

PRESS RELEASE

RIFCO has Record Setting Third Quarter

Red Deer, Alberta. Feb 21st, 2011; RIFCO Inc. (TSXV: RFC) announced record financial results for the third quarter ending December 31, 2010.

The Company is pleased to report in the third quarter, record revenue, record net income, record loan originations, record managed assets, record low interest costs, record book value per share and a record of \$90M in available credit facilities. The Company is also experiencing the best efficiency and operating expense ratios in the history of the Company.

In addition, the average credit loss rate is now at the lowest point in 2 years. The loan delinquency ratio is also at the lowest level in 3.5 years which is a positive leading indicator of future loan loss levels.

Net income in the first three quarters of the year, reached \$1.74M, from \$546K, in the prior year. This translates to a 219% increase and basic and diluted EPS of \$0.09 versus \$0.03 over the comparable period. The annualized year-to-date ROE is 24.6%, up from 8.4% in the prior period. RIFCO's net income in the first nine month period is the highest in RIFCO's history.

Loan originations in the third quarter increased to \$12.43M from \$10.56M in the prior quarter, a quarter over quarter increase of 17.7%, and an increase of 47.0% from the \$8.46M in the prior year. The increase in loan originations resulted in managed finance receivables growth to \$69.15M from \$55.65M in the prior year, a 24.3% growth rate.

RIFCO's very positive dealer relationships are generating high (loans booked versus applications received) close rates. This is a key Company metric and supports the strong gains being made in efficiency ratios.

Net income for the quarter is \$727,156, a 110% increase from the \$347,090 reported in Q3 of the prior year. This has resulted in basic and diluted EPS of \$0.04 in the quarter up from \$0.02 in the comparable quarter. Revenue in the quarter grew to \$4,624,453, a 26% increase from \$3,666,935 reported in Q3 of the prior year. The Q3 revenue was also a 4.8% increase over the record revenue of \$4,412,686 reported in the prior quarter. In the quarter, operating expenses decreased by 12.1% over the prior quarter. The Company repaid \$435K in unsecured debentures at term maturity from working capital during the quarter.

RIFCO has been granting non-traditional loans in the automotive sector since 2002 and has granted over \$175M in loans to date. The Company had predicted that its underwriting and operational systems would hold up throughout all economic cycles. The economic environment over the last 2 years has acted as a real life "stress test" for these credit assumptions. While granting and collecting loans in this period has been more challenging than in prior years, the credit results have validated the model. RIFCO is now experiencing improvements in all key metrics. Measures below are of managed receivables:

- ◆ Delinquent accounts over 30 days decreased to 2.86% from 4.91% in Q3 of the prior year. This is a significant reduction and is a lead indicator of expected reductions in credit loan losses.
- ◆ The average loan loss rate (12 month rolling), which includes credit losses on assets held in securitization trusts at the end of the period, decreased to 4.86% from 5.68% in the prior quarter. This is also a 1.0% decline from 5.86% in Q3 of the prior year.

RIFCO management continues to work to ensure that the Company has the financial resources to fund a business model that has sustainable growth while maintaining profitability. RIFCO's goal remains to become a \$100M per year loan originator.

To fund the acquisition of a growing level of finance receivables, the Company uses borrowings under its senior credit facilities with \$10.0M authorized and subordinated debentures of \$6.1M. Most of the Company's finance receivables are ultimately securitized through one of three available loan securitization facilities. Securitization facility limits total \$80M and currently have 56% in remaining authorized capacity. RIFCO is well positioned to meet its growing loan origination targets and has the confidence of its lending partners.

In the quarter, the Company announced its 1st annual renewal of its securitization facility with a Schedule 1 Canadian Chartered Bank for \$30M.

PRESS RELEASE

RIFCO has Record Setting Third Quarter

Subsequent to the end of the quarter, the Company received an increased renewal of its senior credit facility to \$10M. This facility is used to build up loans on-book before moving them into securitization facilities. It remains a RIFCO strategy to pursue increased availability of senior credit facilities in order to grow the overall level of on-book loan receivables. The senior credit facility is currently the lowest cost funds for the Company. Increased on-book (non-securitized) receivables will lead to increased consistency of revenue, less volatility of earnings and reduced interest costs.

In June 2010, the Company announced that it had secured a new securitization facility for \$10M from an Alberta Regional Credit Union. Subsequent to the end of the quarter this facility was doubled to \$20M.

In the quarter, RIFCO took a major step toward becoming a \$100M per year originator when it announced the Company's auto lending program would soon be available to select Canadian dealers through the national online credit application network, operated by DealerTrack Canada, Inc. RIFCO is currently pilot testing the interface with a limited number of dealers. The impact of this initiative will not be felt in this fiscal year's results.

