PRESS RELEASE

Rifco Reports Third Quarter Results

Red Deer, Alberta. February 15, 2018; Rifco Inc. (TSX-V: RFC) the largest publicly-traded alternative auto finance company in Canada, is pleased to announce its consolidated third quarter results for the period ended December 31, 2017.

Third Quarter Highlights

Rifco is dedicated to building the best auto finance company in Canada. The Company is committed to achieving this goal through improved data and analytics and industry-leading software and people.

- Shareholder value continues to grow as book value per share increases to $1.58 from $1.51 in the comparable quarter
- Financial revenue increased 7.4% to $9.0M from $8.4M in the comparable quarter
- Financial revenue has increased in each of the last 3 quarters
- Net Portfolio Yield has increased by 52 basis points to 15.47% from 14.95% in the preceding quarter
- Finance Receivables increased by $10.9M to $236.0M from $225.1M in the comparable quarter
- Finance Receivables have increased in each of the last 5 quarters
- Rifco continued to invest in innovative products, such as “Splash Auto Finance by Rifco”, to increase its volume of direct auto loans
- Rifco solidified its commitment to improve credit decisioning through the utilization of industry leading data and analytics with the hire of its new Chief Credit Officer
- The Company’s recent agreement with defi SOLUTIONS for loan origination and analytics platforms will enable I mproved credit modelling, consistent and efficient loan decisioning, and leading edge data analysis
- Rifco recently completed training with an industry-leading consultant designed to significantly improve front-line collection results

Quarterly Results

Total financial revenue increased by 7.4% to $9.0M from $8.4M in the comparable quarter as a result of increases in both Net Portfolio Yield and Loan Receivables. Total financial revenue increased 4.5% from $8.6M in the preceding quarter. Total quarterly financial revenue is now at its highest level since the third quarter of fiscal year 2016 and has now increased in each of the past three quarters.

Net Portfolio Yield has increased by 52 basis points to 15.47% from 14.95% in the preceding quarter. Net Portfolio Yield increased 20 basis points from 15.27% in the comparable quarter. Net Portfolio Yield has increased in each of the past three quarters.

The Company posted Originations of $24.9M, a 4.5% decrease from $26.1M in the comparable quarter and a 10.5% decrease from $27.8M in the preceding quarter. Originations are impacted by management’s decision to give greater consideration to the preservation and improvement of profit margins. Originations of Loan Receivables have been appreciably higher in each of the seven quarters since the recent low of $20.1M originated in the fourth quarter of fiscal year 2016. Originations were affected by growing new dealer enrollment and dealer graduations within Rifco’s FF500 club dealer loyalty program.

Average Loan Receivables during the quarter increased 6.1% to $232.5M from $219.2M in the comparable quarter partly as a result of the increased originations. Average Loan Receivables increased 0.9% from $230.4M in the preceding quarter. Average Loan Receivables have now increased for the fifth quarter in row, from a recent low of $218.2M in the second quarter of fiscal year 2017 to $232.5M in the current quarter.

The Company is reporting Adjusted Net Income of $0.1M, a decrease of $0.4M from the comparable quarter’s $0.5M and an increase of $0.2M from a loss of $0.1M in the preceding quarter. Adjusted Net Income removes the effect of the non-cash provisions on Net Income. Adjusted Net Income accounts for the actual Credit Losses incurred in the period and is the measure that management uses to evaluate the performance of Loan Receivables in the period as it removes the volatility associated with the effect of estimates and assumptions. Management believes that the usefulness of Adjusted Net Income will increase with the introduction of IFRS 9 in the next fiscal year.

It's about time.

The Company is reporting Net Income of $0.37M, a decrease of 41.7% from the comparable quarter Net Income of $0.63M and an increase of 54.6% from $0.24M in the preceding quarter.

The Delinquency Rate increased by 104 basis points to 6.01% from 4.97% in the comparable quarter and an increase of 4 basis points from 5.97% in the preceding quarter. The Delinquency Rate remains higher than the Company's typical seasonal ranges of between 4.00% and 5.00%.

The annualized Credit Loss Rate increased by 63 basis points to 6.03% from 5.40% in the comparable quarter, and decreased by 31 basis points from 6.34% in the prior quarter.

Operating Expenses increased by 15.3% to $2.7M from $2.4M in the comparable quarter and an increase of 5.2% from $2.6M in the prior quarter. The Operating Expense Ratio increased by 38 basis points to 4.72% compared to 4.34% in the comparable quarter. The Operating Expense Ratio increased 19 basis points from 4.53% in the preceding quarter. The Company continued to invest in work aimed at reducing Credit Losses and the Delinquency Rate, including a recent project of intensive loss prevention training, led by industry leading consultants. Also contributing to the increase in Operating Expenses were additions to the sales force, nonrecurring work related to the management initiated and voluntary review of GST-HST remittances, and startup promotional costs for "Splash Auto Finance by Rifco".

Modified Funds Flow from Operations represents implicit cash value to shareholders on a periodic basis. Modified Funds Flow from Operations decreased to $1.3M from $1.8M in the comparable quarter. Modified Funds Flow from Operations of $0.06 per share in the current quarter, is a decrease from $0.08 per share in the comparable period. Modified Funds Flow per share increased by $0.01 from $0.05 per share in the preceding quarter.

