

ACCORD FINANCIAL CORP.

Accord Announces Record Funds Employed, 2017 Second Quarter and First Half Earnings and Regular Quarterly Dividend

Toronto – July 26, 2017: Accord Financial Corp. (TSX – ACD) today released its financial results for the three and six months ended June 30, 2017. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Average funds employed (millions)	167	152	155	147
Revenue (000's)	6,603	6,897	13,104	13,768
Net earnings (000's)	369	1,627	1,594	3,091
Adjusted net earnings (000's) (note)	573	1,800	1,935	3,390
Earnings per common share (basic and diluted)	0.04	0.20	0.19	0.37
Adjusted earnings per common share (basic and diluted)	0.07	0.22	0.23	0.41
Book value per share (June 30)			\$ 8.99	\$ 8.69

Net earnings for the second quarter of 2017 declined to \$369,000 compared to \$1,627,000 last year. Net earnings decreased mainly as a result of a higher provision for credit and loan losses and lower revenue. The provision for losses of \$1,959,000 (2016: \$312,000) was adversely impacted by a charge-off for one impaired loan totalling \$1,576,000. Earnings per share ("EPS") declined to 4 cents compared to 20 cents last year. Adjusted net earnings totalled \$573,000 in the second quarter of 2017 compared to the \$1,800,000 earned in the second quarter of 2016. Adjusted EPS decreased to 7 cents compared to 22 cents in last year's second quarter.

Revenue declined by 4% to \$6,603,000 in the current quarter compared to \$6,897,000 last year. Revenue decreased mainly as a result of reduced receivables management fees and lower yields on funds employed.

Net earnings in the first half of 2017 decreased to \$1,594,000 compared with \$3,091,000 in the first half of 2016 for reasons noted above. EPS declined to 19 cents compared to 37 cents last year. Adjusted net earnings decreased to \$1,935,000 in the first half of 2017 compared to \$3,390,000 last year. Adjusted EPS declined to 23 cents compared to 41 cents last year.

Revenue declined by 5% to \$13,104,000 in the first half of 2017 compared to \$13,768,000 last year mainly as a result of lower yields on funds employed.

Commenting on the second quarter and first half 2017 results, Mr. Tom Henderson, the Company's CEO, stated: "The progress the Company made in 2017 is substantial; we ended the half year with record funds employed of \$175 million, which was 25% higher than last year-end, we refreshed our brand to further illuminate the unique advantages we bring to small and middle market businesses in the U.S. and Canada, and we made an exciting new strategic investment. On July 13, 2017, the Company, through its U.S. subsidiary, acquired an interest in BondIt Media Capital, a film and media finance company based in California. This investment strengthens Accord's presence on the U.S. west coast and allows it to enter the film and media finance sector. Second quarter and first half results, however, were adversely impacted mainly as a result of providing for an almost \$1.6 million loan loss and one-time expenses of \$174,000 to wind down the operations of a small U.S. office."

The Company's Board of Directors today declared a quarterly dividend of \$0.09 per common share, payable September 1, 2017 to shareholders of record August 15, 2017.

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 39 years, Accord has helped businesses manage their cash flows and maximize financial opportunities – keeping business liquid.

For further information, please visit 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 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 stock-based compensation, amortization of intangible assets and restructuring expenses. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	\$'000	\$'000	\$'000	\$'000
Net earnings reported	369	1,627	1,594	3,091
Adjustments, net of tax:				
Stock-based compensation	27	79	96	112
Amortization of intangible assets	67	94	135	187
Restructuring expenses	110	–	110	–
Adjusted net earnings	<u>573</u>	<u>1,800</u>	<u>1,935</u>	<u>3,390</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.