

RIFCO Reports Record Third Quarter Results

Red Deer, Alberta. February 28, 2012; RIFCO Inc. (TSXV: RFC) is pleased to announce another record setting quarter. All areas of the business have improved as reflected in the following new milestones.

- Record revenues of \$4.66M
- Record nine month net income of \$1.75M
- Record loan originations of \$17.81M
- Record auto loan applications received of 6,294
- Record finance receivables before provisions \$97.56M (Feb 3, 2012 reported over \$100M)
- Record low average (12 month rolling) credit loss rate of 2.37%
- Record low operating expense ratio of 4.02%

The Company transitioned to International Financial Reporting Standards (IFRS) as of April 1, 2011 and prior period results have been restated to an IFRS basis.

RIFCO is on track to meet all five annual objectives with two already achieved.

Revenue in the third quarter was \$4.66M, a 35.5% increase over the \$3.44M in Q3 of the prior year. Loan originations were \$17.81M a 43.3% increase from \$12.43M in the Q3 of the prior year. This increase resulted in a 40.0% growth rate in finance receivables before provisioning to \$97.56M from \$69.67M in the prior year. In the third quarter, RIFCO reported comprehensive income of \$0.64M, an improvement from a comprehensive income of \$0.46M in the prior year. This has resulted in basic and diluted EPS of \$0.033 in the quarter up from \$0.024 in the comparable quarter.

Revenue in the first nine months was \$12.89M, a 35.1% increase over the \$9.54M over the same period. Loan originations were \$48.80M a 51.6% increase from \$32.18M in the comparable period. RIFCO reported comprehensive income of \$1.75M, an improvement from a comprehensive income of \$0.41M in the comparable period. This has resulted in basic and diluted EPS of \$0.090 up from \$0.021 in the comparable period.

The annualized ROE for the first nine months is now 66%. Shareholders' Equity has increased by 76% in that period while Total Assets have grown by 32%. These favorable trends, if continued, demonstrate the ability of RIFCO to sustain its growth with current equity.

In the quarter, delinquent accounts over 30 days decreased to 2.50% from 2.54% in the prior quarter and decreased from 2.86% in the prior year. RIFCO's average 12 month rolling credit loss rate stands at 2.37%, a decrease from 2.55% in the prior quarter and 4.86% in the prior year.

Credit losses net of recoveries in the third quarter were \$0.55M, an increase from \$0.47M in the prior quarter and a decrease from \$0.56M in the comparable period. Provision for impairment and credit losses for the quarter was increased to \$0.76M an increase from \$0.63M in the prior quarter. Credit losses net of recoveries for the first nine months of the year are \$1.08M, a 46.2% reduction from the \$2.01M reported in the prior year period.

The year-to-date (nine months) annualized quarterly credit loss rate decreased to 1.94% from 4.55% in the prior year. This is well below the Company's credit loss target rate of 4.25%. Management views

this strong credit performance trend as validation of its credit model, its dealer partner graduation system, and its systematic and non-adversarial approach to customer service.

RIFCO's continuing progress in shareholder value creation is easily visible when comparing the gains made between the undiscounted cash flows of finance receivables and the corresponding undiscounted financial liabilities.

Undiscounted cash flows of finance receivables payments including principal and interest but before early loan payouts, operating expenses, the provision for impairment and credit losses total \$146.31M (September 30, 2011 - \$132.77M). Total undiscounted financial liabilities including principal and interest but before any provision for credit losses and prepayments totals \$109.63M (September 30, 2011 - \$101.33M). While the \$36.68M (September 30, 2011 - \$31.44M) difference between these measures of finance receivables and total Company liabilities should not be relied upon as an indication of future cash flows, it does reflect the substantial value that is being created within RIFCO. These gains are reflected on a per share basis as \$1.85 per share compared to \$1.58 per share in the prior quarter. Management is very pleased at the rate at which value is being created for the benefit of shareholders.

RIFCO third quarter comparative results under IFRS

The positive effects of a stable interest income rate, a declining interest expenses rate, a declining credit loss rate, and a declining operating expense ratio are demonstrated as increasing net profit. In the first nine months the return on average finance receivables increased to 2.74% from 0.88% in the same period of the prior year.

For the three months ended **For the nine months ended**

	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
Financial revenue				
Interest Income	4,600,572	3,396,598	12,727,917	9,405,456
Administration and other fees	63,855	46,593	166,870	136,521
	4,664,427	3,443,191	12,894,787	9,541,977
Financial expenses				
Interest expenses	1,686,014	1,419,484	4,821,677	4,148,462
Amortization of origination costs	374,790	274,889	1,057,069	728,627
Net financial income before provision for impairment	2,603,623	1,748,818	7,016,041	4,664,888
Provision for impairment and credit losses	757,602	390,397	1,673,957	1,705,671
Repossession and recovery costs	57,534	35,931	170,452	171,380
Net financial income before operating expenses	1,788,487	1,322,490	5,171,632	2,787,837
Operating expenses	937,973	724,457	2,675,676	2,242,444
Income (loss) before taxes	850,514	598,033	2,495,956	545,393
Income tax recovery (expense) - current/future	(214,000)	(136,458)	(741,000)	(131,179)
Total comprehensive income (loss)	636,514	461,575	1,754,956	414,214
Net Income per common share				
Basic	0.033	0.024	0.090	0.021
Diluted	0.033	0.024	0.090	0.021

RIFCO has been granting non-traditional loans in the automotive sector for 10 years and has granted over \$235M in loans to date. The Company's underwriting and operational systems have delivered solid credit performance throughout all economic cycles.

