PRESS RELEASE

Rifco Reports Second Quarter Results

Red Deer, Alberta. November 16, 2016; Rifco Inc. (TSXV: RFC) is pleased to announce its consolidated second quarter results for the period ended September 30, 2016.

Second Quarter Highlights

- Net portfolio yield increased to 15.50% from 15.36% in the prior quarter.
- Financial Revenue increased over the prior quarter for the first time in seven quarters.
- Operating Expense Ratio improved to 4.13% from 4.47% in the prior quarter.
- Shareholders' Equity increased to $31.93M from $28.12M in the comparable quarter
- Unsecured Debentures of $1.85M have been repaid in the last two quarters, a 16% reduction. (Average rate 8.25%)
- Geographic regional rebalancing continues with 62% of loans in Western Canada and 38% in Eastern Canada compare to 67% and 33% respectively one year ago.
- The Company is reporting its 30th consecutive quarter of profitability.
- Modified Funds Flow from Operations per share increased to $0.22 from $0.21in the preceding quarter.
- Net Fair Value per share increased to $3.53 from $3.48 in the preceding quarter.

Quarterly Results

The Company posted Originations of $23.74M, a 1% decrease from $24.05M in the comparable quarter and a 9% decrease from $26.00M in the preceding quarter. Originations continue to be lower than projected.

The Finance Receivables remained comparable at $221.60M from $222.78M in the preceding quarter, and a decrease of 6% from $236.24M in the prior year. Origination levels resulted in Finance Receivables stabilization in the current quarter.

Financial revenue decreased by 11% to $8.46M from $9.54M from the comparable quarter, and stabilized from $8.43M in the preceding quarter.

Net Portfolio Yield increased in the period to 15.50% from 15.36% in the preceding quarter, which resulted in stabilization of financial revenue. Over the past year, the Company has originated an increasing percentage of Finance Receivables in its best performing credit tiers. Over time, the results of this strategy are expected to lead to reduced Delinquency Rates, Credit Loss Rates and Operating Expense Ratios and stabilization of Net Portfolio Yield.

The lending environment in the non-prime auto sector remains competitive. Rifco's main competitors continue to price risk aggressively. The Company believes that some of the pricing witnessed may be unprofitable and ultimately unsustainable. Rifco management believes that its Credit Model will continue to produce sustainable loan performance results over normal economic cycles.

The Company is reporting its 30th consecutive quarter of profitability. The retention of these profits has reduced the Company's leverage ratios to record lows. Reducing leverage normally implies improving Company safety and strength.

The Company is reporting Net Income of $0.58M, a decrease of $0.31M from the comparable quarter of $0.89M and a decrease from $0.95M in the preceding quarter.

Rifco reported earnings per share (EPS) in the period of $0.027, a decrease from $0.042 from the prior year.

Modified Funds Flow from Operations represents implicit cash value to shareholders on a periodic basis. Modified Funds Flow from Operations decreased from $5.42M to $4.68M in the quarter. The Modified Funds Flow from Operations of $0.22 per share in the current quarter, is a decrease from $0.25 per share in the comparable period. EPS considers Provisions for Impairment and Losses which each affects the income statement, but not cash flow.

Since June 30, 2015, the Company has been reporting its Net Fair Value (NFV). This measure represents the estimated net worth of the Company by identifying value as reflected by the cash flow streams over the full life of the assets. The NFV is calculated by subtracting the fair value of all liabilities from the fair value of all assets. The NFV of the Company at quarter

It's about time.

end is $76.26M, compared to $86.44M at the end of the comparable quarter. When divided by the ending number of common shares, the Net Fair Value per Share (NFVPS) is calculated at $3.53, compared to $4.05 in the comparable quarter. NFV is net of anticipated management and servicing expenses of Finance Receivables, Provision for Impairment, prepayment expenses, borrowing expenses, and fees to securitize.

The Average Interest Expense increased slightly to 4.64% compared to 4.54% in the comparable quarter but decreased from 4.69% in the preceding quarter. The Unsecured Debentures reduced from $10.82 in the preceding quarter to $9.94M in the current quarter, a 9% decrease. In the first two quarters the Company has reduced Unsecured Debentures by $1.85M or 16%. The reduction in Unsecured Debentures will positively impact Average Interest Expense for ensuing quarters.

Credit Losses, including costs and net of recoveries, are $2.92M, a decrease from $3.02M in the comparable quarter and an increase of 17% from $2.50M in the preceding quarter.

The Delinquency Rate decreased to 5.12% from 5.21% in the comparable quarter and increased by 0.09% from 5.03% in the preceding quarter. The Delinquency Rate is currently higher than the Company's typical seasonal ranges of between 3.00% and 4.00%.

Management has observed improving trends in early stage Delinquency (11-30 days past due). A reduction in early stage Delinquency may continue to be a leading indicator of a future reduction in the reported Delinquency (over 30 days past due) and the future Credit Loss Rate. At quarter end, the Company saw a 30% reduction in loans reported as 11-30 days past due compared to the same quarter in the prior year.

