Credit Valuation Adjustment (CVA) Capital Charge

		(Millions of yen)	
		As of September 30, 2018	
		a	**b**
		EAD post-CRM	**RWA**
1	**Total portfolios subject to the Advanced CVA capital charge**		
2	(i) VAR component (including the 3×multiplier)	/	
3	(ii) Stressed VAR component (including the 3×multiplier)	/	
4	**All portfolios subject to the Standardized CVA capital charge**	**3,298,716**	**2,217,316**
5	**Total subject to the CVA capital charge**	**3,298,716**	**2,217,316**

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(C) CCR3: Standardized Approach CCR Exposures by Regulatory Portfolio and Risk Weights

(Millions of yen)

		As of September 30, 2018								
		a	b	c	d	e	f	g	h	i
		Credit exposures amount (post CCF and post-CRM)								
Regulatory portfolio	Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japanese sovereigns and Bank of Japan	314,775								**314,775**
2	Foreign central sovereigns and central banks	1,879		1,513	752		328			**4,473**
3	Bank for International Settlements, etc.									
4	Japanese non-central governmental PSEs									
5	Non-central governmental PSEs other than foreign central sovereigns, etc.			22,178	767		24			**22,970**
6	International development banks	7,246								**7,246**
7	Japan Finance Organization for Municipalities									
8	Japanese government institutions		944							**944**
9	Three regional public sectors of Japan									
10	Financial institutions and business operators conducting the type I financial instruments business			601,343	22,187		42,919			**666,450**
11	Corporates, etc.						770,037			**770,037**
12	Regulatory retail portfolios and individuals									
13	Other assets									
14	**Total**	**323,901**	**944**	**625,036**	**23,706**		**813,310**			**1,786,899**

(D) CCR4: IRB CCR Exposures by Portfolio and PD Scale

		(Millions of yen, %, number in the thousands, year)						
		As of September 30, 2018						
		a	**b**	**c**	**d**	**e**	**f**	**g**
PD scale		**EAD post-CRM**	**Average PD**	**Number of counterparty**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**
	Sovereign							
1	0.00 to <0.15	9,264,162	0.00	0.0	37.97	4.6	53,572	0.57
2	0.15 to <0.25							
3	0.25 to <0.50	349	0.27	0.0	37.97	2.9	167	47.98
4	0.50 to <0.75	18	0.50	0.0	37.97	4.7	14	81.23
5	0.75 to <2.50	3,617	0.92	0.0	37.97	4.7	3,576	98.88
6	2.50 to <10.00	83	3.13	0.0	37.97	1.4	82	98.45
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**	**9,268,230**	**0.00**	**0.0**	**37.97**	**4.6**	**57,414**	**0.61**
	Banks							
1	0.00 to <0.15	1,195,225	0.06	0.3	37.97	2.2	269,621	22.55
2	0.15 to <0.25							
3	0.25 to <0.50	19,141	0.27	0.0	37.97	1.1	8,239	43.04
4	0.50 to <0.75	2,901	0.50	0.0	37.90	3.8	2,650	91.33
5	0.75 to <2.50	99	1.08	0.0	36.74	1.0	65	66.06
6	2.50 to <10.00	4,462	3.13	0.0	37.97	0.8	4,116	92.25
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**	**1,221,830**	**0.07**	**0.4**	**37.96**	**2.2**	**284,692**	**23.30**
	Corporate							
1	0.00 to <0.15	1,056,522	0.07	2.4	37.85	3.2	274,198	25.95
2	0.15 to <0.25							
3	0.25 to <0.50	60,313	0.27	1.2	34.63	2.6	24,751	41.03
4	0.50 to <0.75	29,267	0.50	1.0	34.34	2.3	15,157	51.79
5	0.75 to <2.50	39,562	1.19	1.2	33.82	2.9	30,049	75.95
6	2.50 to <10.00	12,772	3.66	0.4	33.24	2.6	12,916	101.12
7	10.00 to <100.00	2,449	15.16	0.1	32.49	2.1	3,852	157.27
8	100.00 (Default)	1,174	100.00	0.1	41.51	3.2	289	24.67
9	**Sub-total**	**1,202,062**	**0.29**	**6.6**	**37.41**	**3.2**	**361,216**	**30.04**

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(-Continued)

		As of September 30, 2018						
		a	b	c	d	e	f	g
	PD scale	EAD post-CRM	Average PD	Number of counterparty	Average LGD	Average maturity	RWA	RWA density
	SME							
1	0.00 to <0.15	699	0.10	0.0	24.09	2.7	72	10.40
2	0.15 to <0.25							
3	0.25 to <0.50	5,571	0.27	0.6	20.94	3.2	1,292	23.19
4	0.50 to <0.75	3,684	0.50	0.6	23.38	3.2	1,294	35.12
5	0.75 to <2.50	8,010	1.16	1.0	22.54	3.4	3,629	45.31
6	2.50 to <10.00	3,737	3.18	0.3	22.17	3.9	2,135	57.12
7	10.00 to <100.00	643	15.16	0.0	27.25	3.0	762	118.50
8	100.00 (Default)	441	100.00	0.0	40.44	3.5	91	20.70
9	**Sub-total**	**22,788**	**3.44**	**2.7**	**22.75**	**3.4**	**9,278**	**40.71**
	Specialized Lending							
1	0.00 to <0.15	184,823	0.11	0.2	39.90	4.5	75,328	40.75
2	0.15 to <0.25							
3	0.25 to <0.50	35,721	0.27	0.0	38.53	4.6	22,589	63.23
4	0.50 to <0.75	15,134	0.50	0.0	37.97	4.0	11,205	74.03
5	0.75 to <2.50	27,293	1.03	0.0	37.97	4.2	26,187	95.94
6	2.50 to <10.00	649	4.41	0.0	37.97	3.4	848	130.76
7	10.00 to <100.00	493	15.16	0.0	37.97	5.0	1,039	210.61
8	100.00 (Default)	2,489	100.00	0.0	55.78	4.9	1,387	55.74
9	**Sub-total**	**266,605**	**1.22**	**0.3**	**39.55**	**4.5**	**138,587**	**51.98**
	Purchased receivables							
1	0.00 to <0.15							
2	0.15 to <0.25							
3	0.25 to <0.50							
4	0.50 to <0.75							
5	0.75 to <2.50							
6	2.50 to <10.00							
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**							
	Retails							
1	0.00 to <0.15					/		
2	0.15 to <0.25					/		
3	0.25 to <0.50					/		

4	0.50 to <0.75					/		
5	0.75 to <2.50	732	1.92	0.8	27.68	/	259	35.43
6	2.50 to <10.00	8	4.03	0.0	4.41	/	0	6.37
7	10.00 to <100.00	30	16.20	0.0	16.59	/	9	31.42
8	100.00 (Default)	2	100.00	0.0	39.11	/	1	41.47
9	**Sub-total**	**774**	**2.87**	**0.9**	**27.03**	**/**	**270**	**34.97**
Total (all portfolios)		**11,982,292**	**0.07**	**11.1**	**37.92**	**4.2**	**851,459**	**7.10**

(E) CCR5: Composition of Collateral for CCR Exposure

(Millions of yen)

		As of September 30, 2018					
		a	**b**	**c**	**d**	**e**	**f**
		Collateral used in derivative transactions				**Collateral used in SFTs**	
		Fair value of collateral received		**Fair value of posted collateral**		**Fair value of collateral received**	**Fair value of posted collateral**
		Segregated	**Unsegregated**	**Segregated**	**Unsegregated**		
1	Cash domestic currency	2,909	625,510	4,150	789,785	2,189,898	2,695,496
2	Cash other currencies	323,427	364,363	225,453	460,906	17,140,277	10,008,014
3	Domestic sovereign debt	43,261	364,529	153,714	339,703	2,228,480	3,041,321
4	Other sovereign debt	108,945	80,510	275,280	125,062	8,074,718	13,967,205
5	Government agency debt	1,182		464		107,959	88,128
6	Corporate bonds	2,248	17,621	2,137	12,379	1,161,719	1,766,822
7	Equity securities		402,080		137,116	1,592,626	1,502,763
8	Other collateral		3,105			21,869	363,831
9	**Total**	**481,975**	**1,857,721**	**661,201**	**1,864,955**	**32,517,551**	**33,433,583**

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(F) CCR6: Credit Derivatives Exposures

		(Millions of yen)	
		As of September 30, 2018	
		a	b
		Protection bought	**Protection sold**
	Notionals		
1	Single-name credit default swaps	1,157,568	1,183,797
2	Index credit default swaps	309,609	236,353
3	**Total return swaps**	**4,543**	**11,358**
4	Credit options		
5	Other credit derivatives	1,100	
6	**Total notionals**	**1,472,821**	**1,431,508**
	Fair values		
7	**Positive fair value (asset)**	**2,769**	**17,589**
8	**Negative fair value (liability)**	**(16,171)**	**(1,936)**

(G) CCR8: Exposures to Central Counterparties

		(Millions of yen)	
		As of September 30, 2018	
		a	b
		EAD (post-CRM)	**RWA**
1	**Exposures to QCCPs (total)**	**/**	**209,223**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	**882,138**	**4,146**
3	(i) OTC derivatives	467,271	473
4	(ii) Exchange-traded derivatives	110,113	2,509
5	(iii) Securities financing transactions	304,753	1,163
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	**111,076**	**/**
8	Non-segregated initial margin	**523,405**	**10,913**
9	Pre-funded default fund contributions	**332,180**	**176,936**
10	Unfunded default fund contributions	**36,459**	**17,226**
11	**Exposures to non-QCCPs (total)**	**/**	
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		/
18	Non-segregated initial margin		

19	Pre-funded default fund contributions
20	Unfunded default fund contributions

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Securitization Exposures

(1) Quantitative Disclosure on Securitization Exposures

(A) SEC1: Securitization Exposures in the Banking Book by Type of Underlying Assets

(Millions of yen)

		As of September 30, 2018								
		a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
	type of underlying assets	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) of which**	**0**		**0**	**993,792**		**993,792**	**1,684,784**		**1,684,784**
2	residential mortgage	0		**0**				823,311		**823,311**
3	credit card				295,700		**295,700**	86,699		**86,699**
4	other retail exposures				698,091		**698,091**	774,772		**774,772**
5	re-securitization									
6	**Wholesale (total) of which**	**25,767**	**538,309**	**564,077**	**160,855**		**160,855**	**1,138,283**		**1,138,283**
7	loans to corporates	25,767	538,309	**564,077**				549,630		**549,630**
8	commercial mortgage							189		**189**
9	lease and receivables				160,855		**160,855**	480,277		**480,277**
10	other wholesale							108,186		**108,186**
11	re-securitization									

(B) SEC2: Securitization Exposures in the Trading Book by Type of Underlying Assets

(Millions of yen)

		As of September 30, 2018								
		a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
	type of underlying assets	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) of which**							**10,115**		**10,115**
2	residential mortgage							8,401		**8,401**
3	credit card									
4	other retail exposures							1,713		**1,713**
5	re-securitization							0		**0**

6	**Wholesale (total) of which**	**10,506**	**10,506**
7	loans to corporates	9,534	**9,534**
8	commercial mortgage		
9	lease and receivables	971	**971**
10	other wholesale		
11	re-securitization		

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(C) SEC3: Securitization Exposures in the Banking Book and Associated Regulatory Capital Requirements Bank Acting as Originator or as Sponsor

(Millions of yen)

		As of September 30, 2018							
		a	b	c	d	e	f	g	h
		Total exposures	Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)								
1	£20% RW	**1,612,396**	**1,098,459**	1,098,459	951,670	146,788			
2	>20% to 50% RW	**39,962**	**39,962**	39,962	1,428	38,534			
3	>50% to 100% RW	**41,258**	**41,258**	41,258	40,692	565			
4	>100% to <1250% RW	**24,427**	**734**	734		734			
5	1250% RW	**680**							
	Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	**139,336**	**139,336**	139,336	138,640	696			
7	IRB SFA	**1,578,708**	**1,041,078**	1,041,078	855,151	185,927			
8	SA/SSFA								
9	1250%	**680**							
	RWA (by regulatory approach)								
10	IRB RBA (including IAA)	**11,558**	**11,558**	11,558	11,474	83			
11	IRB SFA	**170,859**	**124,361**	124,361	97,851	26,510			
12	SA/SSFA								
13	1250%	**8,500**							
	Capital charge after cap								
14	IRB RBA (including IAA)	**980**	**980**	980	973	7			
15	IRB SFA	**14,488**	**10,545**	10,545	8,297	2,248			
16	SA/SSFA								
17	1250%	**720**							

		As of September 30, 2018						
		i	j	k	l	m	n	o
		Synthetic securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)							
1	£20% RW	**513,936**	513,936		513,936			
2	>20% to 50% RW							
3	>50% to 100% RW							
4	>100% to <1250% RW	**23,692**	23,692		23,692			

5	1250% RW	**680**	680	680
	Exposure values (by regulatory approach)			
6	IRB RBA (including IAA)			
7	IRB SFA	**537,629**	537,629	537,629
8	SA/SSFA			
9	1250%	**680**	680	680
	RWA (by regulatory approach)			
10	IRB RBA (including IAA)			
11	IRB SFA	**46,498**	46,498	46,498
12	SA/SSFA			
13	1250%	**8,500**	8,500	8,500
	Capital charge after cap			
14	IRB RBA (including IAA)			
15	IRB SFA	**3,943**	3,943	3,943
16	SA/SSFA			
17	1250%	**720**	720	720

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(D) SEC4: Securitization Exposures in the Banking Book and Associated Regulatory Capital Requirements Bank Acting as Investor

(Millions of yen)

		As of September 30, 2018							
		a	b	c	d	e	f	g	h
		Total exposures	Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)								
1	£20% RW	**2,756,702**	**2,756,702**	2,756,702	1,663,190	1,093,512			
2	>20% to 50% RW	**46,328**	**46,328**	46,328	21,594	24,734			
3	>50% to 100% RW	**10,499**	**10,499**	10,499		10,499			
4	>100% to <1250% RW	**9,337**	**9,337**	9,337		9,337			
5	1250% RW	**199**	**199**	199	0	199			
	Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	**1,468,602**	**1,468,602**	1,468,602	875,596	593,005			
7	IRB SFA	**1,338,025**	**1,338,025**	1,338,025	809,088	528,937			
8	SA/SSFA	**16,240**	**16,240**	16,240	100	16,140			
9	1250%	**199**	**199**	199	0	199			
	RWA (by regulatory approach)								
10	IRB RBA (including IAA)	**104,871**	**104,871**	104,871	63,281	41,590			
11	IRB SFA	**112,819**	**112,819**	112,819	59,556	53,262			
12	SA/SSFA	**30,262**	**30,262**	30,262	20	30,242			
13	1250%	**2,496**	**2,496**	2,496	0	2,496			
	Capital charge after cap								
14	IRB RBA (including IAA)	**8,893**	**8,893**	8,893	5,366	3,526			
15	IRB SFA	**9,567**	**9,567**	9,567	5,050	4,516			
16	SA/SSFA	**2,421**	**2,421**	2,421	1	2,419			
17	1250%	**199**	**199**	199	0	199			

		As of September 30, 2018						
		i	j	k	l	m	n	o
		Synthetic securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)							
1	£20% RW							
2	>20% to 50% RW							
3	>50% to 100% RW							
4	>100% to <1250% RW							

5	1250% RW
	Exposure values (by regulatory approach)
6	IRB RBA (including IAA)
7	IRB SFA
8	SA/SSFA
9	1250%
	RWA (by regulatory approach)
10	IRB RBA (including IAA)
11	IRB SFA
12	SA/SSFA
13	1250%
	Capital charge after cap
14	IRB RBA (including IAA)
15	IRB SFA
16	SA/SSFA
17	1250%

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Market Risk

(1) Trading Activities

(A) MR1 : Market risk under standardized approach

No.		(Millions of yen) As of September 30, 2018 RWA (Risk equivalent / 8%)
1	Interest rate risk (general and specific)	472,357
2	Equity risk (general and specific)	600,674
3	Foreign exchange risk	112,048
4	Commodity risk	203,056
	Options	
5	Simplified approach	
6	Delta-plus method	58,424
7	Scenario approach	
8	Securitization	120,477
9	**Total**	**1,567,039**

(B) MR3 : IMA values for trading portfolios

No.		(Millions of yen) As of September 30, 2018
	VAR (10 day 99%)	
1	Maximum value	13,771
2	Average value	7,465
3	Minimum value	4,800
4	Period end	9,783
	Stressed VAR (10 day 99%)	
5	Maximum value	40,186
6	Average value	22,684
7	Minimum value	15,557
8	Period end	28,024
	Incremental Risk Charge (99.9%)	
9	Maximum value	
10	Average value	
11	Minimum value	
12	Period end	
	Comprehensive Risk Capital Charge (99.9%)	

13	Maximum value
14	Average value
15	Minimum value
16	Period end
17	Floor (standardized measurement method)

Notes:

1. The historical simulation method is used for the calculation of VAR and stressed VAR under the Internal Models Approach.
2. VAR is measured based on the observation period of 3 years (801 business days), a 99% confidence interval and a 1-day holding period. This 1-day VAR is scaled up to 10-business day VAR using the square-root-of-time (ÖT) rule. We update historical data on a daily basis, in principle, and do not weight such data. When re-pricing instruments, we use the full revaluation method, a sensitivity-based approach and the like. We consider change width or rate as market volatility of risk factors according to product attributes.
3. When measuring stressed VAR, the same measurement approach as VAR is used except for the observation period of 1 year (265 business days). As a stressed period, we select a period which has an adequate length of time and is considered the most stressful under a certain set of criteria established based on the most recent portfolio.
4. When applying the internal model, we regularly verify the preconditions used for VAR measurement.

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(C) MR4 : Back testing results of IMA

Note:

In the past 250 business days, the number of times loss exceeded VAR was 0, and the VAR model (one-tailed confidence level of 99%) is considered to have sufficient accuracy.

(2) Banking Activities

(D) IRRBB1 : Interest rate risk

(Millions of yen)

No.		a	b	c	d
		D EVE		D NII	
		As of September 30, 2018	As of September 30, 2017	As of September 30, 2018	As of September 30, 2017
1	Parallel up	807,937	/	(274,294)	/
2	Parallel down	0	/	376,514	/
3	Steepener	401,997	/	/	/
4	Flattener	99,613	/	/	/
5	Short rate up	331,967	/	/	/
6	Short rate down	82,399	/	/	/
7	Maximum	807,937	/	376,514	/

		e	f
		As of September 30, 2018	As of September 30, 2017
8	Tier1 capital	9,434,893	/

Notes:

1. Decreased economic values and interest income are shown as positive values.
2. As for some of those current deposits and ordinary deposits whose interest rates are not changed at predetermined intervals and from which depositors can withdraw money as desired on demand, we measure the interest rate risk associated with such deposits by applying an appropriate method after recognizing them as core deposits. The average repricing maturities are 0.8 years for yen deposits and 0.2 years for dollar deposits respectively. The longest repricing maturities are 10.0 years for yen deposits and 5.0 years for dollar deposits respectively. We measure interest rate risk associated with term deposits and loans in an appropriate manner by estimating their early redemption rates based on their historical prepayment and cancellation data.
3. When aggregating the respective D EVE of multiple currencies, we use the internal model that estimates the correlations between the key currencies based on historical data. When aggregating the respective D NII of multiple currencies, we simply add their respective D NII.
4. For the calculation of D EVE and D NII, we set an appropriate interest rate and spread according to a certain discount rate and reference rate.
5. When making the calculations above, we use regulatory defined preconditions including an interest rate shock scenario.

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Composition of Leverage Ratio

(Millions of yen, except percentage)

Corresponding line # on Basel III disclosure template (Table 2)	Corresponding line # on Basel III disclosure template (Table 1)	Item		As of September 30, 2017	As of September 30, 2018
On-balance sheet exposures			(1)		
1		On-balance sheet exposures before deducting adjustment items		182,640,998	180,859,345
1a	1	Total assets reported in the consolidated balance sheet		209,509,243	207,560,759
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)			
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)			
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)		26,868,245	26,701,414
2	7	The amount of adjustment items pertaining to Tier1 capital (-)		1,274,312	1,703,252
3		Total on-balance sheet exposures	(a)	181,366,686	179,156,092
Exposures related to derivative transactions			(2)		
4		Replacement cost associated with derivatives transactions, etc.		2,354,979	2,598,990
5		Add-on amount associated with derivatives transactions, etc.		6,312,801	7,139,889
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.		1,247,364	901,979
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework		210,650	129,496
7					

		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)			
8		The amount of client-cleared trade exposures for which a bank holding company acting as a clearing member is not obliged to make any indemnification (-)		/	/
9		Adjusted effective notional amount of written credit derivatives		1,689,443	1,437,266
10		The amount of deductions from effective notional amount of written credit derivatives (-)		1,565,307	1,304,158
11	4	Total exposures related to derivative transactions	(b)	10,249,931	10,903,464
Exposures related to repo transactions			(3)		
12		The amount of assets related to repo transactions, etc		12,993,856	12,984,658
13		The amount of deductions from the assets above (line 12) (-)		5,397,442	4,791,151
14		The exposures for counterparty credit risk for repo transactions, etc		438,438	462,064
15		The exposures for agent repo transactions		/	/
16	5	Total exposures related to repo transactions, etc.	(c)	8,034,852	8,655,570
Exposures related to off-balance sheet transactions			(4)		
17		Notional amount of off-balance sheet transactions		49,524,666	46,062,358
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)		31,871,648	27,857,310
19	6	Total exposures related to off-balance sheet transactions	(d)	17,653,017	18,205,047
Leverage ratio on a consolidated basis			(5)		
20		The amount of capital (Tier1 capital)	(e)	9,004,810	9,434,893
21	8	Total exposures ((a)+(b)+(c)+(d))	(f)	217,304,488	216,920,174
22		Leverage ratio on a consolidated basis ((e)/(f))		4.14%	4.34%

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Disclosure of Information for the Second Half of Fiscal Year Ended on March 31, 2018 According to the Relevant Old FSA Notice

Among the information disclosed for the second half of the fiscal year ended March 31, 2018, according to the relevant Old FSA Notice, see the following for the items which are different from those disclosed according to the New FSA Notice.

Risk-based Capital

(1) Required capital by portfolio classification

		(Billions of yen)
	As of September 30, 2017	
	EAD	Required capital
Credit risk	**209,935.3**	**4,969.2**
Internal ratings-based approach	**188,644.2**	**4,490.8**
Corporate (except specialized lending)	71,846.4	2,341.2
Corporate (specialized lending)	3,667.5	207.4
Sovereign	78,714.9	85.7
Bank	5,597.9	114.1
Retail	11,935.7	476.3
Residential mortgage	9,218.6	311.0
Qualifying revolving loan	654.7	51.2
Other retail	2,062.3	113.9
Equities	5,337.7	717.8
PD/LGD approach	4,221.3	429.4
Market-based approach (simple risk weight method)	1,116.3	288.4
Market-based approach (internal models approach)		
Regarded-method exposure	1,839.1	287.7
Purchase receivables	3,283.7	96.8
Securitizations	4,247.9	29.5
Others	2,173.0	133.7
Standardized approach	**21,291.0**	**283.5**
Sovereign	16,494.8	9.6
Bank	1,711.4	34.2
Corporate	2,487.5	185.9
Residential mortgage		
Securitizations	13.7	2.2
Others	583.5	51.4
CVA risk	**n.a.**	**177.2**
Central counterparty-related	**n.a.**	**17.5**

Market risk	**n.a.**	**179.1**
Standardized approach	**n.a.**	**103.5**
Interest rate risk	**n.a.**	45.0
Equities risk	**n.a.**	36.8
Foreign exchange risk	**n.a.**	7.2
Commodities risk	**n.a.**	14.3
Option transactions	**n.a.**	
Internal models approach	**n.a.**	**75.6**
Operational risk	**n.a.**	**269.8**
Advanced measurement approach	**n.a.**	**222.3**
Basic indicator approach	**n.a.**	**47.5**
Total required capital (consolidated)	**n.a.**	**4,935.6**

Note:

EAD calculated using the standardized approach for credit risk represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.

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Credit risk

(2) Credit risk exposure, etc.

We exclude regarded-method exposure and securitization exposure from the amount of credit risk exposure. The outstanding balance is based on exposure at default.

Status of credit risk exposure

(A) Breakdown by geographical area

(Billions of yen)

	As of September 30, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	**65,345.0**	**18,158.0**	**871.9**	**39,615.7**	**123,990.8**
Overseas	**36,878.9**	**10,739.0**	**1,641.1**	**9,307.2**	**58,566.3**
Asia	9,490.6	1,994.1	459.9	2,087.8	14,032.5
Central and South America	2,904.4	52.7	87.2	498.8	3,543.3
North America	13,951.5	6,727.2	296.3	5,338.8	26,313.9
Eastern Europe	265.1		0.0	12.8	278.0
Western Europe	6,316.0	1,052.7	642.3	1,139.0	9,150.3
Other areas	3,951.1	911.9	155.1	229.7	5,248.0
Total	**102,224.0**	**28,897.0**	**2,513.1**	**48,923.0**	**182,557.2**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**21,277.3**

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Exposure to non-Japanese residents is included in Overseas.
3. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

(B) Breakdown by industry

(Billions of yen)

	As of September 30, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	**Securities**	**Derivatives**	**Others**	**Total**
Manufacturing	20,132.4	2,357.3	376.3	797.0	23,663.1
Construction	1,303.1	235.7	5.6	56.4	1,601.0
Real estate	8,767.7	607.8	86.8	28.3	9,490.7
Service industries	5,120.9	416.0	75.9	66.8	5,679.8
Wholesale and retail	8,342.4	715.6	91.3	1,045.8	10,195.2
Finance and insurance	12,384.9	2,858.2	958.6	1,993.9	18,195.7
Individuals	10,838.8		1.1	10.8	10,850.8
Other industries	25,002.2	9,587.2	911.4	9,561.4	45,062.4
Japanese Government; Bank of Japan	10,331.2	12,118.9	5.6	35,362.2	57,818.1
Total	**102,224.0**	**28,897.0**	**2,513.1**	**48,923.0**	**182,557.2**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**21,277.3**

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

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(C) Breakdown by residual contractual maturity

(Billions of yen)

	As of September 30, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Less than one year	28,314.0	7,894.8	330.2	6,066.0	42,605.2
From one year to less than three years	18,857.1	5,377.3	1,047.1	678.3	25,960.0
From three years to less than five years	18,634.9	2,931.4	454.2	13.6	22,034.4
Five years or more	26,858.1	7,493.5	681.4	18.5	35,051.7
Other than above	9,559.6	5,199.7		42,146.3	56,905.7
Total	**102,224.0**	**28,897.0**	**2,513.1**	**48,923.0**	**182,557.2**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**21,277.3**

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.

2. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Status of exposure past due three months or more or in default

(D) Breakdown by geographical area

(Billions of yen)

	As of September 30, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	**582.5**	**6.6**	**1.4**	**9.5**	**600.1**
Overseas	**200.6**	**2.8**	**7.3**	**3.2**	**214.1**
Asia	41.7	0.0	1.5	1.1	44.4

Central and South America	90.6	0.0	2.9	0.0	93.6
North America	23.1	2.8	0.0	1.4	27.5
Eastern Europe	0.5		0.0		0.5
Western Europe	33.1	0.0	2.7	0.5	36.4
Other areas	11.4		0.0	0.1	11.5
Total	**783.2**	**9.5**	**8.7**	**12.7**	**814.2**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3.6**

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Exposure to non-Japanese residents is included in Overseas.
3. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

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(E) Breakdown by industry

(Billions of yen)

	As of September 30, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	**Securities**	**Derivatives**	**Others**	**Total**
Manufacturing	174.9	3.4	1.4	4.4	184.2
Construction	9.1	0.0		0.0	9.1
Real estate	56.0	0.3	0.3	0.1	56.7
Service industries	73.3	0.5	0.4	0.7	75.0
Wholesale and retail	171.0	2.1	0.2	3.3	176.7
Finance and insurance	11.4	2.7	0.0	1.7	15.9
Individuals	87.6			0.9	88.5
Other industries	199.7	0.4	6.3	1.2	207.7
Total	**783.2**	**9.5**	**8.7**	**12.7**	**814.2**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3.6**

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Status of reserves for possible losses on loans

The amounts associated with regarded-method exposure and securitization exposure are excluded.

