Rifco Reports Record Second Quarter Results

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

Quarterly Financial Record Achievements	**For the three months period ended**		
	September 30, 2014	**September 30, 2013**	
($000's,)			
Finance Receivables	237,721	173,000	*New record - Increased 37%*
Total Revenues	9,745	7,539	*New record - Increased 29%*

Quarterly Results

The Company posted Originations of $42.64M up from $29.22M, a 46% increase from the comparable quarter. This is the third consecutive quarter with Originations in excess of $40M which represents a step change from prior quarters.

Origination growth has resulted in a 37% increase in Finance Receivables to $237.72M from $173.00M in the comparable quarter. As a result, Financial Revenue has increased by 29% to $9.75M from $7.54M.

As the result of a continuing competitive environment in Rifco's lending niche, the Company has seen a reduction in Gross Portfolio Yields on new loans granted in recent years. In the quarter, the Gross Portfolio Yield was 18.46%, down from 19.28% in the comparable quarter, but increased from 18.39% from the prior quarter. This is the first quarterly yield increase in many years.

The Average Interest Expense decreased to 4.80% from 5.35% from the same quarter in the prior year but increased slightly from 4.72% in the prior quarter. Further interest rate gains will be achieved with increased Bank Borrowing limits.

The loan Delinquency Rate increased to 4.06% compared to 4.00% from the same quarter in the prior year and increased from 3.98% in the preceding quarter. Management expects the loan Delinquency Rate to fluctuate seasonally between 3.00% and 4.00% during the year. The Delinquency Rate is currently higher than management had internally forecasted.

As was stated in the prior quarterly report, the Delinquency Rates in Q1 were negatively impacted by high staff turnover in the account maintenance and customer service department. Subsequent to the end of Q1, the department staffing returned to the required levels and remains fully staffed, however the average tenure in the department is shorter than normal. The department is receiving a high level of oversight and strong training processes are in place.

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 reduced Provisioning for Impairment and Credit Losses.

The elevated Delinquency levels in the prior quarter have resulted in an elevated Credit Loss Rate in this quarter. The Credit Loss Rate is currently higher than management had internally forecast.

The Average (12 month rolling) Credit Loss Rate increased to 3.56% from 3.02% in the comparable quarter and has increased from the prior quarter rate of 3.30%. The Annualized Credit Loss Rate for the quarter is 4.13% and

3.65% for six months year to date. These Credit Loss Rates are both above the Company's annual target of 3.55%.

Management has conducted detailed reviews of credit underwriting processes and remains confident that the integrity of Rifco's credit granting policies are being maintained for all credit tiers offered. Management is confident that it has taken the steps needed to correct performance of the account maintenance and customer service department. Management believes that it may see Credit Loss Rates above the internally forecasted level in Q3 followed by improvement in Q4.

Operating Expenses increased to $2.10M from $1.62M in the comparable quarter and were up slightly from $2.06M in the prior quarter. The Operating Expense Ratio improved to 3.70% compared to 3.86% in the prior year and 3.95% in the prior quarter.

The Company has continued to invest in capacity in order to maintain Loan Origination and Finance Receivables growth rates. The current level of growth has required increased staffing. Rifco's total employee count increased to 80 from 68, in the prior quarter, as new employment positions are added to most departments.

In the quarter, and just subsequently, the Company increased its working capital through the addition of $3.00M in Unsecured Debentures to $11.50M from $8.50M. The debentures were issued at an annual interest rate of 8.0% for terms of 36 or 42 months. Unsecured Debentures are not convertible into common shares.

The Company is in the process of completing a number of infrastructure and expansion projects started in the previous fiscal year. The largest, and most important of these projects, is an upgraded loan management software (LMS) and the resulting data conversion. A substantial amount of preparation and planning resources have been devoted to the LMS project in order to reduce implementation risk and increase employee acceptance of the new software. During the quarter, the intensity and volume of work intensified in preparation of a launch in the third quarter. Management is focused on a successful launch process that will result in only a short term disruption to operations and will quickly improve overall efficiency. During the third quarter, the focus will remain on testing, configuration and employee training. An important project milestone was reached subsequent to the quarter. The Company successfully converted the data for its active and historic accounts and began "live" use of the replacement LMS.

