PRESS RELEASE

Rifco Reports Fourth Quarter and March 31, 2019 Annual Results

Red Deer, Alberta. June 13, 2019; Rifco Inc. (TSXV: RFC) ("Rifco" or the "Company") the largest publicly-traded alternative auto finance company in Canada, is announcing results for its wholly owned subsidiary Rifco National Auto Finance for the fourth quarter and the year ended March 31, 2019.

Highlights

Highlights for the fiscal year include the following key accomplishments:

- **Acquisition of Loan Receivables** – June 4, 2018 Rifco announced that it has closed on an agreement to acquire a $25M loan portfolio consisting of over 1,850 consumer automobile loans. Acquiring the portfolio increased the overall Credit Spread and Net Portfolio Yield of the Company.

- **One Billion Dollars Originated –** March 27, 2019 Rifco announced that it has originated one billion dollars since inception.

- **Next Generation Scorecard Introduced –** November 1, 2018 Rifco announced that it has successfully implemented its 'next generation' custom scorecard, which incorporates Equifax® data including Payment Dimensions Plus™ for the adjudication of auto financing applications.

- **New Board Member** – July 27, 2018 Rifco announced that Mr. Barry W. Shafran has been appointed to the Board of Directors. Mr. Shafran is President and Chief Executive Officer of Chesswood Group Limited.

- **Renewal of Securitization Facilities** – November 29, 2018 Rifco announced that it has completed its renewal with a Canadian Schedule 1 Chartered Bank. The facility has no formal limit but has a targeted annual utilization maximum of $40M. August 9, 2018 Rifco announced that it received a funding facility renewal from Securcor Trust for $50M. Loans previously securitized are not considered as part of the utilization of the new facility limit.

- **Renewal of Banking Facilities –** November 14, 2018 Rifco announced that it has extended its bank line with the Wells Fargo lead banking syndicate. The facility will be extended for an additional year with a maturity date of Feb 17, 2020.

- **Corporate Citizenship** – Rifco employees spearheaded efforts throughout the year to raise $41,795 in donations for the Central Alberta Humane Society.

Key Performance Measurement

Please note the Company results as reported against the specific fiscal year 2019 objectives released with the 2018 Annual Report:

1. **Achieve Loan Originations of $120M**
   Loan originations for the year reached $86.6M. **Progress to target 72%. Target missed.**

2. **Achieve Finance Receivables of $250M**
   Finance Receivables at March 31, 2019 are $228.5M. **91% of target. Target missed.**

3. **Achieve Credit Spread Rate of 11.40%**
   Credit Spread Rate for year 10.42%. **Missed target by 98 basis points.**

4. **Achieve Adjusted Net Income $5.0M**
   Adjusted Net Income for the year is $0.0M. **Target missed.**

It's about time.

Annual Results

Total financial revenue for the fiscal year is the largest ever recorded by the Company. Total financial revenue increased by 17.1% to $40.7M from $34.7M in the prior year as a result of increases in both Net Portfolio Yield and Average Loan Receivables. Net Portfolio Yield increased by 229 basis points to 17.41%. Average Loan Receivables increased 1.7% to $233.6M. Net Portfolio Yield and Loan Receivables were both positively affected by the purchase of a portfolio of loans in June 2018.

Credit Spread is the most important measure used by management to evaluate the performance of the Loan Receivables over the year. Credit Spread increased by 16.2% to $24.3M from $21.0M in the prior year. Credit Spread Rate increased by 130 basis points from 9.12% in the prior year to 10.42% in the current year. Credit Spread Rate in the fourth quarter of the current year was 10.27%. Management continues to originate and service a portfolio of loans that generates a significantly larger Credit Spread than historical results suggest.

Originations declined by 16.5% from the prior year to $86.6M from $103.8M. Originations during the year were impacted by the development of a new Credit Model. With the new Credit Model now implemented and operational, management expects originations to return to levels more in line with the Company's historical originations.

Adjusted Net Loss Before Taxes for the year was $0.1M. Net Loss for the year was $1.5M. Adjusted Net Loss Before Taxes removes the effect of both non-cash provisions and taxes on net income. Adjusted Net Loss Before Taxes accounts for the actual credit losses incurred in the year and is the measure that management uses to evaluate the performance of the Company as it removes the volatility associated with the effect of estimates and assumptions.

Financial performance of the Company was negatively impacted by a 99 basis point increase in the Credit Loss Rate to 6.99%. Total credit losses, including costs and net of recoveries, were $2.6M higher than the prior year. This represented a 18.6% increase from the prior year. Contributing to the increase in credit losses was a greater proportion of Loan Receivables in the non-prime credit spectrum, which also contributed to the increased Net Portfolio Yield. As discussed above, management suggests consideration of the Credit Spread to evaluate the effects of a changing overall credit profile of the Loan Receivables.

The Financial Expense Ratio increased by 77 basis points, also negatively affecting profitability. Financial expenses were impacted by a term loan and an expedited issue of Unsecured Debentures in order to finance the purchase of a portfolio of loans in June 2018.