(F) Period-end balances of reserves for possible losses on loans and changes during the six-month period (after partial direct write-offs)

	(Billions of yen)
	As of, or for the six months ended, September 30, 2017

General reserve for possible losses on loans	
Beginning balance	344.7
Increase during the six-month period	218.3
Decrease during the six-month period	344.7
Ending balance	218.3
Specific reserve for possible losses on loans	
Beginning balance	164.4
Increase during the six-month period	146.4
Decrease during the six-month period	164.4
Ending balance	146.4
Reserve for possible losses on loans to restructuring countries	
Beginning balance	0.0
Increase during the six-month period	0.0
Decrease during the six-month period	0.0
Ending balance	0.0
Total	
Beginning balance	**509.1**
Increase during the six-month period	**364.7**
Decrease during the six-month period	**509.1**
Ending balance	**364.7**

Note:

General reserve for possible losses on loans in the above table represents the amount recorded in our consolidated balance sheet, and the amounts associated with regarded-method exposure and securitization exposure are not excluded.

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(G) Specific reserve for possible losses on loans by geographical area and industry

(Billions of yen)

	As of March 31, 2017	As of September 30, 2017	Change
Domestic	**105.0**	**92.1**	**(12.8)**
Manufacturing	36.4	32.9	(3.5)
Construction	0.8	0.7	(0.1)
Real estate	1.9	1.9	(0.0)
Service industries	12.6	7.1	(5.5)
Wholesale and retail	33.4	32.3	(1.1)
Finance and insurance	0.5	1.1	0.5
Individuals	14.1	11.1	(2.9)
Other industries	4.8	4.9	0.0
Overseas	**49.2**	**44.0**	**(5.1)**
Exempt portion	**10.1**	**10.2**	**0.0**
Total	**164.4**	**146.4**	**(18.0)**

Note:

Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.

(H) Write-offs of loans by industry

(Billions of yen)

	For the six months ended September 30, 2017
Manufacturing	0.1
Construction	0.0
Real estate	0.1
Service industries	1.1
Wholesale and retail	4.2
Finance and insurance	0.0
Individuals	1.8
Other industries	1.9
Exempt portion	**0.1**

Total	**9.7**

Notes:

1. The above table represents the breakdown of losses on write-offs of loans recorded in our consolidated statement of income after excluding the amounts associated with regarded-method exposure and securitization exposure.
2. Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.
3. Other industries include overseas and non-Japanese resident portions.

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Status of exposure to which the standardized approach is applied

(I) Exposure by risk weight category after applying credit risk mitigation

	(Billions of yen)			
	As of September 30, 2017			
Risk weight	**On-balance sheet**	**Off-balance sheet**	**Total**	**With external rating**
0%	14,418.3	1,423.6	15,841.9	79.8
10%	497.0		497.0	
20%	970.9	631.1	1,602.1	45.2
35%				
50%	92.4	33.5	126.0	53.5
100%	1,766.7	1,394.5	3,161.2	61.3
150%	0.0		0.0	
250%	48.8		48.8	
350%				
625%		0.0	0.0	
937.5%		0.0	0.0	
1,250%		0.0	0.0	
Total	**17,794.4**	**3,482.9**	**21,277.3**	**239.9**

Notes:

1. The amounts in the above table are before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.
2. Off-balance-sheet exposure shows credit equivalent amount.

(J) Amount of exposure to which a risk weight of 1,250% is applied

	(Billions of yen) As of September 30, 2017
Amount of exposure to which a risk weight of 1,250% is applied	**0.3**

Status of exposure to which the internal ratings-based approach is applied

(K) Specialized lending exposure under supervisory slotting criteria by risk weight category

(Billions of yen)

Risk weight	As of September 30, 2017
50%	
70%	50.4
90%	
95%	59.5
115%	11.8
120%	13.2
140%	14.4
250%	12.6
Default	11.5
Total	**173.9**

(L) Equity exposure under simple risk weight method of market-based approach by risk weight category

	(Billions of yen)
Risk weight	**As of September 30, 2017**
300%	1,057.4
400%	58.9
Total	**1,116.3**

Note:

Of the equity exposure under the simple risk weight method, a risk weight of 300% is applied for listed equities and 400% for unlisted equities.

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(M) Portfolio by asset class and ratings segment (Corporate, etc.)

(Billions of yen, except percentages)

	As of September 30, 2017								
	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Corporate	**1.23**	**36.23**	**n.a.**	**36.00**	**78,267.6**	**56,901.7**	**21,365.8**	**21,817.0**	**74.99**
Investment grade zone	0.09	37.88	**n.a.**	25.66	56,939.5	39,183.7	17,755.7	18,351.4	74.99
Non-investment grade zone	1.53	31.54	**n.a.**	64.39	20,734.1	17,148.4	3,585.7	3,458.7	75.00
Default	100.00	41.68	39.02	35.28	593.9	569.6	24.2	6.8	75.00
Sovereign	**0.01**	**37.97**	**n.a.**	**1.39**	**79,046.8**	**68,569.3**	**10,477.5**	**727.9**	**75.00**
Investment grade zone	0.00	37.97	**n.a.**	1.29	78,923.2	68,447.2	10,475.9	726.7	75.00
Non-investment grade zone	0.97	37.80	**n.a.**	63.21	123.6	122.0	1.5	1.2	75.00
Default	100.00	28.64	25.59	40.49	0.0	0.0			
Bank	**0.16**	**37.65**	**n.a.**	**24.64**	**5,622.1**	**3,894.1**	**1,727.9**	**736.2**	**75.00**
Investment grade zone	0.08	37.72	**n.a.**	21.33	5,057.2	3,416.1	1,641.1	696.3	75.00
Non-investment grade zone	0.61	36.87	**n.a.**	54.33	563.3	476.5	86.8	39.9	75.00
Default	100.00	96.75	94.52	29.55	1.4	1.4			
Equity exposure under PD/LGD approach	**0.32**	**90.00**	**n.a.**	**127.15**	**4,221.3**	**4,171.0**	**50.3**		
Investment grade zone	0.07	90.00	**n.a.**	112.61	3,886.2	3,835.8	50.3		
Non-investment grade zone	1.84	90.00	**n.a.**	283.03	330.4	330.4			
Default	100.00	90.00	**n.a.**	1,192.50	4.6	4.6			
Total	**0.59**	**38.46**	**n.a.**	**21.55**	**167,158.0**	**133,536.3**	**33,621.6**	**23,281.2**	**74.99**
Investment grade zone	0.04	39.32	**n.a.**	14.56	144,806.2	114,883.0	29,923.2	19,774.5	74.99
Non-investment grade zone	1.51	32.61	**n.a.**	67.45	21,751.6	18,077.5	3,674.1	3,499.8	75.00
Default	100.00	42.19	39.15	44.28	600.0	575.7	24.2	6.8	75.00

Notes:

1. Investment grade zone includes obligor ratings A1 through B2, non-investment grade zone includes C1 through E2 (excluding E2R), and default includes E2R through H1.
2. Corporate does not include specialized lending exposure under supervisory slotting criteria.
3. Each asset class includes purchased receivables.
4. The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.
5. Regarding equity exposure under the PD/LGD approach, we recognized the risk-weighted assets by multiplying 1,250% by the expected loss (EL).

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(N) Portfolio by asset class and ratings segment (Retail)

(Billions of yen, except percentages)

	As of September 30, 2017								
	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Residential mortgage	**1.58**	**41.29**	n.a.	**33.69**	**9,218.6**	**9,100.6**	**118.0**	**7.9**	**75.00**
Non-default	0.76	41.24	n.a.	33.64	9,142.5	9,026.0	116.5	7.9	75.00
Default	100.00	47.76	44.76	39.70	76.1	74.5	1.5		
Qualifying revolving loan (retail)	**3.29**	**76.82**	n.a.	**66.46**	**654.7**	**434.1**	**220.5**	**1,762.5**	**12.51**
Non-default	3.19	76.83	n.a.	66.46	654.0	433.6	220.4	1,761.1	12.52
Default	100.00	71.49	66.38	67.69	0.6	0.5	0.1	1.4	11.61
Other retail	**4.61**	**47.46**	n.a.	**44.77**	**2,062.3**	**2,048.0**	**14.3**	**15.8**	**64.92**
Non-default	1.68	47.52	n.a.	44.85	2,001.0	1,989.9	11.0	12.4	56.74
Default	100.00	45.66	42.49	42.12	61.3	58.1	3.2	3.3	95.30
Total	**2.19**	**44.31**	n.a.	**37.40**	**11,935.7**	**11,582.8**	**352.9**	**1,786.3**	**13.26**
Non-default	1.05	44.28	n.a.	37.36	11,797.6	11,449.6	347.9	1,781.4	13.10
Default	100.00	46.95	43.86	40.91	138.1	133.1	4.9	4.8	69.88

Notes:

1. Each asset class includes purchased receivables.
2. The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.

(O) Actual losses by asset class

(Billions of yen)

	For the period from October 1, 2016 through September 30, 2017 Actual losses
Corporate	(81.2)
Sovereign	0.0
Bank	0.0
Residential mortgage	(11.6)
Qualifying revolving loan (retail)	0.0
Other retail	(5.7)
Total	**(98.6)**

Note:

Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserve for possible losses on loans and general reserve for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

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(P) Comparison of estimated and actual losses by asset class

(Billions of yen)

	For the period from October 1, 2007 through September 30, 2008 Estimated losses (expected losses as of September 30, 2007)			For the period from October 1, 2008 through September 30, 2009 Estimated losses (expected losses as of September 30, 2008)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
Corporate	1,060.5	202.0	28.2	998.6	390.4	433.9
Sovereign	2.2	(9.3)	0.7	1.6	(10.7)	0.0
Bank	8.0	4.2	34.4	18.9	(18.4)	0.0
Residential mortgage	85.8	18.6	16.9	96.4	22.9	21.3
Qualifying revolving loan (retail)	7.4	2.5	0.0	8.0	3.1	2.2
Other retail	50.1	12.6	4.3	53.2	16.0	6.2
Total	**1,214.3**	**230.7**	**84.8**	**1,176.9**	**403.3**	**463.9**

(Billions of yen)

	For the period from October 1, 2009 through September 30, 2010 Estimated losses (expected losses as of September 30, 2009)			For the period from October 1, 2010 through September 30, 2011 Estimated losses (expected losses as of September 30, 2010)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
Corporate	1,377.8	503.2	45.2	1,151.1	406.3	41.1
Sovereign	4.1	(8.3)	0.3	1.4	(11.5)	0.2
Bank	42.7	5.6	(3.1)	32.0	3.9	0.0
Residential mortgage	107.8	26.5	36.6	143.2	38.8	13.3
Qualifying revolving loan (retail)	10.4	3.6	0.2	10.7	3.8	0.2
Other retail	54.6	15.8	22.4	78.6	25.1	4.6
Total	**1,597.7**	**546.6**	**101.8**	**1,417.2**	**466.5**	**59.5**

(Billions of yen)

	For the period from October 1, 2011 through September 30, 2012			For the period from October 1, 2012 through September 30, 2013		
	Estimated losses (expected losses as of September 30, 2011)	After deduction of reserves	Actual losses	Estimated losses (expected losses as of September 30, 2012)	After deduction of reserves	Actual losses
Corporate	937.7	349.2	28.0	782.6	271.7	22.4
Sovereign	1.3	(11.8)	0.1	2.5	(10.8)	0.1
Bank	33.0	5.1	(4.7)	12.9	5.3	(2.7)
Residential mortgage	146.0	42.8	(12.0)	134.0	53.6	(0.1)
Qualifying revolving loan (retail)	10.7	3.6	0.3	11.0	3.7	0.6
Other retail	75.0	24.1	1.5	72.1	26.8	2.1
Total	**1,203.9**	**413.3**	**13.2**	**1,015.2**	**350.5**	**22.5**

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(Billions of yen)

	For the period from October 1, 2013 through September 30, 2014 Estimated losses (expected losses as of September 30, 2013)	After deduction of reserves	Actual losses	For the period from October 1, 2014 through September 30, 2015 Estimated losses (expected losses as of September 30, 2014)	After deduction of reserves	Actual losses
Corporate	654.9	213.9	(35.6)	488.9	171.8	180.1
Sovereign	1.4	(12.0)	(13.4)	1.5	1.4	0.0
Bank	13.5	8.2	(1.6)	7.3	3.8	(0.2)
Residential mortgage	117.8	48.5	(4.6)	100.0	47.4	(2.8)
Qualifying revolving loan (retail)	11.6	3.8	0.0	11.9	4.2	2.5
Other retail	66.3	24.6	0.1	59.6	24.4	5.5
Total	**865.8**	**287.2**	**(55.2)**	**669.4**	**253.3**	**185.2**

(Billions of yen)

	For the period from October 1, 2015 through September 30, 2016 Estimated losses (expected losses as of September 30, 2015)	After deduction of reserves	Actual losses	For the period from October 1, 2016 through September 30, 2017 Estimated losses (expected losses as of September 30, 2016)	After deduction of reserves	Actual losses
Corporate	536.0	124.6	11.7	463.0	136.6	(81.2)
Sovereign	1.7	1.6	0.0	1.5	1.5	0.0
Bank	6.9	3.5	(0.8)	5.5	3.9	0.0
Residential mortgage	79.2	36.9	(0.9)	69.9	33.8	(11.6)
Qualifying revolving loan (retail)	13.1	2.9	0.0	14.4	4.2	0.0
Other retail	52.8	17.0	(2.0)	45.9	17.3	(5.7)
Total	**689.8**	**186.8**	**7.9**	**600.5**	**197.7**	**(98.6)**

Notes:

1.

Estimated losses after deduction of reserves are the amount after deductions of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as of the beginning of each period. Equity exposure under the PD/LGD approach is not included in the amount of estimated losses.

2. Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

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Methods for credit risk mitigation

(3) Credit risk mitigation by portfolio classification

The amounts of exposure to which the method of credit risk mitigation through collateral and guarantees is applied are as follows:

	As of September 30, 2017				(Billions of yen)
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	**843.1**	**4,891.1**	**8,348.3**	**12.8**	**14,095.4**
Corporate	802.9	4,559.8	7,380.5	12.8	12,756.1
Sovereign	0.0	6.7	380.4		387.2
Bank	17.0	48.5	48.7		114.4
Retail	23.1	275.9	538.5		837.6
Residential mortgage			123.8		123.8
Qualifying revolving loan			0.1		0.1
Other retail	23.1	275.9	414.5		713.6
Others					
Standardized approach	**111.2**	**n.a.**	**316.7**		**428.0**
Sovereign	90.0	n.a.	316.7		406.7
Bank	13.2	n.a.			13.2
Corporate	7.9	n.a.			7.9
Residential mortgage		n.a.			
Securitizations		n.a.			
Others		n.a.			
Total	**954.4**	**4,891.1**	**8,665.0**	**12.8**	**14,523.4**

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Counterparty risk in derivatives transactions and long-settlement transactions

(4) Status of counterparty risk in derivatives transactions and long-settlement transactions

(A) Status of derivatives transactions and long-settlement transactions

Derivative transactions

				(Billions of yen)
		As of September 30, 2017		
		Gross replacement cost	Gross add-on	Credit equivalent amount
Current exposure method				
Foreign exchange-related transactions		94.3	103.4	197.7
Interest rate-related transactions		143.2	26.7	170.0
Gold-related transactions				
Equity-related transactions		79.7	158.2	238.0
Transactions related to precious metals (other than gold)		35.3	55.4	90.7
Other commodity-related transactions		698.1	1,160.4	1,858.6
Credit derivatives transactions		0.6	7.1	7.7
Subtotal	(A)	**1,051.4**	**1,511.5**	**2,562.9**
Netting benefits by close-out netting settlement contracts	(B)	n.a.	n.a.	1,158.3
Subtotal	(C)=(A)+(B)	n.a.	n.a.	**1,404.6**
Effect of credit risk mitigation by collateral	(D)	n.a.	n.a.	436.6
Total	(C)+(D)	n.a.	n.a.	**968.0**

Standardized method	**Credit equivalent amount**
Total	**15.1**

Expected positive exposure method	
Total	**2,435.3**

Note:

The current exposure method and standardized method are used as the method to calculate credit equivalent amounts.

Long-settlement transactions

	(Billions of yen)		
	As of September 30, 2017		
	Gross replacement cost	Gross add-on	Credit equivalent amount
Long-settlement transactions	**0.3**	**2.7**	**3.1**

Notes:

1. The current exposure method is used as the method to calculate credit equivalent amounts.
2. Neither the netting benefits by close-out netting settlement contracts nor the effect of credit risk mitigation by collateral applies to long-settlement transactions.

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(B) Amounts of credit risk mitigation by type

	(Billions of yen) As of September 30, 2017
Financial collateral	3.0
Other collateral	33.3
Guarantees, others	12.5
Total	**48.8**

(C) Notional amount of credit derivatives subject to credit equivalent amount calculations

		(Billions of yen) As of September 30, 2017 Notional amount
Credit derivatives type:		
Credit default swap	Protection bought	1,389.8
	Protection sold	1,453.1
Total return swap	Protection bought	
	Protection sold	
Total	**Protection bought**	**1,389.8**
	Protection sold	**1,453.1**

Note:

Credit derivatives used for credit risk mitigation are as follows:

	(Billions of yen) As of September 30, 2017
Credit derivatives used for credit risk mitigation	26.8

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Securitization exposure

(5) Quantitative disclosure items for securitization exposure

Securitization exposure as originator (for calculation of credit risk-weighted assets)

(A) Information by type of underlying assets

	As of, or for the six months ended, September 30, 2017 (Billions of yen)							
	Credit cards	**Residential mortgage loans**	**Auto loans**	**Lease payment receivables**	**Corporate**	**Real estate**	**Securitization products**	**Total**
Traditional securitizations								
Amount of underlying assets (a)		43.6						43.6
Default exposure		0.3						0.3
Losses during the six-month period								
Amount of exposures securitized during the six-month period								
Gains and losses recognized on sales during the six-month period								
Securitization subject to early amortization treatment								
Synthetic securitizations								
Amount of underlying assets (b)					373.9			373.9
Default exposure					0.0			0.0
Losses during the six-month period								
Amount of exposures securitized during the six-month period					92.6			92.6
Total amount of underlying assets (a)+(b)		**43.6**			**373.9**			**417.5**

Notes:

1. Items that refer to during the six-month period show amounts accumulated during the six months ended September 30, 2017.
2. Default exposure and Losses during the six-month period with respect to synthetic securitization transactions are based on the definition of default as set forth in the respective transactions.
3. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction.
4. Credit cards include shopping credit receivables, card loans, etc.
5. The effects of risk mitigation, in the context of calculating capital adequacy ratio, of transfers (hedges) of risk through synthetic securitization transactions are reflected in Required capital of (B) Information of

securitization exposure retained or purchased.

Exposure intended to be securitized

	(Billions of yen)							
	As of September 30, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Exposure intended to be securitized								

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(B) Information of securitization exposure retained or purchased

Exposure by type of underlying asset

(Billions of yen)

	As of September 30, 2017							
	Credit cards	**Residential mortgage loans**	**Auto loans**	**Lease payment receivables**	**Corporate**	**Real estate**	**Securitization products**	**Total**
On-balance sheet		**0.0**			**371.8**			**371.8**
Exposure on resecuritizations								
Off-balance sheet					**2.0**			**2.0**
Exposure on resecuritizations								
Total		**0.0**			**373.9**			**373.9**
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied		0.0			0.6			0.6
Exposure whose underlying assets are overseas assets					92.6			92.6

Notes:

1. Classification based on type of underlying asset is conducted according to the principal underlying asset type for each transaction.
2. Credit cards include shopping credit receivables, card loans, etc.
3. Exposure whose underlying assets are overseas assets is classified based on the principal underlying asset type for each transaction.
4. Exposure on resecuritizations as of September 30, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Exposure by risk weight category

(Billions of yen)

	As of September 30, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 20%	351.5		1.9		353.4	
Up to 50%						
Up to 100%	1.7				1.7	
Up to 250%						

Up to 650%						
Less than 1,250%	17.9		0.1		18.0	
1,250%	0.6				0.6	
Total	**371.8**		**2.0**		**373.9**	

Amount of required capital by risk weight category

(Billions of yen)

	As of September 30, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 20%	2.1		0.0		2.1	
Up to 50%						
Up to 100%						
Up to 250%						
Up to 650%						
Less than 1,250%	0.2				0.2	
1,250%	0.7				0.7	
Total	**3.1**		**0.0**		**3.1**	

Credit risk mitigation against exposure on resecuritizations

Risk weight	(Billions of yen) As of September 30, 2017
Up to 20%	
Up to 50%	
Up to 100%	
Up to 250%	
Up to 650%	
Over 650%	
Total	

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Capital increase due to securitization transactions

(Billions of yen)

	As of September 30, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Capital increase due to securitization transactions								

Securitization exposure as sponsor of securitization programs (ABCP/ABL) (for calculation of credit risk-weighted assets)

(C) Information by type of underlying assets

(Billions of yen)

	As of, or for the six months ended, September 30, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Account and note receivables	Real estate	Others	Total
Amount of underlying assets	**58.8**		**61.6**	**14.1**	**249.2**		**72.2**	**456.2**
Default exposure					6.0			6.0
	1.9		**0.3**	**0.0**	**2.8**		**0.7**	**5.8**

Estimated loss amount related to underlying assets during the six-month period								
Amount of exposures securitized during the six-month period	**170.6**		**336.3**	**97.1**	**1,123.3**		**317.1**	**2,044.6**

Notes:

1. Items that refer to during the six-month period show amounts accumulated during the six months ended September 30, 2017.
2. Securitization exposure that is acquired in securitization of customer s claims other than as sponsor (in the form of asset-backed securities, trust beneficiary rights and other transferable instruments) is categorized as securitization exposure as investor.
3. The amount of default exposure is the amount of the underlying assets recognized as default in the calculation of capital adequacy ratio.
4. Estimated loss amount related to underlying assets is based on the amount of the underlying assets as of the relevant date and the following parameters that are used in the calculation of capital adequacy ratio:

   parameters used in the calculation of required capital for an underlying asset when applying the supervisory formula (e.g., PD); and

   with respect to underlying assets classified as securitization exposure, the conservative application of risk weights used in the ratings-based approach.
5. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
6. Credit cards include shopping credit receivables, card loans, etc.

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(D) Information of securitization exposure retained or purchased

Exposure by type of underlying asset

(Billions of yen)

	As of September 30, 2017							
	Credit cards	**Residential mortgage loans**	**Auto loans**	**Lease payment receivables**	**Account and note receivables**	**Real estate**	**Others**	**Total**
On-balance sheet	**9.5**		**50.3**	**14.1**	**252.8**		**30.1**	**357.0**
Exposure on resecuritizations								
Off-balance sheet	**134.5**		**0.0**		**54.2**		**10.4**	**199.3**
Exposure on resecuritizations								
Total	**144.0**		**50.3**	**14.1**	**307.0**		**40.6**	**556.3**
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied								
Exposure whose underlying assets are overseas assets	84.5			7.7	153.8		35.5	281.6

Notes:

1. Securitization exposure retained or purchased includes unused portions of securitization programs that are subject to allocation of required capital.
2. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
3. Credit cards include shopping credit receivables, card loans, etc.
4. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
5. Exposure on resecuritizations as of September 30, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Exposure by risk weight category

(Billions of yen)

	As of September 30, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**

Up to 20%	354.5	184.3	538.9
Up to 50%	2.4		2.4
Up to 100%		15.0	15.0
Up to 250%			
Up to 650%			
Less than 1,250%			
1,250%			
Total	**357.0**	**199.3**	**556.3**

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Amount of required capital by risk weight category

(Billions of yen)

	As of September 30, 2017					
Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	2.2		1.1		3.4	
Up to 50%	0.0				0.0	
Up to 100%			0.8		0.8	
Up to 250%						
Up to 650%						
Less than 1,250%						
1,250%						
Total	**2.3**		**2.0**		**4.3**	

Credit risk mitigation against exposure on resecuritizations

(Billions of yen)

Risk weight	As of September 30, 2017
Up to 20%	
Up to 50%	
Up to 100%	
Up to 250%	
Up to 650%	
Over 650%	
Total	

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Securitization exposure as investor(for calculation of credit risk-weighted assets)

(E) Information of securitization exposure retained or purchased

Exposure by type of underlying asset

(Billions of yen)

	As of September 30, 2017							
	Credit cards	**Residential mortgage loans**	**Auto loans**	**Lease payment receivables**	**Corporate**	**Real estate**	**Others**	**Total**
On-balance sheet	**128.0**	**838.1**	**711.4**	**304.3**	**584.1**	**5.0**	**161.4**	**2,732.7**
Exposure on resecuritizations								
Off-balance sheet	**44.6**		**229.9**	**156.8**	**164.8**	**0.1**	**2.1**	**598.6**
Exposure on resecuritizations								
Total	**172.7**	**838.1**	**941.4**	**461.1**	**748.9**	**5.2**	**163.6**	**3,331.3**
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied		0.0				0.3		0.3
Exposure whose underlying assets are overseas assets	166.5	0.0	929.8	460.9	748.9	0.3	134.6	2,441.2

Notes:

1. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
2. Credit cards include shopping credit receivables, card loans, etc.
3. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
4. Exposure on resecuritizations as of September 30, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

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Exposure by risk weight category

(Billions of yen)

Risk weight	As of September 30, 2017 On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	2,665.8		564.8		3,230.6	
Up to 50%	38.8		20.0		58.8	
Up to 100%	24.1		13.2		37.3	
Up to 250%						
Up to 650%	3.7		0.3		4.1	
Less than 1,250%						
1,250%	0.1		0.1		0.3	
Total	**2,732.7**		**598.6**		**3,331.3**	

Amount of required capital by risk weight category

(Billions of yen)

Risk weight	As of September 30, 2017 On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	15.1		3.4		18.6	
Up to 50%	1.0		0.6		1.6	
Up to 100%	1.6		0.8		2.5	
Up to 250%						
Up to 650%	1.0		0.1		1.1	
Less than 1,250%						
1,250%	0.1		0.1		0.3	
Total	**19.0**		**5.2**		**24.2**	

Credit risk mitigation against exposure on resecuritizations

(Billions of yen)

Risk weight	As of September 30, 2017

Up to 20%
Up to 50%
Up to 100%
Up to 250%
Up to 650%
Over 650%
Total

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

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¡ Securitization exposure as originator (for calculation of market risk equivalent amounts)

(F) Information by type of underlying assets

None as of September 30, 2017

(G) Information of securitization exposure retained or purchased

None as of September 30, 2017

¡ Securitization exposure as sponsor of securitization programs (ABCP/ABL) (for calculation of market risk equivalent amounts)

(H) Information by type of underlying assets

None as of September 30, 2017

(I) Information of securitization exposure retained or purchased

None as of September 30, 2017

¡ Securitization exposure as investor (for calculation of market risk equivalent amounts)

(J) Information of securitization exposure retained or purchased

Exposure by type of underlying asset

								(Billions of yen)
	As of September 30, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Others	Total
On-balance sheet	**0.0**	**7.6**	**5.2**		**0.0**		**2.6**	**15.5**
Exposure on resecuritizations							0.0	0.0
Off-balance sheet								
Exposure on resecuritizations								
Total	**0.0**	**7.6**	**5.2**		**0.0**		**2.6**	**15.5**
Exposure on resecuritizations							0.0	0.0
Exposure on securitizations to which a risk weight of 100% is applied		6.9	0.0		0.0		0.7	7.7
Exposure whose underlying assets are overseas assets		7.5	5.2		0.0		2.6	15.5

Notes:

1. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
2. Credit cards include shopping credit receivables, card loans, etc.
3. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
4. Exposure on resecuritizations are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

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Exposure by risk capital charge category

(Billions of yen)

As of September 30, 2017

Risk capital charge	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 1.6%	6.2				6.2	
Up to 4%	0.3				0.3	
Up to 8%	0.6				0.6	
Up to 20%						
Up to 52%	0.6				0.6	
Less than 100%						
100%	7.7	0.0			7.7	0.0
Total	**15.5**	**0.0**			**15.5**	**0.0**

Amount of required capital by risk capital charge category

(Billions of yen)

As of September 30, 2017

Risk capital charge	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 1.6%	0.0				0.0	
Up to 4%	0.0				0.0	
Up to 8%	0.0				0.0	
Up to 20%						
Up to 52%	0.1				0.1	
Less than 100%						
100%	7.7	0.0			7.7	0.0
Total	**8.0**	**0.0**			**8.0**	**0.0**

Subject to Comprehensive Risk Measure

(Billions of yen)

As of September 30,

	2017	
	Securitization	**Resecuritiation**
Total amount of securitization exposure		
Total amount of required capital		

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Market risk

¡ **Trading activities**

The following table shows VaR (Value at Risk) figures of our trading activities:

	(Billions of yen) For the six months ended September 30, 2017
End of period	2.7
Maximum	4.1
Minimum	1.5
Average	2.3
The number of cases where assumptive losses exceeded VaR during the period	0

Notes:

1. Amount of market risk (VaR) is calculated based on the internal model.
2. The multiplication factor for the calculation of market risk equivalent is determined by the number of cases where assumptive losses exceeded VaR before 250 business days prior to the end of period.
3. Our group companies which conduct trading activities are Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities, etc.