Management believes that ongoing infrastructure investments and benefits of increasing scale will ultimately result in improving operating efficiency and will be reflected in continued improvement in Operating and Efficiency Ratios as the Company moves forward.

At quarter end, the progress of key projects is as follows:

- Loan management software upgrades (80%)
- Internal analytics scorecard implementation/upgrade (75% complete)
- Electronic document management (paperless file management) (25% complete)

Management is confident that our yearly specific objectives for record Originations, record Finance Receivables and record Revenue will all be achieved. Due to the sharp, midyear increase in Delinquency, management is no longer confident that the annualized write off rate and earnings per share objectives will be achieved.

Management believes that the current elevated Delinquency and Credit Loss Rate is not systemic. However, the expected improvements in the second half of the year will not be sufficient to meet the Company's annualized write off rate objective for the year.

Management believes that earnings per share growth will continue for the balance of the year but not at a level to allow the Company to meet its specific objective in this regard for the year.

Rifco remains committed to its vision to become a $500M per year lender. We are encouraged by the growth we are seeing in Originations and developing opportunities. Rifco continues to develop exemplary dealer relationships. We seek to add value to these dealers' relationships through superior quality and speed of service.

The strategy for the Company remains to grow value by expanding its profitable loan origination and servicing platform.

Rifco Second Quarter Comparative Results

Statements of income	**Three months ended September 30**		**Six months ended September 30**	
	2014	**2013**	**2014**	**2013**
($, 000's, except per share and share count)				
Financial revenue				
Interest and fee income	9,745	7,539	18,601	14,533
Financial expenses				
Interest expenses	2,580	2,193	4,962	4,269
Net financial income before provision for impairment	7,164	5,346	13,639	10,264
Provision for impairment and credit losses	2,923	1,818	5,479	3,106
Net financial income before operating expenses	4,242	3,527	8,159	7,158
Operating expenses	2,101	1,615	4,156	3,114
Income before taxes	2,141	1,912	4,004	4,044
Income tax expense	566	505	1,059	1,070
Net income	**1,575**	**1,407**	**2,945**	**2,974**
Weighted average number of outstanding shares at period end	21,124,874	20,899,864	21,076,445	20,842,032
Fully Diluted Basis	21,747,860	21,596,840	21,696,339	21,558,181
Net earnings per common share basic	$0.075	$0.067	$0.140	$0.143
diluted	$0.072	$0.065	$0.136	$0.138

Key Period-to-Date Performance Measurement

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

1. **Achieve record Loan Originations of over $170 million**
   Loan Originations for the first six months reached $85.50M, a new record. **Progress to target 50%.**

2. **Achieve record Finance Receivables of over $278 million**

Finance Receivables for the first six months grew to $237.72M from $199.62M, a new record. **Progress to target 49%.**

3. **Achieve record revenue of over $39.5 million**
   Revenue for the first six months totalled $18.60M, a new record. **Progress to target 47%.**

4. **Achieve an annualized write off rate below 3.55%**
   Year to date Annualized Credit Loss Rate of 3.65%. **Off Target.**

5. **Achieve record earnings per share of $0.430.**
   Earnings per share for the first six months are $0.140. **Progress to target 33%.**

In order to fund its loan Originations, the Company used its $100M bank syndication facility and its $9.6M unsecured debentures. In addition, the Company has access to $150M through three Securitization Facilities. The Company's Credit Facilities have remaining capacity of $70M at period end.

Subsequent to the end of the quarter, the Company received a new Securitization Facility from Aviator Trust for $30M which increases the quarter end facility capacity from $70M to $100M. This replaces a previously authorized $20M facility which had been 100% utilized. Previously securitized loans are not included in the utilization calculation for the new facility.

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 September 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.

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.

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.

CONTACT:
Rifco Inc.
Lance A. Kadatz
Vice President and Chief Financial Officer
Telephone: 1-403-314-1288 Ext 7007
Fax: 1-403-314-1132
Email: kadatz@rifco.net
Website: www.rifco.net