



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
ACHIEVES RECORD Q3 EARNINGS –
11.9% INCREASE OVER PRIOR YEAR**

TORONTO: October 20, 2016 – Atrium Mortgage Investment Corporation (TSX: AI) today released its unaudited financial results for the three and nine month periods ended September 30, 2016.

Highlights for the quarter

- **Record earnings of \$6.8 million, up 11.9% from prior year**
- **Record \$0.72 basic earnings per share year-to-date**
- **\$0.25 earnings per share in third quarter**
- **Revenues of \$11.5 million, up 8.7% from prior year**
- **Portfolio of \$526 million, up 16.4% from prior year**
- **High quality mortgage portfolio**
 - **81% of portfolio in first mortgages**
 - **88% of portfolio is less than 75% loan to value; average loan-to-value is 64%**
 - **Exposure in Alberta reduced to 7.5% of portfolio, ahead of schedule**

Interested parties are invited to participate in a conference call with management on Wednesday, October 26, 2016 at 9:00 a.m. EDT. Please refer to the call-in information at the end of this news release.

Results of operations

Atrium achieved record results in the quarter, as its assets grew to \$523 million. For the three months ended September 30 2016, mortgage interest and fee revenue aggregated \$11.5 million, an increase of 8.7% from the prior year. For the nine months ended September 30, 2016, mortgage interest and fees revenue aggregated \$32.3 million, an increase of 8.8% from the prior year.

Net earnings for the three months ended September 30, 2016 were \$6.8 million, an increase of 11.9% from the prior year. Basic and diluted earnings per common share were \$0.25, for the three months ended September 30, 2016, compared with \$0.25 basic and \$0.24 diluted earnings per common share for the prior year. Net earnings for the nine months ended September 30, 2016 were \$19.4 million, an increase of 10.6% from the prior year. Basic and diluted earnings per common share were \$0.72 and \$0.71, respectively, for the nine months ended September 30, 2016, compared with \$0.71 basic and \$0.70 diluted earnings per common share for the comparable period in the previous year. Dividends paid to date aggregate \$0.645: any excess of earnings over dividends for the year will be paid in February 2017 to shareholders of record December 31, 2016.

The company had \$521 million of mortgages receivable as at September 30, 2016, an increase of 4.1% from the prior quarter and 16.4% from the prior year end. During the quarter, \$60 million of mortgages were advanced, and \$38 million of mortgages were repaid.

Atrium had previously indicated that it expected to reduce exposure in Alberta to 10% of its total mortgage portfolio by year-end; we are pleased that this objective has been achieved ahead of schedule. Atrium's exposure in Alberta has been reduced from 25 loans constituting 13.5% of the portfolio at December 31, 2015 to 13 loans and 7.5% of the portfolio at September 30, 2016.

In May, 2016, Atrium noted that it had three mortgage loans outstanding to Urbancorp and related parties of Urbancorp. Subsequent to September 30, 2016, all loans have been repaid in full.

The weighted average interest rate on the mortgage portfolio decreased slightly to 8.56% at September 30, 2016, compared with 8.66% at December 31, 2015 and 8.60% at June 30, 2016.

Interim Consolidated Statements of Earnings and Comprehensive Income

(Unaudited, 000s, except per share amounts)