VaR method:

VaR	historical simulation method
Quantitative standard:	1. confidence interval: one-tailed 99.0%;
	2. holding period: 1 day; and
	3. historical observation period of 3 years (801 business days)

The following table shows stressed VaR figures of our trading activities:

	(Billions of yen) For the six months ended September 30, 2017
End of period	4.6
Maximum	7.0
Minimum	4.1
Average	5.5

Stressed VaR method:

Stressed VaR	historical simulation method
Quantitative standard:	1. confidence interval: one-tailed 99.0%;
	2. holding period: 1 day; and
	3. historical observation period of 1 year of significant financial stress (265 business days)

Stressed VaR

The stressed VaR measurement is based on a continuous 12-month period of significant financial stress.

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¡ **Outlier criteria**

The following table shows results of calculations under the outlier framework:

			(Billions of yen)
	Amount of loss	**Broadly-defined capital**	**Loss ratio to capital**
As of September 30, 2017	413.3	10,946.6	3.7%

Outlier criteria

As part of the capital adequacy requirements under Basel III, the losses arising from a banking book in hypothetical interest rate shock scenarios under certain stress conditions are calculated and compared with the sum of Tier 1 and Tier 2 capital. If the interest rate risk of the banking book leads to an economic value decline of more than 20% of the sum of Tier 1 and Tier 2 capital, we will be deemed an outlier and may be required to reduce the banking book risk or adopt other responses.

Interest rate shock scenario under stress conditions in outlier criteria

For the interest rate shock scenario used in connection with the calculations under the outlier framework, we generate annual rate fluctuation data for five years derived from daily raw historical interest rate data of the past six years and then apply the actual fluctuation data at a 99.0% confidence level to the shock scenario.

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Equity exposures in banking book

(6) Status of equity exposures in banking book

(A) Amounts stated in consolidated balance sheet

	(Billions of yen) As of September 30, 2017	
	Consolidated balance sheet amount	**Fair value**
Exposure of listed stock, etc.	3,969.7	4,119.3
Other equity exposure	327.4	n.a.
Total	**4,297.1**	n.a.

Note: The above figures include only Japanese and foreign stocks.

(B) Gains and losses on sales related to equity exposure

	(Billions of yen) For the six months ended September 30, 2017		
	Gains and losses on sales	**Gains on sales**	**Losses on sales**
Sale of equity exposure	**116.9**	**123.3**	**6.4**

Note: The above figures represent gains and losses on sales of stocks in our consolidated statement of income.

(C) Gains and losses from write-offs related to equity exposure

	(Billions of yen) For the six months ended September 30, 2017
	Gains and losses from write-offs
Write-offs of equity exposure	**(0.5)**

Note: The above figures represent gains and losses on devaluation of stocks in our consolidated statement of income.

(D) Unrealized gains and losses recognized in the consolidated balance sheet and not recognized in the consolidated statement of income

	(Billions of yen)		
	As of September 30, 2017		
	Net unrealized gains	Unrealized gains	Unrealized losses
Equity exposure	**2,135.3**	**2,170.3**	**34.9**

Note: The above figures include only Japanese and foreign stocks.

(E) Unrealized gains and losses not recognized in the consolidated balance sheet or in the consolidated statement of income

	(Billions of yen)		
	As of September 30, 2017		
	Net	Unrealized gains	Unrealized losses
Equity exposure	**149.6**	**159.3**	**9.6**

Note: The above figures include only Japanese and foreign stocks.

(F) Equities exposure by portfolio classification

	(Billions of yen) As of September 30, 2017
PD/LGD approach	4,221.3
Market-based approach (simple risk weight method)	1,116.3
Market-based approach (internal models approach)	
Total	**5,337.7**

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Liquidity Coverage Ratio

The information disclosed herein is in accordance with Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of Sound Management of Liquidity Risk, etc. pursuant to Article 19-2, Paragraph 1, Item 5, Sub-item (e), etc. of the Ordinance for Enforcement of the Banking Law (the FSA Notice No. 7 of 2015).

(In million yen, %, the number of data)

Item			**For the three months ended June 30, 2018**		**For the three months ended September 30, 2018**	
High-Quality Liquid Assets		(1)	/		/	
1	Total high-quality liquid assets (HQLA)		62,777,196		62,485,008	
Cash Outflows		(2)	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding		46,301,263	3,694,175	46,824,345	3,722,399
3	of which, Stable deposits		13,408,103	402,243	13,752,373	412,571
4	of which, Less stable deposits		32,893,160	3,291,932	33,071,972	3,309,828
5	Cash outflows related to unsecured wholesale funding		78,726,832	48,969,567	73,473,798	44,567,686
6	of which, Qualifying operational deposits		0	0	0	0
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities		72,639,956	42,882,691	68,211,601	39,305,489
8	of which, Debt securities		6,086,876	6,086,876	5,262,197	5,262,197
9	Cash outflows related to secured funding, etc		/	1,200,096	/	1,195,936
10	Cash outflows related to derivatives transactions, etc. funding programs, credit and liquidity facilities		24,961,664	7,142,351	25,301,834	7,424,344
11	of which, Cash outflows related to derivative transactions, etc		2,275,532	2,275,532	2,433,467	2,433,467
12	of which, Cash outflows related to funding programs		21,333	21,333	18,309	18,309
13	of which, Cash outflows related to credit and liquidity facilities		22,664,798	4,845,486	22,850,056	4,972,566

14	Cash outflows related to contractual funding obligations, etc.		6,555,426	2,087,556	5,467,311	1,852,383
15	Cash outflows related to contingencies		79,448,537	707,761	79,860,228	719,083
16	Total cash outflows		/	63,801,509	/	59,481,833
Cash Inflows		(3)	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.		10,682,156	972,627	10,846,526	931,159
18	Cash inflows related to collections of loans, etc		12,798,750	9,221,808	12,189,523	8,402,594
19	Other cash inflows		7,548,122	1,877,626	6,616,777	2,102,205
20	Total cash inflows		31,029,028	12,072,062	29,652,827	11,435,958
Consolidated liquidity coverage ratio		(4)	/		/	
21	Total HQLA allowed to be included in the calculation		/	62,777,196	/	62,485,008
22	Net cash outflows		/	51,729,447	/	48,045,874
23	Consolidated liquidity coverage ratio (LCR)		/	121.3%	/	130.1%
24	The number of data used to calculate the average value		62		62	

Notes:

1. Item from 1 to 23 are quarterly average using data points as shown in item 24. From the fourth quarter of the fiscal year ended March 31, 2017, the average daily value is disclosed.

2. We do not apply the exception regarding qualifying operational deposits in Article 28 of the Notice No. 62 with respect to item 6.

3. The numbers in item 11 include the amount of additional collateral required due to market valuation changes on derivatives transactions estimated by the historical look-back approach instead of scenario approach in Article 37 of the Notice No. 62.

4. There are no material components that necessitate detailed explanation of cash outflows from other contracts in Article 59 of the Notice No. 62 within item 14, cash outflows from other contingent funding obligations in Article 52 of the Notice No. 62 within item 15, cash inflows from other contracts in Article 72 of the Notice No. 62 within item 19.

5. Monthly data or quarterly data is used for some of the data, etc., concerning our consolidated subsidiaries.

	2016	2017				2018		
	Oct-Dec	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**
Consolidated LCR (quarterly average)	135.3%	129.4%	129.7%	126.1%	124.8%	120.1%	121.3%	130.1%

Our Consolidated LCR surpasses the final regulatory standard (100%) and remains stable, with no change affecting funding conditions.

LCR disclosed herein does not differ much from the level we expected beforehand, and we do not expect our Consolidated LCR in the future to deviate significantly from the current level.

There are no significant changes in the composition, such as currency composition or type composition, and geographic distribution of the HQLA allowed to be included in the calculation.

In addition, there is no significant currency mismatch which might affect our funding conditions between total amount of the HQLA allowed to be included in the calculation and net cash outflow regarding significant currencies.

Status of Major Liquid Assets

		(Billions of yen)
Item	**As of Mar. 2018**	**As of Sep. 2018**
Cash and Due from Banks (including Due from Central Banks)	47,725.3	46,579.4
Trading Securities	5,188.4	6,852.7
Securities	33,618.9	34,392.2
Bonds Held to Maturity	2,515.8	2,135.1
Other Securities	31,103.1	32,257.1
Japanese Stocks	3,582.2	3,517.2
Japanese Bonds	16,535.6	16,704.7
Japanese Government Bonds	13,332.0	13,450.4
Japanese Local Government Bonds	239.3	240.4
Japanese Corporate Bonds	2,964.1	3,013.9
Other	10,985.2	12,035.1
Foreign Bonds	8,329.1	9,402.5
Other	2,656.1	2,632.6
Total	86,532.7	87,824.4
Portion pledged as collateral	(11,660.9)	(13,111.1)
Total after the deduction above	74,871.7	74,713.3

Notes:

1. All securities included in the above table have fair value.
2. Portion pledged as collateral mainly consists of securities and others collateralized for borrowed money, foreign and domestic exchange transactions or derivatives transactions, or substituted for margins for futures transactions.
3. Figures in the above table do not represent high quality liquid assets under the Basel III regulatory regime.

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">2014. The ability to collect our notes receivable is measured based on current and historical information and events. We consider numerous factors including: length of delinquency, estimated costs to lease or sell, and repossession history. Our experience supports a high recovery rate for notes receivable; however there is some degree of uncertainty about the recoverability of our investment in these notes receivable. We are generally able to recover our recorded investment in uncollectible notes receivable by repossessing the homes on the notes retained by us and repurchasing the homes on the collateralized receivables, and subsequently selling or leasing these homes to potential residents in our communities. We have established a loan loss reserve based on our estimated unrecoverable costs associated with repossessed/repurchased homes. We estimate our unrecoverable costs to be the repurchase price of the home collateralizing the note receivable plus repair and remarketing costs in excess of the estimated selling price of the home being repossessed. A historical average of this excess cost is calculated based on prior repossessions/repurchases and is applied to our estimated annual future repossessions to create the allowance for both installment and collateralized notes receivable.

We evaluate the collectability of a loan based on our ability to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. We generally see that if the obligor is delinquent on the loan they are also delinquent on site rent. If the scheduled payment is delinquent more than five to seven days, dependent on state law, we begin the repossession and eviction process simultaneously. This process generally takes 30 to 45 days; due to the short time frame from delinquent loan to repossession we do not evaluate the note receivables for impairments. No loans were considered impaired as of December 31, 2015 and 2014.

We evaluate the credit quality of our notes receivable at the inception of the receivable. We consider the following factors in order to determine the credit quality of the applicant - rental payment history; home debt to income ratio; loan value to the collateralized asset; total debt to income ratio; length of employment; previous landlord references; and FICO scores.

Other receivables are generally comprised of amounts due from residents for rent and related charges, home sale proceeds receivable from sales near year end and various other miscellaneous receivables. Accounts receivable from residents are typically due within 30 days and stated at amounts due from residents net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. We evaluate the recoverability of our receivables whenever events occur or there are changes in circumstances such that management believes it is probable that it will be unable to collect all amounts due according to the contractual terms of the loan and lease agreements. Receivables related to community rents are reserved when we believe that collection is less than probable, which is generally after a resident balance reaches 60 to 90 days past due.

Revenue Recognition

Rental income attributable to site and home leases is recorded on a straight-line basis when earned from tenants. Leases entered into by tenants are generally for one year terms but may range from month-to-month to two years and are renewable by mutual agreement from us and the resident, or in some cases, as provided by state statute. Revenue from the sale of manufactured homes is recognized upon transfer of title at the closing of the sales transaction. Interest income on notes receivable is recorded on a level yield basis over the life of the notes. We report certain taxes collected from the resident and remitted to taxing authorities in revenue.

Refer to Note 1 to our Consolidated Financial Statements for additional information on certain critical accounting policies and estimate.

Impact of New Accounting Standards

See Note 17 to our Consolidated Financial Statements, "Recent Accounting Pronouncements" within this Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements with any unconsolidated entities that it believes have or are reasonably likely to have a material effect on its financial condition, results of operations, liquidity, or capital resources.

SUN COMMUNITIES, INC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal market risk exposure is interest rate risk. We mitigate this risk by maintaining prudent amounts of leverage, minimizing capital costs, and interest expense while continuously evaluating all available debt and equity resources and following established risk management policies and procedures, which include the periodic use of derivatives. Our primary strategy in entering into derivative contracts is to minimize the variability that interest rate changes could have on our future cash flows. We generally employ derivative instruments that effectively convert a portion of our variable rate debt to fixed rate debt. We do not enter into derivative instruments for speculative purposes.

We have two derivative contracts consisting of two interest rate cap agreements with a total notional amount of $160.1 million as of December 31, 2015. The first interest rate cap agreement has a cap rate of 9.00%, a notional amount of $150.1 million, and a termination date of April 2018. The second interest rate cap agreement has a cap rate of 11.02%, a notional amount of $10.0 million and a termination date of October 2016.

Our remaining variable rate debt totals $183.3 million and $166.4 million as of December 31, 2015 and 2014, respectively, which bear interest at Prime or various LIBOR rates. If Prime or LIBOR increased or decreased by 1.0% during the year ended December 31, 2015 and 2014, we believe our interest expense would have increased or decreased by approximately $2.2 million and $2.8 million based on the $223.2 million and $279.1 million average balances outstanding under our variable rate debt facilities for the years ended December 31, 2015 and 2014, respectively.

SUN COMMUNITIES, INC.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial statements and supplementary data are filed herewith under Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

SUN COMMUNITIES, INC.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures as defined in the rules promulgated under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer, Gary A. Shiffman, and Chief Financial Officer, Karen J. Dearing, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2015. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2015, to ensure that information we are required to disclose in our filings with the SEC under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and to ensure that information we are required to disclose in the reports that we file under the Exchange Act is accumulated and communicated to our management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Design and Evaluation of Internal Control Over Financial Reporting

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we have included a report of management's assessment of the design and effectiveness of our internal controls as part of this Annual Report on Form 10-K for the fiscal year ended December 31, 2015. Our independent registered public accounting firm also attested to, and reported on, the effectiveness of internal control over financial reporting. Management's report and the independent registered public accounting firm's attestation report are included in our 2015 financial statements under the captions entitled "Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm".

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the period ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SUN COMMUNITIES, INC.

ITEM 9B. OTHER INFORMATION

None.

SUN COMMUNITIES, INC.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to instruction 3 to paragraph (b) of Item 401 of Regulation S-K, certain information regarding our executive officers is contained in Part I of this Form 10-K. Unless provided in an amendment to this Annual Report on Form 10-K, the other information required by this Item is incorporated herein by reference to the applicable information in the proxy statement for our 2016 annual meeting, including the information set forth under the captions "Board of Directors and Corporate Governance - Incumbent Directors and Nominees," "Management and Executive Compensation - Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance," "Board of Directors and Corporate Governance - Board of Directors and Committees" and "Board of Directors and Corporate Governance - Consideration of Director Nominees."

ITEM 11. EXECUTIVE COMPENSATION

Unless provided in an amendment to this Annual Report on Form 10-K, the information required by this Item is incorporated by reference to the applicable information in the proxy statement for our 2016 annual meeting, including the information set forth under the captions "Management and Executive Compensation," "Board of Directors and Coprorate Governance - Director Compensation Table," "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report." The information in the section of an amending to this Annual Report on Form 10-K or the proxy statement for our 2015 annual meeting captioned "Compensation Committee Report" is incorporated by reference herein but shall be deemed furnished, not filed, and shall not be deemed to be incorporated by reference into any filing we make under the Securities Act of 1933 or the Securities Exchange Act of 1034.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Unless provided in an amendment to this Annual Report on Form 10-K, the information required by this Item is incorporated by reference to the applicable information in the proxy statement for our 2016 annual meeting, including the information set forth under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance under Equity Compensation Plans."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Unless provided in an amendment to this Annual Report on Form 10-K, the information required by this Item is incorporated by reference to the proxy statement for our 2016 annual meeting, including the information set forth under the captions "Certain Relationships and Related Transactions and Director Independence," "Board of Directors and Corporate Governance - Board of Directors and Committees" and "Board of Directors and Corporate Governance - Board Leadership Structure and Independence of Non-Employee Directors."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Unless provided in an amendment to this Annual Report on Form 10-K, the information required by this Item is incorporated by reference to the proxy statement for our 2016 annual meeting, including the information set forth under the caption "Ratification of Selection of Grant Thornton LLP."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed herewith as part of this Form 10-K:

1. Financial Statements.

A list of the financial statements required to be filed as a part of this Form 10 K is shown in the “Index to the Consolidated Financial Statements and Financial Statement Schedules” filed herewith.

2. Financial Schedules

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A list of the financial statement schedules required to be filed as a part of this Form 10 K is shown in the "Index to the Consolidated Financial Statements and Financial Statement Schedules" filed herewith.

3. Exhibits.

A list of the exhibits required by Item 601 of Regulation S K to be filed as a part of this Form 10-K is shown on the "Exhibit Index" filed herewith.

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SUN COMMUNITIES, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SUN COMMUNITIES, INC. (Registrant)
February 23, 2016	By /s/ Gary A. Shiffman Gary A. Shiffman Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Capacity	Date
/s/ Gary A. Shiffman Gary A. Shiffman	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 23, 2016
/s/ Karen J. Dearing Karen J. Dearing	Executive Vice President, Chief Financial Officer, Treasurer, Secretary (Principal Financial Officer and Principal Accounting Officer)	February 23, 2016
/s/ Stephanie W. Bergeron Stephanie W. Bergeron	Director	February 23, 2016
/s/ James R. Goldman James R. Goldman	Director	February 23, 2016
/s/ Brian M. Hermelin Brian M. Hermelin	Director	February 23, 2016
/s/ Ronald A. Klein Ronald A. Klein	Director	February 23, 2016
/s/ Paul D. Lapides Paul D. Lapides	Director	February 23, 2016
/s/ Clunet R. Lewis Clunet R. Lewis	Director	February 23, 2016
/s/ Ronald L. Piasecki Ronald L. Piasecki	Director	February 23, 2016
/s/ Randall K. Rowe Randall K. Rowe	Director	February 23, 2016
/s/ Arthur A. Weiss Arthur A. Weiss	Director	February 23, 2016

SUN COMMUNITIES, INC.

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
2.1	Omnibus Agreement, dated July 30, 2014, by and among Green Courte Real Estate Partners, LLC, GCP REIT II, GCP REIT III, American Land Lease, Inc., Asset Investors Operating Partnership, L.P., Sun Communities, Inc., Sun Communities Operating Limited Partnership and Sun Home Services, Inc.*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.2	Contribution Agreement, dated July 30, 2014, by and between Green Courte Real Estate Partners, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.3	Contribution Agreement, dated July 30, 2014, by and between Green Courte Real Estate Partners, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.4	Contribution Agreement, dated July 30, 2014, by and between Green Courte Real Estate Partners, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.5	Contribution Agreement, dated July 30, 2014, by and between Green Courte Real Estate Partners, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.6	Membership Interest Purchase Agreement, dated July 30, 2014, between Asset Investors Operating Partnership, L.P. and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.7	Membership Interest Purchase Agreement, dated July 30, 2014, between GCP REIT III and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.8	Merger Agreement, dated July 30, 2014, by and between Sun Communities, Inc., Sun Maryland, Inc. and GCP REIT II*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.9	Merger Agreement, dated July 30, 2014, by and between Sun Communities, Inc., Sun Maryland, Inc. and GCP REIT III*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.10	Subscription Agreement, dated July 30, 2014, by and among Green Courte Real Estate Partners III, LLC, Sun Communities, Inc. and Sun Communities Operating Limited Partnership	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 5, 2014
2.11	Contribution Agreement (Deerwood I) dated December 4, 2014, by and among Deerwood I Sponsor, LLC, Deerwood I Holding, LLC, Deerwood I Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.’s Current Report on Form 8-K filed December 10, 2014
2.12		

	Contribution Agreement (Deerwood II) dated December 4, 2014, by and among Deerwood II Sponsor, LLC, Deerwood II Holding, LLC, Deerwood II Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
2.13	Contribution Agreement (Hamptons) dated December 4, 2014, by and among Hamptons Sponsor, LLC, Hamptons Holding, LLC, Hamptons Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
2.14	Contribution Agreement (Palm Key Village) dated December 4, 2014, by and among Palm Key Village Sponsor, LLC, Palm Key Village Holding, LLC, Palm Key Village Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
2.15	Contribution Agreement dated December 4, 2014, by and among 481 Associates, Route 27 Associates, Ltd. and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
2.16	Contribution Agreement (Southport Springs) dated December 4, 2014, by and among Southport Springs Sponsor, LLC, Southport Springs Holding, LLC, Southport Springs Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
2.17	Contribution Agreement (Windmill Village) dated December 4, 2014, by and among Windmill Village Sponsor, LLC, Windmill Village Holding, LLC, Windmill Village Park, LLC and Sun Communities Operating Limited Partnership*	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 10, 2014
3.1	Amended and Restated Articles of Incorporation of Sun Communities, Inc.	Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33 69340
3.2	Articles Supplementary of Board of Directors of Sun Communities, Inc. Designating a Series of Preferred Stock	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed October 15, 1999
3.3	Articles Supplementary, dated October 16, 2006	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed October 19, 2006
3.4	Articles Supplementary of Board of Directors Classifying and Designating a Series of Preferred Stock as Junior Participating Preferred Stock and Fixing Distribution and Other Preferences and Rights of Such Series	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed June 3, 2008
3.5	Articles of Amendment dated June 13, 1997	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed November 19, 2012

SUN COMMUNITIES, INC.

3.6	Articles Supplementary designating 7.125% Series A Cumulative Redeemable Preferred Stock dated November 9, 2012	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed November 19, 2012
3.7	Articles Supplementary canceling and reclassifying 9.125% Series A Cumulative Redeemable Perpetual Preferred Stock dated November 9, 2012	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed November 19, 2012
3.8	Articles of Amendment dated July 24, 2013	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 29, 2013
3.9	Articles Supplementary designating 6.50% Series A-4 Cumulative Convertible Preferred Stock dated November 25, 2014	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 2, 2014
3.10	Articles of Amendment dated July 22, 2015	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 22, 2015
3.11	Second Amended and Restated Bylaws	Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014
4.1	Rights Agreement, dated as of June 2, 2008, between Sun Communities, Inc. and Computershare Trust Company, N.A., as Rights Agent	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed June 3, 2008
4.2	Sun Communities, Inc. 2015 Equity Incentive Plan#	Incorporated by reference to Sun Communities, Inc.'s Proxy Statement dated April 29, 2015 for the Annual meeting of Stockholders held July 20, 2015
4.3	Form of certificate evidencing common stock	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed November 9, 2012
4.4	Form of certificate evidencing 7.125% Series A Cumulative Redeemable Preferred Stock	Incorporated by reference to Sun Communities, Inc.'s Registration Statement on Form 8-A filed November 9, 2012
4.5	Registration Rights Agreement dated February 8, 2013 among Sun Communities, Inc., and the holders of Series A-3 Preferred Units that are parties thereto	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed February 12, 2013
4.6	First Amendment to Rights Agreement, dated July 30, 2014, by and between Sun Communities, Inc. and Computershare Trust Company, N.A.	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K

		Filed August 5, 2014
4.7	Registration Rights Agreement dated November 26, 2014, among Sun Communities, Inc. and the holders of Registrable Shares	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 2, 2014
4.8	Form of certificate evidencing 6.50% Series A-4 Cumulative Convertible Preferred Stock	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 2, 2014
10.1	Form of Stock Option Agreement between Sun Communities, Inc. and certain directors, officers and other individuals#	Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33 69340
10.2	Amended and Restated 1993 Non-Employee Director Stock Option Plan#	Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33 80972
10.3	Form of Non-Employee Director Stock Option Agreement between Sun Communities, Inc. and certain directors#	Incorporated by reference to Sun Communities, Inc.'s Registration Statement No. 33 80972
10.4	Long Term Incentive Plan#	Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997
10.5	Second Amended and Restated 1993 Stock Option Plan#	Incorporated by reference to Sun Communities, Inc.'s Proxy Statement, filed April 28, 1999
10.6	Lease, dated November 1, 2002, by and between the Operating Partnership as Tenant and American Center LLC as Landlord	Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, December 31, 2002, as amended
10.7	Form of Restricted Stock Award Agreement#	Incorporated by reference to Sun Communities, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004

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10.8	Restricted Stock Award Agreement between Sun Communities, Inc. and Karen J. Dearing, dated February 5, 2008#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed February 7, 2008
10.9	Employment Agreement dated May 19, 2015 among Sun Communities, Inc., Sun Communities Operating Limited Partnership and John B. McLaren#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed May 20, 2015
10.10	Employment Agreement July 16, 2015 among Sun Communities, Inc., Sun Communities Operating Limited Partnership and Karen J. Dearing#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 17, 2015
10.11	Third Lease Modification dated October 31, 2011 by and between the Operating Partnership as Tenant and American Center LLC as Landlord	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 10-K for the year ended December 31, 2011
10.12	First Amended and Restated 2004 Non-Employee Director Option Plan#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 25, 2012
10.13	Amended and Restated Credit Agreement, dated August 19, 2015, among Sun Communities Operating Limited Partnership, as Borrower, Citibank, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, Citigroup Global markets, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and BMO Capital Markets, as Joint Lead Arrangers and Joint Book Running Managers, Bank of America, N.A. and Bank of Montreal, as Co-Syndication Agent, Fifth Third Bank, an Ohio Banking Corporation and Regions Bank, as Co-Documentation Agents	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed August 24, 2015
10.14	At the Market Offering Sales Agreement, dated June 17, 2015, among Sun Communities, Inc., Sun Communities Operating Limited Partnership, BMO Capital Markets Corp., Merrill Lynch, Pierce, Fenner and Smith Incorproated and Citigroup Global Markets Inc.	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K file June 17, 2015
10.15	Employment Agreement dated June 20, 2013 among Sun Communities, Inc., Sun Communities Operating Limited Partnership and Gary A. Shiffman#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed June 24, 2013
10.16	Third Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership, dated June 19, 2014.	Incorporated by reference to Sun Communities, Inc.’s Current Report on Form 8-K filed June 23, 2014
10.17	First Amendment to Employment Agreement among Sun Communities, Inc., Sun Communities Operating Limited Partnership and Gary A. Shiffman dated July 15, 2014#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 15, 2014
10.18	First Amendment to Employment Agreement among Sun Communities, Inc., Sun Communities Operating Limited Partnership and John B. McLaren dated July 15, 2014#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 15, 2014

10.19	First Amendment to Employment Agreement among Sun Communities, Inc., Sun Communities Operating Limited Partnership and Karen J. Dearing dated July 15, 2014#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 15, 2014
10.20	First Amendment to Restricted Stock Award Agreement between Sun Communities, Inc. and Gary A. Shiffman dated July 15, 2014#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 15, 2014
10.21	Amendment No. 2 dated November 26, 2014, to the Third Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed December 2, 2014
10.22	Amendment No. 7, dated April 1, 2015, to the Third Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed April 2, 2015
10.23	Amendment No. 8, dated April 22, 2015, to the Third Amended and Restated Agreement of Limited Partnership of Sun Communities Operating Limited Partnership	Incorporated by reference to Sun Communities, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015
10.24	Repurchase Agreement dated July 29, 2015, by and among Green Courte Real Estate Partners II, LLC, GCP Fund II REIT, LLC, GCP Fund II Ancillary Holdings, LLC and Sun Communities, Inc.	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 30, 2015
10.25	Sun Communities, Inc. Executive Compensation "Clawback" Policy#	Incorporated by reference to Sun Communities, Inc.'s Current Report on Form 8-K filed July 15, 2014
21.1	List of Subsidiaries of Sun Communities, Inc.	Filed herewith
23.1	Consent of Grant Thornton LLP	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101.1	The following Sun Communities, Inc. financial information, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2014 and 2013, (ii) Consolidated Statements of Operations for the Years Ended December 31, 2014, 2013 and 2012, (iii) Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Loss for the Years Ended December 31, 2014, 2013 and 2012, (v) Consolidated Statements of Cash Flows, for the Years Ended December 31, 2014, 2013 and 2012; (v) Notes to Consolidated Financial Statements, and (vi) Schedule III - Real Estate and Accumulated Depreciation	Filed herewith

SUN COMMUNITIES, INC.

* Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K because such schedules and exhibits do not contain information which is material to an investment decision or which is not otherwise disclosed in the filed agreements. The Company will furnish the omitted schedules and exhibits to the Securities and Exchange Commission upon request by the Commission.

Management contract or compensatory plan or arrangement.

SUN COMMUNITIES, INC.

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FINANCIAL STATEMENT SCHEDULE

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SUN COMMUNITIES, INC.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended. 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles;

- provide reasonable assurance that receipts and expenditures are being made only in accordance with authorization of our management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material adverse effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, management used the criteria for effective internal control over financial reporting set forth in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management determined that, as of December 31, 2015, our internal control over financial reporting was effective.

Grant Thornton LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of December 31, 2015, and their report is included herein.

SUN COMMUNITIES, INC.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Sun Communities, Inc.

We have audited the accompanying consolidated balance sheets of Sun Communities, Inc. (a Maryland corporation) and subsidiaries (the “Company”) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits of the basic consolidated financial statements included the financial statement schedule listed in the index appearing under Item 15. These financial statements and financial statement schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sun Communities, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period 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 schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents 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 February 23, 2016 expressed an unqualified opinion.

/s/ GRANT THORNTON LLP
GRANT THORNTON LLP

Southfield, Michigan
February 23, 2016

SUN COMMUNITIES, INC.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Sun Communities, Inc.

We have audited the internal control over financial reporting of Sun Communities, Inc. (a Maryland 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. Our responsibility is to express an opinion on the Company's internal control over financial reporting 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 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.

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 February 23, 2016 expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

GRANT THORNTON LLP

Southfield, Michigan
February 23, 2016

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SUN COMMUNITIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	As of December 31,	
	2015	2014
ASSETS		
Land	$451,340	$309,386
Land improvements and buildings	3,535,909	2,509,827
Rental homes and improvements	460,480	439,163
Furniture, fixtures, and equipment	102,746	81,586
Land held for future development	23,047	23,955
Investment property	4,573,522	3,363,917
Accumulated depreciation	(852,407)	(795,753)
Investment property, net (including $92,009 and $94,230 for consolidated variable interest entities at December 31, 2015 and December 31, 2014; see Note 7)	3,721,115	2,568,164
Cash and cash equivalents	45,086	83,459
Inventory of manufactured homes	14,828	8,860
Notes and other receivables, net	47,972	51,895
Collateralized receivables, net	139,768	122,962
Other assets, net	221,782	102,352
TOTAL ASSETS	$4,190,551	$2,937,692
LIABILITIES		
Mortgage loans payable (including $64,082 and $65,849 for consolidated variable interest entities at December 31, 2015 and December 31, 2014; see Note 7)	$2,133,706	$1,656,740
Secured borrowings on collateralized receivables	140,440	123,650
Preferred OP units - mandatorily redeemable	45,903	45,903
Lines of credit	25,000	5,794
Distributions payable	41,265	35,084
Other liabilities (including $4,091 and $1,139 for consolidated variable interest entities at December 31, 2015 and December 31, 2014; see Note 7)	184,859	130,369
TOTAL LIABILITIES	2,571,173	1,997,540
Commitments and contingencies		
Series A-4 preferred stock, $0.01 par value. Issued and outstanding: 2,067 shares at December 31, 2015 and 483 shares at December 31, 2014	61,732	13,610
Series A-4 preferred OP units	21,065	18,722
STOCKHOLDERS’ EQUITY		
Series A preferred stock, $0.01 par value. Issued and outstanding: 3,400 shares at December 31, 2015 and December 31, 2014	34	34
Common stock, $0.01 par value. Authorized: 180,000 shares;		
Issued and outstanding: 58,395 shares at December 31, 2015 and 48,573 shares at December 31, 2014	584	486
Additional paid-in capital	2,319,314	1,741,154
Distributions in excess of accumulated earnings	(864,122)	(863,545)
Total Sun Communities, Inc. stockholders' equity	1,455,810	878,129
Noncontrolling interests:		
Common and preferred OP units	82,538	30,107
Consolidated variable interest entities	(1,767)	(416)
Total noncontrolling interests	80,771	29,691
TOTAL STOCKHOLDERS’ EQUITY	1,536,581	907,820

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$4,190,551	$2,937,692

See accompanying Notes to Consolidated Financial Statements.

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2015	2014	2013
REVENUES			
Income from real property	$506,078	$357,793	$313,097
Revenue from home sales	79,728	53,954	54,852
Rental home revenue	46,236	39,213	32,500
Ancillary revenues	24,532	17,801	8,642
Interest	15,938	14,462	13,073
Brokerage commissions and other income, net	2,219	1,036	549
Total revenues	674,731	484,259	422,713
COSTS AND EXPENSES			
Property operating and maintenance	135,797	101,134	87,637
Real estate taxes	34,714	24,181	22,284
Cost of home sales	58,941	40,556	40,297
Rental home operating and maintenance	24,956	23,270	20,435
Ancillary expenses	17,519	12,584	7,491
General and administrative - real property	40,235	31,769	25,941
General and administrative - home sales and rentals	14,696	10,853	9,913
Transaction costs	17,803	18,259	3,928
Depreciation and amortization	177,637	133,726	110,078
Asset impairment charge	—	837	—
Extinguishment of debt	2,800	—	—
Interest	107,659	73,771	73,339
Interest on mandatorily redeemable preferred OP units	3,219	3,210	3,238
Total expenses	635,976	474,150	404,581
Income before other gains (losses)	38,755	10,109	18,132
Gain on disposition of properties, net	125,376	17,654	—
Gain on settlement	—	4,452	—
Provision for state income taxes	(158)	(219)	(234)
Income tax expense - reduction of deferred tax asset	(1,000)	—	—
Distributions from affiliate	7,500	1,200	2,250
Net income	170,473	33,196	20,148
Less: Preferred return to Series A-1 preferred OP units	2,431	2,654	2,598
Less: Preferred return to Series A-3 preferred OP units	181	181	166
Less: Preferred return to Series A-4 preferred OP units	1,340	100	—
Less: Preferred return to Series C preferred OP units	1,021	—	—
Less: Amounts attributable to noncontrolling interests	10,054	1,752	718
Net income attributable to Sun Communities, Inc.	155,446	28,509	16,666
Less: Preferred stock distributions	13,793	6,133	6,056
Less: Preferred stock redemption costs	4,328	—	—
Net income attributable to Sun Communities, Inc. common stockholders	$137,325	$22,376	$10,610
Weighted average common shares outstanding:			
Basic	53,686	41,337	34,228
Diluted	53,702	41,805	34,410
Earnings per share (See Note 13):			
Basic	$2.53	$0.54	$0.31

Diluted	$2.52	$0.54	$0.31

See accompanying Notes to Consolidated Financial Statements.

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Net income	$170,473	$33,196	$20,148
Unrealized gain on interest rate swaps	—	97	362
Total comprehensive income	170,473	33,293	20,510
Less: Comprehensive income attributable to the noncontrolling interests	10,054	1,483	750
Comprehensive income attributable to Sun Communities, Inc.	$160,419	$31,810	$19,760

See accompanying Notes to Consolidated Financial Statements.

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SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	7.125% Series A Cumulative Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Accumulated Earnings	Non-Controlling Interests	Total Stockholders' Equity
Balance as of December 31, 2012, revised	$ 34	$ 298	$ 876,620	$ (696)	$ (695,923)	$ 19,124	$ 199,457
Issuance of common stock from exercise of options, net	—	—	201	—	—	—	201
Issuance and associated costs of common stock, net	—	63	261,697	—	—	—	261,760
Issuance of preferred OP units	—	—	—	—	—	3,463	3,463
Share-based compensation - amortization and forfeitures	—	—	3,072	—	127	—	3,199
Net income	—	—	—	—	19,430	718	20,148
Unrealized gain on interest rate swaps	—	—	—	330	—	32	362
Distributions	—	—	—	—	(96,935)	(8,114)	(105,049)
Balance as of December 31, 2013, revised	34	361	1,141,590	(366)	(773,301)	15,223	383,541
Issuance of common stock from exercise of options, net	—	—	127	—	—	—	127
Issuance, conversion of OP units and associated costs of common stock, net	—	125	594,940	—	—	(2,638)	592,427
Issuance of preferred OP units	—	—	—	—	—	100	100
Issuance of common OP units	—	—	—	—	—	24,064	24,064
Share-based compensation - amortization and forfeitures	—	—	4,706	—	173	—	4,879
Net income	—	—	—	—	31,444	1,782	33,226
Settlement of membership interest	—	—	(209)	—	—	(4)	(213)
	—	—	—	366	—	(269)	97

Unrealized gain on interest rate swaps							
Distributions	—	—	—	—	(121,861)	(8,567)	(130,428)
Balance at December 31, 2014	34	486	1,741,154	—	(863,545)	29,691	907,820
Issuance of common stock from exercise of options, net	—	—	95	—	—	—	95
Issuance, conversion of OP units and associated costs of common stock, net	—	98	564,260	—	—	52,921	617,279
Conversion of Series A-4 preferred stock	—	—	6,900	—	—	—	6,900
Preferred stock redemption costs	—	—	—	—	(4,328)	—	(4,328)
Share-based compensation - amortization and forfeitures	—	—	6,905	—	203	—	7,108
Net income	—	—	—	—	160,418	9,185	169,603
Distributions	—	—	—	—	(156,870)	(11,026)	(167,896)
Balance at December 31, 2015	$ 34	$ 584	$ 2,319,314	$ —	$ (864,122)	$ 80,771	$ 1,536,581

See accompanying Notes to Consolidated Financial Statements.

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SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
OPERATING ACTIVITIES:			
Net income	$170,473	$33,196	$20,148
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on disposition of assets	(5,051)	(2,748)	(867)
Gain on disposition of properties, net	(125,376)	(17,654)	—
Asset impairment charges	—	837	—
Share-based compensation	7,108	4,879	3,199
Depreciation and amortization	174,589	131,003	105,210
Income tax expense - reduction of deferred tax asset	1,000	—	—
Amortization of below market lease intangible	(5,073)	—	—
Amortization of debt premium intangible	(10,483)	—	—
Amortization of deferred financing costs	1,936	1,056	2,713
Distributions from affiliate	(7,500)	(1,200)	(2,250)
Change in notes receivable from financed sales of inventory homes, net of repayments	(9,270)	(15,300)	(6,228)
Change in inventory, other assets and other receivables, net	(14,618)	(11,144)	(1,441)
Change in other liabilities	4,528	10,395	(5,801)
NET CASH PROVIDED BY OPERATING ACTIVITIES	182,263	133,320	114,683
INVESTING ACTIVITIES:			
Investment in properties	(208,427)	(177,866)	(179,413)
Acquisitions of properties	(309,274)	(426,591)	(122,176)
Payments for deposits on acquisitions	(2,260)	(17,064)	—
Investment in note receivable of acquired properties	—	—	(49,441)
Proceeds related to affiliate dividend distribution	7,500	1,200	2,250
Proceeds related to disposition of land	—	221	—
Proceeds related to disposition of assets and depreciated homes, net	6,848	3,312	(1,017)
Proceeds related to the disposition of properties	94,522	59,706	—
Issuance of notes and other receivables	(1,755)	297	(3,841)
Payments for purchase of non-wholly owned subsidiary interests	(2,102)	—	—
Repayments of notes and other receivables	1,764	6,080	1,226
NET CASH USED FOR INVESTING ACTIVITIES	(413,184)	(550,705)	(352,412)
FINANCING ACTIVITIES:			
Issuance and associated costs of common stock, OP units, and preferred OP units, net	310,301	572,171	261,760
Net proceeds from stock option exercise	95	127	201
Borrowings on lines of credit	421,184	526,546	415,410
Proceeds from issuance of other debt	377,041	323,241	175,507
Proceeds received from return of prepaid deferred financing costs	6,852	2,384	—
Redemption of Series A-4 Preferred Stock	(121,445)	—	—
Distributions to stockholders, OP unit holders, and preferred OP unit holders	(162,491)	(121,377)	(100,403)
Preferred stock redemption costs	(4,328)	—	—
Payments to retire preferred OP units	—	(1,119)	(300)
Payments on lines of credit	(401,978)	(702,135)	(263,808)

Payments on other debt	(225,677)	(95,269)	(269,400)
Payments for deferred financing costs	(7,006)	(8,478)	(5,993)
NET CASH PROVIDED BY FINANCING ACTIVITIES	192,548	496,091	212,974
Net change in cash and cash equivalents	(38,373)	78,706	(24,755)
Cash and cash equivalents, beginning of period	83,459	4,753	29,508
Cash and cash equivalents, end of period	$45,086	$83,459	$4,753

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
SUPPLEMENTAL INFORMATION:			
Cash paid for interest (net of capitalized interest of $608, $464 and $678, respectively)	$99,989	$60,289	$61,268
Cash paid for interest on mandatorily redeemable debt	$3,222	$3,225	$3,238
Cash paid for state income taxes	$310	$314	$155
Noncash investing and financing activities:			
Unrealized gain on interest rate swaps	$—	$97	$362
Reduction in secured borrowing balance	$26,293	$21,812	$17,906
Change in distributions declared and outstanding	$6,744	$9,051	$4,646
Conversion of common and preferred OP units	$5,491	$1,707	$—
Conversion of Series A-4 Preferred Stock	$6,900	$—	$—
Proceeds related to the disposition of properties held in escrow	$126,339	$—	$—
Settlement of membership interest	$2,786	$213	$—
Noncash investing and financing activities at the date of acquisition:			
Acquisitions - Series A-3 preferred OP units issued	$—	$—	$3,463
Acquisitions - Series A-4 preferred OP units issued	$1,000	$18,852	$—
Acquisitions - Series A-4 Preferred Stock issued	$175,613	$13,610	$—
Acquisitions - Common stock and OP units issued	$278,955	$44,321	$—
Acquisitions - Series C preferred OP units issued	$33,154	$—	$—
Acquisitions - debt assumed	$380,043	$209,658	$—
Acquisitions - other liabilities	$—	$4,221	$—
Acquisitions - release of note receivable and accrued interest	$—	$—	$49,441

See accompanying Notes to Consolidated Financial Statements.

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Business

Sun Communities, Inc., a Maryland corporation, and all wholly-owned or majority-owned and controlled subsidiaries, including Sun Communities Operating Limited Partnership (the "Operating Partnership"), and Sun Home Services, Inc. ("SHS") are referred to herein as the “Company,” “us,” “we,” and “our”. We are a self-administered and self-managed real estate investment trust (“REIT”).

We own, operate, and develop manufactured housing ("MH") and recreational vehicle ("RV") communities throughout the United States ("U.S."). As of December 31, 2015, we owned and operated a portfolio of 231 properties located in 30 states (collectively the “Properties”), including 185 MH communities, 36 RV communities, and 10 Properties containing both MH and RV sites. As of December 31, 2015, the Properties contained an aggregate of 88,612 developed sites comprised of 69,682 developed MH sites, 9,559 annual RV sites (inclusive of both annual and seasonal usage rights), 9,371 transient RV sites, and approximately 7,181 additional MH and RV sites suitable for development.

Principles of Consolidation

The accompanying financial statements include our accounts and all majority-owned and controlled subsidiaries, including entities in which we have a controlling interest or have been determined to be the primary beneficiary of a variable interest entity ("VIE"). All inter-company transactions have been eliminated in consolidation. Any subsidiaries in which we have an ownership percentage equal to or greater than 50%, but less than 100%, or consider a VIE, represent subsidiaries with a noncontrolling interest. The noncontrolling interests in our subsidiaries are allocated their proportionate share of the subsidiaries’ financial results. This allocation is recorded as the noncontrolling interest in our Consolidated Financial Statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. (“GAAP”) requires management to make estimates and assumptions related to the reported amounts included in our Consolidated Financial Statements and accompanying footnote disclosures. Actual results could differ from those estimates.

Investment Property

Investment property is recorded at cost, less accumulated depreciation. We review the carrying value of long-lived assets to be held and used for impairment quarterly or whenever events or changes in circumstances indicate a possible impairment. Our primary indicator for potential impairment is based on NOI trends period over period. Circumstances that may prompt a test of recoverability may include a significant decrease in the anticipated market price, an adverse change to the extent or manner in which an asset may be used or in its physical condition or other such events that may significantly change the value of the long-lived asset. An impairment loss is recognized when a long-lived asset’s carrying value is not recoverable and exceeds estimated fair value. We estimate the fair value of our long-lived assets based on discounted future cash flows and any potential disposition proceeds for a given asset. Forecasting cash flows requires management to make estimates and assumptions about such variables as the estimated holding period, rental rates, occupancy, development, and operating expenses during the holding period, as well as disposition proceeds. Management uses its best judgment when developing these estimates and assumptions, but the development of the projected future cash flows is based on subjective variables. Future events could occur which would cause us to conclude that impairment indicators exist, and significant adverse changes in national, regional, or local market conditions or trends may cause us to change the estimates and assumptions used in our impairment analysis. The results of an impairment analysis could be material to our financial statements.

We periodically receive offers from interested parties to purchase certain of our properties. These offers may be the result of an active program initiated by us to sell the property, or from an unsolicited offer to purchase the property. The typical sale process involves a significant negotiation and due diligence period between us and the potential purchaser. As the intent of this process is to determine if there are items that would cause the purchaser to be unwilling to purchase or we would be unwilling to sell, it is not unusual for such potential offers of sale/purchase to be withdrawn as such issues arise. We classify assets as "held for sale" when it is probable, in our opinion, that a sale transaction will be completed within one year. This typically occurs when all significant contingencies surrounding the closing have been resolved, which often corresponds with the closing date.

We allocate the purchase price of properties to net tangible and identified intangible assets acquired based on their fair values. In making estimates of fair values for purposes of allocating purchase price, we utilize an independent third-party to value the net tangible and identified intangible assets in connection with the acquisition of the respective property. We provide historical and pro forma financial information obtained about each property, as well as any other information needed in order for the third-party to ascertain the fair value of the tangible and intangible assets (including in-place leases) acquired.

Capitalized Costs

We capitalize certain costs incurred in connection with the development, redevelopment, capital enhancement and leasing of our properties. Management is required to use professional judgment in determining whether such costs meet the criteria for immediate expense or capitalization. The amounts are dependent on the volume and timing of such activities and the costs associated with such activities. Maintenance, repairs and minor improvements to properties are expensed when incurred. Renovations and improvements to properties are capitalized and depreciated over their estimated useful lives and construction costs related to the development of new community or expansion sites are capitalized until the property is substantially complete. Costs incurred to initially renovate pre-owned and repossessed homes that we acquire for our Rental Program are capitalized and costs incurred to refurbish the homes at turnover and repair the homes while occupied are expensed. Certain expenditures to dealers and residents related to obtaining lessees in our communities are capitalized and amortized over a seven year period based on the anticipated term of occupancy of a resident. Costs associated with implementing our computer systems are capitalized and amortized over the estimated useful lives of the related software and hardware. Costs incurred to obtain new financing are capitalized and amortized over the terms of the related loan agreement using the straight-line method (which approximates the effective interest method).

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of three months or less from the date of purchase to be cash and cash equivalents. The maximum amount of credit risk arising from cash deposits in excess of federally insured amounts was approximately $41.4 million and $80.7 million as of December 31, 2015 and 2014, respectively.

Inventory

Inventory of manufactured homes is stated at lower of specific cost or market based on the specific identification method.

Investments in Affiliates

Investments in affiliates in which we do not have a controlling direct or indirect voting interest, but can exercise significant influence over the entity with respect to its operations and major decisions, are accounted for using the equity method of accounting. The carrying value of our investment is adjusted for our proportionate share of the affiliate’s net income or loss and reduced by distributions received. We review the carrying value of our investment in affiliates for other than temporary impairment whenever events or changes in circumstances indicate a possible impairment. Financial condition, operational performance, and other economic trends are some of the factors we consider when we evaluate the existence of impairment indicators. When we have a carrying value of zero for our investment, we suspend the equity method of accounting until such time that the affiliate’s net income equals or exceeds the share of net losses not recognized during the time in which the equity method of accounting was suspended. See Note 6 for additional information.

Notes and Other Receivables

We provide financing to purchasers of manufactured homes generally located in our communities. The notes are collateralized by the underlying manufactured home sold. Notes receivable include both installment loans purchased by the Company as well as transferred loans that have not met the requirements for sale accounting which are presented herein as collateralized receivables. For purposes of accounting policy, all notes receivable are considered one homogenous segment, as the notes are typically underwritten using the same requirements and terms. Notes receivable are reported at their outstanding unpaid principal balance adjusted for an allowance for loan loss. Interest income is accrued based upon the unpaid principal balance of the loans.

Past due status of our notes receivable is determined based upon the contractual terms of the note. When a note receivable becomes 60 days delinquent, we stop accruing interest on the note receivable. The interest on nonaccrual loans is accounted for on the cash basis until qualifying for return to accrual. Loans are returned to accrual when all principal and interest amounts contractually due are brought current and future payments are reasonably assured. Loans on a nonaccrual status were immaterial at December 31, 2015 and 2014. The ability to collect our notes receivable is measured based on current and historical information and events. We consider numerous factors including: length of delinquency, estimated costs to lease or sell, and repossession history. Our experience supports a high recovery rate for notes receivable; however, there is some degree of uncertainty about the recoverability of our investment in these notes receivable. We are generally able to recover our recorded investment in uncollectible notes receivable by repossessing the homes on the notes retained by us and repurchasing the homes on the collateralized receivables, and subsequently selling or leasing these homes to potential residents in our communities. We have established a loan loss reserve based on our estimated unrecoverable costs associated with repossessed/repurchased homes. We estimate our unrecoverable costs to be the repurchase price of the home collateralizing the note receivable plus repair and remarketing costs in excess of the estimated selling price of the home being repossessed. A historical average of this excess cost is calculated based on prior repossessions/repurchases and is applied to our estimated annual future repossessions to create the allowance for both installment and collateralized notes receivable.

We evaluate the collectability of a loan based on our ability to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. We generally see that if the obligor is delinquent on the loan they are also delinquent on site rent. If the scheduled payment is delinquent more than five to seven days, dependent on state law, we begin the repossession and eviction process simultaneously. This process generally takes 30 to 45 days; due to the short time frame from delinquent loan to repossession we do not evaluate the note receivables for impairment. No loans were considered impaired as of December 31, 2015 and 2014.

We evaluate the credit quality of our notes receivable at the inception of the receivable. We consider the following factors in order to determine the credit quality of the applicant - rental payment history; home debt to income ratio; loan value to the collateralized asset; total debt to income ratio; length of employment; previous landlord references; and FICO scores.

Other receivables are generally comprised of amounts due from residents for rent and related charges, home sale proceeds receivable from sales near year end and various other miscellaneous receivables. Accounts receivable from residents are typically due within 30 days and stated at amounts due from residents net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. We evaluate the recoverability of our receivables whenever events occur or there are changes in circumstances such that management believes it is probable that it will be unable to collect all amounts due according to the contractual terms of the loan and lease agreements. Receivables related to community rents are reserved when we believe that collection is less than probable, which is generally after a resident balance reaches 60 to 90 days past due.

Restricted Cash

Restricted cash consists of amounts held in deposit for tax, insurance and repair escrows held by lenders in accordance with certain debt agreements. At December 31, 2015 and 2014, $140.7 million and $11.8 million of restricted cash, respectively, was included as a component of Other assets, net on the Consolidated Balance Sheets.

Identified Intangible Assets

The Company amortizes identified intangible assets that are determined to have finite lives over the period the assets are expected to contribute directly or indirectly to the future cash flows of the property or business. At December 31, 2015 and 2014, the carrying amounts of the identified intangible assets are included in Other assets, net on the Consolidated Balance Sheets. See Note 5 for additional information on our intangible assets.

Deferred Tax Assets

We are subject to certain state taxes that are considered to be income taxes and have certain subsidiaries that are taxed as regular corporations. Deferred tax assets or liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their carrying amounts in the financial statements and net operating loss carryforwards. Deferred tax assets and liabilities are measured using currently enacted tax rates. A valuation allowance is established if, based on the available evidence, it is considered more likely than not that some portion or all of the deferred tax assets will not be realized. See Note 12 for additional information.

Deferred Financing Costs

Deferred financing costs include fees and costs incurred to obtain long-term financing. The costs are amortized over the terms of the respective loans. Unamortized deferred financing costs are written off when debt is retired before the maturity date. Upon amendment of the line of credit or refinancing of mortgage debt, unamortized deferred financing costs are accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 470-50-40, "Modifications and Extinguishments". At December 31, 2015 and 2014, deferred financing costs are included as a component of Other assets, net on the Consolidated Balance Sheets.

Share-Based Compensation

Share-based compensation cost for service vesting restricted stock awards is measured based on the closing share price of our common stock on the date of grant. Share-based compensation for restricted stock awards with performance conditions is measured based on an estimate of shares expected to vest. If it is not probable that the performance conditions will be satisfied, we do not recognize compensation expense. We measure the fair value of awards with performance conditions using the closing price of our common stock as of the grant date to calculate compensation cost. Each reporting period, we reevaluate our estimate of the number of shares expected to vest. We estimate the fair value of share-based compensation for restricted stock with market conditions using a Monte Carlo simulation. We recognize compensation cost ratably over each tranche of shares based on the fair value estimated by the model.

