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Rifco's economic adaptations profitable

By Advocate staff

Rifco Inc. (TSX.V-RFC) has enjoyed a profitable year despite the recessionary pressures and tight credit markets.

The Red Deer-based company, which provides non-prime loans for auto purchases through its subsidiary Repair Industry Finance Corp., reported on Monday that it generated net income of \$1.4 million for the year ending March 31. That's up 162 per cent from the previous year.

Revenues were \$13.6 million, up 79 per cent, while operating expenses increased eight per cent, to \$2.6 million.

The company also reported that it originated \$38.3 million in new finance receivables, a 54 per cent jump over the preceding year. As of March 31, Rifco's managed finance receivables were \$50.6 million.

Rifco said in a news release that its success during the past year was attributable to it adapting quickly to the economic conditions, making key investments in infrastructure and systems, and a reduction in competitors. It added that unemployment levels in Canada did not rise significantly until well into 2009.

Rifco did experience a net loss of \$195,000 in its fourth quarter, as compared with net income of \$340,000 in the same quarter last year.

The company will hold its annual shareholders meeting on Sept. 9 at 3 p.m. at the Red Deer Lodge.