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 aggregation of a growing level of finance receivables, the Company uses borrowings under its bank credit facilities, with \$10M authorized, and subordinated debentures of \$8.5M. Most of the Company's finance receivables are ultimately securitized through one of three available loan securitization facilities. Securitization facility limits currently total \$100M. At period end, the remaining authorized capacity was \$51.0M. RIFCO has ample funding to meet its growing loan origination targets and has the confidence of its lending partners.

Subsequent to the end of the quarter, an additional \$20M securitization facility was acquired that will improve its diversified funding opportunity.

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:

	Year over Year		
	Q3-12	Q3-11	
(000,000's except ratios and per share)			
Net Income	\$0.64	\$0.46	Increased 37.9%
Revenue	\$4.66	\$3.44	Increased 35.5%
Finance Receivables (before provisions)	\$97.56	\$69.67	Increased 40.0%
Loan Originations	\$17.81	\$12.43	Increased 43.3%
Basic and Diluted EPS	\$0.033	\$0.024	Increased 37.5%
Operating Expenses	\$0.94	\$0.72	Increased 29.5%
Credit Losses	\$0.55	\$0.56	Decreased 1.5%
Operating Expense Ratio	4.02%	4.30%	Decreased (Improved)
Average Interest Expense	7.75%	8.66%	Decreased (Improved)
Delinquency Ratio	2.50%	2.86%	Decreased (Improved)
Average (rolling 12 month) Credit Loss Rate	2.37%	4.86%	Decreased (Improved)

	Sequential Quarters		
	Q3-12	Q2-12	
(000,000's except ratios and per share)			
Net Income	\$0.64	\$0.44	Increased 44.2%
Revenue	\$4.66	\$4.31	Increased 8.3%
Finance Receivables (before provisions)	\$97.56	\$88.79	Increased 9.9%
Loan Originations	\$17.81	\$15.97	Increased 11.5%
Basic and Diluted EPS	\$0.033	\$0.022	Increased 50.0%
Operating Expenses	\$0.94	\$0.95	Decreased 1.0%
Credit Losses	\$0.55	\$0.47	Increased 17.3%

Operating Expense Ratio	4.02%	4.46%	Decreased (Improved)
Average Interest Expense	7.75%	7.99%	Decreased (Improved)
Delinquency Ratio	2.50%	2.54%	Decreased (Improved)
Average (rolling 12 month)			
Credit Loss Rate	2.37%	2.55%	Decreased (Improved)

Key Year to Date Performance Measurement

As is RIFCO's custom, please note the December 31, 2011 (Q3-12) progress report against the specific objectives under IFRS for 2012 as published in the March 31, 2011 annual report to the shareholders.

1. **Achieve record loan originations of over \$65 million**

Loan originations in the first nine months were \$48.80M. **Progress to target 75.1%.**

2. **Achieve record managed assets of over \$95 million**

Financed receivables (before provisions) in the first nine months grew to \$97.56M from \$73.86M. **Annual target met.**

3. **Achieve record revenue of over \$17 million**

Revenue in the first nine months was \$12.89M. **Progress to target 75.8%.**

4. **Achieve an average (12 month rolling) credit loss rate below 4.25%**

Year-to-date annualized credit loss rate currently stands at 1.94%.

5. **Achieve net income of over \$1.6 million**

Net income in the first nine months was \$1.75M. **Annual target met.**

About RIFCO

RIFCO Inc. operates through its wholly owned subsidiary Rifco National Auto Finance Corporation to provide automobile loans through its dealership network across Canada.

Rifco National Auto Finance provides consumers with financing options on new and used vehicles. Rifco National Auto Finance specializes in building long-term partnerships with dealers by investing time in personalized services through dedicated account representatives. RIFCO's quick credit decisions, common sense lending, and expedited funding processes give its dealers better financing options and more closed deals. RIFCO's most successful partnerships result in graduated recognition programs for its loyal dealerships.

RIFCO is committed to continuing growth. Key strategies for achieving this growth include the expansion of its automobile dealer base, excellence in credit and collections processes.

The common shares of RIFCO INC. are traded on the TSX Venture Exchange under the symbol "RFC". There are 19.82 million shares (basic) outstanding and 21.34 million (fully diluted) shares.

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