Share-based compensation cost for stock options is estimated at the grant date based on each option's fair-value as calculated by the Binomial (lattice) option-pricing model. The Binomial (lattice) option-pricing model incorporates various assumptions including expected volatility, expected life, dividend yield, and interest rates. See Note 10 for additional information.

Fair Value of Financial Instruments

Our financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable, derivative instruments, and debt. We utilize fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures, pursuant to FASB ASC 820, "Fair Value Measurements and Disclosures". See Note 16 for additional information regarding the estimates and assumptions used to estimate the fair value of each class of financial instrument.

Revenue Recognition

Rental income attributable to site and home leases is recorded on a straight-line basis when earned from tenants. Leases entered into by tenants are generally for one year terms, but may range from month-to-month to two years and are renewable by mutual agreement from us and the resident, or in some cases, as provided by state statute. Revenue from the sale of manufactured homes is recognized upon transfer of title at the closing of the sales transaction. Interest income on notes receivable is recorded on a level yield basis over the life of the notes. We report certain taxes collected from the resident and remitted to taxing authorities in revenue.

Advertising Costs

Advertising costs are expensed as incurred. As of December 31, 2015, 2014 and 2013, we had advertising costs of $3.9 million, $3.2 million and $2.9 million, respectively.

Depreciation and Amortization

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets. Useful lives are 30 years for land improvements and buildings, 10 years for rental homes, seven to 15 years for furniture, fixtures and equipment, four to seven years for computer hardware and software, and seven to 15 years for intangible assets.

Derivative Instruments and Hedging Activities

We do not enter into derivative instruments for speculative purposes. We adjust our balance sheet on a quarterly basis to reflect the current fair market value of our derivatives. For those hedges that qualify for cash flow hedge accounting, we adjust our balance sheet on a quarterly basis to reflect current fair market value of our derivatives. Changes in the fair value of derivatives are recorded in earnings or comprehensive income, as appropriate. The ineffective portion of the hedge is immediately recognized in earnings to the extent that the change in value of a derivative does not perfectly offset the change in value of the instrument being hedged. The effective portion of the hedge is recorded in accumulated other comprehensive income. We use standard market conventions to determine the fair values of derivative instruments, including the quoted market prices or quotes from brokers or dealers for the same or similar instruments. All methods of assessing fair value result in a general approximation of value and such value may never actually be realized. See Note 15 for additional information.

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Real Estate Acquisitions and Dispositions

American Land Lease ("ALL")

First Phase

During the fourth quarter of 2014, we completed the first phase of the acquisition of the ALL properties. We acquired 32 MH communities with over 9,000 developed sites in 11 states. Included in the total consideration paid for the first phase was the issuance of 361,797 shares of common stock, 501,130 common OP units, 483,317 shares of 6.50% Series A-4 Cumulative Convertible Preferred Stock ("Series A-4 Preferred Stock) and 669,449 Series A-4 preferred OP units.

Second Phase

In January 2015, we completed the final phase of the acquisition of the ALL properties. We acquired the remaining 26 communities comprised of over 10,000 sites. Included in the total consideration paid for the second phase was the issuance of 4,377,073 shares of common stock and 5,847,234 shares of Series A-4 Preferred Stock. In addition, one of the seller's funds purchased 150,000 shares of our common stock and 200,000 Series A-4 preferred OP units, for an aggregate purchase price of $12.5 million. In August 2015, the Company repurchased 4,066,586 shares of the Series A-4 Preferred Stock.

The following tables summarize the fair value of the assets acquired and liabilities assumed at the acquisition dates and the consideration paid (in thousands):

At Acquisition Date	First Phase	Second Phase	Total
Investment in property	$656,543	$818,109	$1,474,652
Notes receivable	5,189	850	6,039
Other (liabilities) assets	(1,705)	7,405	5,700
In-place leases and other intangible assets	12,870	15,460	28,330
Below market lease intangible	(10,820)	(54,580)	(65,400)
Assumed debt	(199,300)	(201,466)	(400,766)
Total identifiable assets and liabilities assumed	$462,777	$585,778	$1,048,555
Consideration			
Common OP units [(1)]	$24,064	$—	$24,064
Series A-4 preferred OP units [(2)]	18,852	1,000	19,852
Common stock	20,427	259,133	279,560
Series A-4 Preferred Stock[(2)]	13,697	175,527	189,224
Consideration from new mortgages	100,700	90,794	191,494
Cash consideration transferred	285,037	59,324	344,361
Total consideration transferred	$462,777	$585,778	$1,048,555

(1) To estimate the fair value of the common OP units at the valuation date, we utilized the market approach, observing the public price of our common stock.

(2) To estimate the fair value of the Series A-4 preferred OP units and the Series A-4 Preferred Stock at the valuation date, we utilized an income approach. Under this approach, we used the Binomial Lattice Method of the income approach.

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SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The amount of revenue and net income included in the Consolidated Statements of Operations related to the ALL properties for the years ended December 31, 2015 and 2014 and is set forth in the following table (in thousands):

	Year Ended December 31, 2015 (unaudited)	Year Ended December 31, 2014 (unaudited)
Revenue	$137,035	$6,515
Net income	$14,374	$(6,744)

2015 Other Acquisitions:

In August 2015, we acquired Rock Crusher Canyon RV Resort ("Rock Crusher"), a recreational vehicle ("RV") resort with 391 sites located in Crystal Lake, Florida.

In July 2015, we acquired Frontier Town RV Resort ("Frontier Town"), an RV resort with 584 developed sites and expansion potential of 200 sites, located in Berlin, Maryland. We also acquired Fort Whaley RV Resort ("Fort Whaley"), an RV resort with 210 developed sites and expansion potential of nearly 90 sites, located in Whaleyville, Maryland.

In May 2015, we acquired La Hacienda RV Resort ("La Hacienda"), an RV resort with 241 sites located in Austin, Texas. We also acquired Lakeside Crossing, an MH community with 419 sites and expansion potential of nearly 300 sites, located near Myrtle Beach, South Carolina.

In April 2015, we acquired the Berger portfolio ("Berger"), which consisted of six MH communities with over 3,130 developed sites and expansion potential of approximately 380 sites. Included in the total consideration paid was 371,808 common OP units and 340,206 Series C preferred OP units.

In March 2015, we acquired Meadowlands Gibraltar ("Meadowlands"), an MH community with 321 sites located in Gibraltar, Michigan.

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the fair value of the assets acquired and liabilities assumed (excluding ALL) at the acquisition date and the consideration paid for other acquisitions completed in 2015 (in thousands):

At Acquisition Date	Meadowlands (1)	Berger (1)	Lakeside Crossing (1)	La Hacienda (1)	Frontier Town (1)	Fort Whaley (1)	Rock Crusher (1)	Total
Investment in property	$8,313	$268,026	$35,438	$25,895	$62,126	$5,704	$5,962	$411,464
Inventory of manufactured homes	285	—	—	—	—	—	—	285
In-place leases and other intangible assets	270	5,040	520	1,380	70	—	110	7,390
Below market lease intangible	—	(7,840)	(3,440)	—	—	—	—	(11,280)
Assumed debt	(6,318)	(169,882)	—	—	—	—	—	(176,200)
Total identifiable assets acquired and liabilities assumed	$2,550	$95,344	$32,518	$27,275	$62,196	$5,704	$6,072	$231,659
Consideration								
Common OP units	$—	$19,650	$—	$—	$—	$—	$—	$19,650
Series C preferred OP units	—	33,154	—	—	—	—	—	33,154
Note payable	2,377	—	—	—	—	—	—	2,377
Cash consideration transferred	173	42,540	32,518	27,275	62,196	5,704	6,072	176,478
Total consideration transferred	$2,550	$95,344	$32,518	$27,275	$62,196	$5,704	$6,072	$231,659

(1) The purchase price allocations for Meadowlands, Berger, Lakeside Crossing, La Hacienda, Frontier Town, Fort Whaley, and Rock Crusher are preliminary and may be adjusted as final costs and final valuations are determined.

The following unaudited pro forma financial information presents the results of our operations for the years ended December 31, 2015 and 2014 as if the properties were acquired on January 1, 2014. The unaudited pro forma results reflect certain adjustments for items that are not expected to have a continuing impact, such as adjustments for transaction costs incurred, management fees and purchase accounting. The information presented below has been prepared for comparative purposes only and does not purport to be indicative of either future results of operations or the results of operations that would have actually occurred had the acquisitions been consummated on January 1, 2014 (in thousands, except per-share data).

	Year Ended December 31, (unaudited)	
	2015	2014
Total revenues	$688,620	$623,754
Net income attributable to Sun Communities, Inc. common shareholders	$158,859	$57,779

Net income per share attributable to Sun Communities, Inc. common shareholders - basic	$2.96	$1.40
Net income per share attributable to Sun Communities, Inc. common shareholders - diluted	$2.94	$1.38

2014 Other Acquisitions:

In December 2014, we acquired Oak Creek, an MH community with 198 sites located in Coarsegold, California.

In June 2014, we acquired Lake Rudolph Campground and Recreational Vehicle Resort ("Lake Rudolph"), an RV community with 503 sites located in Santa Claus, Indiana.

In April 2014, we acquired Saco/Old Orchard Beach RV Resort ("Saco"), an RV community with 127 sites located in Saco, Maine.

SUN COMMUNITIES, INC.
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In February 2014, we acquired Driftwood Camping Resort ("Driftwood"), an RV community with 698 sites and expansion potential of approximately 30 sites located in Clermont, New Jersey, and Seashore Campsites RV and Campground ("Seashore"), an RV community with 685 sites located in Cape May, New Jersey.

In January 2014, we acquired Castaways RV Resort & Campground ("Castaways"), an RV community with 369 sites and expansion potential of approximately 25 sites located in Worcester County, Maryland, and Wine Country RV Resort ("Wine Country"), an RV community with 166 sites and expansion potential of approximately 34 sites located in Paso Robles, California.

The following tables summarize the fair value of the assets acquired and liabilities assumed (excluding ALL) at the acquisition dates and the consideration paid for other acquisitions completed in 2014 (in thousands):

At Acquisition Date	Wine Country	Castaways	Driftwood	Seashore	Saco	Lake Rudolph	Oak Creek	Total
Investment in property	$13,250	$36,597	$31,301	$24,258	$4,366	$30,454	$15,944	$156,170
In-place leases and other intangible assets	—	—	790	500	—	—	390	1,680
Other assets	9	2	4	12	31	64	236	358
Below market lease and franchise intangibles	—	—	—	—	(6)	—	(140)	(146)
Other liabilities	(60)	(497)	(836)	(1,188)	(258)	(1,417)	(57)	(4,313)
Assumed debt	—	—	—	—	—	—	(10,358)	(10,358)
Total identifiable assets acquired and liabilities assumed	$13,199	$36,102	$31,259	$23,582	$4,133	$29,101	$6,015	$143,391
Consideration								
Cash consideration transferred	$13,199	$36,102	$31,259	$23,582	$4,133	$29,101	$6,015	$143,391

The following unaudited pro forma financial information presents the results of our operations for the years ended December 31, 2014 and 2013 as if the properties were acquired on January 1, 2013. The unaudited pro forma results reflect certain adjustments for items that are not expected to have a continuing impact, such as adjustments for transaction costs incurred, management fees and purchase accounting. The information presented below has been prepared for comparative purposes only and does not purport to be indicative of either future results of operations or the results of operations that would have actually occurred had the acquisitions been consummated on January 1, 2013 (in thousands, except per-share data).

	Year Ended December 31, (unaudited)	
	2014	2013
Total revenues	$567,731	$539,020
Net income attributable to Sun Communities, Inc. common shareholders	$83,125	$60,985
Net income per share attributable to Sun Communities, Inc. common shareholders - basic	$2.01	$1.78
Net income per share attributable to Sun Communities, Inc. common shareholders - diluted	$1.99	$1.77

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The amount of revenue and net income included in the Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013 for all acquisitions described above, excluding ALL, is set forth in the following table (in thousands):

	Year Ended December 31, (unaudited)		
	2015	2014	2013
Revenue	$29,367	$42,258	$60,148
Net income	$4,677	$9,214	$5,914

Transaction Costs

Transaction costs of approximately $17.8 million, $18.3 million, and $3.9 million have been incurred for the years ended December 31, 2015, 2014, and 2013, respectively, and are presented as “Transaction costs” in our Consolidated Statements of Operations.

Dispositions

During the year ended December 31, 2015, we disposed of 17 MH communities and 3 MH and RV combined communities. Pursuant to Accounting Standards Update ("ASU") 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) - Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity" ("ASU 2014-08"), the disposals of the communities do not qualify for presentation as a discontinued operation, as the sales do not have a major impact on our operations and financial results and do not represent a strategic shift. A gain of $125.4 million is recorded in "Gain on disposition of properties, net" in our Consolidated Statements of Operations. The table below lists the communities we have disposed of during the year ended December 31, 2015. In addition, we have $126.3 million related to certain of these dispositions held in escrow as a result of an Internal Revenue Code Section 1031 transaction included in Other assets, net.

The table below shows our dispositions during the year ended December 31, 2015:

Community	State	Number of Sites
Silver Star	FL	406
Holiday Village	IN	326
Maplewood Mobile	IN	207
Meadows	IN	330
Valley Brook	IN	798
West Glen Village	IN	552
Woods Edge	IN	598
Edwardsville	KS	634
Candlewick Court	MI	211
College Park Estates	MI	230
Sherman Oaks	MI	366
Village Trails	MI	100
Creekside	NC	45
Colonial Village	NY	153
Valley View Estates	NY	197
Catalina	OH	462
Worthington Arms	OH	224

Casa de Valle	TX	381
Kenwood	TX	280
Snow to Sun	TX	475

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. Collateralized Receivables and Transfers of Financial Assets

We completed various transactions with an unrelated entity involving our notes receivable under which we received cash proceeds in exchange for relinquishing our right, title, and interest in certain notes receivable. We have no further obligations or rights with respect to the control, management, administration, servicing, or collection of the installment notes receivable. However, we are subject to certain recourse provisions requiring us to purchase the underlying homes collateralizing such notes, in the event of a note default and subsequent repossession of the home by the unrelated entity. The recourse provisions are considered to be a form of continuing involvement, and therefore these transferred loans did not meet the requirements for sale accounting. We continue to recognize these transferred loans on our balance sheet and refer to them as collateralized receivables. The proceeds from the transfer have been recognized as a secured borrowing.

In the event of note default and subsequent repossession of a manufactured home by the unrelated entity, the terms of the agreement require us to repurchase the manufactured home. Default is defined as the failure to repay the installment note receivable according to contractual terms. The repurchase price is calculated as a percentage of the outstanding principal balance of the collateralized receivable, plus any outstanding late fees, accrued interest, legal fees, and escrow advances associated with the installment note receivable. The percentage used to determine the repurchase price of the outstanding principal balance on the installment note receivable is based on the number of payments made on the note. In general, the repurchase price is determined as follows:

Number of Payments	Repurchase %	
Less than or equal to 15	100	%
Greater than 15 but less than 64	90	%
Equal to or greater than 64 but less than 120	65	%
120 or more	50	%

The transferred assets have been classified as Collateralized Receivables, net and the cash proceeds received from these transactions have been classified as a Secured borrowing within the Consolidated Balance Sheets. The balance of the collateralized receivables was $139.8 million (net of allowance of $0.7 million) and $123.0 million (net of allowance of $0.7 million) as of December 31, 2015, and December 31, 2014, respectively. The receivables have a weighted average interest rate and maturity of 10.2% and 15.6 years as of December 31, 2015, and 10.4% and 14.6 years as of December 31, 2014.

The outstanding balance on the secured borrowing was $140.4 million and $123.7 million as of December 31, 2015, and December 31, 2014, respectively.

The collateralized receivables earn interest income, and the secured borrowings accrue interest expense at the same interest rates. The amount of interest income and expense recognized was $13.2 million, $11.8 million, and $10.6 million for the years ended December 31, 2015, 2014, and 2013, respectively.

The balances of the collateralized receivables and secured borrowings fluctuate. The balances increase as additional notes receivable are transferred and exchanged for cash proceeds. The balances are reduced as the related collateralized receivables are collected from the customers, or as the underlying collateral is repurchased. The change in the aggregate gross principal balance of the collateralized receivables is as follows (in thousands):

	Year Ended	
	December 31, 2015	December 31, 2014

Beginning balance	$123,650	$110,510
Financed sales of manufactured homes	43,083	34,952
Principal payments and payoffs from our customers	(10,271)	(8,550)
Notes sold with dispositions	(6,889)	(3,295)
Principal reduction from repurchased homes	(9,133)	(9,967)
Total activity	16,790	13,140
Ending balance	$140,440	$123,650

SUN COMMUNITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth the allowance for the collateralized receivables as of December 31, 2015 (in thousands):

	Year ended December 31, 2015	December 31, 2014
Beginning balance	$(688)	$(689)
Lower of cost or market write-downs	447	230
Increase to reserve balance	(431)	(229)
Total activity	16	1
Ending balance	$(672)	$(688)

4. Notes and Other Receivables

The following table sets forth certain information regarding notes and other receivables (in thousands):

	December 31, 2015	December 31, 2014
Installment notes receivable on manufactured homes, net	$20,418	$25,884
Other receivables, net	27,554	26,011
Total notes and other receivables, net	$47,972	$51,895

Installment Notes Receivable on Manufactured Homes

The installment notes of $20.4 million (net of allowance of $0.2 million) and $25.9 million (net of allowance of $0.1 million) as of December 31, 2015 and December 31, 2014, respectively, are collateralized by manufactured homes. The notes represent financing provided by us to purchasers of manufactured homes primarily located in our communities and require monthly principal and interest payments. The notes have a net weighted average interest rate (net of servicing costs) and maturity of 8.6% and 10.0 years as of December 31, 2015, and 8.7% and 10.4 years as of December 31, 2014.

The change in the aggregate gross principal balance of the installment notes is as follows (in thousands):

	Year Ended December 31, 2015	December 31, 2014
Beginning balance	$26,024	$25,575
Financed sales of manufactured homes	838	946
Acquired notes	850	5,189
Principal payments and payoffs from our customers	(4,798)	(3,590)
Notes sold with dispositions	(383)	(498)
Principal reduction from repossessed homes	(1,921)	(1,598)
Total activity	(5,414)	449
Ending balance	$20,610	$26,024

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Allowance for Losses for Installment Notes Receivable

The following table sets forth the allowance change for the installment notes receivable (in thousands):

	Year Ended December 31, 2015	December 31, 2014
Beginning balance	$(140)	$(104)
Lower of cost or market write-downs	80	50
Increase to reserve balance	(132)	(86)
Total activity	(52)	(36)
Ending balance	$(192)	$(140)

Other Receivables

As of December 31, 2015, other receivables were comprised of amounts due from residents for rent, and water and sewer usage of $4.7 million (net of allowance of $0.9 million), home sale proceeds of $10.5 million, insurance receivables of $1.2 million, insurance settlement of $3.7 million, rebates and other receivables of $5.3 million and a note receivable of $2.2 million. The $2.2 million note bears interest at 8.0% for the first two years and in year three is indexed to 7.87% plus the one year Federal Reserve treasury constant maturity rate for the remainder of the loan. The note is secured by the senior mortgage on one MH community and a deed of land, and is due on December 31, 2016. As of December 31, 2014, other receivables were comprised of amounts due from residents for rent, and water and sewer usage of $4.9 million (net of allowance of $1.0 million), home sale proceeds of $7.4 million, insurance receivables of $1.0 million, insurance settlement of $3.7 million, rebates and other receivables of $6.8 million and a note receivable of $2.2 million.

In March 2015 we issued a note receivable in the amount of $40.2 million. The $40.2 million note was repaid in conjunction with the Berger acquisition in April 2015, which consisted of six MH communities (see Note 2). The note bore interest at 9.6% per annum and was secured by certain assets of the principals of the seller.

5. Intangible Assets

Our intangible assets are in-place leases from acquisitions, franchise fees, and other intangible assets. These intangible assets are recorded within Other assets, net on the Consolidated Balance Sheets. The gross carrying amounts and accumulated amortization are as follows (in thousands):

		December 31, 2015		December 31, 2014	
Intangible Asset	Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
In-place leases	7 years	$62,981	$(20,245)	$41,511	$(12,107)
Franchise fees	15 years	1,864	(622)	764	(106)
Total		$64,845	$(20,867)	$42,275	$(12,213)

During 2015, in connection with our acquisitions, we purchased in-place leases and other intangible assets valued at approximately $22.9 million with useful lives ranging from seven to 15 years.

The aggregate net amortization expenses related to the intangible assets are as follows (in thousands):

	Year Ended December 31,		
Intangible Asset	2015	2014	2013
In-place leases	$8,299	$3,867	$3,297
Franchise fees	516	77	60
Total	$8,815	$3,944	$3,357

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We anticipate the amortization expense for the existing intangible assets to be as follows for the next five years (in thousands):

	Year				
	2016	2017	2018	2019	2020
Estimated expense	$9,127	$8,903	$8,025	$7,109	$5,381

6. Investment in Affiliates

Origen Financial Services, LLC (“OFS LLC”)

At December 31, 2015 and 2014, we had a 22.9% ownership interest in OFS LLC, an entity formed to originate manufactured housing installment contracts. We have suspended equity accounting as the carrying value of our investment is zero.

Origen Financial, Inc. (“Origen”)

Through Sun OFI, LLC, a taxable REIT subsidiary, we own 5,000,000 shares of common stock of Origen, which approximates an ownership interest of 19.3%. We have suspended equity accounting for this investment as the carrying value of our investment was zero. In January 2015, Origen completed the sale of substantially all of its assets to an affiliate of GoldenTree Asset Management, LP and has announced its intention to dissolve and liquidate. During the second quarter of 2015, and as disclosed in a press release on March 30, 2015, Origen made an initial distribution of $1.50 per share to its stockholders of record as of April 13, 2015, retaining approximately $6.2 million for expected dissolution, wind down costs, expenses, and contingencies. Depending on the actual cost of estimated wind down expenses, Origen may make one or more additional interim distributions of excess cash to stockholders prior to completing liquidation. Upon completion of liquidation, Origen will distribute remaining cash, if any, to stockholders. During the second quarter of 2015, we received an initial distribution of $7.5 million from Origen.

The following table sets forth certain summarized financial information for Origen, which was determined to be a significant subsidiary in 2013 (in thousands):

	Year Ended December 31, 2013
Revenues	$49,775
Expenses	(51,912)
Net loss	$(2,137)

7. Consolidated Variable Interest Entities

Variable interest entities ("VIEs") that are consolidated include Rudgate Village SPE, LLC, Rudgate Clinton SPE, LLC, Rudgate Clinton Estates SPE, LLC (the “Rudgate Borrowers”), and Wildwood Village Mobile Home Park ("Wildwood"). We evaluated our arrangements with these properties under the guidance set forth in FASB Accounting Standard Codification ("ASC") ASC Topic 810 "Consolidation". We concluded that the Rudgate Borrowers and Wildwood qualify as VIEs as we are the primary beneficiary and hold controlling financial interests in these entities due to our power to direct the activities that most significantly impact the economic performance of the entities, as well as our obligation to absorb the most significant losses and our rights to receive significant benefits from these entities. As such, the transactions and accounts of these VIEs are included in the accompanying Consolidated Financial Statements.

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The following table summarizes the assets and liabilities included in our Consolidated Balance Sheets after appropriate eliminations have been made (in thousands):

	December 31, 2015	December 31, 2014
ASSETS		
Investment property, net	$92,009	$94,230
Other assets	3,823	4,400
Total Assets	$95,832	$98,630
LIABILITIES AND STOCKHOLDERS' EQUITY		
Debt	$64,082	$65,849
Other liabilities	4,091	1,139
Noncontrolling interests	(1,767)	(416)
Total Liabilities and Stockholders' Equity	$66,406	$66,572

Investment property, net and other assets related to the consolidated VIEs comprised approximately 2.3% and 3.4% of our consolidated total assets at December 31, 2015 and December 31, 2014, respectively. Debt and other liabilities comprised approximately 2.5% and 3.4% of our consolidated total liabilities at December 31, 2015 and December 31, 2014, respectively. Noncontrolling interest related to the consolidated VIEs comprised less than 1.0% of our consolidated total equity at December 31, 2015 and December 31, 2014.

8. Debt and Lines of Credit

The following table sets forth certain information regarding debt (in thousands):

	Principal Outstanding		Weighted Average Years to Maturity		Weighted Average Interest Rates	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Collateralized term loans - CMBS	$642,429	$ 806,840	5.3	5.4	5.3 %	5.3 %
Collateralized term loans - FNMA	791,304	492,800	5.8	7.1	4.6 %	4.0 %
Collateralized term loans - Life Companies	502,555	204,638	14.4	10.9	4.1 %	4.3 %
Collateralized term loans - FMCC	197,418	152,462	9.0	9.9	4.0 %	4.0 %
Secured borrowing	140,440	123,650	15.6	14.6	10.2 %	10.4 %
Preferred OP units - mandatorily redeemable	45,903	45,903	6.1	6.8	6.9 %	6.9 %
Total debt	$2,320,049	$ 1,826,293	8.4	7.5	5.0 %	5.1 %

Collateralized Term Loans

In December 2015, we paid off $85.6 million of CMBS debt secured by eight communities. The loans had a stated maturity of July 2016 and an interest rate of 5.32%.

In August 2015, we entered into an agreement to borrow $87.0 million in mortgage debt that is secured by five communities at an interest rate of 4.06% for a term of 25 years. This loan closed in two separate closings. We completed the first closing for $51.2 million secured by four communities in September 2015 and the second closing for $35.8 million secured by one community in December 2015.

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In May 2015, we defeased a total of $70.6 million aggregate principal amount of collateralized term loans with an interest rate of 5.32% that were due to mature on July 1, 2016, releasing 10 communities. As a result of the transaction we recognized a loss on debt extinguishment of $2.8 million that is reflected in our Consolidated Statement of Operations.

In April 2015, in relation to the acquisition of the Berger properties (see Note 2), we assumed debt with a fair market value of $169.9 million on the communities with a weighted average interest rate of 5.17% and a weighted average remaining term of 6.3 years.

In March 2015, in relation to the acquisition of Meadowlands (see Note 2), we assumed a $6.3 million mortgage with an interest rate of 6.5% and a remaining term of 6.5 years. Also, in relation to this acquisition, we entered into a note payable with the seller for $2.4 million that bears no interest but is payable in three equal yearly installments beginning in March 2016.

In January 2015, in relation to the acquisition of the ALL properties (see Note 2), we refinanced approximately $90.8 million of mortgage debt on 10 of the communities (resulting in proceeds of $112.3 million) at a weighted average interest rate of 3.87% per annum and a weighted average term of 14.1. We also assumed approximately $201.4 million of mortgage debt at a weighted average interest rate of 5.74% and a weighted average remaining term of 6.3.

In December 2014, we borrowed the aggregate amount of $74.0 million under two mortgage loans from The Northwestern Mutual Life Insurance Company (“NM”). The loans have a 15 year term and a blended rate of 3.65%.

During the fourth quarter of 2014, in relation to the acquisition of the ALL properties (see Note 2), we refinanced approximately $100.7 million of mortgage debt with Freddie Mac ("FMCC") on 12 of the communities (resulting in proceeds of $152.5 million) at an interest rate of 4.03% per annum and a term of 10 years, and we assumed approximately $182.4 million of mortgage debt on 12 of the communities at a weighted average interest rate of 5.89% and a weighted average remaining term of 4.35 years.

In September 2014, we paid off the $2.4 million mortgage agreement secured by Brookside Village upon maturity and $13.5 million mortgage agreement secured by Cave Creek and Pine Trace.

In August 2014, we paid off $52.6 million of Fannie Mae ("FNMA") debt, and we paid in full a $6.5 million mortgage agreement secured by Sheffield Estates upon maturity.

