



Annual General Meeting

September 12, 2019



Agenda

- I. Rifco Overview
- II. Introductions
- III. Business Portion of the Meeting
- IV. Report from the President
- V. Questions



Rifco Overview

- Rifco (TSXV: RFC) is Canada's largest publically listed alternative auto finance company
- Provides **near-prime and non-prime auto loans** to consumers through independent and franchise auto dealerships across Canada
- Has provided financing to over **50,000 Canadians**, lending over **C\$1 billion** since 2001
- Rifco's originations growth has returned following the contraction of the Alberta economy in 2015
- Founded in 2001 and headquartered in Red Deer, AB with **~100** employees



\$86.6mm

FY19 Loan Originations



\$231mm

FY19 Gross Finance Receivables



12,000+

Active Customers



Introductions

- Independent Directors
- Officers



Annual & Special Meeting of the Shareholders

1. Introductions
2. Appointment Of Secretary And Of Scrutineers
3. Notice Of Meeting
4. Quorum
5. Meeting Regularly Constituted
6. Financial Statements And Auditors Report
7. Fixing The Number Of Directors
8. Election Of Directors
9. Appointment Of Auditors
10. Stock Option Plan
11. Termination Of Meeting



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Certain information contained in this presentation, including information and statements which may contain words such as “objective”, “estimates”, “would”, “will”, “contemplates”, “expects” and similar expressions and statements relating to matters that are not historical facts, are forward-looking information including, but not limited to, information as to future performance.

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Report from the President

1. 2019 Results
2. The Rifco Platform
3. Market Position
4. Data and Analytics Development
5. Network of Originating Dealers
6. Financial Strength and a track Record of Strong Portfolio Economics
7. Strong Funding Structure with Additional Room for Leverage



2019 Results

- **New Loan Originations**
- **Finance Receivables Growth**
- **Credit Spread**
- **Net Income per Share**



The Rifco Platform



Highly scalable platform poised for significant growth

- Canada's largest independent publicly-traded alternative auto finance Company
- Over 1 billion dollars funded since 2001

- 80,000 new credit applications processed last year
- 3,700 new loans advanced last year

- Automated "Application Credit Decisioning" and Automated "Adjudication"*
- Infrastructure for platform scaling



The Rifco Platform



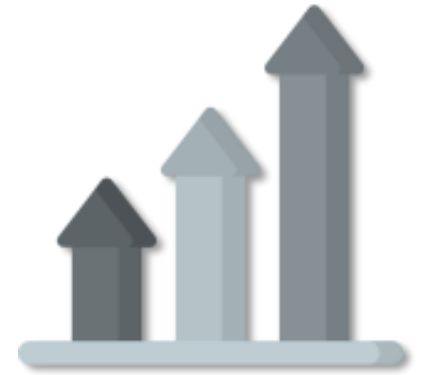
Borrower Characteristics

- Annual Income \$54,714
- Average Credit Score 521
- Borrower Age 42
- Vehicle Age 5.5 years*

