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Rifco Reports Record Fourth Quarter and March 31, 2014 Annual Results

Net Income up 35%

Loan Originations up 39%

Red Deer, Alberta. June 11, 2014; Rifco Inc. (TSXV: RFC) is pleased to announce record results for its wholly owned subsidiary Rifco National Auto Finance for the fourth quarter and the year ended March 31, 2014.

Annual Financial Highlights	For the years ended		
	March 31, 2014	March 31, 2013	
(\$000's, except ratios and per share)			
Net income	6,378	4,730	<i>New record - Increased 35%</i>
Originations	126,220	91,121	<i>New record - Increased 39%</i>
Finance receivables	199,615	147,532	<i>New record - Increased 35%</i>
Total revenues	30,260	24,005	<i>New record - Increased 26%</i>
Earnings per share basic	0.305	0.233	<i>New record - Increased 31%</i>
Average interest expense	5.27%	6.37%	<i>New record - Improved by 1.10%</i>
Return on earning assets	3.73%	3.72%	
Return on equity	44.12%	58.88%	

Annual Results

The Company reported strong earnings growth for the year as a result of record originations, record finance receivables, improved interest expense ratio and a decreasing operating expenses ratio.

Rifco reported earnings per share (EPS) in the year of \$0.305, a 31% increase over the \$0.233 reported in the prior year.

Revenue was \$30.26M, a 26% increase over the \$24.01M for the prior year. Rifco reported net income of \$6.38M, an improvement of 35% from \$4.73M for the prior year.

Loan originations were \$126.22M, a 39% increase from \$91.12M for the prior year. These originations contributed to a 35% growth rate in finance receivables to \$199.62M from \$147.53M for the prior year.

The average interest expense has decreased to 5.27% from 6.37% in the prior year. The Company is benefiting from lower cost of funding from its bank borrowing and securitization facilities.

The loan delinquency rate increased to 3.10% from 3.01% in the prior year. The average (12 month rolling) credit loss rate increased to 3.28% from 2.72% in the prior year.

Operating expenses increased to \$6.65M from \$5.26M from the prior year. Increases were primarily allocated to wages for increased staff count and various sales and marketing initiatives. The operating expense ratio improved to 3.90% compared to 4.13% in the prior year. The improvement is attributable to operational efficiencies and the growth in average finance receivables.

Rifco has been granting non-prime loans in the automotive sector for over 12 years and has lent over \$475M to date. The Company's underwriting and operational systems have delivered solid credit performance throughout

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Return on equity for the year was 44%. Shareholders equity has increased by 65% while total assets have grown by 32%. These favorable trends, if continued, demonstrate the ability of Rifco to sustain its growth.

Rifco Annual Comparative Results

Statements of income	For the years ended	
	March 31, 2014	March 31, 2013
(\$, 000's, except per share and share count)		
Financial revenue		
Interest and fee income	30,260	24,005
Financial expenses		
Interest expenses	8,616	8,075
Net financial income before provision for impairment	21,644	15,930
Provision for impairment and credit losses	6,316	4,286
Net financial income before operating expenses	15,328	11,644
Operating expenses	6,649	5,263
Income before taxes	8,679	6,381
Income tax expense	2,301	1,651
Net income	6,378	4,730
Weighted average number of outstanding shares at year end	21,027,483	20,762,396
Fully Diluted Basis	21,596,893	21,254,508
Net earnings per common share basic	\$0.305	\$0.233
Diluted	\$0.295	\$0.223

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Key Performance Measurement

Please note the Company annual results as reported against the specific objectives first press released on June 13, 2013.

Achieve record loan originations of over \$120 million

Loan originations for the year reached \$126.22M, a new record. **Achieved 105% of the target.**

Achieve record finance receivables of over \$192 million

Finance receivables for the year grew to \$199.62M from \$147.53M, a new record. **Achieved 117% of the target.**

Achieve record revenue of over \$30 million

Revenue for the year totalled \$30.26M, a new record. **Achieved 101% of the target.**

Achieve an annualized write off rate below 3.25%

Achieved average (12 month rolling) credit loss rate of 3.28%. **Target missed.**

Achieve record earnings per share of \$0.300.

