

# ACCORD FINANCIAL CORP.

## Accord Announces Strong Fourth Quarter and Record 2015 Results

**Toronto – February 17, 2016:** Accord Financial Corp. (TSX – ACD) today released its financial results for the fourth quarter and year ended December 31, 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 Dec. 31		Year Ended Dec. 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
Average funds employed (millions)	145	146	149	143
Revenue (000's)	7,840	7,925	31,577	30,235
Net earnings (000's)	2,794	2,370	8,759	6,879
Adjusted net earnings (000's) (note)	2,980	3,022	9,281	8,113
Earnings per common share (basic and diluted)	0.34	0.29	1.05	0.83
Adjusted earnings per common share (basic and diluted)	0.36	0.36	1.12	0.98
Book value per share (Dec. 31)			\$ 8.79	\$ 7.38

Net earnings in 2015 increased by 27% to \$8,759,000 compared with \$6,879,000 last year mainly on higher revenue and a lower income tax expense. Reduced stock-based compensation, lower interest expense and a decreased provision for losses also contributed to higher net earnings. 2015 operating results were also favorably impacted by a stronger U.S. dollar. Earnings per common share ("EPS") rose 27% to \$1.05 compared to 83 cents last year. Adjusted net earnings increased by 14% to \$9,281,000 in 2015 compared to \$8,113,000 last year. Adjusted EPS were up 14% to \$1.12 compared to 98 cents last year. All the 2015 figures were new highs for the Company.

Revenue increased 4% to \$31,577,000 this year compared to \$30,235,000 last year as average funds employed rose by 4% to \$149 million in 2015. Book value per share ("BVPS") was \$8.79 at year-end.

Net earnings for the fourth quarter of 2015 increased by 18% to \$2,794,000 compared to \$2,370,000 last year. Net earnings increased mainly as a result of a reduced income tax expense and a stronger U.S. dollar. EPS increased by 17% to 34 cents compared to 29 cents last year. Adjusted net earnings were \$2,980,000, slightly below the \$3,022,000 earned in the fourth quarter of 2014. Adjusted EPS remained unchanged at 36 cents compared to last year's fourth quarter. 2014's net earnings were favorably impacted by a \$237,000 gain, net of tax, on the sale of certain assets held for sale.

Revenue declined slightly to \$7,840,000 in the current quarter compared to \$7,925,000 last year. Revenue in the fourth quarter of 2014 included a gain of \$415,000 on the sale of certain assets held for sale.

Commenting on 2015's results, Mr. Tom Henderson, the Company's President and CEO, stated: "Accord had a record year. Adjusted net earnings, revenue, average funds employed, adjusted EPS, year-end equity and BVPS were at all-time highs. The stronger U.S. dollar and a lower income tax expense helped us achieve these results. We continued to keep our portfolio sound and charge-offs low. I am pleased with the increased visibility and attractiveness of the Accord brand to Canadian and U. S. referral sources and prospects. Going forward, we believe we will see increased new business opportunities as competition is expected to lessen, although we will face the challenge of maintaining portfolio quality in the face of an increasingly uncertain global economy."

## About Accord Financial Corp.

Accord Financial Corp. is a leading North American finance company providing distinctive working capital solutions to companies from coast to coast. Accord's flexible finance programs cover the full spectrum of asset-based lending, from factoring and inventory finance, to equipment leasing and trade finance. For 38 years, Accord has helped businesses manage their cash flows and maximize financial opportunities – keeping business liquid.

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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 that 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) and, in 2014, the withholding tax expense paid on a dividend 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$'000	\$'000	\$'000	\$'000
Net earnings reported	2,794	2,370	8,759	6,879
Adjustments, net of tax:				
Stock-based compensation	81	25	99	256
Business acquisition expenses	105	68	423	419
Withholding tax expense	–	559	–	559
Adjusted net earnings	<u>2,980</u>	<u>3,022</u>	<u>9,281</u>	<u>8,113</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.