*Current age as of June 2019



The Rifco Platform



Loan Characteristics



\$23,200

Average Initial
Loan Principal



18.5%

Average
Contract Rate



75 Months

Initial loan term



\$17,500

Current Loan
Balance

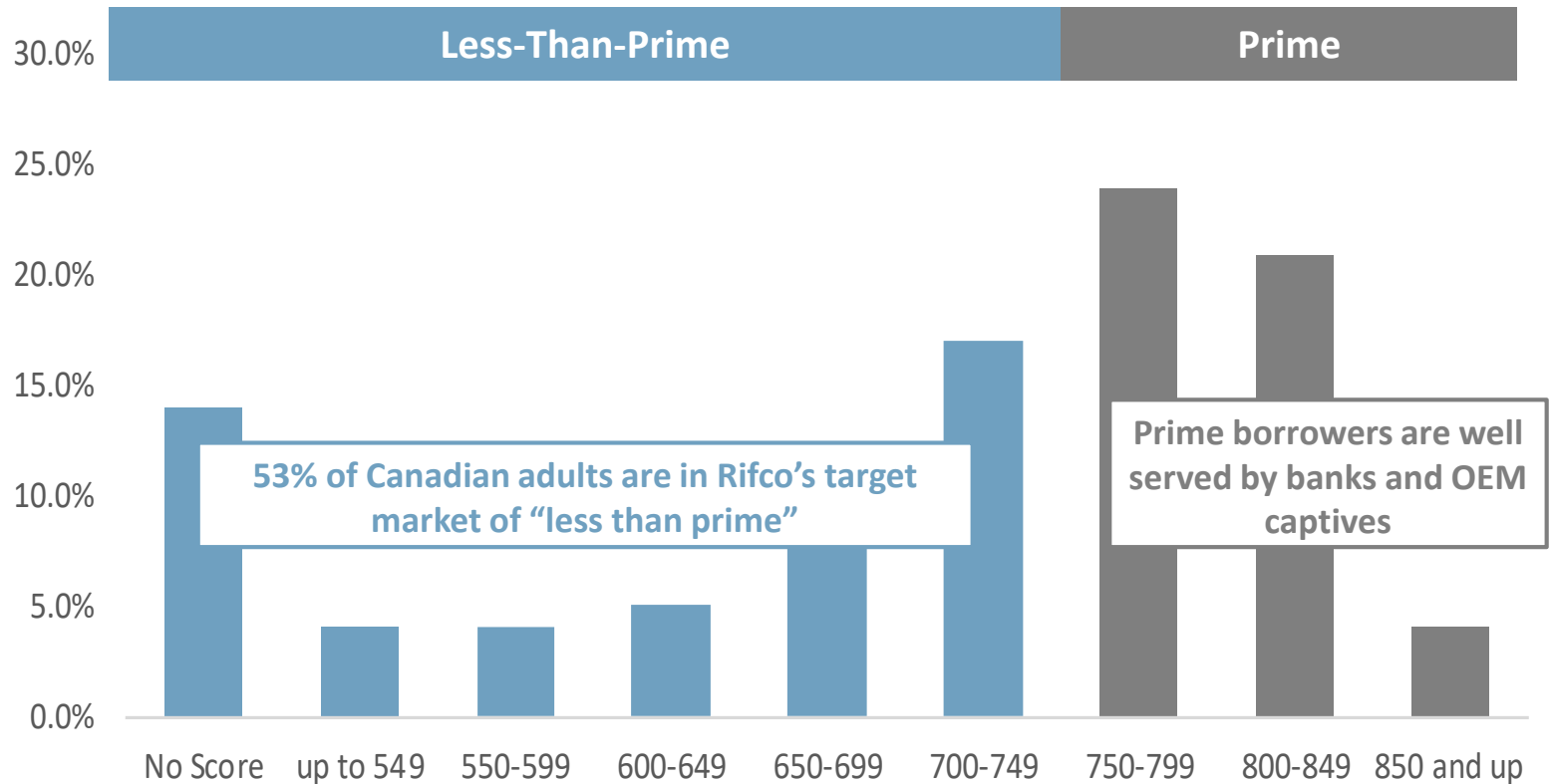


48 Months

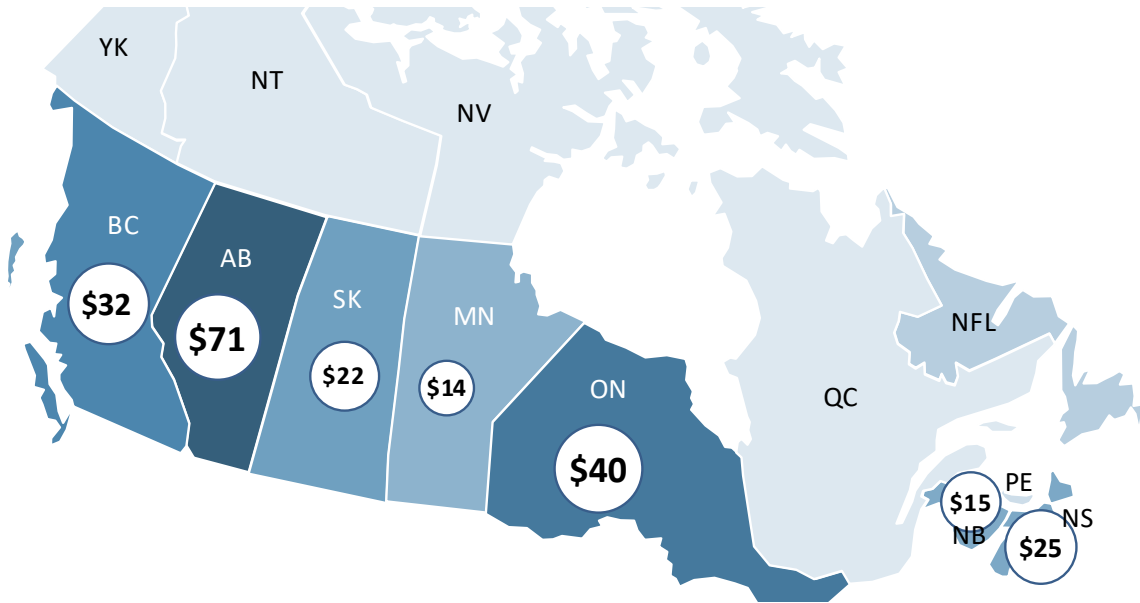
Average
remaining term



Positive Market Position



Positive Market Position



Province	Loan Portfolio (% of Total)
Alberta	31%
Ontario	18%
British Columbia	14%
Nova Scotia	11%
Saskatchewan	10%
New Brunswick	7%
All Others	9%

*Dollar amounts are millions



Data and Analytics Development



Industry leading credit adjudication capabilities to further improve credit spread ratios

1. *Loan origination system (“LOS”)*
2. *Loan pricing schema*
3. *Custom credit model (“CCM”)*

- With Automation - material improvements in:
 - **Adjudication Speed**
 - **Consistency**
 - **Efficiency**
 - **Scalability**
- Business Intelligence Tools Implemented – Data Warehouse



Network of Originating Dealers



Growing Dealer Base and Growing Activity per Dealer



Network of Originating Dealers



Growing Dealer Base and Growing Activity per Dealer

- December 2018 to June 2019
- 20.3% - Increased enrolled dealer count
- 34.7% - Increased 'active' dealer count