Management conducted detailed reviews of its credit underwriting processes and made adjustments to reflect the increased employment risk in Alberta. Loans granted after December 31, 2104 were granted reflecting credit underwriting in the current environment.

The total outstanding balance of Alberta Finance Receivables granted prior to Dec 31, 2014 is currently $38.99M, representing 18% of the total Finance Receivables. The Delinquency Rate on this vintage of loans is 8.00% which is a reduction from the peak of 8.56% at December 31, 2015 when the outstanding balance of this vintage was at $64.78M and represented 28% of total Finance Receivables. At March 31, 2015 the Alberta loans of this vintage was $104.76M and represented 42% of total Finance Receivables. The impact of the credit performance of this vintage of Alberta Finance Receivables will continue to diminish over time.

The Company continues to focus on greater regional rebalancing of new originations which have been successful over the past year. Rifco's loans are currently distributed 62% (September 30, 2015 – 67%) in Western Canada and 38% (September 30, 2015 – 33%) in Eastern Canada.

In the quarter, the Company increased its Specific Provision for Impairment to $1.14M for modified loans (loans for which the original terms of the contract have been changed) from $0.92M in the comparable quarter in the prior year. Loans that have been modified but are not in arrears, are deemed impaired until the borrowers' ability to maintain the modified contractual repayment has been re-established. The Company has modified loans that regularly meet a re-establishment standard. Re-established modified loans may be subject to a Specific Provision for Impairment in the future if they become Delinquent.

The Average (12 month rolling) Credit Loss Rate increased to 5.44% from 4.30% in the comparable quarter in the prior year. The year to date annualized Credit Loss Rate is 4.88% and the Company expects an Average (12 month rolling) Credit Loss Rate for the year of under 5.00%.

Operating Expenses decreased to $2.25M from $2.52M compared to the same quarter in the prior year and a decrease from $2.46M in the prior quarter. The Operating Expense Ratio decreased to 4.13% compared to 4.29% in the same quarter in the prior year. The Operating Expense Ratio is at its lowest level in the past six quarters.

Wages and benefits expense decreased to $1.53M from $1.75M, a 13% decrease compared to the same quarter in the comparable year and 12% decrease from $1.73M in the preceding quarter. The improvement in Operating Expenses has been primarily from reduced wage expenses. While a number of factors have positively contributed to the improvement the Company is benefiting from a 30% year over year reduction in the early stage Delinquency Rates.

Rifco is in regular contact with all of its funders and remains optimistic regarding the availability of increasing amounts of Bank Borrowing and Securitized Facilities as needed. The Company currently has $85.57M in facility availability for deployment.

Rifco is working actively to develop new initiatives that it expects to positively affect loan Originations in the coming year while maintaining the Company's focus on loan credit quality and preserve Net Portfolio Yields.

The Company's management is focused on returning its credit performance to previous levels. Predictable credit performance is imperative to achieving the Company's long term vision of $500M in annual loan Originations.

Second quarter comparative results

Statements of Income	**Three months ended September 30**		**Six months ended September 30**	
	2016	**2015**	**2016**	**2015**
($, 000's, except per share and share count)				
Financial revenue				
Interest and other income	8,456	9,536	16,885	19,457
Financial expenses				
Interest expenses	2,268	2,470	4,619	5,050
Net financial income before Provision for Impairment	6,188	7,066	12,266	14,407
Provision for Impairment and Credit Losses	3,082	3,289	5,355	5,959
Net financial income before operating expenses	3,106	3,777	6,911	8,448
Operating expenses	2,255	2,524	4,710	5,112
Net Income before taxes	851	1,253	2,201	3,336
Net Income tax expense	267	363	666	444
Net income	**584**	**890**	**1,535**	**2,892**
Weighted average number of outstanding shares at period end	21,572,483	21,347,483	21,465,380	21,323,056
Fully Diluted Basis	21,584,217	21,550,604	21,506,957	21,532,644
Net earnings per common share	$0.027	$0.042	$0.072	$0.136
Basic	$0.027	$0.041	$0.071	$0.134
Diluted				

It's about time.

2016/11

Key Period-to-Date Performance Measurement

Please note the Company results as reported against the specific objectives released with the 2016 Annual Report.

Achieve Loan Originations between $110M - $130M
Loan Originations for the first six months reached $49.74M. **Progress to target 45%.**

Achieve Finance Receivables between $225M - $240M
Finance Receivables for the first six months are $221.60M. **On track to target.**

Achieve revenue of between $34M - $36M
Revenue for the first six months reached $16.88M. **Progress to target 50%.**

Achieve Credit Loss Rate between 4.50% - 5.00%
Year to date annualized Credit Loss Rate of 4.88%. **On target.**

Achieve earnings per share of $0.175 - $0.225
Earnings per share for the first six months are$0.072. **Progress to target 41%.**

Rifco, today, filed its quarterly financial statements and management discussion and analysis for the period ended September 30, 2016. 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 and 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 21.57 million shares (basic) outstanding and 23.05 million (fully diluted) shares.

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