Operating expenses increased by $1.8M from the prior year. This equates to a 69 basis point increase in the Operating Expense Ratio from 4.78% last year to 5.47% in the current year. The Company reduced its headcount in December 2018 and expects that this will be reflected in lower wages and benefits expense going forward. Due to these efforts, operating expenses decreased by 19.5% from $3.6M in the prior quarter. Management believes that the Operating Expense Ratio peaked in the third quarter of the year at 6.25% and is focused on reducing this ratio to historically normal levels below 5%.

The Delinquency Rate decreased by 98 basis points to 5.46% from 6.44% the prior year. The Delinquency Rate has improved in every quarter, relative to the quarters of the prior year. Improvements to the Delinquency Rate will typically be followed by improvements in the credit losses.

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 $78.8M in facility availability for deployment.

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 Annual Comparative Results

Statements of income	March 31, 2019	March 31, 2018
($, 000's, except per share and share count)		
Financial revenue	40,670	34,723
Credit losses	16,333	13,770
Credit Spread	**24,337**	**20,983**
Financial expenses	11,660	9,687
Adjusted Net Financial Income before Operating Expenses	**12,677**	**11,266**
Operating expenses	12,789	10,987
Adjusted (Loss) Income Before Taxes	**(112)**	**279**
Income tax recovery (expense)	112	(184)
Adjusted Net Income	**0**	**95**
Increase (decrease) in provision for impairment	1,506	(58)
Net (loss) income	**(1,506)**	**153**
Weighted average number of outstanding shares at period end	21,597,483	21,597,483
Fully diluted basis	21,597,483	21,601,373
Adjusted Net Income Per Common Share – basic	$ 0.000	$ 0.004
Diluted	$ 0.000	$ 0.004
Net (loss) income per common share – basic	$ (0.070)	$ 0.007
Diluted	$ (0.070)	$ 0.007

Fourth Quarter Results

Rifco had loan originations in the quarter of $20.2M, compared to $21.7M in the comparable quarter of the prior year, a 6.6% decrease. This is a decrease of 4.9% from originations of $21.3M in the prior quarter.

The Finance Receivables declined by 2.5% to $228.5M from $234.5M in the preceding quarter.

Financial revenue in the quarter was $9.5M, an 8.6% increase over $8.8M in the comparable quarter. Financial revenue decreased by 6.6% compared to the prior quarter.

Adjusted Net Loss in the quarter was $0.3M compared to $0.3M in the comparable quarter, practically unchanged. Adjusted EPS was unchanged from the prior year at ($0.012).

Net Loss in the quarter was $0.1M compared to $0.2M in the comparable quarter, a $0.1M increase. EPS increased to ($0.005) from ($0.011) in the comparable quarter.

Financial Expense in the quarter was $2.9M compared to $2.6M in the same quarter the prior year and $3.0M in the prior quarter. The Annualized Financial Expense Ratio increased to 5.03% from 4.45% in the comparable quarter the prior year.

Credit losses, including costs and net of recoveries, are $3.7M in the quarter, an increase of $0.1M over the comparable quarter. The Annualized Credit Loss Rate for the quarter was 6.51% a 23 basis point increase from 6.28% in the comparable quarter.

The Loan Delinquency Rate decreased to 5.46% compared to 6.44% in the comparable quarter the prior year. The Loan Delinquency Rate increased by 13 basis points from 5.33% in the preceding quarter.

Operating Expenses increased by $0.1M to $2.9M compared to the same quarter prior year. The Operating Expenses decreased by 19.5% from $3.6M in the prior quarter.

Rifco Fourth Quarter Comparative Results

Statements of income	**March 31, 2019**	**March 31, 2018**
($, 000's, except per share and share count)		
Financial revenue	9,518	8,766
Credit losses	3,692	3,635
Credit Spread	**5,826**	**5,131**
Financial expenses	2,856	2,576
Adjusted Net Financial Income before Operating Expenses	**2,970**	**2,555**
Operating expenses	2,933	2,865
Adjusted Income (Loss) Before Taxes	**37**	**(310)**
Income tax (expense) recovery	(295)	48
Adjusted Net Loss	**(258)**	**(262)**
Decrease in provision for impairment	(140)	(14)
Net loss	**(118)**	**(248)**
Weighted average number of outstanding shares at period end	21,597,483	21,597,483
Fully diluted basis	21,597,483	21,597,483
Adjusted Net Income Per Common Share – basic	$ (0.012)	$ (0.012)
Diluted	$ (0.012)	$ (0.012)
Net (loss) income per common share – basic	$ (0.005)	$ (0.011)
Diluted	$ (0.005)	$ (0.011)

Rifco today filed its annual financial statements and management discussion and analysis for the year ended March 31, 2019. 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. is focused on being the best alternative auto finance company 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 23.62 million (fully diluted) shares.

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