- 7.8% - Increased monthly credit applications received per enrolled dealer

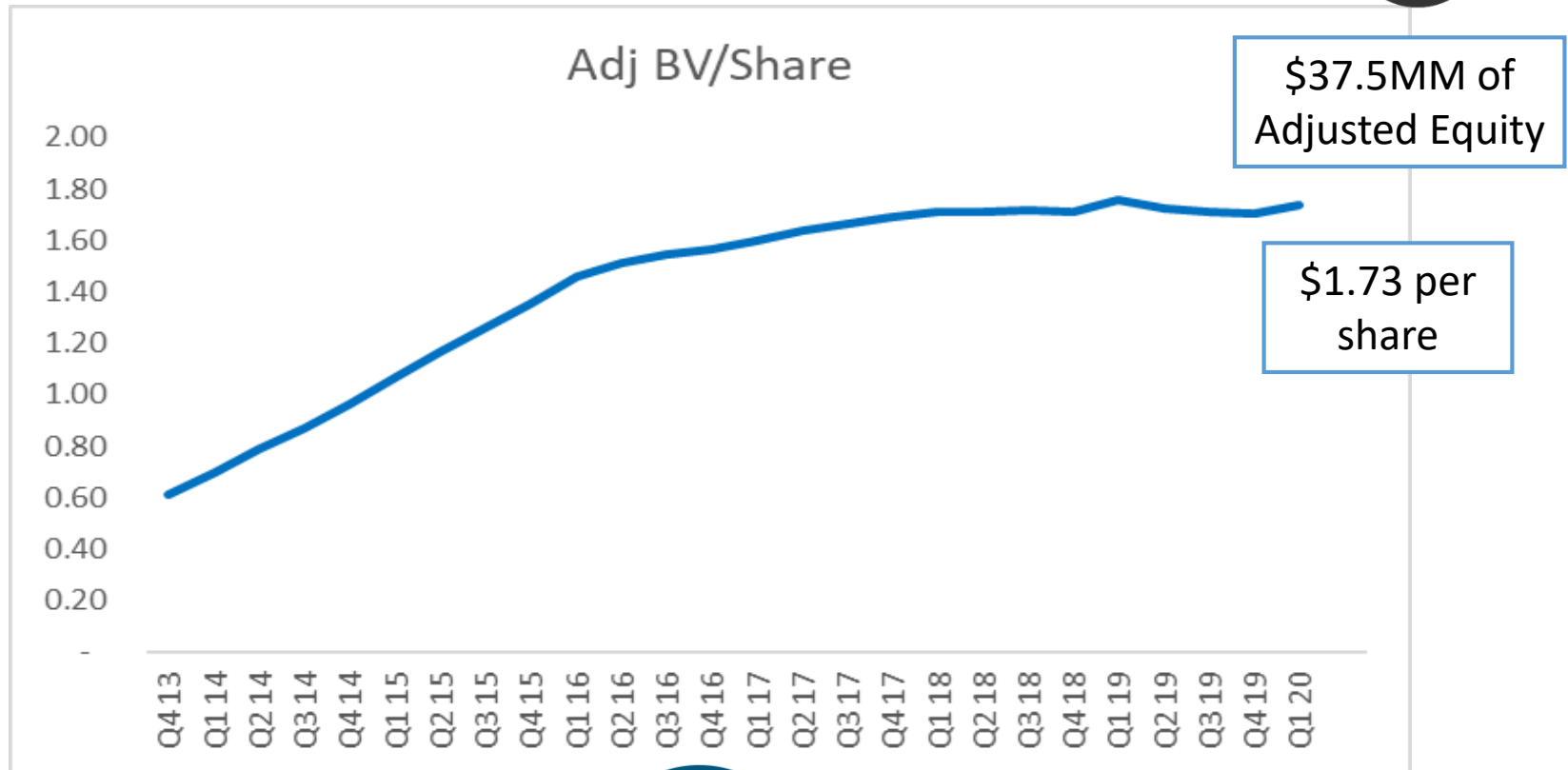
- ***45.9% - Increased monthly loans booked per enrolled dealer***



