

## Rifco Releases Annual Objectives

Red Deer, Alberta, June 13<sup>th</sup>, 2013: Rifco Inc. (TSX.V-RFC) is pleased to announce its specific objectives for the upcoming year.

Rifco's custom is to set measurable objectives annually and to report progress towards these objectives in each quarterly report. For the fiscal year ending March 31, 2014, the following objectives have been set.

### 2014 Objectives

- ◆ **Achieve Record Originations of over \$120 million. *Growth rate of 32%***
- ◆ **Achieve Record Finance Receivables of over \$192 million. *Growth rate of 30%***
- ◆ **Achieve Record Revenue of over \$30 million. *Growth rate of 25%***
- ◆ **Achieve Record Earnings Per Share of \$0.30. *Growth rate of 29%***
- ◆ **Achieve an Average Credit Loss rate below 3.25%.**

### In setting the 2014 objectives, the Company considered the following factors:

- ◆ Forecasters are predicting lackluster, but reasonably stable, economic conditions in Canada. There is some economic risk to the downside. The Company expects that our borrowers' financial resources will continue to be adequate in order to maintain acceptable credit performance this year.
- ◆ There is some evidence of continued demand for Canadian automobile replacement purchases. Forecasts are for auto sales to be stable. The Company expects that the market for non-prime auto finance will remain robust enough to support its growth aspirations for the year.
- ◆ Benchmark interest rates are not expected to rise significantly in the near term. Systemic access to capital is expected to remain stable to good. The Company expects that it will continue to see its average borrowing costs improve this year.
- ◆ Increased availability of equity and debt for the auto finance sector has fuelled speculation and activity toward new competitive entrants into the non-prime auto lending market. One or more competitors may emerge. The Company cannot predict how disruptive any new entrants might be to the marketplace this year.
- ◆ In order to pursue strategic advantage, the Company has chosen to incrementally increase its concentration of higher credit quality loans. These loans are characterized by larger balances, lower delinquency and credit losses, and lower interest rates. The Company expects that the results of adding these higher quality loans will be a measured decrease in overall portfolio yield this year.



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- ◆ Active investments in resources in order to increase operational capacity and efficiency will continue this year. Even so, the Company expects that increased economies of scale will result in stable to improving operating expense ratios.
- ◆ The Company is starting the year with a larger sales team than last year. The Company expects that, along with its compelling service offering, an increased number of positive dealer relationships will result, supporting growth objectives.

The Company seeks to deliver a loan origination growth rate of between 30 and 50% per year. We believe this growth rate is achievable with strong profitability.

The Company has recast its vision to grow towards lending \$500 million per year.

Rifco today released its Annual Results for the year ended March 31, 2013. The previously released annual financial statements and the related management's discussion and analysis can be viewed at [www.sedar.com](http://www.sedar.com) or at [www.rifco.net](http://www.rifco.net).

Rifco's Annual Shareholders meeting will be held on September 5, 2013 at 3:00PM at the Red Deer Lodge, 4311 - 49<sup>th</sup> Avenue, Red Deer, Alberta. We look forward to meeting with our shareholders and interested parties to detail the 2013 results and share our vision for the future.

### **About Rifco Inc.**

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 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, and exceptional service to its Dealer partners and its customers.

**The common shares of Rifco Inc. are traded on the TSX Venture Exchange under the symbol "RFC". There are 20.79 million shares (basic) outstanding and 21.82 million (fully diluted) shares.**

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Certain information contained in this press release, including information and statements which may contain words such as “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.

This forward-looking information is based on certain material factors, assumptions and analyses made by Rifco in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results, performance or achievements will conform with Rifco's conclusions, forecasts, projections, expectations and predictions expressed or implied by the forward-looking information in this press release is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from Rifco's conclusions, forecasts, projections, expectations and predictions expressed or implied by the forward-looking information in this press release, including: adverse market and economic conditions. Additional risks may be described in Rifco's Annual Report for the most recently completed financial year end which may be found on SEDAR at [www.sedar.com](http://www.sedar.com). If any of the above risks or uncertainties materialize, or if the material factors, assumptions and analyses applied by Rifco are incorrect, actual results may vary materially from those expected in the forward-looking information in this press release.

Consequently, all of the forward-looking information contained in this press release is qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by Rifco expressed or implied by the forward-looking information in this press release will be realized or, even if substantially realized, that they will have the expected consequences to or effects on Rifco or its business operations. Rifco assumes no obligation, except as required by law, to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise. Readers should not place undue reliance on forward-looking information.

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