When fully rolled out, RIFCO will have potential access to over 5,000 enrolled automotive dealers participating in the DealerTrack loan origination platform, the largest in Canada. RIFCO is optimistic that, as access to reasonably priced capital improves for the Company, now is the opportune time to join the DealerTrack Network.

RIFCO's participation in the DealerTrack Network has the potential to be transformational for the Company. This enhancement to RIFCO's loan origination platform increases the Company's franchise value.

RIFCO remains steadfast in originating only loans that it believes can achieve acceptable profit margins. As margins are affected by funding rates and by expected credit performance, RIFCO adjusts targeted origination levels, credit requirements, and lending rates while maintaining market continuity.

Q3 Financial Highlights:

- ◆ Net Income in Q3 increased to \$727K from net income of \$347K (YOY)
- ◆ Revenue in Q3 increased to \$4.62M from \$3.67M (YOY)
- ◆ Managed Loans increased 24.3% to \$69.15M (YOY)
- ◆ Total cash releases in the first three quarters have increased 70.7% from securitization holdback accounts to \$7.75M from \$4.54M (YOY)
- ◆ Loan Originations in Q3 increased 47.0% to \$12.43M (YOY)
- ◆ Basic and Diluted EPS was \$0.04 up from \$0.02 (YOY)
- ◆ Book value per share has increased to \$0.554 from \$0.474 (YOY)
- ◆ Operating Expense Ratio decreased by .34% to 4.30% (YOY)
- ◆ Operating Expenses were \$724K a 13.2% increase (YOY)
- ◆ Funding Costs decreased to 6.67% from 7.71% (YOY)
- ◆ Average Cost of Borrowing decreased to 6.97% from 7.85% (YOY)
- ◆ Delinquency Ratio decreased by 2.05% to 2.86% (YOY)
- ◆ Average Loan Loss Rate (rolling 12 month) decreased to 4.86% from 5.86% (YOY)
- ◆ Credit loan losses reduced to \$563K from \$857K, a decrease of 34.3% (YOY)
- ◆ Loan prepayment losses reduced to \$0.82M from \$1.04M, a decrease of 21.7% (YOY)

- ◆ Revenue increased by 4.8% to \$4.62M over the prior quarter
- ◆ Basic and Diluted EPS was up to \$0.04 from \$0.03 in the prior quarter
- ◆ Managed Loans increased 8.9% over the prior quarter
- ◆ Net Income increased to \$727K from \$600K in the prior quarter
- ◆ Loan Originations increased 17.7% over the prior quarter
- ◆ Operating Expense Ratio decreased to 4.30% from 5.33% in the prior quarter
- ◆ Operating Expenses decreased by 12.1% over the prior quarter
- ◆ Delinquency Ratio decreased to 2.86% from 3.77% in the prior quarter
- ◆ Average Loan Loss Rate (rolling 12 month) decreased to 4.86% from 5.68% in the prior quarter
- ◆ Credit loan losses reduced to \$563K from \$772K, a decrease of 27.1% in the prior quarter
- ◆ Loan prepayment losses reduced to \$.82M from \$.84M, a decrease of 2.6% in the prior quarter



RIFCO has Record Setting Third Quarter

As is RIFCO's custom, please note the Q3 progress report against RIFCO's specific objectives for 2011 as published in the 2010 annual report to the shareholders.

- 1. Achieve record loan originations of over \$50 million**
Loan originations in the first three quarters totalled \$32.18M.
- 2. Achieve record managed assets of over \$75 million**
Managed financed receivables in the first three quarters grew to \$69.15M.
- 3. Achieve record revenue of over \$14 million**
Revenue in the first three quarters totalled \$12.73M.
- 4. Achieve an annualized write offs rate below 5.5%**
Year-to-date annualized credit loss rate currently stands at 4.55%.
- 5. Achieve record net income of over \$1.5 million**
Net income in the first three quarters totalled \$1.74M.

About RIFCO

RIFCO is one of Canada's fastest growing automotive finance companies. Non-traditional auto loans are indirectly originated through a growing network of selected new and used vehicle dealers operating in all provinces except Saskatchewan and Quebec.

The common shares of RIFCO INC. are traded on the TSX Venture Exchange under the symbol "RFC". There are 19.53 million shares (basic) outstanding and 20.93 million (fully diluted) shares.

CONTACT:

RIFCO INC.

Lance A. Kadatz

Vice President and Chief Financial Officer

Telephone: 1-403-314-1214 EXT 7007

Fax: 1-403-314-1132

Email: kadatz@rifco.net

Website: www.rifco.net

Neither TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Certain information contained in this press release, including information and statements which may contain words such as "potentially" "objective", "estimates", "would", "will", "contemplates", "expects" and similar expressions and statements relating to matters that are not historical facts, are forward-looking information including, but not limited to, information as to future performance .