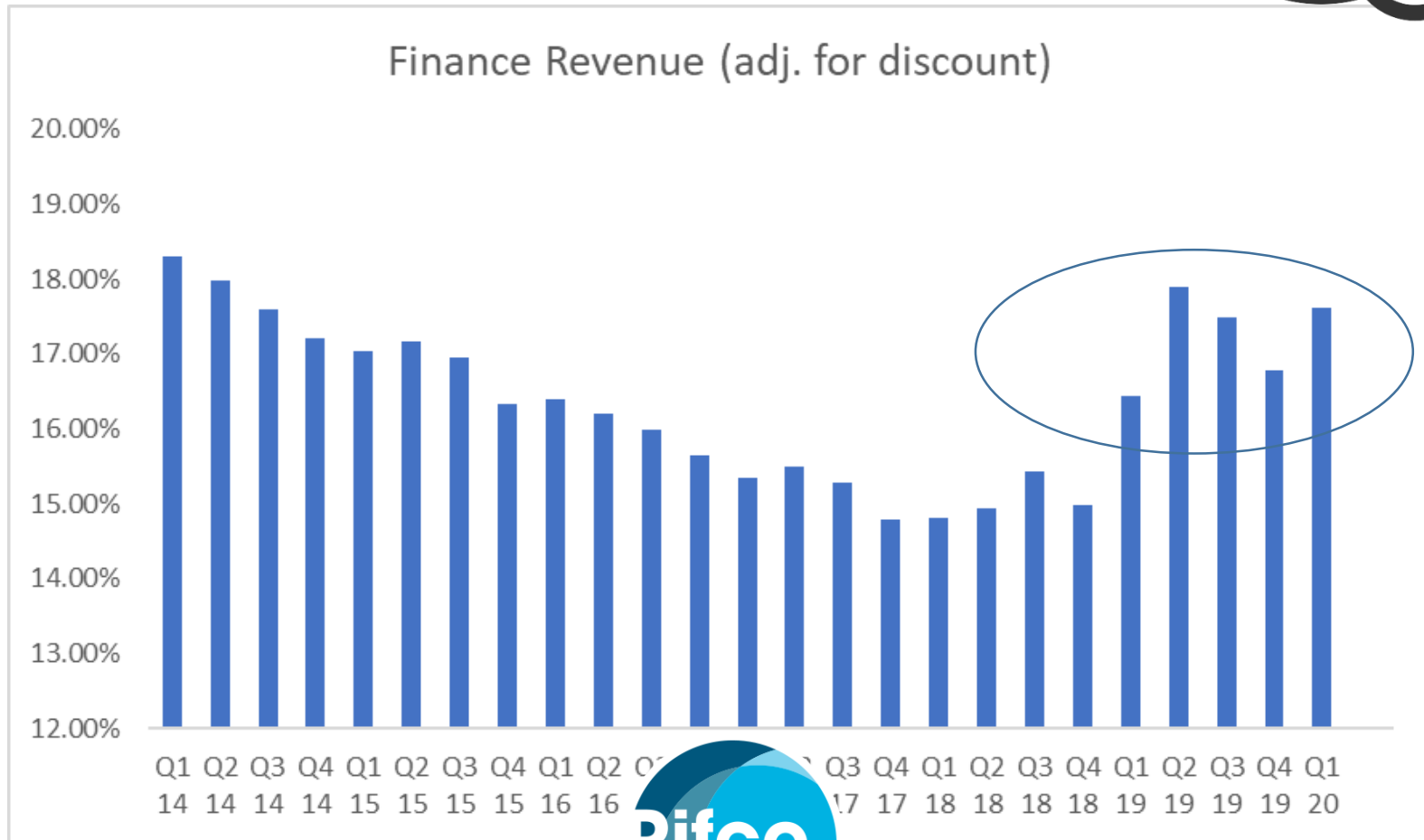
Financial Strength and a Track Record of Strong Portfolio Economics



