



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
GENERATES RECORD EARNINGS AND
RECORD DIVIDENDS IN 2016**

TORONTO: February 8, 2017 – Atrium Mortgage Investment Corporation (TSX: AI, ALDB, ALDB.A, ALDB.B) today released its financial results for the year ended December 31, 2016.

Highlights

- **\$0.97 basic and \$0.95 diluted earnings per share for the year ended December 31, 2016**
- **\$0.10 per share special dividend to shareholders of record December 31, 2016**
- **\$0.96 total dividends per share in 2016, representing a yield of 9.3% on book value**
- **2017 regular dividend increased to \$0.88 per annum, paid monthly**
- **Mortgage portfolio increased 18.5% year-over-year to \$535 million at December 31, 2016**
- **High quality mortgage portfolio**
 - **80.8% of portfolio in first mortgages**
 - **88.4% of loan portfolio is less than 75% loan to value**
 - **Continued focus on low risk real estate sectors**
 - **Alberta exposure reduced from 13.5% of portfolio at December 31, 2015 to 6.9% at year-end; 96.9% of remaining Alberta loans are first mortgages**

“Our performance in 2016 was the most impressive in Atrium’s 15 year history” said Robert Goodall, CEO of Atrium. He continued, “What I am most proud of is our ability to lower the risk in the portfolio by reducing our exposure in Alberta from 19.5% of the total portfolio 18 months ago to less than 7% today. And we accomplished that feat while generating record earnings per share. This re-orientation of the portfolio demonstrates the quality of our management team, who have proven that they can operate effectively in both a weak or strong economy.”

“Once again we would like to thank our real estate clients for their continued loyalty, and our shareholders for their continuing support. We are proud to state that Atrium continues to be regarded as **Canada’s premier non-bank lender™**.”

Interested parties are invited to participate in a conference call with management on Thursday, February 9, 2017 at 4:00 p.m. EST. Please refer to the call-in information at the end of this news release.

Results of operations

For the year ended December 31, 2016, mortgage interest and fees revenue aggregated \$44.0 million, compared to \$40.2 million in the prior year, an increase of 9.5%. The weighted average interest rate on the mortgage portfolio was 8.50% at December 31, 2016, compared with 8.66% at December 31, 2015. Earnings and total comprehensive income were up 11.9% from the previous year.

Condensed Statements of Earnings and Comprehensive Income

(\$000s, except per share amounts)

	Year ended December 31 2016	Year ended December 31 2015	Year ended December 31 2014
Revenue	\$ 44,042	\$ 40,206	\$ 34,956
Mortgage servicing and management fees	(4,661)	(4,173)	(3,553)
Other expenses	(1,221)	(1,187)	(1,014)
Provision for mortgage losses	<u>(1,519)</u>	<u>(1,912)</u>	<u>(1,817)</u>
Income before financing costs	36,641	32,934	28,572
Financing costs	<u>(10,521)</u>	<u>(9,597)</u>	<u>(7,535)</u>
Earnings and total comprehensive income	<u>\$ 26,120</u>	<u>\$ 23,337</u>	<u>\$ 21,037</u>
Basic earnings per share	\$ 0.97	\$ 0.94	\$ 0.91
Diluted earnings per share	\$ 0.95	\$ 0.93	\$ 0.91

For further information on the financial results, please refer to Atrium's financial statements for the year ended December 31, 2016, and its management's discussion and analysis for the same period, available on SEDAR at www.sedar.com, and on the company's website at www.atriummic.com.

Mortgage portfolio

(\$000s)

<u>Mortgage category</u> (outstanding amounts in 000s)	<u>December 31, 2016</u>			<u>December 31, 2015</u>		
	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>
Low-rise residential	30	\$ 135,701	25.4%	23	\$ 110,034	24.3%
House and apartment	102	99,456	18.6%	110	84,755	18.8%
High-rise residential	7	53,182	9.9%	9	42,245	9.4%
Construction	8	49,345	9.2%	9	44,701	9.9%
Mid-rise residential	5	28,787	5.4%	7	14,662	3.2%
Condominium corporation	<u>16</u>	<u>3,548</u>	<u>0.7%</u>	<u>18</u>	<u>4,111</u>	<u>0.9%</u>
Residential portfolio	168	370,019	69.2%	176	300,508	66.5%
Commercial/mixed use	<u>29</u>	<u>165,231</u>	<u>30.8%</u>	<u>31</u>	<u>151,083</u>	<u>33.5%</u>
Mortgage portfolio	<u>197</u>	535,250	<u>100.0%</u>	<u>207</u>	451,591	<u>100.0%</u>
Accrued interest receivable		2,126			1,960	
Mortgage discount		(360)			(440)	
Mortgage origination fees		(626)			(712)	
Provision for mortgage losses		<u>(5,800)</u>			<u>(4,300)</u>	
Mortgages receivable		<u>\$ 530,590</u>			<u>\$ 448,009</u>	

A summary of mortgages by size is presented below.

(\$000s)

Mortgage amount (outstanding amounts in 000s)	December 31, 2016			December 31, 2015		
	Number	Outstanding amount	% of Portfolio	Number	Outstanding amount	% of Portfolio
\$0 - \$2,500,000	145	\$ 102,656	19.2%	154	\$ 118,170	26.2%
\$2,500,001 - \$5,000,000	24	89,340	16.7%	28	99,800	22.1%
\$5,000,001 - \$7,500,000	5	29,972	5.6%	13	83,259	18.4%
\$7,500,001 - \$10,000,000	8	69,688	13.0%	4	32,538	7.2%
\$10,000,001 +	<u>15</u>	<u>243,594</u>	<u>45.5%</u>	<u>8</u>	<u>117,824</u>	<u>26.1%</u>
	<u>197</u>	<u>\$ 535,250</u>	<u>100.0%</u>	<u>207</u>	<u>\$ 451,591</u>	<u>100.0%</u>

As of December 31, 2016, the average outstanding mortgage balance was \$2.7 million (December 31, 2015 – \$2.2 million), and the median outstanding mortgage balance was \$0.8 million (December 31, 2015 – \$1.0 million).

Conference call

Interested parties are invited to participate in a conference call with management on Thursday, February 9, 2017 at 4:00 p.m. EST.

To participate or listen to the conference call live, please call 1 (888) 241-0551 or (647) 427-3415.

For a replay of the conference call (available until February 22, 2017) please call 1 (855) 859-2056, Conference ID 19831052.

About Atrium

Canada's Premier Non-Bank Lender™

Atrium is a non-bank provider of residential and commercial mortgages that lends in major urban centres in Canada where the stability and liquidity of real estate are high. Atrium's objectives are to provide its shareholders with stable and secure dividends and preserve shareholders' equity by lending within conservative risk parameters.

Atrium is a Mortgage Investment Corporation (MIC) as defined in the *Income Tax Act*. Accordingly, Atrium is not taxed on income provided that its taxable income is paid to its shareholders in the form of dividends within 90 days after December 31 each year. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same position as if the mortgage investments made by the company had been made directly by the shareholder. For further information, please refer to regulatory filings available at www.sedar.com or Atrium's website at www.atriummic.com.

For additional information, please contact

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