Earnings per share for the year were \$0.305, a new record. **Achieved 102% of the target**

Fourth Quarter Financial High-lights	For the three months ended		
	March 31, 2014	March 31, 2013	
(\$000's, except ratios and per share)			
Originations	40,025	23,927	<i>New record - Increased 67%</i>
Total revenues	8,033	6,363	<i>New record - Increased 26%</i>
Net income	1,732	1,538	<i>New record - Increased 13%</i>
Earnings per share basic	0.083	0.074	<i>New record - Increased 12%</i>
Average interest expense	5.11%	5.87%	<i>New record – Improved by 0.76%</i>
Return on earning assets	3.71%	4.36%	
Return on equity	40.47%	61.25%	

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Fourth Quarter Results

Loan originations exceeded \$40.03M, compared to \$23.93M in the prior year, a 67% increase, and a 58% increase over the prior quarter of \$25.28M.

Finance receivables increased by \$20.53M, or 11%, to \$199.62M in the quarter from \$179.09M in the preceding quarter.

Rifco Fourth Quarter Comparative Results

Statements of income	For the quarters ended	
	March 31, 2014	March 31, 2013
(\$, 000's, except per share)		
Financial revenue		
Interest and fee income	8,033	6,363
Financial expenses		
Interest expenses	2,199	2,108
Net financial income before provision for impairment	5,834	4,255
Provision for impairment and credit losses	1,697	905
Net financial income before operating expenses	4,137	3,350
Operating expenses	1,815	1,335
Income before taxes	2,322	2,015
Income tax expense	590	477
Net income	1,732	1,538
Net earnings per common share basic	\$0.083	\$0.074
Diluted	\$0.080	\$0.071

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Financial revenue in the quarter was \$8.03M, a 26% increase, over \$6.36M in the comparable period. Financial revenue increased by 4.4% in the current quarter compared to the prior quarter on strong finance receivable growth.

Interest expense in the quarter was \$2.20M compared to \$2.11M in the prior year. Interest expense as percentage of average finance receivables has continued to decline quarterly. The average interest expense decreased to 5.11% from 5.87% in the same quarter of the prior year.

Net income in the quarter increased to \$1.73M compared to \$1.54M in the prior year, a 13% increase. EPS improved to \$0.083 compared to \$0.074 in the prior year. In the comparable period the net income was positively affected by a reduction in the provision for impairment rate.

The Company has undertaken many infrastructure, system upgrades and staffing increases in anticipation of the loan origination growth that was experienced in the quarter. These investments contributed to the 36% increase in operating expenses over the comparable quarter and will provide for capacity and efficiency improvements for future quarters.

Operating expenses increased to \$1.82M from \$1.72M in the prior period. The increase is primarily related to staff increases in order to accommodate loan origination growth.

The loan delinquency rate decreased from 3.63% in the preceding quarter to 3.10%. The annualized credit loss rate for the quarter was 3.38%.

In order to fund its loan originations, the Company used its \$100M bank syndication facility and its \$8M unsecured debentures. In addition, the Company has access to \$150M through three securitization facilities. The Company's credit facilities have remaining capacity of \$127M at year end.

Rifco maintains strong funding relationships and has been able to increase levels of funding capacity as needed.

Rifco today filed its annual financial statements and management discussion and analysis for the year ended March 31, 2014. The previously released financial statements and the related management's discussion and analysis can be viewed at www.sedar.com or at www.rifco.net.

Rifco's Annual Shareholders meeting will be held on September 4, 2014 at 3:00PM at the iHotel, 6500 - 67th Street, Red Deer, Alberta. We look forward to meeting with our shareholders and interested parties to detail the 2014 results and share our vision for the future.

About Rifco

Rifco Inc. operates through its wholly owned subsidiary Rifco National Auto Finance Corporation in order 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 Fast Forward 500 Club status 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.

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The common shares of Rifco Inc. are traded on the TSX Venture Exchange under the symbol “RFC”. There are 21.03 million shares (basic) outstanding and 22.21 million (fully diluted) shares.

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