In July and August 2014, we borrowed the aggregate amount of $63.5 million under five mortgage loans from Ladder Capital Finance, LLC ("Ladder"). The loans have a 10 year term and a blended annual interest rate of 4.56%.

In January 2014, we and four of our subsidiaries borrowed the aggregate amount of $99.0 million under four mortgage loans (each, an “Individual Loan” and, together, the “Loan”) from NM pursuant to a Master Loan Agreement with NM. Each Individual Loan accrues interest at a rate of 4.20% and matures on February 13, 2026. We and each of the four borrowers have guaranteed the Loan.

The collateralized term loans totaling $2.2 billion as of December 31, 2015, are secured by 160 properties comprised of 65,653 sites representing approximately $2.6 billion of net book value.

Secured Borrowing

See Note 3, "Collateralized Receivables and Transfers of Financial Assets", for additional information regarding our collateralized receivables and secured borrowing transactions.

Preferred OP units

Included in preferred OP units is $34.7 million of Aspen preferred OP units issued by the Operating Partnership which are convertible into shares of the Company's common stock. Subject to certain limitations, at any time prior to January 1, 2024, the holder of each Aspen preferred OP unit at its option may convert such Aspen preferred OP unit into: (a) if the market price of our common stock is $68.00 per share of less, 0.397 common OP units, or (b) if the market price of our common stock is greater than $68.00 per share, that the number of common OP units determined by dividing (i) the sum of (A) $27.00 plus (B) 25% of the amount by which the market price of our common stock exceeds $68.00 per share, by (ii) the per-share market price of our common stock. The current preferred rate is 6.5%. On January 2, 2024, we are required to redeem all Aspen preferred OP units that have not been converted to common OP units.

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Lines of Credit

In August, 2015, we amended and restated our senior revolving credit facility with Citibank, N.A. and certain other lenders in the amount of $450.0 million, comprised of a $392.0 million revolving loan and $58.0 million term loan (the "Facility"). The Facility has a four year term ending August 19, 2019, which can be extended for two additional six-month periods at our option, subject to the satisfaction of certain conditions as defined in the credit agreement. The credit agreement also provides for, subject to the satisfaction of certain conditions, additional commitments in an amount not to exceed $300.0 million. If additional borrowings are made pursuant to any such additional commitments, the aggregate borrowing limit under the Facility may be increased up to $750.0 million. The Facility bears interest at a floating rate based on the Eurodollar rate plus a margin that is determined based on our leverage ratio calculated in accordance with the credit agreement, which can range from 1.40% to 2.25% for the revolving loan and 1.35% to 2.20% for the term loan. As of December 31, 2015, the margin on our leverage ratio was 1.45% and 1.40% on the revolving and term loans, respectively. We had no borrowings on the revolving loan and $25.0 million in borrowings on the term loan totaling $25.0 million in borrowings as of December 31, 2015, with a weighted average interest rate of 1.62%. As of December 31, 2014, there was no amount outstanding under our previous credit facility.

The Facility provides us with the ability to issue letters of credit. Our issuance of letters of credit does not increase our borrowings outstanding under our line of credit, but does reduce the borrowing amount available. At December 31, 2015 and December 31, 2014, approximately $3.4 million and $3.2 million, respectively, of availability was used to back standby letters of credit.

We have a $12.0 million manufactured home floor plan facility renewable indefinitely until our lender provides us at least a twelve month notice of its intent to terminate the agreement. The interest rate is 100 basis points over the greater of the prime rate as quoted in The Wall Street Journal on the first business day of each month or 6.0%. At December 31, 2015, the effective interest rate was 7.0%. The outstanding balance was $0.0 million and $5.8 million as of December 31, 2015 and December 31, 2014, respectively.

Long-term Debt Maturities

As of December 31, 2015, the total of maturities and amortization of our debt (excluding premiums and discounts) and lines of credit during the next five years are as follows (in thousands):

	Maturities and Amortization By Year						
	Total Due	2016	2017	2018	2019	2020	Thereafter
Lines of credit	$25,000	$—	$—	$—	$—	$25,000	$—
Mortgage loans payable:							
Maturities	1,695,080	106,830	95,599	48,317	64,314	58,078	1,321,942
Principal amortization	396,909	31,304	36,754	37,136	36,382	36,303	219,030
Preferred OP units	45,903	11,240	—	—	—	—	34,663
Secured borrowing	140,440	5,398	5,922	6,465	7,022	7,642	107,991
Total	$2,303,332	$154,772	$138,275	$91,918	$107,718	$127,023	$1,683,626

Covenants

Pursuant to the terms of the Facility, we are subject to various financial and other covenants. The most restrictive of our debt agreements place limitations on secured borrowings and contain minimum fixed charge coverage, leverage, distribution, and net worth requirements. At December 31, 2015, we were in compliance with all covenants.

9. Equity and Mezzanine Securities

In November 2015, we closed an underwritten registered public offering of 3,737,500 shares of common stock at a price of $65.00 per share. Net proceeds from the offering were approximately $233.1 million after deducting discounts and expenses related to the offering. We used a portion of the net proceeds of the offering to repay borrowings outstanding under our revolving loan under the Facility, and intend to use the remaining net proceeds for acquisitions of properties, working capital, and general corporate purposes.

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At the Company's Annual Meeting of Stockholders on July 20, 2015, the stockholders approved Articles of Amendment to our Amended and Restated Articles of Incorporation, as amended and supplemented, under which the number of authorized shares of our common stock was increased from 90,000,000 to 180,000,000 and the number of authorized shares of our preferred stock was increased from 10,000,000 to 20,000,000.

In July 2015, the Company entered into a repurchase agreement with certain holders of shares of Series A-4 Preferred Stock under which, at the holders' election, the Company was obligated to repurchase up to 5,926,322 shares of the Series A-4 Preferred Stock from the holders of those shares. There were 6,364,770 shares of Series A-4 preferred shares issued and outstanding at the time of the repurchase agreement, and 438,448 shares of Series A-4 Preferred Stock were not subject to the repurchase agreement. Each holder of shares of Series A-4 Preferred Stock subject to the repurchase agreement could have elected to sell its shares of Series A-4 Preferred Stock to the Company. The purchase price was $31.08 per share, which consists of a price per share of $30.90 plus $0.18 for accrued and unpaid distributions from and including June 30, 2015 to, but not including, August 10, 2015. Each share of Series A-4 Preferred Stock had a liquidation preference of $25.00 per share, and was convertible into approximately 0.4444 shares of the Company's common stock. Pursuant to the repurchase agreement, the Company repurchased 4,066,586 shares of the Series A-4 Preferred Stock. There are 2,067,091 shares of Series A-4 Preferred Stock issued and outstanding as of December 31, 2015.

In June 2015, we issued to GCP Fund III Ancillary Holding, LLC (i) 25,664 shares of common stock at an issuance price of $50.00 per share, or $1,283,200 in the aggregate, and (ii) 34,219 shares of Series A-4 Preferred Stock at an issuance price of $25.00 per share, or $855,475 in the aggregate. All of these common shares and preferred shares were issued for cash consideration pursuant to the terms of a Subscription Agreement, dated July 30, 2014, as amended, among the Company, Green Court Real Estate Partners III, LLC, and certain other parties.

Also in June 2015, we entered into an At the Market Offering Sales Agreement (the "Sales Agreement") with BMO Capital Markets Corp., Merrill Lynch, Pierce, Fenner and Smith Incorporated and Citigroup Global Markets Inc. (collectively, the "Sales Agents"). Pursuant to the Sales Agreement, we may offer and sell shares of our common stock, having an aggregate offering price of up to $250.0 million, from time to time through the Sales Agents. Each Sales Agent is entitled to compensation in an agreed amount not to exceed 2.0% of the gross sales price per share for any shares sold through it from time to time under the Sales Agreement. Concurrently, the At the Market Offering Sales Agreement dated May 10, 2012, as amended among the Company, the Partnership, BMO Capital Markets Corp. and Liquidnet, Inc., was terminated. Prior to the termination of the At the Market Offering Sales Agreement dated May 10, 2012, during the first quarter of 2015, 342,011 shares of common stock were issued at the prevailing market price of our common stock at the time of each sale with a weighted average sales price of $63.94, and we received net proceeds of approximately $21.5 million.

During the third quarter of 2015, under the Sales Agreement, we sold 608,100 common shares at an average sales price of $68.00 for net proceeds of $40.8 million.

During the second quarter of 2015, under the Sales Agreement, we sold 26,200 common shares at an average sales price of $65.15 for net proceeds of $1.7 million.

In April 2015, in connection with the Berger acquisition, we issued 371,808 common OP units at an issuance price of $61.00 per share and 340,206 newly created Series C preferred OP units at an issuance price of $100.00 per share. The Series C preferred OP unit holders receive a preferred return of 4.0% per year from the closing until the first anniversary of the date of issuance, 4.5% per year during the following three years, and 5.0% per year thereafter. Subject to certain limitations, at the holder's option, each Series C preferred OP unit is exchangeable into 1.11 shares of the Company’s common stock and holders of Series C preferred OP units do not have any voting or consent rights.

In January 2015, in connection with the ALL second closing, we issued 4,377,073 shares of common stock at an issuance price of $50.00 per share (fair value of $58.85 per share) and 5,847,234 shares of Series A-4 Preferred Stock at an issuance price of $25.00 per share (fair value of $30.00 per share). The Series A-4 Preferred Stock stockholders receive a preferred return of 6.5% per year. In addition, one of the sellers purchased 150,000 shares of our common stock and 200,000 Series A-4 preferred OP units for an aggregate purchase price of $12.5 million. As noted above, in August 2015, the Company repurchased 4,066,586 shares of the Series A-4 Preferred Stock.

If certain change of control transactions occur or if our common stock ceases to be listed or quoted on an exchange or quotation system, then at any time after November 26, 2019, we or the holders of shares of Series A-4 Preferred Stock and Series A-4 preferred OP units may cause all or any of those shares or units to be redeemed for cash at a redemption price equal to the sum of (i) the greater of (x) the amount that the redeemed shares of Series A-4 Preferred Stock and Series A-4 preferred OP units would

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have received in such transaction if they had been converted into shares of our common stock immediately prior to such transaction, or (y) $25.00 per share, plus (ii) any accrued and unpaid distributions thereon to, but not including, the redemption date. Accordingly, we have retrospectively reclassified $13.6 million of Series A-4 Preferred Stock and $18.7 million of Series A-4 preferred OP units to temporary equity on our consolidated balance sheet at December 31, 2014. The Series A-4 preferred OP units are inclusive of its pro-rata share of net income of $0.9 million and distributions of $1.3 million for the year ended December 31, 2015.

During the fourth quarter of 2014, in connection with the ALL acquisition, we issued 361,797 shares of common stock at an issuance price of $50.00 per share, 501,130 common OP units at an issuance price of $50.00 per unit, 483,317 shares of Series A-4 Preferred Stock at an issuance price of $25.00 per share and 669,449 Series A-4 preferred OP units at an issuance price of $25.00 per unit (see Note 2). Series A-4 Preferred Stock and Series A-4 preferred OP unit holders can convert the shares or units into shares of common stock based upon an initial conversion price of $56.25 per share (subject to adjustment upon various events) and receive a preferred return of 6.50% per year.

In September 2014, we closed an underwritten registered public offering of 6,900,000 shares of common stock at a price of $50.60 per share, which includes 900,000 shares sold to the underwriter pursuant to the full exercise of its option to purchase additional shares. Net proceeds from the offering were approximately $348.9 million after deducting expenses related to the offering. We used the majority of the net proceeds of the offering to fund the cash portion of the purchase price for the acquisition of MH communities from the Green Courte entities (see Note 2) and used the remainder of the net proceeds from the offering to repay borrowings outstanding under the Facility.

In March 2014, we closed an underwritten registered public offering of 4,200,000 shares of common stock at a price of $44.45 per share, and in April 2014, the underwriters exercised their option to purchase an additional 630,000 shares of common stock at a price of $44.45 less the declared dividend of $0.65 per share. Net proceeds from the offering were $214.0 million after deducting underwriting discounts and the expenses related to the offering. We used the net proceeds of the offering to repay borrowings outstanding under the Facility, for acquisitions of properties and for working capital and general corporate purposes.

In November 2004, our Board of Directors authorized us to repurchase up to 1,000,000 shares of our common stock. We have 400,000 common shares remaining in the repurchase program. No common shares were repurchased during 2015 or 2014. There is no expiration date specified for the repurchase program.

Subject to certain limitations, common OP Unit holders can convert their common OP units into an equivalent number of shares of common stock at any time. During 2015, holders of common OP units converted 99,849 units into common stock. During 2014, 9,110 units were converted into common stock.

Subject to certain limitations, Series A-1 preferred OP unit holders can convert each Series A-1 preferred OP unit to 2.439 shares of our common stock at any time. During 2015 and 2014, holders of Series A-1 preferred OP units converted 41,116 units into 100,277 shares of common stock, and 26,379 units into 64,335 shares of common stock, respectively.

Subject to certain limitations, Series A-4 preferred OP unit holders may convert their Series A-4 preferred OP units to shares of our common stock at any time. During the year ended December 31, 2015, holders of Series A-4 preferred OP units converted 114,414 units into 50,848 shares of common stock. No such units were converted during the year ended December 31, 2014.

Subject to certain limitations, Series A-4 preferred stock holders may convert their Series A-4 preferred stock to shares of our common stock. During the year ended December 31, 2015, holders of Series A-4 preferred stock converted 231,093 shares into 102,708 shares of common stock. No such shares were converted during the year ended December 31, 2014.

Cash distributions of $0.65 per share were declared for the quarter ended December 31, 2015. On January 16, 2016, cash payments of approximately $39.8 million for aggregate distributions were made to common stockholders, common OP unit holders and restricted stockholders of record as of December 31, 2015. Cash distributions of $0.4453 per share were declared on the Company's Series A Preferred Stock for the quarter ended December 31, 2015. On January 15, 2016, cash payments of approximately $1.5 million for aggregate distributions were made to the holders of Series A Preferred Stock of record as of January 1, 2016. In addition, cash distributions of $0.4062 per share were declared on the Company's Series A-4 Preferred Stock for the quarter ended December 31, 2015. On December 31, 2015, cash payments of approximately $0.8 million were made to Series A-4 Preferred stockholders of record as of December 18, 2015. During 2015, we made total cash payments of approximately $150.4 million to common stockholders, common OP unitholders and restricted stockholders, $6.0 million to Series A Preferred stock holders and $6.9 million to Series A-4 Preferred stockholders.

10. Share-Based Compensation

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As of December 31, 2015, we have two share-based compensation plans approved by stockholders: the Sun Communities, Inc. 2015 Equity Incentive Plan (the "2015 Equity Plan") and the First Amended and Restated 2004 Non-Employee Director Option Plan (“Director Plan”). In July 2015, the 2015 Equity Plan replaced the Sun Communities, Inc. 2009 Equity Incentive Plan (the "2009 Equity Plan"). We believe granting equity awards will provide certain executives, key employees and directors additional incentives to promote our financial success, and promote employee and director retention by providing an opportunity to acquire or increase the direct proprietary interest of those individuals in our operations and future.

2015 Equity Plan

At the Annual Meeting of Stockholders held on July 20, 2015, the stockholders approved the 2015 Equity Plan. The 2015 Equity Plan had been adopted by the Board and was effective upon approval by our stockholders. The maximum number of shares of common stock that may be issued under the 2015 Equity Plan is 1,750,000 shares of our common stock, with 1,744,000 shares remaining for future issuance.

During the year ended December 31, 2015, we granted 6,000 shares of restricted stock to key employees under our 2015 Equity Plan. The shares had a weighted average fair value of $66.10 per share and will vest as follows: during the second half of 2018: 35%, during the second half of 2019: 35%, during the second half of 2020: 20%, during the second half of 2021: 5%, and during the second half of 2020: 5%. The fair value of issued grants was determined by using the closing price of our common stock on the date the shares were issued.

2009 Equity Plan

In July 2015, we granted 20,000 shares of restricted stock to an executive officer under to 2009 Equity Plan. The shares had a fair value of $67.57 per share and will vest as follows: July 16, 2018: 35%; July 19, 2019: 35%; July 16, 2020: 20%; July 16, 2021: 5%; and July 16, 2022: 5%. The fair value was determined by using the closing share price of our common stock on the date the shares were issued.

In May 2015, we granted 25,000 shares of restricted stock to an executive officer under our 2009 Equity Plan. The shares had a fair value of $62.94 per share and will vest as follows: May 19, 2018: 35%; May 19, 2019: 35%; May 19, 2020: 20%; May 19, 2021: 5%; and May 19, 2022: 5%. The fair value was determined by using the closing share price of our common stock on the date the shares were issued.

In April 2015, we granted 145,000 shares of restricted stock to our executive officers under our 2009 Equity Plan. The shares had a fair value of $63.81 per share. Half of the shares will vest as follows: April 14, 2018: 20%; April 14, 2019: 30%; April 14, 2020: 35%; April 14, 2021: 10%; and April 14, 2022: 5%. The remaining 72,500 shares are subject to market and performance conditions with multiple tranches that vest through April 2020. Share-based compensation for restricted stock awards with performance conditions is measured based on an estimate of shares expected to vest. We estimate the fair value of share-based compensation for restricted stock with market conditions using a Monte Carlo simulation.

During 2014, the Company and Gary A. Shiffman (the Company's Chairman and Chief Executive Officer) entered into an Amended and Restated Restricted Stock Award Agreement, which amended and restated in its entirety the Restricted Stock Award Agreement dated June 20, 2013, between the Company and Mr. Shiffman. Under the original stock award agreement, the Company granted Mr. Shiffman 250,000 restricted shares of the Company's common stock, of which 175,000 restricted shares were awarded in respect of the performance of Mr. Shiffman and the

Company over the prior three years and 75,000 restricted shares were awarded to induce Mr. Shiffman to execute a new five-year employment agreement. All of these restricted shares were scheduled to vest over time through June 2020. The restated stock award agreement amended the vesting schedule of the restricted shares, of which 100,000 restricted shares are now subject to market and performance conditions and the remaining 150,000 shares will vest over time through June 2020. We accounted for the modification of this award is accordance with the FASB ASC Topic 718. See discussion below on the fair value measurement of these awards.

During 2014, we granted 45,250 shares of restricted stock to employees under our 2009 Equity Plan. The restricted shares had a an average fair value of $52.54 per share and will vest as follows: 35% in 2017; 35% in 2018; 20% in 2019, 5% in 2020; and 5% in 2021. The fair value was determined using the closing price of our common stock on the date the shares were issued.

During 2014, we also granted 58,000 shares of restricted stock to our executive officers under our 2009 Equity Plan. The restricted shares had a fair value of $48.93 per share and will vest as follows: 20% in 2018; 30% in 2019; 35% in 2020; 10% in 2021; and

5% in 2022. The fair value was determined by using the closing share price of our common stock on the date the shares were issued.

Director Plan

The Director Plan was approved by our stockholders at the Annual Meeting of Stockholders held on July 19, 2012. The Director Plan amended and restated in its entirety our 2004 Non-Employee Director Stock Option Plan.

The types of awards that may be granted under the Director Plan are options, restricted stock and OP units. Only non-employee directors are eligible to participate in the Director Plan. The maximum number of options, restricted stock and OP units that may be issued under the Director Plan is 175,000 shares, with 75,674 shares remaining for future issuance.

In February 2015, we granted 19,800 shares of restricted stock to our non-employee directors under our First Amended and Restated 2004 Non-Employee Director Option Plan. The awards vest on February 11, 2018, and had a fair value of $65.87 per share. The fair value was determined by using the closing share price of our common stock on the date the shares were issued.

In February 2014, we granted 14,000 shares of restricted stock to our directors under our Director Plan. The awards vest on February 12, 2017, and had a fair value of $48.01 per share. The fair value was determined by using the closing share price of our common stock on the date the shares were issued.

During the year ended December 31, 2015, 5,584 shares of common stock were issued in connection with the exercise of stock options and the net proceeds received were $0.1 million.

Restricted Stock

The majority of our share-based compensation is awarded as service vesting restricted stock grants to executives and key employees. We have also awarded restricted stock to our non-employee directors. We measure the fair value associated with these awards using the closing price of our common stock as of the grant date to calculate compensation cost. Employee awards typically vest over several years and are subject to continued employment by the employee. Award recipients receive distribution payments on unvested shares of restricted stock.

As of December 31, 2014, we had 50,000 shares of restricted stock that was issued to Mr. Shiffman subject to certain Company performance criteria, of which 37,500 shares are still outstanding as of December 31, 2015. The remaining shares will vest in equal shares of 12,500 on March 1 of each 2016, 2017, and 2018. Compensation expense is recognized in accordance with ASC Topic 718 and based on an estimate of shares expected to vest. If it is not probable that the performance conditions will be satisfied, we do not recognize compensation expense. The fair value of these awards was measured using the closing price of our common stock as of the grant modification date to calculate compensation cost. Each reporting period, we reevaluate our estimate of the number of shares expected to vest. The performance conditions were satisfied for the shares vesting on March 1, 2016 and compensation expense was recognized as of December 31, 2015.

We also have 50,000 shares of restricted stock issued to Mr. Shiffman subject to certain market performance criteria, of which 16,667 shares vest on March 1 of each 2016, 2017 and 2018. In accordance with ASC Topic 718, we estimated the fair value of the shares using a Monte Carlo simulation. We recognize compensation cost ratably over each tranche of shares based on the fair value estimated by the model.

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The following table summarizes our restricted stock activity for the years ended December 31, 2015, 2014 and 2013:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted shares at January 1, 2013	310,507	$30.88
Granted	371,300	$47.19
Vested	(37,291)	$16.87
Forfeited	(12,560)	$38.47
Unvested restricted shares at December 31, 2013	631,956	$41.14
Granted	117,250	$49.97
Vested	(55,488)	$25.57
Forfeited	(4,975)	$38.45
Unvested restricted shares at December 31, 2014	688,743	$43.87
Granted	216,800	$64.32
Vested	(85,021)	$31.89
Forfeited	(7,262)	$45.94
Unvested restricted shares at December 31, 2015	813,260	$50.59

Total compensation cost recognized for restricted stock was $7.1 million, $4.9 million, and $3.2 million for the years ended December 31, 2015, 2014, and 2013, respectively. The total fair value of shares vested was $2.7 million, $1.4 million, and $0.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. The remaining net compensation cost related to our unvested restricted shares outstanding as of December 31, 2015 is approximately $27.4 million. That expense is expected to be recognized $7.3 million in 2016, $7.3 million in 2017, $5.5 million in 2018 and $7.3 million thereafter.

Options

We have granted stock options to certain employees and non-employee directors. Option awards are generally granted with an exercise price equal to the market price of our common stock as of the grant date. Stock options generally vest over a three year period from the date of grant and have a maximum term of 10 years. No grants of options were made in 2015, 2014 or 2013. We issue new shares of common stock at the time of share option exercise (or share unit conversion).

The weighted average fair value of the options issued is estimated on the date of the grant using the Binomial (lattice) option pricing model. The options outstanding as of December 31, 2015, consist of 24,500 non-employee director options. There are no employee options outstanding. The compensation expense associated with non-vested stock option awards was not significant for the years ended December 31, 2015, 2014, and 2013.

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The following table summarizes our option activity during the years ended December 31, 2015, 2014 and 2013:

	Number of Options	Weighted Average Exercise Price (per common share)
Options outstanding at January 1, 2013	55,950	$29.19
Granted	—	$—
Exercised	(9,700)	$21.67
Forfeited or expired	—	$—
Options outstanding at December 31, 2013	46,250	$30.77
Granted	—	$—
Exercised	(12,250)	$33.40
Forfeited or expired	(1,500)	$35.44
Options outstanding at December 31, 2014	32,500	$29.56
Granted	—	$—
Exercised	(8,000)	$30.96
Forfeited or expired	—	$—
Options outstanding at December 31, 2015	24,500	$29.11

The following table summarizes our options outstanding and options currently exercisable at December 31, 2015:

	December 31, 2015			
	Number of Options	Weighted Average Exercise Price (per common share)	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options vested and exercisable	24,500	$29.11	3.4	$966

Aggregate intrinsic value represents the value of our closing share price as of the end of the year in excess of the exercise price multiplied by the number of options outstanding or exercisable. The aggregate intrinsic value excludes the effect of stock options that have a zero or negative intrinsic value. For the years ended December 31, 2015, 2014 and 2013, the intrinsic value of exercised options was $0.3 million, $0.3 million and $0.2 million, respectively. For the years ended December 31, 2015, 2014 and 2013, the intrinsic value of vested and exercisable options was $1.0 million, $1.0 million and $0.5 million, respectively.

11. Segment Reporting

We group our operating segments into reportable segments that provide similar products and services. Each operating segment has discrete financial information evaluated regularly by the Company's chief operating decision maker in evaluating and assessing performance. We have two reportable segments: (i) Real Property Operations and (ii) Home Sales and Rentals. The Real Property Operations segment owns, operates, and develops MH communities and RV communities and is in the business of acquiring, operating, and expanding MH and RV communities. The Home Sales and Rentals segment offers manufactured home sales and leasing services to tenants and prospective tenants of our communities.

Transactions between our segments are eliminated in consolidation. Transient RV revenue is included in Real Property Operations' revenues and is approximately $39.7 million for the year ended December 31, 2015. In 2015, transient RV revenue was recognized 22.5% in the first quarter, 17.7% in the second quarter, 45.2% in the third quarter and 14.6% in the fourth quarter.

