

ACCORD FINANCIAL CORP.

Accord Announces 2015 Second Quarter and First Half Earnings and Increase in Quarterly Dividend

Toronto – July 29, 2015: Accord Financial Corp. (TSX – ACD) today released its financial results for the three and six months ended June 30, 2015. 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 June 30		Six Months Ended June 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Average funds employed (millions)	155	146	148	138
Revenue (000's)	7,657	7,529	15,216	14,145
Net Earnings (000's)	1,736	1,537	3,441	2,334
Adjusted net earnings (000's) (note)	1,885	1,593	3,749	2,828
Earnings per common share (basic and diluted)	0.21	0.18	0.41	0.28
Adjusted earnings per common share (basic and diluted)	0.23	0.19	0.45	0.34
Book value per share (June 30)			\$ 7.90	\$ 6.67

Net earnings for the second quarter of 2015 rose 13% to \$1,736,000 compared to \$1,537,000 last year. Net earnings increased mainly as a result of higher revenue and a lower effective tax rate. Earnings per share (“EPS”) increased 17% to 21 cents compared to 18 cents last year. Adjusted net earnings totaled \$1,885,000 in the second quarter of 2015, 18% above the \$1,593,000 earned in the second quarter of 2014. Adjusted EPS increased 21% to 23 cents compared to 19 cents in last year’s second quarter.

Revenue was 2% higher at \$7,657,000 in the current quarter compared to \$7,529,000 last year. Revenue increased on higher average funds employed, which rose 6% in the current quarter compared to the second quarter of 2014.

Net earnings in the first half of 2015 increased by 47% to \$3,441,000 compared with \$2,334,000 in the first half of 2014 as a result of higher revenue and a lower effective tax rate. EPS rose 46% to 41 cents compared to 28 cents last year. Adjusted net earnings increased by 33% to \$3,749,000 in the first half of 2015 compared to \$2,828,000 last year. Adjusted EPS were up 32% to 45 cents compared to 34 cents last year.

Revenue rose 8% to a first half record \$15,216,000 this year compared to \$14,145,000 last year as average funds employed increased by 7% to \$148 million in the first half of 2015. Funds employed totalled \$158 million at June 30, 2015 compared to \$149 million a year earlier.

Commenting on the second quarter and first half 2015 results, Mr. Tom Henderson, the Company’s President and CEO, stated: “Our financial performance in the second quarter held steady even in the presence of what feels like a record number of new competitors entering our market. We are seeing no shortage of lending opportunities in our traditional markets and we are pressing ahead with new product innovations that will make Accord attractive to a wider borrowing audience.”

The Company's Board of Directors today declared a quarterly dividend of \$0.09 per common share, payable September 1, 2015 to shareholders of record August 14, 2015. This represents a 6% increase from the previous dividend of \$0.085 per common share.

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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 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 and business acquisition expenses (namely, transaction and integration costs and amortization of intangibles). 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 June 30		Six Months Ended June 30	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$'000	\$'000	\$'000	\$'000
Net earnings reported	1,736	1,537	3,441	2,334
Adjustments, net of tax:				
Stock-based compensation	43	(44)	97	245
Business acquisition expenses	106	100	211	249
Adjusted net earnings	<u>1,885</u>	<u>1,593</u>	<u>3,749</u>	<u>2,828</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.

3) Funds employed are the Company's finance receivables and loans, an IFRS measure. Average funds employed are the average finance receivables and loans calculated over a particular period.