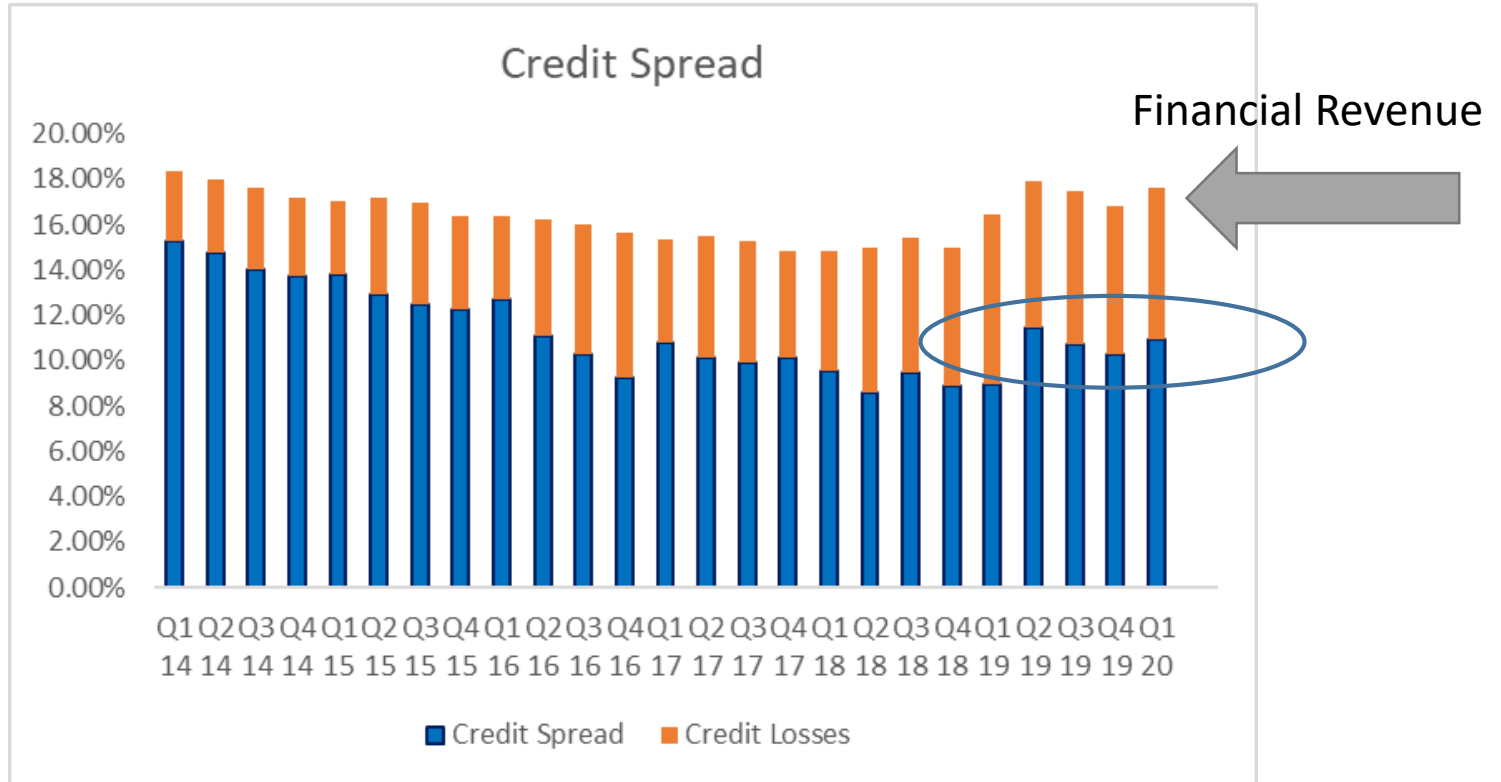
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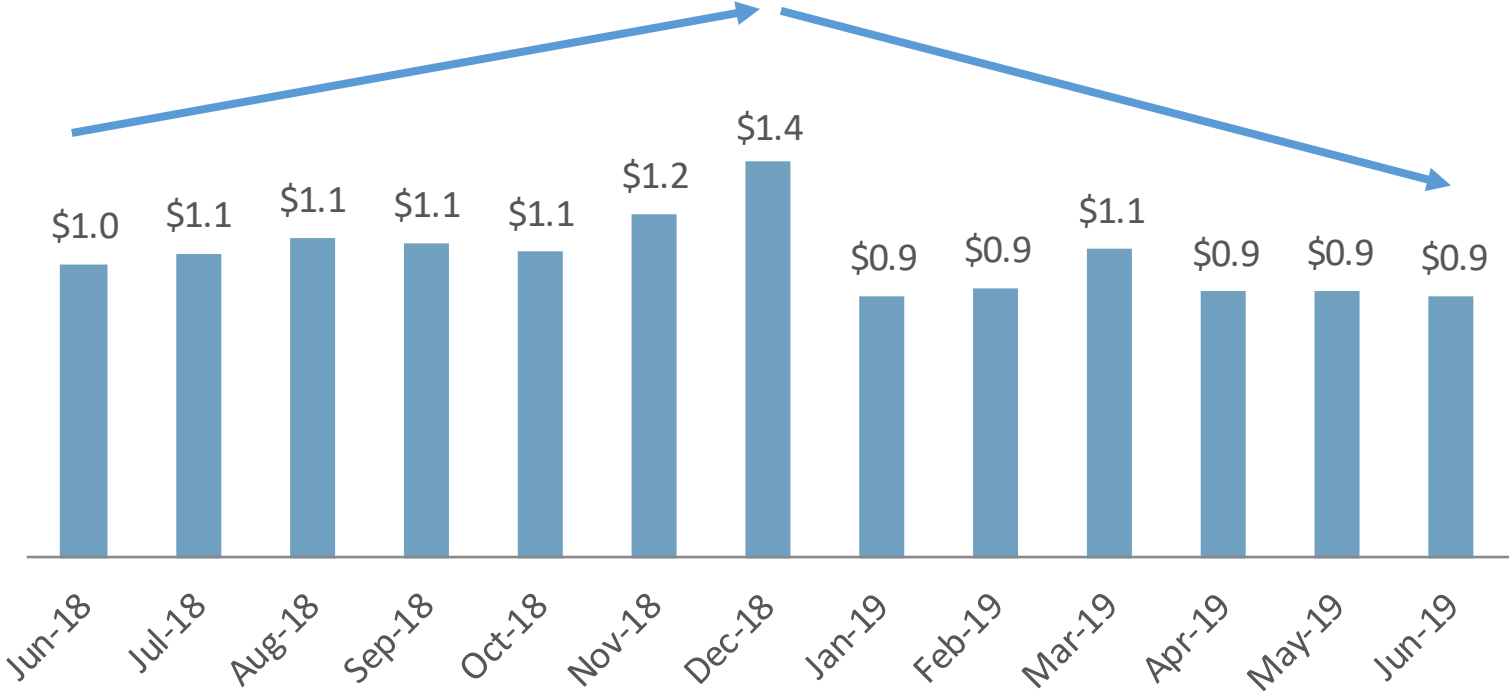
Financial Strength and a Track Record of Strong Portfolio Economics



