

ACCORD FINANCIAL CORP.

Accord Announces Record Funds Employed, 2017 Third Quarter and First Nine Months Earnings and Regular Quarterly Dividend

Toronto – October 30, 2017: Accord Financial Corp. (TSX – ACD) today released its financial results for the three and nine months ended September 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 Sept. 30		Nine Months Ended Sept. 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Average funds employed (millions)	189	151	166	148
Revenue (000's)	8,370	7,032	21,474	20,800
Net earnings attributable to shareholders (000's)	1,983	1,265	3,577	4,357
Adjusted net earnings (000's) (note)	2,166	1,923	4,102	5,313
Earnings per common share (basic and diluted)	0.24	0.15	0.43	0.52
Adjusted earnings per common share (basic and diluted)	0.26	0.23	0.49	0.64
Book value per share (September 30)			\$ 8.98	\$ 8.83

Net earnings attributable to shareholders (“shareholders’ net earnings”) for the third quarter of 2017 rose 57% to \$1,983,000 compared to \$1,265,000 last year. Shareholders’ net earnings increased mainly as a result of higher revenue. Earnings per share (“EPS”) rose 60% to 24 cents compared to 15 cents last year. Adjusted net earnings increased 13% to \$2,166,000 in the third quarter of 2017 compared to \$1,923,000 last year. Adjusted EPS were 26 cents compared to 23 cents last year.

Revenue increased by 19% to \$8,370,000 in the current quarter compared to \$7,032,000 last year. Revenue rose mainly as a result of higher funds employed. Revenue is included for the first time from BondIt Media Capital (“BondIt”) in which the Company acquired a majority interest effective July 1, 2017 (see below).

Shareholders’ net earnings in the first nine months of 2017 decreased to \$3,577,000 compared with \$4,357,000 in the first nine months of 2016 mainly as a result of a higher provision for credit and loan losses. The provision for losses of \$3,088,000 (2016: \$1,185,000) was adversely impacted by a charge-off for one impaired loan totalling \$1,576,000. In addition, as the Company increased its allowance for losses to support the rise in its funds employed, the non-cash reserves expense rose to \$752,000 (2016: \$137,000). EPS declined to 43 cents compared to 52 cents last year. Adjusted net earnings decreased to \$4,102,000 in the first nine months of 2017 compared to \$5,313,000 last year. Adjusted EPS declined to 49 cents compared to 64 cents last year.

Revenue was \$21,474,000 in the first nine months of 2017 compared to \$20,800,000 last year for reasons noted above.

Commenting on the third quarter and first nine months results, Mr. Tom Henderson, the Company’s CEO, stated: “Our funds employed rose to a record high \$221 million at September 30, 2017, up 36% from the same time last year. I’m really happy about that since we are still in a tough competitive environment. We are seeing more usage from existing clients and new business activity across the board in all units has been very healthy. The investments we have made in the Accord brand are paying off.”

“I am excited about the strategic investments we made this year. We started the quarter with the BondIt acquisition and then on October 27 we teamed up with CapX Partners to form a new company that will provide equipment leasing and financing to mid-market businesses. The new company is named Accord

CapX LLC and Accord's majority interest in this new company will enable CapX to operate confidently with a permanent source of capital that will fuel increased growth."

The Company's Board of Directors today declared a quarterly dividend of \$0.09 per common share, payable December 1, 2017 to shareholders of record November 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, to film and media 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:

Stuart Adair
Senior Vice President, Chief Financial Officer
Accord Financial Corp.
602 - 40 Eglinton Avenue East
Toronto, ON M4P 3A2
(416) 961-0304 Ext. 207
sadair@accordfinancial.com

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 shareholders' net earnings before stock-based compensation, business acquisition expenses (transaction and integration costs and 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 Sept. 30		Nine Months Ended Sept. 30	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	\$'000	\$'000	\$'000	\$'000
Shareholders' net earnings:	1,983	1,265	3,577	4,357
Adjustments, net of tax:				
Stock-based compensation	47	34	143	145
Business acquisition expenses	67	94	203	281
Restructuring expenses	69	530	179	530
Adjusted net earnings	<u>2,166</u>	<u>1,923</u>	<u>4,102</u>	<u>5,313</u>

- 2) Book value per share – book value is total shareholders' equity and is the same as the net asset value of the Company (calculated as total assets minus total liabilities) less non-controlling interest. Book value per share is the book 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.