

## **Rifco Announces Positive Treasury Reorganization**

Red Deer, Alberta, February 4, 2020: Rifco Inc. (TSXV: RFC) (“Rifco” or the “Company”) the largest publicly-traded alternative auto finance company in Canada, announced today that its wholly owned subsidiary, Rifco National Auto Finance (“Rifco”), has completed a reorganization of some of its banking relationships and treasury approach. This reorganization will result in significant interest expense savings and increased treasury flexibility.

- Rifco secured a new \$20M warehouse facility from a Canadian Schedule I Chartered Bank.
- The new warehouse facility provides an improved advance rate and slightly higher interest rate than the existing banking syndicate facility.  
Rifco intends to use the warehouse facility to provide operating liquidity while consolidating pools of loans in preparation for securitization into existing facilities.
- Additionally, Rifco renewed its existing securitization facility with the same Canadian Schedule I Chartered Bank at comparable terms and conditions for an additional year, with the new term set to expire January 31, 2021. The Company has been receiving funding from this Bank since July 2012.  
The existing facility has been renewed and will accommodate forecasted new loan origination growth. Rifco expects to fund up to \$40 million through this facility.
- Rifco’s existing banking syndicate facility will not be renewed.
- Rifco paid out the banking syndicate on January 30, 2020, with funds from a \$29M securitization tranche, funded through its existing Canadian Schedule I Chartered Bank securitization facility.
- The January tranche resulted in a better cash advance rate and approximately 160bp reduction in cost of funds when compared to the banking syndicate facility. Further benefits include fixing the interest rate over the term of the loan and matched borrowing maturity to the underlying finance receivables maturities.  
As part of the cancellation of the banking syndicate facility, Rifco has replaced its existing letters of credit with \$5M of cash to its securitization reserve accounts.

Rifco believes that these changes will improve its overall liquidity position, decrease its interest expenses, and reduce its interest rate risk exposure. Management remains confident that it has access to sufficient funding for future growth and capital will continue to be available as required.

### **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 23.20 million (fully diluted) shares.**

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**It's about time.**

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