Net Fair Value Per Share (NFVS) represents the estimated net worth of the Company when the assets and liabilities of the Company are measured at fair value and the cash flow streams over the full life of the assets. The NFVS increased to $3.63 from $3.59 when compared to the same quarter in the prior year. The increase is attributable to fair value asset increase of $6.6M offset by an increase in the fair value of liabilities of $5.9M in the comparable quarter. The difference between the fair value assets and liabilities reflects value creation beyond just Book Value Per Share.

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 increasing Net Portfolio Yields.

For some time, the company has been experimenting with a deviation from its traditional dealer based indirect loan origination process. The experimentation involved consumer focused originations (direct to consumer). In the process, Rifco utilizes a variety of referral and advertising techniques to acquire consumer loan applications. The Company interacts directly with the consumer in order to complete the credit application and credit adjudication processes. Once the application is approved, the Company looks to one of its trusted dealers in order to fulfil the vehicle delivery process to the consumer. In order to assist in the promotion of this loan application channel, the Company has branded the process "Splash Auto Finance by Rifco". The Company is optimistic enough to warrant measured expenditures in the Splash channel. However, at this early stage, the quantity of loans originated through Splash is not yet material.

As part of the continual improvement of the Company, management has completed, or is in the process of completing, several projects including the hiring of a new Chief Credit Officer, developing a dedicated data analytics team, implementing a new loan origination system and rolling out intensive loss prevention training, led by industry leading consultants.

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.

Rifco Quarterly Comparative Results

Statements of Income	Three months ended December 31		Nine months ended December 31	
	2017	2016	2017	2016
($,000's, except per share)				
Financial revenue				
Interest and fee income	8,991	8,369	25,956	25,254
Financial expenses				
Interest expenses	2,508	2,220	7,111	6,839
Net financial income before Impairment and Credit Losses	6,483	6,149	18,845	18,415
Total Credit Losses	3,505	2,958	10,134	8,374
Adjusted Net Financial Income Before Operating Expenses	2,978	3,191	8,711	10,041
Operating expenses	2,743	2,378	8,122	7,088
Adjusted Income Before Taxes	235	813	589	2,953
Income tax expense	166	277	232	943
Adjusted Total Comprehensive Income	**69**	**536**	**357**	**2,010**
Decrease in Provision for Impairment	(299)	(95)	(43)	(156)
Total comprehensive income	**368**	**631**	**400**	**2,166**
Weighted average number of shares outstanding	21,597	21,574	21,597	21,502
Weighted average number of shares outstanding for use in determining diluted income per share	21,601	21,587	21,603	21,536
Adjusted Net Income Per Common Share				
Basic	$0.003	$0.025	$0.017	$0.093
Diluted	$0.003	$0.025	$0.017	$0.093
Net income per common share				
Basic	$0.017	$0.029	$0.019	$0.101
Diluted	$0.017	$0.029	$0.019	$0.101

It's about time.

Key Period-to-Date Performance as Measured Against Annual Targets

Please note the Company results as reported against the specific fiscal year 2018 objectives released with the 2017 Annual Report:

Achieve Loan Originations between $110M - $130M
Loan Originations for the first nine months reached $82.1M. **Progress to target 75%.**

Achieve Finance Receivables between $240M - $260M
Finance Receivables at December 31, 2017 are $236.0M. **98% of target.**

Achieve financial revenue of between $35M - $37M
Revenue for the first nine months reached $26.0M. **Progress to target 74%.**

Achieve Credit Loss Rate between 4.50% - 5.00%
Year to date annualized Credit Loss Rate of 5.89%. **Behind target.**

Achieve earnings per share of $0.10 - $0.15
Earnings per share for the first nine months are $0.02. **$0.08 from target.**

Rifco, today, filed its quarterly financial statements and management discussion and analysis for the period ended December 31, 2017. 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.

Non-IFRS Measures

Throughout this Press Release, management uses terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other issuers. Management believes that some non-IFRS measures are useful for investors to use to evaluate the performance of the Company without certain IFRS requirements that some investors may consider to be unrelated to the underlying economic performance of the Company. Specifically, management presents an Adjusted Net Income measure, along with related Adjusted sub-totals and ratios. These measures do not have any standardized meaning under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. A full description of these measures can be found in the management discussion and analysis that accompany the financial statements for the period ended December 31, 2017.

About Rifco

Rifco Inc. is focused on being the best alternative auto finance through its wholly owned subsidiary Rifco National Auto Finance Corporation. Our mission is to help deserving Canadians own automobiles. Rifco is Canada's largest publicly traded alternative auto finance company.

Rifco seeks to create sustainable long-term competitive advantages through personalized partnerships with dealers, innovative products, the use of industry-leading data and analytics, and leading collections practices. Rifco's corporate culture fosters employees that are highly engaged, innovative, and performance driven.

Rifco is committed to creating value for all stakeholders through profitable growth and predictable credit performance, while pursuing its long-term vision of $500M in annual loan Originations.

The common shares of Rifco Inc. are traded on the TSX Venture Exchange under the symbol "RFC". There are 21.60 million shares (basic) outstanding and 23.23 million (fully diluted) shares.

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