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A presentation of segment financial information is summarized as follows (in thousands):

	Year Ended December 31, 2015		
	Real Property Operations	Home Sales and Home Rentals	Consolidated
Revenues	$530,610	$125,964	$656,574
Operating expenses/Cost of sales	188,030	83,897	271,927
Net operating income/Gross profit	342,580	42,067	384,647
Adjustments to arrive at net income (loss):			
Interest and other income, net	18,119	38	18,157
General and administrative	(40,235)	(14,696)	(54,931)
Transaction costs	(17,802)	(1)	(17,803)
Depreciation and amortization	(125,297)	(52,340)	(177,637)
Extinguishment of debt	(2,800)	—	(2,800)
Interest	(107,647)	(12)	(107,659)
Interest on mandatorily redeemable preferred OP units	(3,219)	—	(3,219)
Gain on disposition of properties, net	106,613	18,763	125,376
Provision for state income taxes	(56)	(102)	(158)
Income tax expense - deferred	—	(1,000)	(1,000)
Distributions from affiliate	7,500	—	7,500
Net income (loss)	177,756	(7,283)	170,473
Less: Preferred return to Series A-1 preferred OP units	2,431	—	2,431
Less: Preferred return to Series A-3 preferred OP units	181	—	181
Less: Preferred return to Series A-4 preferred OP units	1,340	—	1,340
Less: Preferred return to Series C preferred OP units	1,021	—	1,021
Less: Amounts attributable to noncontrolling interests	10,622	(568)	10,054
Net income (loss) attributable to Sun Communities, Inc.	162,161	(6,715)	155,446
Less: Preferred stock distributions	13,793	—	13,793
Less: Preferred stock redemption costs	4,328	—	4,328
Net income (loss) attributable to Sun Communities, Inc. common stockholders	$144,040	$(6,715)	$137,325

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	Year Ended December 31, 2014		
	Real Property Operations	Home Sales and Home Rentals	Consolidated
Revenues	$375,594	$93,167	$468,761
Operating expenses/Cost of sales	137,899	63,826	201,725
Net operating income/Gross profit	237,695	29,341	267,036
Adjustments to arrive at net income (loss):			
Interest and other income, net	15,498	—	15,498
General and administrative	(31,769)	(10,853)	(42,622)
Transaction costs	(18,251)	(8)	(18,259)
Depreciation and amortization	(88,695)	(45,031)	(133,726)
Asset impairment charge	(837)	—	(837)
Interest	(73,752)	(19)	(73,771)
Interest on mandatorily redeemable preferred OP units	(3,210)	—	(3,210)
Gain (loss) on disposition of properties, net	17,447	207	17,654
Gain on settlement	4,452	—	4,452
Provision for state income taxes	(219)	—	(219)
Distributions from affiliate	1,200	—	1,200
Net income (loss)	59,559	(26,363)	33,196
Less: Preferred return to Series A-1 preferred OP units	2,654	—	2,654
Less: Preferred return to Series A-3 preferred OP units	181	—	181
Less: Preferred return to Series A-4 preferred OP units	100	—	100
Less: Amounts attributable to noncontrolling interests	3,698	(1,946)	1,752
Net income (loss) attributable to Sun Communities, Inc.	52,926	(24,417)	28,509
Less: Preferred stock distributions	6,133	—	6,133
Net income (loss) attributable to Sun Communities, Inc. common stockholders	$46,793	$(24,417)	$22,376

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	Year Ended December 31, 2013		
	Real Property Operations	Home Sales and Home Rentals	Consolidated
Revenues	$321,739	$87,352	$409,091
Operating expenses/Cost of sales	117,412	60,732	178,144
Net operating income/Gross profit	204,327	26,620	230,947
Adjustments to arrive at net income (loss):			
Interest and other income, net	13,622	—	13,622
General and administrative	(25,941)	(9,913)	(35,854)
Transaction costs	(3,928)	—	(3,928)
Depreciation and amortization	(73,729)	(36,349)	(110,078)
Interest	(73,001)	(338)	(73,339)
Interest on mandatorily redeemable preferred OP units	(3,238)	—	(3,238)
Provision for state income taxes	(234)	—	(234)
Distributions from affiliates	2,250	—	2,250
Net income (loss)	40,128	(19,980)	20,148
Less: Preferred return to Series A-1 preferred OP units	2,598	—	2,598
Less: Preferred return to Series A-3 preferred OP units	166	—	166
Less: Amounts attributable to noncontrolling interests	2,450	(1,732)	718
Net income (loss) attributable to Sun Communities, Inc.	34,914	(18,248)	16,666
Less: Preferred stock distributions	6,056	—	6,056
Net income (loss) attributable to Sun Communities, Inc. common stockholders	$28,858	$(18,248)	$10,610

	December 31, 2015			December 31, 2014		
	Real Property Operations	Home Sales and Home Rentals	Consolidated	Real Property Operations	Home Sales and Home Rentals	Consolidated
Identifiable assets:						
Investment property, net	$3,303,287	$417,828	$3,721,115	$2,207,526	$360,638	$2,568,164
Cash and cash equivalents	44,150	936	45,086	81,864	1,595	83,459
Inventory of manufactured homes	—	14,828	14,828	—	8,860	8,860
Notes and other receivables, net	34,258	13,714	47,972	40,751	11,144	51,895
Collateralized receivables, net	139,768	—	139,768	122,962	—	122,962
Other assets, net	218,709	3,073	221,782	97,485	4,867	102,352
Total assets	$3,740,172	$450,379	$4,190,551	$2,550,588	$387,104	$2,937,692

12. Income Taxes

We have elected to be taxed as a real estate investment trust ("REIT") pursuant to Section 856(c) of the Internal Revenue Code of 1986 ("Code"), as amended. In order for us to qualify as a REIT, at least 95% of our gross income in any year must be derived from qualifying sources. In addition, a REIT must distribute annually at least 90% of its REIT ordinary taxable income to its stockholders and meet other tests.

Qualification as a REIT involves the satisfaction of numerous requirements (some on an annual and quarterly basis) established under highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. In addition, frequent

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changes occur in the area of REIT taxation which requires us to continually monitor our tax status. We analyzed the various REIT tests and confirmed that we continued to qualify as a REIT for the year ended December 31, 2015.

As a REIT, we generally will not be subject to U.S. federal income taxes at the corporate level on the ordinary taxable income we distribute to our stockholders as dividends. If we fail to qualify as a REIT in any taxable year, our taxable income could be subject to U.S. federal income tax at regular corporate rates (including any applicable alternative minimum tax). Even if we qualify as a REIT, we may be subject to certain state and local income taxes and to U.S. federal income and excise taxes on our undistributed income.

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, and return of capital. For the years ended December 31, 2015, 2014, and 2013, distributions paid per share were taxable as follows (unaudited/rounded):

	Years Ended December 31,								
	2015			2014			2013		
	Amount	Percentage		Amount	Percentage		Amount	Percentage	
Ordinary income	$1.08	41.7	%	$0.82	31.7	%	$0.87	34.6	%
Capital gain	0.78	30.1	%	0.64	24.6	%	—	—	%
Return of capital	0.74	28.2	%	1.14	43.7	%	1.65	65.4	%
Total distributions declared	$2.60	100.0	%	$2.60	100.0	%	$2.52	100.0	%

SHS, our taxable REIT subsidiary, is subject to U.S. federal income taxes. Our deferred tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities for financial reporting purposes and the bases of such assets and liabilities as measured by tax laws. Deferred tax assets are reduced, if necessary, by a valuation allowance to the amount where realization is more likely than not assured after considering all available evidence. Our temporary differences primarily relate to net operating loss carryforwards and depreciation.

The deferred tax assets included in the consolidated balance sheets are comprised of the following tax effects of temporary differences (in thousands):

	As of December 31,			
	2015		2014	
Deferred tax assets:				
Net operating loss carryforwards	$31,096		$26,214	
Real estate assets	27,315		29,092	
Amortization of intangibles	(128	)	(128	)
Gross deferred tax assets	58,283		55,178	
Valuation allowance	(58,283	)	(54,178	)
Net deferred tax assets	$—		$1,000	

SHS has operating loss carryforwards of approximately $91.5 million, or $31.1 million after tax, as of December 31, 2015. The loss carryforwards will begin to expire in 2021 through 2034 if not offset by future taxable income. Management concluded in 2015 its net deferred tax asset will not be realized and increased its valuation allowance by $1.0 million.

We had no unrecognized tax benefits as of December 31, 2015 and 2014. We expect no significant increases or decreases in unrecognized tax benefits due to changes in tax positions within one year of December 31, 2015.

We classify certain state taxes as income taxes for financial reporting purposes. We recorded a provision for state income taxes of approximately 0.2 million for each of the years ended December 31, 2015, 2014 and 2013.

We and our subsidiaries are subject to income taxes in the U.S. and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, we are no longer subject to U.S. federal, state and local, examinations by tax authorities for the tax years ended December 31, 2008 and prior.

Our policy is to report income tax penalties and income tax related interest expense as a component of income tax expense. No interest or penalty associated with any unrecognized income tax benefit or provision was accrued, nor was any income tax related interest or penalty recognized during the years ended December 31, 2015, 2014 and 2013.

In 2015, SHS underwent an audit by the Internal Revenue Service ("IRS") for the 2013 tax year. Upon conclusion of the audit, no material adjustments were required.

13. Earnings Per Share

We have outstanding stock options, unvested restricted shares, Series A Preferred Stock, and Series A-4 Preferred Stock, and our Operating Partnership has outstanding common OP units, Series A-1 preferred OP units, Series A-3 preferred OP units, Series A-4 preferred OP units, Series C preferred OP units, and Aspen preferred OP Units, which if converted or exercised, may impact dilution.

Computations of basic and diluted earnings per share were as follows (in thousands, except per share data):

	Year Ended December 31,		
Numerator	2015	2014	2013
Net income attributable to common stockholders	$137,325	$22,376	$10,610
Allocation of income to restricted stock awards	(1,757)	(127)	(144)
Net income attributable to common stockholders after allocation	$135,568	$22,249	$10,466
Allocation of income to restricted stock awards	—	127	144
Amounts attributable to Series A-4 Preferred Stock	—	76	—
Diluted earnings: net income attributable to common stockholders after allocation	$135,568	$22,452	$10,610
Denominator			
Weighted average common shares outstanding	53,686	41,337	34,228
Add: dilutive stock options	16	16	15
Add: dilutive restricted stock	—	237	167
Add: dilutive Series A-4 Preferred Stock	—	215	—
Diluted weighted average common shares and securities	53,702	41,805	34,410
Earnings per share available to common stockholders after allocation:			
Basic	$2.53	$0.54	$0.31
Diluted	$2.52	$0.54	$0.31

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We excluded certain securities from the computation of diluted earnings per share because the inclusion of these securities would have been anti-dilutive for the periods presented. The following table presents the outstanding securities that were excluded from the computation of diluted earnings per share for the years ended December 31, 2015, 2014 and 2013 (amounts in thousands):

	Year Ended December 31,		
	2015	2014	2013
Restricted Stock	813	—	—
Common OP units	2,863	2,561	2,069
Series A-1 preferred OP units	388	429	455
Series A-3 preferred OP units	40	40	40
Series A-4 preferred OP units	755	669	—
Series A-4 Preferred Stock	2,067	—	—
Series C preferred OP units	340	—	—
Aspen preferred OP units	1,284	1,284	1,325
Total securities	8,550	4,983	3,889

14. Quarterly Financial Information (Unaudited)

The following is a condensed summary of our unaudited quarterly results for years ended December 31, 2015 and 2014. Income (loss) per share for the year may not equal the sum of the fiscal quarters' income (loss) per share due to changes in basic and diluted shares outstanding.

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	Quarters			
	1st	2nd	3rd	4th
	(In thousands, except per share amounts)			
2015				
Total revenues	$155,200	$165,938	$185,355	$168,238
Total expenses	151,646	154,862	163,771	165,697
Income before income taxes and distributions from affiliate	$3,554	$11,076	$21,584	$2,541
Distributions from affiliate [1]	$—	$7,500	$—	$—
Gain (loss) on disposition of properties, net	$8,769	$(13)	$18,190	$98,430
Net income attributable to Sun Communities, Inc. common stockholders	$6,869	$12,294	$28,763	$89,399
Earnings per share:				
Basic	$0.13	$0.23	$0.53	$1.57
Diluted	$0.13	$0.23	$0.53	$1.56
2014				
Total revenues	$111,181	$115,387	$125,435	$119,672
Total expenses	100,651	108,993	112,655	139,267
Income (loss) before income taxes and distributions from affiliate	$10,530	$6,394	$12,780	$(19,595)
Distributions from affiliate [1]	$400	$400	$400	$—
Gain on disposition of properties, net [2]	$—	$885	$13,631	$3,138
Gain on settlement	$—	$—	$—	$4,452
Net income (loss) attributable to Sun Communities, Inc. common stockholders	$7,846	$4,928	$22,671	$(13,069)
Earnings (loss) per share:				
Basic	$0.21	$0.12	$0.54	$(0.27)
Diluted	$0.21	$0.12	$0.54	$(0.27)

(1) Refer to Note 7 for more information regarding distributions from affiliate.
(2) During the second quarter of 2014, we recorded a gain on disposition of properties, net of $0.9 million. In the fourth quarter of 2014, we identified and recorded a revision to this gain of $3.2 million. Had this revision been recorded in the second quarter instead of the fourth quarter, our basic and diluted earnings per share would have been income of $0.20 in the second quarter and a loss of $0.34 in the fourth quarter. Management of the Company concluded that the effect of the fourth quarter revision was not material to the second and fourth quarter 2014 financial statements.

15. Derivative Instruments and Hedging Activities

Our objective in using interest rate derivatives is to manage exposure to interest rate movements thereby minimizing the effect of interest rate changes and the effect it could have on future cash flows. Interest rate caps are used to accomplish this objective. We do not enter into derivative instruments for speculative purposes nor do we have any swaps in a hedging arrangement.

The following table provides the terms of our interest rate derivative contracts that were in effect as of December 31, 2015:

Type	Purpose	Effective Date	Maturity Date	Notional (in millions)	Based on	Variable Rate	Fixed Rate	Spread	Effective Fixed Rate
Cap	Cap Floating Rate	4/1/2015	4/1/2018	$150.1	3 Month LIBOR	0.3240%	9.0000%	—%	N/A
Cap	Cap Floating Rate	10/3/2011	10/3/2016	$10.0	3 Month LIBOR	0.3240%	11.0200%	—%	N/A

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In January 2014, our interest rate swap agreement with a notional amount of $20.0 million expired. We did not enter into a new interest rate swap agreement.

In accordance with ASC Topic 815, "Derivatives and Hedging" ("ASC 815"), derivative instruments are recorded at fair value in "Other assets, net" or "Other liabilities" on the Consolidated Balance Sheets. As of December 31, 2015 and 2014, the fair value of the derivatives was zero.

16. Fair Value of Financial Instruments

Our financial instruments consist primarily of cash and cash equivalents, accounts and notes receivable, accounts payable, derivative instruments, and debt.

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820"), requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy under which these assets and liabilities must be grouped, based on significant levels of observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumption. This hierarchy requires the use of observable market data when available. These two types of inputs have created the following fair value hierarchy:

Level 1—Quoted unadjusted prices for identical instruments in active markets.

Level 2—Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

We utilize fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The following methods and assumptions were used in order to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Derivative Instruments
The derivative instruments held by us are interest rate cap agreements for which quoted market prices are indirectly available. For those derivatives, we use model-derived valuations in which all significant inputs and significant value drivers are observable in active markets provided by brokers or dealers to determine the fair values of derivative instruments on a recurring basis (Level 2). See Note 15 for Derivative Instruments.

Installment Notes Receivable on Manufactured Homes
The net carrying value of the installment notes on manufactured homes estimates the fair value as the interest rates in the portfolio are comparable to current prevailing market rates (Level 2). See Note 4 for Installment Notes Receivable.

Long Term Debt and Lines of Credit
The fair value of long-term debt (excluding the secured borrowing) is based on the estimates of management and on rates currently quoted, rates currently prevailing for comparable loans, and instruments of comparable maturities (Level 2). See Note 8 for Long-Term Debt and Lines of Credit.

Collateralized Receivables and Secured Borrowing
The fair value of these financial instruments offset each other as our collateralized receivables represent a transfer of financial assets and the cash proceeds received from these transactions have been classified as a secured borrowing on the Consolidated Balance Sheets. The net carrying value of the collateralized receivables estimates the fair value as the interest rates in the portfolio are comparable to current prevailing market rates (Level 2). See Note 3 for Collateralized Receivables and Secured Borrowing.

Other Financial Instruments
The carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair market values due to the short-term nature of these instruments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below sets forth our financial assets and liabilities that required disclosure of their fair values on a recurring basis as of December 31, 2015. The table presents the carrying values and fair values of our financial instruments as of December 31, 2015 and December 31, 2014 that were measured using the valuation techniques described above (in thousands). The table excludes other financial instruments such as cash and cash equivalents, accounts receivable, and accounts payable because the carrying values associated with these instruments approximate fair value since their maturities are less than one year.

	December 31, 2015		December 31, 2014	
Financial assets	Carrying Value	Fair Value	Carrying Value	Fair Value
Installment notes receivable on manufactured homes, net	$20,418	$20,418	$25,884	$25,884
Collateralized receivables, net	$139,768	$139,768	$122,962	$122,962
Financial liabilities				
Debt (excluding secured borrowing)	$2,179,609	$2,181,790	$1,702,643	$1,752,939
Secured borrowing	$140,440	$140,440	$123,650	$123,649
Lines of credit	$25,000	$25,000	$5,794	$5,794

17. Recent Accounting Pronouncements

In April 2015, the FASB issued ASU 2015-03 "Interest - Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"). This amendment requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB issued ASU 2015-15 "Interest - Imputation of Interest (Subtopic 835-30) Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" ("ASU 2015-15"). This amendment provides additional guidance within ASU 2015-03 for debt issuance costs related to line of credit arrangements. These amendments are effective for fiscal years beginning after December 15, 2015, and interim periods within those years, with early adoption permitted. Entities should apply the amendments retrospectively. We are currently evaluating the potential impact these amendments will have on our Consolidated Financial Statements.

In February 2015, the FASB issued ASU No. 2015-02 "Consolidation (Topic 810) Amendments to the Consolidation Analysis" ("ASU 2015-02"). This amendment eliminates the deferral of FAS 167, which has allowed entities with interests in certain investment funds to follow the previous consolidation guidance in FIN 46(R), and makes other changes to both the variable interest model and the voting model. While the guidance is aimed at asset managers, it will affect all reporting entities that have variable interests in other legal entities (e.g., limited partnerships, similar entities and certain corporations). In some cases, consolidation conclusions will change. In other cases, reporting entities will need to provide additional disclosures about entities that currently aren’t considered VIEs but will be considered VIEs under the new guidance provided they have a variable interest in those VIEs. These amendments are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. Entities may apply the amendments using either a modified retrospective approach or retrospectively. We are currently evaluating the potential impact this amendment will have on our Consolidated Financial Statements.

In August 2014, the FASB issued ASU 2014-15 "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). This amendment requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. This amendment applies to all entities and are effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We are currently evaluating the potential impact this amendment will have on our quarterly reporting process.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). The objective of this amendment is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying this amendment, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. This amendment applies to all contracts with customers except those that are within the scope of other topics in the FASB ASC. This amendment is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period; early adoption is not permitted. An entity should apply the amendments using either the full retrospective approach or retrospectively with a cumulative effect of initially applying the amendments recognized at the date of initial application. We are currently evaluating the methods of adoption and the impact that the adoption of ASU 2014-09 may have on our Consolidated Financial Statements.

18. Commitments and Contingencies

We are involved in various legal proceedings arising in the ordinary course of business. All such proceedings, taken together, are not expected to have a material adverse impact on our results of operations or financial condition.

19. Related Party Transactions

We have entered into the following transactions with OFS LLC:

Investment in OFS LLC. We entered into an agreement with four unrelated companies and we contributed cash of approximately $0.6 million towards the formation of OFS LLC. OFS LLC purchased the loan origination platform of Origen. The purpose of the venture is to originate manufactured housing installment contracts for its members. We accounted for our investment in OFS LLC using the equity method of accounting which we have since suspended. As of December 31, 2015, we had an ownership interest in the OFS LLC of 22.9%, and the carrying value of our investment was zero.

Loan Origination, Sale and Purchase Agreement. As of 2014, our agreement with OFS LLC, in which OFS LLC agreed to fund loans that meet our underwriting guidelines and then transfer those loans to us pursuant to a Loan Origination, Sale and Purchase Agreement, was terminated. In 2013, we paid OFS LLC a fee of $650 per loan pursuant to a Loan Origination, Sale and Purchase Agreement which totaled approximately $0.1 million and we purchased, at par, $7.7 million of these loans during the year ended December 31, 2013.

We have entered into the following transactions with Origen:

Investment in Origen. We own approximately 19.3% of the outstanding shares of Origen common stock and Shiffman Origen LLC (which is owned by Gary A. Shiffman (our Chairman and Chief Executive Officer, and members of Mr. Shiffman's family and related trusts) owns approximately 3.9% of the outstanding shares of Origen common stock. Gary A. Shiffman is a member of the Board of Directors of Origen, and one of our directors, Arthur Weiss, was the trustee of a Shiffman family trust that beneficially owned Origen common stock. Ronald A. Klein, one of our directors, is the Chief Executive Officer and a director of Origen. Mr. Klein owns approximately 1.8% of the outstanding shares of Origen common stock. Mr. Shiffman, Mr. Weiss and Brian M. Hermelin, another of our directors, each beneficially own less than 1% of the outstanding shares of Origen common stock. We accounted for our investment in Origen using the equity method of accounting which we have since suspended. As of December 31, 2015, the carrying value of our investment in Origen was zero. During the second quarter of 2015, we received an initial distribution of $7.5 million from Origen.

Board Membership and Chief Executive Officer. Gary A. Shiffman, our Chairman and Chief Executive Officer, is a board member of Origen, and Ronald A. Klein is a board member and the Chief Executive Officer of Origen.

In addition to the transactions with Origen described above, Mr. Shiffman, Mr. Weiss and Mr. Klein have entered into the following transactions with us:

Lease of Executive Offices. Gary A. Shiffman, together with certain of his family members, indirectly owns a 16% equity interest in American Center LLC, the entity from which we lease office space for our principal executive offices. Each of Arthur A. Weiss and Ronald A. Klein owns a less than one percent indirect interest in American Center LLC. Under this lease agreement, we lease approximately 62,900 rentable square feet. The term of the lease is until October 31, 2026, and the base rent is $16.95 per square foot (gross) until October 31, 2016, with graduated rental increases thereafter. Each of Mr. Shiffman, Mr. Weiss and Mr. Klein may have a conflict of interest with respect to his obligations as our officer and/or director and his ownership interest in American Center LLC.

Legal Counsel. During 2013-2015, Jaffe, Raitt, Heuer, & Weiss, Professional Corporation acted as our general counsel and represented us in various matters. Arthur A. Weiss is the Chairman of the Board of Directors and a shareholder of such firm. We incurred legal fees and expenses owed to Jaffe, Raitt, Heuer, & Weiss of approximately $4.6 million, $7.5 million and $3.2 million in the years ended December 31, 2015, 2014 and 2013, respectively.

Tax Consequences Upon Sale of Properties. Gary A. Shiffman holds limited partnership interests in the Operating Partnership which were received in connection with the contribution of properties from partnerships previously affiliated with him. Prior to any redemption of these limited partnership interests for our common stock, Mr. Shiffman will have tax consequences different from those on us and our public stockholders upon the sale of any of these partnerships. Therefore, we and Mr. Shiffman may have different objectives regarding the appropriate pricing and timing of any sale of those properties.

ALL Acquisition

In the fourth quarter of 2014 and the first quarter of 2015, we purchased a portfolio of 59 MH communities from the Green Courte parties for aggregate consideration of $1.3 billion. In January 2015, we sold 150,000 shares of our common stock and 200,000 Series A-4 preferred OP units for an aggregate purchase price of $12.5 million to one of the Green Courte parties. Randall K. Rowe and James R. Goldman are beneficial owner and directors and officers of certain of the Green Courte parties. In January 2015, Messrs. Rowe and Goldman were appointed to serve on our Board of Directors. In June 2015, we issued 25,664 shares of common stock and 34,219 shares of Series A-4 Preferred Stock to one of the Green Courte parties in connection with the ALL acquisition. In August 2015, we repurchased from certain of the Green Courte entities and their affiliates an aggregate of 4,066,586 shares of Series A-4 Preferred Stock at a purchase price of $31.08 per share. As part of the aforementioned repurchase, 156,625 shares of Series A-4 Preferred Stock held by Mr. Rowe and his affiliates and 22,577 shares of Series A-4 Preferred Stock held by Mr. Goldman were repurchased. See Note 2, "Real Estate Acquisitions and Dispositions" and Note 9, "Equity and Mezzanine Securities," for additional information regarding these transactions.

20. Subsequent Events

We have evaluated our financial statements for subsequent events through the date that this Form 10-K was issued.

SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Academy/West Pointe	Canton, MI	B	$1,485	$14,278	$—	$8,619	$1,485	$22,897	$24,382	$10,429	2000	(A)
Allendale Meadows Mobile Village	Allendale, MI	B	366	3,684	—	11,531	366	15,215	15,581	7,397	1996	(A)
Alpine Meadows Mobile Village	Grand Rapids, MI	A	729	6,692	—	9,922	729	16,614	17,343	8,010	1996	(A)
Apple Carr Village	Muskegon, MI	3,350	800	6,172	—	5,791	800	11,963	12,763	2,007	2011	(A)
Apple Creek Manufactured Home Community and Self Storage	Amelia, OH	C	543	5,480	—	2,134	543	7,614	8,157	3,488	1999	(A)
Arbor Terrace RV Park	Bradenton, FL	—	456	4,410	—	3,406	456	7,816	8,272	3,348	1996	(A)
Ariana Village Mobile Home Park	Lakeland, FL	5,809	240	2,195	—	1,306	240	3,501	3,741	1,938	1994	(A)
Autumn Ridge	Ankeny, IA	B	890	8,054	(33)	3,894	857	11,948	12,805	5,988	1996	(A)
Bell Crossing	Clarksville, TN	C	717	1,916	(13)	8,767	704	10,683	11,387	4,437	1999	(A)
Big Timber Lake RV Resort	Cape May, NJ	A	590	21,308	—	1,726	590	23,034	23,624	2,194	2013	(A)
Blazing Star	San Antonio, TX	—	750	6,163	—	1,374	750	7,537	8,287	1,021	2012	(A)
Blue Heron Pines	Punta Gorda, FL	19,018	410	35,294	—	394	410	35,688	36,098	615	2015	(A)
Blueberry Hill		C	3,830	3,240	—	2,501	3,830	5,741	9,571	811	2012	(A)

	Bushnell, FL											
Boulder Ridge	Pflugerville, TX	C	1,000	500	3,324	24,433	4,324	24,933	29,257	11,635	1998	(C)
Branch Creek Estates	Austin, TX	B	796	3,716	—	5,323	796	9,039	9,835	5,182	1995	(A)
Brentwood Mobile Village	Kentwood, MI	—	385	3,592	—	2,549	385	6,141	6,526	3,435	1996	(A)
Brentwood Estates	Hudson, FL	6,145	1,150	9,359	—	348	1,150	9,707	10,857	176	2015	(A)
Brentwood West	Mesa, AZ	17,556	13,620	24,202	—	435	13,620	24,637	38,257	1,286	2014	(A)
Brookside Mobile Home Village	Goshen, IN	B	260	1,080	386	14,115	646	15,195	15,841	7,184	1985	(A)
Brookside Village	Kentwood, MI	7,670	170	5,564	—	733	170	6,297	6,467	1,050	2011	(A)
Buttonwood Bay	Sebring, FL	35,750	1,952	18,294	—	5,659	1,952	23,953	25,905	10,776	2001	(A)
Byron Center Mobile Village	Byron Center, MI	A	253	2,402	—	2,557	253	4,959	5,212	2,656	1996	(A)
Camelot Villa	Macomb, MI	A	910	21,211	—	10,636	910	31,847	32,757	2,729	2013	(A)
Candlelight Village	Sauk Village, IL	A	600	5,623	—	8,024	600	13,647	14,247	6,698	1996	(A)
Carriage Cove	Sanford, FL	17,652	6,050	21,235	—	1,350	6,050	22,585	28,635	1,180	2014	(A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Carrington Pointe	Ft. Wayne, IN	B	1,076	3,632	—	8,483	1,076	12,115	13,191	5,521	1997	(A)
Castaways RV Resort & Campground	Berlin, MD	22,186	14,320	22,277	—	4,552	14,320	26,829	41,149	1,591	2014	(A)
Cave Creek	Evans, CO	C	2,241	15,343	—	17,653	2,241	32,996	35,237	7,194	2004	(A)
Chisholm Point Estates	Pflugerville, TX	B	609	5,286	—	5,843	609	11,129	11,738	6,427	1995	(A)
Cider Mill Crossings	Fenton, MI	C	520	1,568	—	13,338	520	14,906	15,426	3,059	2011	(A)
Cider Mill Village	Middleville, MI	A	250	3,590	—	3,753	250	7,343	7,593	1,238	2011	(A)
Clear Water Mobile Village	South Bend, IN	B	80	1,270	61	5,789	141	7,059	7,200	3,119	1986	(A)
Club Naples	Naples, FL	C	5,780	4,952	—	1,911	5,780	6,863	12,643	1,172	2011	(A)
Cobus Green Mobile Home Park	Osceola, IN	A	762	7,037	—	7,530	762	14,567	15,329	7,215	1993	(A)
Comal Farms	New Braunfels, TX	C	1,455	1,732	—	8,719	1,455	10,451	11,906	4,514	2000	(A&C)
Continental North	Davison, MI	A	749	6,089	—	11,390	749	17,479	18,228	9,293	1996	(A)
Corporate Headquarters	Southfield, MI	—	—	—	—	24,670	—	24,670	24,670	12,017	Various	
Country Acres Mobile Village	Cadillac, MI	A	380	3,495	—	3,540	380	7,035	7,415	3,464	1996	(A)
Country Hills Village	Hudsonville, MI	A	340	3,861	—	3,032	340	6,893	7,233	1,548	2011	(A)
Country Meadows Mobile Village	Flat Rock, MI	B	924	7,583	296	19,076	1,220	26,659	27,879	14,171	1994	(A)
	Caledonia, MI	C	550	5,555	—	3,050	550	8,605	9,155	1,708	2011	(A)