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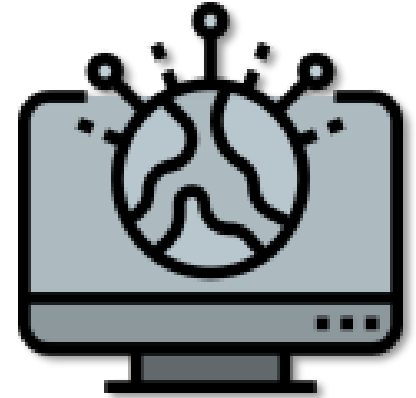


Monthly Operating Expenses

Financial Strength and a Track Record of Strong Portfolio Economics



Strong Funding Structure with Additional Room for Leverage



The Company has 5 active facilities to fund new loan growth

- \$50MM syndicated bank line—(Accordion option to \$100MM)
- \$2.5MM subordinated bank line
- \$50MM securitization facility
- \$47MM securitization facility
- \$40MM securitization facility
- \$189.5MM



Q1 – 2020 Highlights

- Rifco's new credit model and loan origination system projects are fully implemented and beginning to deliver results



Q1 – 2020 Highlights

- Originations **increased 47.4%** from \$20.2mm to \$29.8mm when compared to the previous quarter and **increased 15.5%** from \$25.8mm in the comparable quarter. This is the largest quarterly originations level since third quarter 2015
- The Net Portfolio Yield **increased by 49bps** over the comparable quarter and 83bps over the preceding quarter to 17.60%
- Credit Spread Rate **increased by 196bps** from 9.00% to 10.96% when compared to the comparable quarter
- Operating expenses **declined by 5.5%** when compared to the comparable quarter and 5.4% from the previous quarter



Rifco Strengths

1. Highly scalable platform poised for significant growth
2. Positive Market Position
3. Industry leading credit adjudication capabilities to further improve credit spread ratios
4. Growing Dealer Base and Growing Activity per Dealer
5. Financial Strength and a Track Record of Strong Portfolio Economics
 - a. \$37.5MM of Adjusted Equity
 - b. Increasing Revenue Rates
 - c. Normalizing Operating Expenses
 - d. Strengthening Margins
 - e. Origination Growth
6. Strong Funding Structure with Additional Room for Leverage

Conclusion

