

PRESS RELEASE

Rifco Reports Record First Quarter Results

Red Deer, Alberta, August 13, 2014; Rifco Inc. (TSXV: RFC) is pleased to announce record results for its wholly owned subsidiary Rifco National Auto Finance for the first quarter ended June 30, 2014.

Quarterly Financial Record Achievements	For the three months period ended		
	June 30, 2014	June 30, 2013	
(\$000's, except ratios)			
Originations	42,862	31,694	<i>New record - Increased 35%</i>
Finance receivables	219,405	162,342	<i>New record - Increased 35%</i>
Total revenues	8,856	6,995	<i>New record - Increased 27%</i>
Average interest expense	4.72%	5.51%	<i>New record - Improved by 0.79%</i>

Quarterly Results

Rifco reported loan originations in the quarter of \$42.86M up from \$31.69M, a 35% increase from the same quarter in the prior year. The current quarter follows an immediately preceding quarter of record originations of \$40.03M, which was a 58% increase over the prior quarter. These originations contributed to a 35% growth rate in finance receivables to \$219.41M from \$162.34M from the comparable quarter.

Revenue was \$8.86M, a 27% increase over the \$6.99M reported in the comparable quarter. Revenue also increased by 10% over the prior quarters \$8.03M. Rifco reported net income of \$1.37M, a decrease of 13% from \$1.57M from the comparable quarter. Earnings per share (EPS) in the quarter were \$0.065, a 13% decrease over the \$0.075 reported in the comparable quarter.

The net financial income before provision for impairment in the quarter was \$6.47M, a 32% increase from \$4.92M in the comparable quarter, which reflects the Company's revenue growth from increases in average finance receivables and a reducing average interest expense.

The average interest expense decreased to 4.72% from 5.51% from the same quarter in the prior year. The Company has benefited from lower cost of funding from its bank borrowing and securitization facilities.

The loan delinquency rate increased to 3.98% compared to 3.06% from the same quarter in the prior year and increased from 3.10% in the preceding quarter. The increased loan delinquency rate had a negative effect on net income in the period due to an increase in provisioning.

The reported delinquency rate was higher than management internally forecasted.

Delinquency rates during the quarter were negatively impacted by high staff turnover in the account maintenance and customer service department late in the quarter. Subsequent to quarter end, the department staffing returned to the required levels. Hiring and training in this department will continue in advance of the Company's anticipated loan growth in the year.

Historically management has been able to improve the delinquency rate through increased oversight and adequate staffing. Management anticipates the delinquency rate will improve in ensuing quarters and will positively impact net income through normalized provisioning.

The average (12 month rolling) credit loss rate increased to 3.30% from 2.92% in the comparable quarter and has remained stable from the prior quarter rate of 3.28%. The increase in delinquency in the quarter did not affect credit losses in the quarter. The annualized credit loss rate for the quarter was 3.13%, it was in line with management forecasts and below the annual target of 3.55%.



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Operating expenses increased to \$2.06M from \$1.49M in the comparable quarter and from \$1.82M in the prior quarter. The operating expense ratio remained stable at 3.95% compared to 3.92% in the comparable quarter.

The Company has continued to invest in sales and marketing and head office capacity in order to drive and support its loan origination and finance receivables growth rates. The level of growth has required an investment in increased staffing levels which has occurred and will continue. In the quarter, additional office space was acquired and renovated that can now accommodate up to 95 head office employees. At quarter end, Rifco had 55 head office employees and 13 additional dealer partner development officers working in their territories.

The Company is in the process of completing a number of infrastructure and expansion projects started in the previous fiscal year that will result in efficiency gains.

Rifco has been granting non-prime loans in the automotive sector for over 12 years and has lent over \$515M to date. The Company's underwriting and operational systems have delivered solid credit performance throughout that time.

Rifco Quarterly Comparative Results

Statements of income	For the three months period ended	
	June 30, 2014	June 30, 2013

(\$, 000's, except per share and share count)

Financial revenue

Interest and fee income	8,856	6,995
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Financial expenses

Interest expenses	2,382	2,076
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Net financial income before provision for impairment	6,474	4,919
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Provision for impairment and credit losses	2,556	1,288
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Net financial income before operating expenses	3,918	3,631
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Operating expenses	2,055	1,499
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Income before taxes	1,863	2,132
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Income tax expense	493	565
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Net income	1,370	1,567
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Weighted average number of outstanding shares at period end	21,027,483	20,783,843
Fully Diluted Basis	21,641,737	21,502,178
Net earnings per common share basic	\$0.065	\$0.075
Diluted	\$0.063	\$0.073

Key Period-to-Date Performance Measurement

Please note the Company results as reported against the specific objectives press released on June 11, 2014.

Achieve record Loan Originations of over \$170 million

Loan Originations for the first three months reached \$42.86M, a new record. **Progress to target 25%.**

Achieve record Finance Receivables of over \$278 million

Finance Receivables for the first three months grew to \$219.41M from \$199.62M, a new record. **Progress to target 25%.**

Achieve record revenue of over \$39.5 million

Revenue for the first three months totalled \$8.86M, a new record. **Progress to target 22%.**

Achieve an annualized write off rate below 3.55%

Year to date Annualized Credit Loss Rate of 3.13%. **On Target.**

Achieve record earnings per share of \$0.430.

Earnings per share for the first three months are \$0.065. **Progress to target 15%.**

In order to fund its loan originations, the Company used its \$100M bank syndication facility and its \$8.5M unsecured debentures. In addition, the Company has access to \$150M through three securitization facilities. The Company's credit facilities have remaining capacity of \$98M at period end.

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

Rifco today filed its quarterly financial statements and management discussion and analysis for the period ended June 30, 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 21.11 million shares (basic) outstanding and 22.70 million (fully diluted) shares.

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