Country Meadows Village												
Countryside Atlanta	Lawrenceville, GA	12,950	1,274	10,957	—	1,803	1,274	12,760	14,034	4,925		2004 (A)
Countryside Estates	Mckean, PA	7,020	320	11,610	—	1,088	320	12,698	13,018	648		2014 (A)
Countryside Gwinnett	Buford, GA	10,014	1,124	9,539	—	4,259	1,124	13,798	14,922	2,838		2004 (A)
Countryside Lake Lanier	Buford, GA	16,810	1,916	16,357	—	9,540	1,916	25,897	27,813	9,373		2004 (A)
Countryside Village	Great Falls, MT	3,853	430	7,157	—	382	430	7,539	7,969	385		2014 (A)
Creekwood Meadows	Burton, MI	A	808	2,043	404	14,235	1,212	16,278	17,490	8,246		1997 (C)
Cutler Estates Mobile Village	Grand Rapids, MI	C	749	6,941	—	4,039	749	10,980	11,729	5,880		1996 (A)
Cypress Greens	Lake Alfred, FL	7,893	960	17,518	—	581	960	18,099	19,059	316	0.173	2015 (A)
Deerfield Run	Anderson, IN	C	990	1,607	—	6,171	990	7,778	8,768	3,175		1999 (A)
Deerwood	Orlando, FL	30,669	6,920	37,593	—	1,782	6,920	39,375	46,295	675		2015 (A)
Desert Harbor	Apache Junction, AZ	11,850	3,940	14,891	—	148	3,940	15,039	18,979	780		2014 (A)
Driftwood Camping Resort	Clermont, NJ	19,504	1,450	29,851	—	2,205	1,450	32,056	33,506	6,859		2014 (A)
Dutton Mill Village	Caledonia, MI	A	370	8,997	—	2,015	370	11,012	11,382	2,853		2011 (A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Eagle Crest	Firestone, CO	B	2,015	150	—	33,122	2,015	33,272	35,287	13,739	1998	(C)
East Fork	Batavia, OH	C	1,280	6,302	—	16,685	1,280	22,987	24,267	7,160	2000	(A&C)
East Village Estates	Washington Twp., MI	20,672	1,410	25,413	—	3,454	1,410	28,867	30,277	3,783	2012	(A)
Egelcraft	Muskegon, MI	12,561	690	22,596	—	1,461	690	24,057	24,747	1,250	2014	(A)
Fairfield Village	Ocala, FL	11,405	1,160	18,673	—	—	1,160	18,673	19,833	324	2015	(A)
Fiesta Village	Mesa, AZ	C	2,830	4,475	—	231	2,830	4,706	7,536	241	2014	(A)
Fisherman's Cove	Flint, MI	A	380	3,438	—	3,742	380	7,180	7,560	4,129	1993	(A)
Forest Meadows	Philomath, OR	A	1,031	2,050	—	710	1,031	2,760	3,791	1,497	1999	(A)
Forest View	Homosassa, FL	8,404	1,330	22,056	—	87	1,330	22,143	23,473	389	2015	(A)
Fort Whaley	Whaleyville, MD	C	510	5,194	—	159	510	5,353	5,863	187	2015	(A)
Four Seasons	Elkhart, IN	A	500	4,811	—	3,272	500	8,083	8,583	3,522	2000	(A)
Frenchtown Villa/Elizabeth Woods	Newport, MI	30,975	1,450	52,327	—	4,223	1,450	56,550	58,000	2,925	2014	(A)
Frontier Town	Ocean City, MD	C	18,960	43,166	—	589	18,960	43,755	62,715	785	2015	(A)
Glen Laurel	Concord, NC	C	1,641	453	—	14,492	1,641	14,945	16,586	5,746	2001	(A&C)
Gold Coaster	Homestead, FL	A	446	4,234	172	5,062	618	9,296	9,914	4,220	1997	(A)
Grand Mobile Estates	Grand Rapids, MI	—	374	3,587	—	3,805	374	7,392	7,766	3,358	1996	(A)
Grand Lakes	Citra, FL	C	5,280	4,501	—	2,935	5,280	7,436	12,716	1,037	2012	(A)
The Grove at Alta Ridge	Thornton, CO	28,640	5,370	37,116	—	—	5,370	37,116	42,486	1,929	2014	(A)
Groves RV Resort	Ft. Myers, FL	A	249	2,396	—	3,166	249	5,562	5,811	2,022	1997	(A)
Gulfstream Harbor	Orlando, FL	32,168	14,510	78,930	—	1,674	14,510	80,604	95,114	1,397	2015	(A)
	Gwynn, VA	C	760	595	—	1,629	760	2,224	2,984	243	2013	(A)

Gwynn's Island RV Resort & Campground												
Hamlin	Webberville, MI	—	125	1,675	536	10,527	661	12,202	12,863	5,185	1984	(A)
The Hamptons	Auburndale, FL	49,096	15,890	67,555	—	202	15,890	67,757	83,647	1,176	2015	(A)
Hickory Hills Village	Battle Creek, MI	4,110	760	7,697	—	2,273	760	9,970	10,730	1,788	2011	(A)
Hidden Ridge RV Resort	Hopkins, MI	C	440	893	—	1,542	440	2,435	2,875	388	2011	(A)
High Pointe	Frederica, DE	17,282	898	7,031	(42)	6,573	856	13,604	14,460	5,664	1997	(A)
Holiday West Village	Holland, MI	C	340	8,067	—	1,426	340	9,493	9,833	1,672	2011	(A)
Holly Village/Hawaiian Gardens	Holly, MI	—	1,514	13,596	—	4,057	1,514	17,653	19,167	6,266	2004	(A)
Holly Forest Estates	Holly Hill, FL	B	920	8,376	—	810	920	9,186	10,106	5,351	1997	(A)
Hunters Crossing	Capac, MI	C	430	1,092	—	963	430	2,055	2,485	268	2012	(A)
Hunters Glen	Wayland, MI	C	1,102	11,926	—	7,128	1,102	19,054	20,156	6,675	2004	(A)
Indian Creek Park	Ft. Myers Beach, FL	67,781	3,832	34,660	—	9,095	3,832	43,755	47,587	24,149	1996	(A)

SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Indian Creek RV & Camping Resort	Geneva on the Lake, OH	C	420	20,791	(5)	3,467	415	24,258	24,673	2,158	2013	(A)
Island Lakes	Merritt Island, FL	12,586	700	6,431	—	613	700	7,044	7,744	4,538	1995	(A)
Jellystone Park(TM) of Western New York	North Java, NY	7,035	870	8,884	—	2,595	870	11,479	12,349	1,383	2013	(A)
Jellystone Park(TM) at Birchwood Acres	Greenfield Park, NY	4,114	560	5,527	—	4,209	560	9,736	10,296	1,028	2013	(A)
Kensington Meadows	Lansing, MI	B	250	2,699	—	8,844	250	11,543	11,793	6,125	1995	(A)
Kings Court Mobile Village	Traverse City, MI	B	1,473	13,782	(11)	4,093	1,462	17,875	19,337	10,798	1996	(A)
Kings Lake	DeBary, FL	9,682	280	2,542	—	2,912	280	5,454	5,734	3,066	1994	(A)
King's Pointe	Lake Alfred, FL	8,354	510	16,763	—	125	510	16,888	17,398	292	2015	(A)
Knollwood Estates	Allendale, MI	2,620	400	4,061	—	3,755	400	7,816	8,216	3,542	2001	(A)
La Casa Blanca	Apache Junction, AZ	8,449	4,370	14,142	—	366	4,370	14,508	18,878	747	2014	(A)
La Costa Village	Port Orange, FL	40,123	3,640	62,315	—	377	3,640	62,692	66,332	1,084	2015	(A)
La Hacienda RV Resort	Austin, TX	C	3,670	22,225	—	310	3,670	22,535	26,205	501	2015	(A)
Lafayette Place	Warren, MI	A	669	5,979	—	6,019	669	11,998	12,667	5,818	1998	(A)
Lake In Wood	Narvon, PA	10,840	7,360	7,097	—	1,248	7,360	8,345	15,705	1,136	2012	(A)
Lake Juliana Landings	Auburndale, FL	A	335	3,048	—	1,817	335	4,865	5,200	2,805	1994	(A)
Lake Laurie RV & Camping Resort	Cape May, NJ	C	650	7,736	—	4,906	650	12,642	13,292	1,359	2013	(A)

Lake Pointe Village	Mulberry, FL	16,324	480	29,795	—	186	480	29,981	30,461	515	2015	(A)
Lake Rudolph RV Campground & RV Resort	Santa Claus, IN	18,067	2,340	28,113	—	3,288	2,340	31,401	33,741	1,461	2014	(A)
Lake San Marino RV Park	Naples, FL	A	650	5,760	—	3,565	650	9,325	9,975	4,199	1996	(A)
Lakeshore Landings	Orlando, FL	10,000	2,570	19,481	—	485	2,570	19,966	22,536	1,022	2014	(A)
Lakeshore Villas	Tampa, FL	9,875	3,080	18,983	—	119	3,080	19,102	22,182	232	2015	(A)
Lakeside Crossing	Conway, SC	14,533	3,770	31,615	—	—	3,770	31,615	35,385	547	2015	(A)
Lakeview	Ypsilanti, MI	C	1,156	10,903	(1)	5,292	1,155	16,195	17,350	6,208	2004	(A)
Lamplighter	Port Orange, FL	7,752	1,330	12,846	—	313	1,330	13,159	14,489	227	2015	(A)
Leisure Village	Belmont, MI	C	360	8,219	—	264	360	8,483	8,843	1,328	2011	(A)
Liberty Farms	Valparaiso, IN	C	66	1,201	116	3,150	182	4,351	4,533	2,448	1985	(A)
Lincoln Estates	Holland, MI	C	455	4,201	—	2,966	455	7,167	7,622	3,926	1996	(A)
Lost Dutchman/Blue Star	Apache Junction, AZ	6,765	5,120	12,720	—	3,171	5,120	15,891	21,011	761	2014	(A)
Maple Brook	Matteson, IL	26,301	8,460	48,865	—	529	8,460	49,394	57,854	2,545	2014	(A)
Maplewood Manor	Brunswick, ME	8,325	1,770	12,982	—	1,422	1,770	14,404	16,174	413	2014	(A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Meadow Lake Estates	White Lake, MI	B	1,188	11,498	127	9,192	1,315	20,690	22,005	12,358	1994	(A)
Meadowbrook	Charlotte, NC	C	1,310	6,570	—	16,686	1,310	23,256	24,566	7,243	2000	(A&C)
Meadowbrook Estates	Monroe, MI	A	431	3,320	379	12,930	810	16,250	17,060	8,814	1986	(A)
Meadowbrook Village	Tampa, FL	—	519	4,728	—	741	519	5,469	5,988	3,703	1994	(A)
Meadowlands of Gibraltar	Rockwood, MI	7,805	640	7,673	—	2,407	640	10,080	10,720	168	2015	(A)
Merrymeeting	Brunswick, ME	C	250	1,020	—	390	250	1,410	1,660	55	2014	(A)
Mountain View	Mesa, AZ	11,150	5,490	12,325	—	209	5,490	12,534	18,024	655	2014	(A)
Naples RV Resort	Naples, FL	C	3,640	2,020	—	1,534	3,640	3,554	7,194	558	2011	(A)
New Point RV Resort	New Point, VA	C	1,550	5,259	—	3,416	1,550	8,675	10,225	894	2013	(A)
North Lake	Moore Haven, FL	C	4,150	3,486	—	1,345	4,150	4,831	8,981	839	2011	(A)
North Point Estates	Pueblo, CO	C	1,582	3,027	—	5,367	1,582	8,394	9,976	3,227	2001	(C)
Northville Crossings	Northville, MI	20,007	1,250	29,564	(14)	9,867	1,236	39,431	40,667	7,615	2012	(A)
Oak Creek	Coarsegold, CA	9,750	4,760	11,185	—	985	4,760	12,170	16,930	608	2014	(A)
Oak Crest	Austin, TX	C	4,311	12,611	—	11,059	4,311	23,670	27,981	1,165	2002	(A)
Oak Island Village	East Lansing, MI	3,177	320	6,843	—	2,324	320	9,167	9,487	1,645	2011	(A)
Oak Ridge	Manteno, IL	18,121	1,090	36,941	—	1,310	1,090	38,251	39,341	1,923	2014	(A)
Oakwood Village	Miamisburg, OH	B	1,964	6,401	—	13,994	1,964	20,395	22,359	9,423	1998	(A)
Orange City RV Resort	Orange City, FL	C	920	5,540	—	1,424	920	6,964	7,884	1,097	2011	(A)
Orange Tree Village	Orange City, FL	11,555	283	2,530	15	1,027	298	3,557	3,855	2,266	1994	(A)

Orchard Lake	Milford, OH	C	395	4,025	(15)	1,288	380	5,313	5,693	2,385	1999	(A)
Palm Creek Golf & RV Resort	Casa Grande, AZ	39,902	11,836	76,143	—	9,749	11,836	85,892	97,728	21,631	2012	(A)
Palm Key Village	Davenport, FL	10,850	3,840	15,661	—	81	3,840	15,742	19,582	276	2015	(A)
Park Place	Sebastian, FL	19,601	1,360	48,678	—	—	1,360	48,678	50,038	835	2015	(A)
Park Royale	Pinellas Park, FL	10,401	670	29,046	—	—	670	29,046	29,716	506	2015	(A)
Parkside Village	Cheektowaga, NY	5,002	550	10,402	—	92	550	10,494	11,044	541	2014	(A)
Paso Robles RV Resort	Paso Robles, CA	—	1,396	—	—	869	1,396	869	2,265	—	2014	(A)
Pebble Creek	Greenwood, IN	C	1,030	5,074	—	6,530	1,030	11,604	12,634	4,633	2000	(A&C)
Pecan Branch	Georgetown, TX	C	1,379	—	235	4,739	1,614	4,739	6,353	2,275	1999	(C)
Pelican Bay	Micco, FL	4,065	470	10,543	—	225	470	10,768	11,238	213	2015	(A)
Peter's Pond RV Resort	Sandwich, MA	C	4,700	22,840	—	3,349	4,700	26,189	30,889	2,846	2013	(A)
Pheasant Ridge	Lancaster, PA	A	2,044	19,279	—	527	2,044	19,806	21,850	10,882	2002	(A)
Pin Oak Parc	O'Fallon, MO	B	1,038	3,250	467	12,174	1,505	15,424	16,929	10,663	1994	(A)
Pine Hills	Middlebury, IN	A	72	544	60	3,447	132	3,991	4,123	2,089	1980	(A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Pine Ridge	Prince George, VA	—	405	2,397	—	4,074	405	6,471	6,876	3,395	1986	(A)
Pine Trace	Houston, TX	C	2,907	17,169	(259)	18,824	2,648	35,993	38,641	4,557	2004	(A)
Pinebrook Village	Grand Rapids, MI	C	130	5,692	—	1,737	130	7,429	7,559	1,266	2011	(A)
Plantation Landings	Haines City, FL	13,505	3,070	30,973	—	230	3,070	31,203	34,273	541	2015	(A)
Presidential Estates Mobile Village	Hudsonville, MI	B	680	6,314	—	6,634	680	12,948	13,628	6,658	1996	(A)
Rainbow RV Resort	Frostproof, FL	A	1,890	5,682	—	3,246	1,890	8,928	10,818	1,077	2012	(A)
Rancho Mirage	Apache Junction, AZ	13,384	7,510	22,238	—	589	7,510	22,827	30,337	1,170	2014	(A)
Reserve at Fox Creek	Bullhead City, AZ	12,489	1,950	20,074	—	407	1,950	20,481	22,431	1,050	2014	(A)
Richmond Place	Richmond, MI	A	501	2,040	—	2,209	501	4,249	4,750	2,091	1998	(A)
The Ridge	Davenport, FL	19,387	8,350	35,463	—	59	8,350	35,522	43,872	620	2015	(A)
River Haven Village	Grand Haven, MI	C	1,800	16,967	—	8,456	1,800	25,423	27,223	10,679	2001	(A)
River Ranch	Austin, TX	C	4,690	843	(4)	38,783	4,686	39,626	44,312	6,944	2000	(A&C)
River Ridge	Austin, TX	9,473	3,201	15,090	—	10,871	3,201	25,961	29,162	9,711	2002	(A)
Riverside Club	Ruskin, FL	26,355	1,600	66,207	—	680	1,600	66,887	68,487	1,161	2015	(A)
Rock Crusher Canyon RV Park	Crystal River, FL	—	420	5,542	—	293	420	5,835	6,255	110	2015	(A)
Roxbury Park	Goshen, IN	B	1,057	9,870	—	4,035	1,057	13,905	14,962	6,037	2001	(A)
Royal Country	Miami, FL	54,000	2,290	20,758	—	2,063	2,290	22,821	25,111	15,719	1994	(A)
		11,900	1,730	27,446	—	379	1,730	27,825	29,555	485	2015	(A)

Royal Palm Village	Haines City, FL											
Rudgate Clinton	Clinton Township, MI	27,357	1,090	23,664	—	5,910	1,090	29,574	30,664	4,835	2012	(A)
Rudgate Manor	Sterling Heights, MI	16,369	1,440	31,110	—	8,289	1,440	39,399	40,839	9,063	2012	(A)
Saco/Old Orchard Beach KOA	Saco, ME	C	790	3,576	—	2,167	790	5,743	6,533	415	2014	(A)
Saddle Oak Club	Ocala, FL	B	730	6,743	—	1,369	730	8,112	8,842	5,255	1995	(A)
Saddlebrook	San Marcos, TX	C	1,703	11,843	—	16,827	1,703	28,670	30,373	8,201	2002	(A)
Savanna Club	Port St. Lucie, FL	55,759	12,810	79,887	—	—	12,810	79,887	92,697	1,379	2015	(A)
Scio Farms Estates	Ann Arbor, MI	—	2,300	22,659	(11)	14,300	2,289	36,959	39,248	20,953	1995	(A)
Sea Air Village	Rehoboth Beach, DE	20,000	1,207	10,179	—	2,111	1,207	12,290	13,497	5,380	1997	(A)
Seaport RV Resort	Old Mystic, CT	C	120	290	—	2,110	120	2,400	2,520	402	2013	(A)
Seashore Campsites RV Park and Campground	Cape May, NJ	17,294	1,030	23,228	—	1,990	1,030	25,218	26,248	1,434	2014	(A)
Serendipity	North Fort Myers, FL	10,980	1,160	23,522	—	880	1,160	24,402	25,562	450	2015	(A)
Sheffield Estates	Auburn Hills, MI	C	778	7,165	—	2,150	778	9,315	10,093	3,115	2006	(A)
Siesta Bay RV Park	Ft. Myers, FL	A	2,051	18,549	—	3,849	2,051	22,398	24,449	12,876	1996	(A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015					
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Accumulated Depreciation	Date	Acquired (A) or Constructed (C)
Silver Springs	Clinton Township, MI	7,912	861	16,595	—	4,522	861	21,117	21,978	2,957	2012	(A)
Sky Harbor	Cheektowaga, NY	14,575	2,318	24,253	—	1,286	2,318	25,539	27,857	1,291	2014	(A)
Skyline	Fort Collins, CO	10,435	2,260	12,120	—	502	2,260	12,622	14,882	649	2014	(A)
Southfork	Belton, MO	A	1,000	9,011	—	6,957	1,000	15,968	16,968	7,150	1997	(A)
Southern Hills/Northridge Place	Stewartville, MN	8,000	360	12,723	—	2,794	360	15,517	15,877	772	2014	(A)
Southport Springs	Zephyrhills, FL	19,661	15,060	17,229	—	653	15,060	17,882	32,942	352	2015	(A)
Southwood Village	Grand Rapids, MI	5,358	300	11,517	—	1,965	300	13,482	13,782	2,195	2011	(A)
St. Clair Place	St. Clair, MI	A	501	2,029	—	1,488	501	3,517	4,018	1,889	1998	(A)
Stonebridge	San Antonio, TX	C	2,515	2,096	(615)	8,175	1,900	10,271	12,171	4,722	2000	(A&C)
Stonebridge	Richfield Twp., MI	—	2,044	—	2,227	—	4,271	—	4,271	—	1998	(C)
Stonebrook	Homosassa, FL	4,461	650	14,063	—	136	650	14,199	14,849	245	2015	(A)
Summit Ridge	Converse, TX	C	2,615	2,092	(883)	22,052	1,732	24,144	25,876	7,942	2000	(A&C)
Sun Valley	Apache Junction, AZ	9,554	2,750	18,408	—	510	2,750	18,918	21,668	977	2014	(A)
Sun Villa Estates	Reno, NV	18,300	2,385	11,773	(1,100)	1,103	1,285	12,876	14,161	7,178	1998	(A)
Sundance	Zephyrhills, FL	13,519	890	25,306	—	283	890	25,589	26,479	943	2015	(A)
Sunlake Estates	Grand Island, FL	10,974	6,290	24,084	—	342	6,290	24,426	30,716	427	2015	(A)
Sunset Ridge	Kyle, TX	C	2,190	2,775	—	6,821	2,190	9,596	11,786	4,454	2000	(A&C)
Sunset Ridge	Portland, MI	C	2,044	—	(9)	15,705	2,035	15,705	17,740	7,155	1998	(C)
Swan Meadow Village	Dillon, CO	14,325	2,140	19,734	—	345	2,140	20,079	22,219	1,196	2014	(A)
	Mason, MI	5,675	390	13,341	—	3,391	390	16,732	17,122	2,909	2011	(A)

Sycamore Village												
Tamarac Village	Ludington, MI	5,223	300	12,028	85	2,860	385	14,888	15,273	2,198	2011	(A)
Tampa East	Dover, FL	A	734	6,310	—	4,084	734	10,394	11,128	3,382	2005	(A)
Three Lakes	Hudson, FL	C	5,050	3,361	—	1,999	5,050	5,360	10,410	794	2012	(A)
Thunderhill Estates	Sturgeon Bay, WI	5,775	640	9,008	—	693	640	9,701	10,341	488	2014	(A)
Timber Ridge	Ft. Collins, CO	B	990	9,231	—	3,810	990	13,041	14,031	7,433	1996	(A)
Timberline Estates	Coopersville, MI	B	535	4,867	—	6,073	535	10,940	11,475	5,563	1994	(A)
Town & Country Mobile Village	Traverse City, MI	A	406	3,736	—	1,346	406	5,082	5,488	3,047	1996	(A)
Town & Country Village	Lisbon, ME	2,700	230	4,539	—	1,664	230	6,203	6,433	272	2014	(A)
The Villas at Calla Pointe	Cheektowaga, NY	3,924	380	11,014	—	31	380	11,045	11,425	568	2014	(A)
Vines RV Resort	Paso Robles, CA	C	890	7,110	—	760	890	7,870	8,760	723	2013	(A)
Vizcaya Lakes	Port Charlotte, FL	C	670	4,221	—	—	670	4,221	4,891	73	2015	(A)
Walden Woods	Homosassa, FL	17,953	1,550	26,375	—	153	1,550	26,528	28,078	459	2015	(A)

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SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
DECEMBER 31, 2015
(amounts in thousands)

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at December 31, 2015			
Property Name	Location	Encumbrance	Land	Depreciable Assets	Land	Depreciable Assets	Land	Depreciable Assets	Total	Ac De
Wagon Wheel RV Resort & Campground	Old Orchard Beach, ME	C	590	7,703	—	2,856	590	10,559	11,149	1,1
Warren Dunes Village	Bridgman, MI	C	310	3,350	—	1,763	310	5,113	5,423	988
Water Oak Country Club Estates	Lady Lake, FL	52,648	2,834	16,706	101	19,158	2,935	35,864	38,799	17,
Waverly Shores Village	Holland, MI	4,845	340	7,267	—	456	340	7,723	8,063	1,2
West Village Estates	Romulus, MI	6,366	884	19,765	—	3,539	884	23,304	24,188	3,0
Westbrook Senior Village	Toledo, OH	B	355	3,295	—	659	355	3,954	4,309	1,7
Westbrook Village	Toledo, OH	B	1,110	10,462	—	4,532	1,110	14,994	16,104	7,1
Westside Ridge	Auburndale, FL	7,671	760	10,714	—	378	760	11,092	11,852	194
Westward Ho RV Resort & Campground	Glenbeulah, WI	C	1,050	5,642	—	2,275	1,050	7,917	8,967	811
White Lake Mobile Home Village	White Lake, MI	B	672	6,179	—	9,725	672	15,904	16,576	7,9
Wild Acres RV Resort & Campground	Old Orchard Beach, ME	C	1,640	26,786	—	3,930	1,640	30,716	32,356	3,5
Wildwood Community	Sandwich, IL	19,205	1,890	37,732	—	789	1,890	38,521	40,411	1,9
Willowbrook Place	Toledo, OH	B	781	7,054	—	4,041	781	11,095	11,876	5,3
	Jackson, MI	B	2,673	2,364	—	16,983	2,673	19,347	22,020	8,4

Windham Hills Estates										
Windmill Village	Davenport, FL	25,760	7,560	36,294	—	1	7,560	36,295	43,855	632
Windsor Woods Village	Wayland, MI	C	270	5,835	—	3,778	270	9,613	9,883	1,7
Wine Country RV Resort	Paso Robles, CA	C	1,740	11,510	—	1,965	1,740	13,475	15,215	745
Woodhaven Place	Woodhaven, MI	B	501	4,541	—	4,639	501	9,180	9,681	4,1
Woodlake Trails	San Antonio, TX	C	1,186	287	(56)	10,714	1,130	11,001	12,131	3,2
Woodland Park Estates	Eugene, OR	1,139	1,592	14,398	—	1,142	1,592	15,540	17,132	8,8
Woodlands at Church Lake	Groveland, FL	3,408	2,480	9,072	—	271	2,480	9,343	11,823	171
Woodside Terrace	Holland, OH	B	1,064	9,625	(1)	7,168	1,063	16,793	17,856	8,0
			$468,468	$3,047,468	$5,919	$1,051,667	$474,387	$4,099,135	$4,573,522	$8

A These communities collateralize $636.9 million of secured debt.
B These communities collateralize $759.0 million of secured debt.
C These communities support the borrowing base for our secured line of credit, which had 25.0 million outstanding.
D These communities collateralize $498.7 million of secured debt.
E These communities collateralize $197.4 million of secured debt.

SUN COMMUNITIES, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION, SCHEDULE III
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(amounts in thousands)

The change in investment property for the years ended December 31, 2015, 2014, and 2013 is as follows:

	Years Ended December 31,		
	2015	2014	2013
Beginning balance	$3,363,917	$2,489,119	$2,177,305
Community and land acquisitions, including immediate improvements	1,214,482	798,827	192,660
Community expansion and development	28,660	22,195	17,985
Improvements, other	195,439	173,989	145,916
Asset impairment	—	(1,870)	—
Dispositions and other	(228,976)	(118,343)	(44,747)
Ending balance	$4,573,522	$3,363,917	$2,489,119

The change in accumulated depreciation for the years ended December 31, 2015, 2014, and 2013 is as follows:

	Years Ended December 31,		
	2015	2014	2013
Beginning balance	$795,753	$734,067	$659,169
Depreciation for the period	159,706	121,103	96,499
Asset impairment	—	(1,033)	—
Dispositions and other	(103,052)	(58,384)	(21,601)
Ending balance	$852,407	$795,753	$734,067