

# ACCORD FINANCIAL CORP.

## Accord Announces Strong Fourth Quarter and Fiscal 2014 Earnings

**Toronto – February 17, 2015:** Accord Financial Corp. (TSX – ACD) today announced its financial results for the fourth quarter and year ended December 31, 2014. The financial figures presented in this release are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

### SUMMARY OF FINANCIAL RESULTS

	Three Months Ended Dec. 31		Year ended Dec. 31	
	2014	2013	2014	2013
	\$	\$	\$	\$
Factoring volume (millions)	540	483	2,160	1,860
Average funds employed (millions)	146	124	143	111
Revenue (000's)	7,925	7,275	30,235	26,074
Net earnings (000's)	2,370	2,647	6,879	6,538
Adjusted net earnings (000's) (note)	3,022	2,586	8,113	6,783
Earnings per common share (basic and diluted)	0.29	0.32	0.83	0.80
Adjusted earnings per common share (basic and diluted)	0.36	0.32	0.98	0.83
Book value per share (Dec. 31)			\$7.38	\$6.50

Net earnings in 2014 increased 5% to \$6,879,000 compared to \$6,538,000 last year on higher revenue. Earnings per share ("EPS") increased 4% to 83 cents from 80 cents in 2013.

Adjusted net earnings in 2014 rose to \$8,113,000, the second highest ever, and were 20% above the \$6,783,000 earned in 2013. Adjusted EPS increased 18% to a record 98 cents compared to 83 cents last year. See reconciliation of net earnings to adjusted net earnings below.

Factoring volume rose 16% to a record \$2.16 billion in 2014 compared to \$1.86 billion in 2013. Funds employed increased 24% to a year-end high \$138 million compared to \$111 million a year ago. Revenue was 16% higher at \$30,235,000 compared to \$26,074,000 in 2013. Revenue rose on higher funds employed and factoring volume.

Net earnings for the fourth quarter of 2014 declined 10% to \$2,370,000 compared to \$2,647,000 the previous year mainly as a result of a \$559,000 withholding tax paid on a cross border dividend from the Company's U.S. subsidiary. EPS declined 9% to 29 cents compared to 32 cents in the fourth quarter of 2013.

Adjusted net earnings for the fourth quarter of 2014 increased by 17% to \$3,022,000 compared to \$2,586,000 in 2013. Adjusted EPS increased 13% to a record 36 cents compared to 32 cents in the fourth quarter of 2013.

Factoring volume rose 12% in the current quarter to \$540 million compared to \$483 million last year. Revenue increased 9% to \$7,925,000 compared to \$7,275,000 in last year's year fourth quarter for reasons noted above.

Commenting on 2014's results, Tom Henderson, the Company's President and CEO, stated: "The popularity of the Accord brand keeps growing. We had a record level of incoming inquiries in 2014. The reason this is so important is that new business is critical to our success. Besides record inquiries and record volume, funds employed and adjusted EPS in 2014, we have strengthened your company by: (i) successfully integrating the portfolio operations of the Canadian factoring company we bought in the fourth quarter of 2013; (ii) acquired Varion Capital, a Canadian leasing company, in the first quarter of 2014; and (iii) continued maintaining a good quality asset portfolio ending the year with near record low charge-offs."

### **About Accord Financial Corp.**

Accord Financial Corp. is a leading North American provider of asset-based financial services, including factoring, trade finance, lease financing, credit guarantees and collection services. For 37 years, Accord has helped businesses across Canada and the U.S. manage their cash flows and maximize financial opportunities – keeping business liquid.

For further information please visit [www.accordfinancial.com](http://www.accordfinancial.com) or contact:

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### **Note: Non-IFRS measures**

The Company's financial statements have been prepared in accordance with IFRS. The Company uses a number of other financial measures to monitor its performance and believes these measures may be useful to investors in evaluating the Company's operating performance and financial position. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency between companies using these measures and are, therefore, considered to be non-IFRS measures. The non-IFRS measures presented in this press release are as follows:

- 1) Adjusted net earnings and adjusted earnings per common share ("EPS"). The Company derives these measures from amounts presented in its IFRS prepared financial statements. Adjusted net earnings comprise net earnings before non-operating stock-based compensation, business acquisition expenses (namely, transaction and integration costs and amortization of intangibles) and the withholding tax expense paid on dividend(s) received from the Company's U.S. subsidiary. Adjusted EPS is adjusted net earnings divided by the weighted average number of common shares outstanding in the period. Management believes adjusted net earnings is a more appropriate measure of operating performance as it excludes items which do not relate to ongoing operating activities. The following table provides a reconciliation of the Company's net earnings to adjusted net earnings:

	Three Months Ended Dec. 31		Year Ended Dec. 31	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$'000	\$'000	\$'000	\$'000
Net earnings reported	2,370	2,647	6,879	6,538
Adjustments, net of tax:				
Stock-based compensation expense (recovery)	25	(61)	256	245
Business acquisition expenses	68	–	419	–
Withholding tax expense	559	–	559	–
Adjusted net earnings	<u>3,022</u>	<u>2,586</u>	<u>8,113</u>	<u>6,783</u>

- 2) Book value per share – book value is the net asset value of the Company calculated as total assets minus total liabilities and, by definition, is the same as total equity. Book value per share is the net asset value divided by the number of common shares outstanding as of a particular date.