	Three months ended		Nine months ended	
	September 30		September 30	
	2016	2015	2016	2015
Revenue	\$ 11,459	\$ 10,542	\$ 32,266	\$ 29,660
Mortgage servicing and management fees	(1,185)	(1,085)	(3,363)	(3,074)
Other expenses	(287)	(288)	(844)	(804)
Provision for mortgage losses	(350)	(600)	(969)	(1,212)
Income before financing costs	9,637	8,569	27,090	24,570
Financing costs	(2,832)	(2,488)	(7,730)	(7,067)
Earnings and total comprehensive income	<u>\$ 6,805</u>	<u>\$ 6,081</u>	<u>\$ 19,360</u>	<u>\$ 17,503</u>
Basic earnings per share	\$ 0.25	\$ 0.25	\$ 0.72	\$ 0.71
Diluted earnings per share	\$ 0.25	\$ 0.24	\$ 0.71	\$ 0.70
Dividends declared	\$ 5,809	\$ 5,163	\$ 17,384	\$ 15,452
Dividends declared per share	\$ 0.215	\$ 0.210	\$ 0.645	\$ 0.630
Mortgages receivable, end of period	\$ 521,405	\$ 459,033	\$ 521,405	\$ 459,033
Total assets, end of period	\$ 522,634	\$ 459,603	\$ 522,634	\$ 459,603
Shareholders' equity, end of period	\$ 279,499	\$ 252,566	\$ 279,499	\$ 252,566

Analysis of mortgage portfolio

<u>Mortgage category</u>	September 30, 2016			December 31, 2015		
	Number	Outstanding amount	% of Portfolio	Number	Outstanding amount	% of Portfolio
(outstanding amounts in 000s)						
Low-rise residential	31	\$ 151,244	28.8%	23	\$ 110,034	24.3%
House and apartment	110	90,284	17.2%	110	84,755	18.8%
Construction	6	48,365	9.2%	9	44,701	9.9%
High-rise residential	7	46,608	8.9%	9	42,245	9.4%
Mid-rise residential	5	26,524	5.0%	7	14,662	3.2%
Condominium corporation	18	4,224	0.8%	18	4,111	0.9%
Residential portfolio	177	367,249	69.9%	176	300,508	66.5%
Commercial/mixed use	30	158,437	30.1%	31	151,083	33.5%
Mortgage portfolio	<u>207</u>	<u>525,686</u>	<u>100.0%</u>	<u>207</u>	<u>451,591</u>	<u>100.0%</u>

September 30, 2016

Location of underlying property (outstanding amounts in 000s)	Number of mortgages	Outstanding amount	Percentage outstanding	Weighted average loan to value	Weighted average interest rate
Greater Toronto Area	161	\$ 358,630	68.2%	64.9%	8.51%
Non-GTA Ontario	20	13,933	2.6%	66.0%	9.00%
Saskatchewan	1	11,810	2.3%	97.0%	8.50%
Alberta	13	39,297	7.5%	63.0%	9.28%
British Columbia	<u>12</u>	<u>102,016</u>	<u>19.4%</u>	<u>56.4%</u>	<u>8.45%</u>
	<u>207</u>	<u>\$ 525,686</u>	<u>100.0%</u>	<u>63.9%</u>	<u>8.56%</u>

December 31, 2015

Location of underlying property (outstanding amounts in 000s)	Number of mortgages	Outstanding amount	Percentage outstanding	Weighted average loan to value	Weighted average interest rate
Greater Toronto Area	152	\$ 292,547	64.8%	66.1%	8.61%
Non-GTA Ontario	15	11,436	2.5%	67.3%	8.99%
Saskatchewan	1	10,822	2.4%	71.1%	8.50%
Alberta	25	61,078	13.5%	59.7%	8.68%
British Columbia	<u>14</u>	<u>75,708</u>	<u>16.8%</u>	<u>62.6%</u>	<u>8.83%</u>
	<u>207</u>	<u>\$ 451,591</u>	<u>100.0%</u>	<u>64.7%</u>	<u>8.66%</u>

For further information on the financial results, and analysis of the company's mortgage portfolio in addition to that set out above, please refer to Atrium's unaudited interim financial statements and its management's discussion and analysis for the three and nine month periods ended September 30, 2016, available on SEDAR at www.sedar.com, and on the company's website at www.atriummic.com.

Conference call

Interested parties are invited to participate in a conference call with management on Wednesday, October 26, 2016 at 9:00 a.m. EDT to discuss the results. 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 November 2, 2016) please call 1 (855) 859-2056, Conference ID 95334979.

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 Canada *Income Tax Act*, so 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 about Atrium, please refer to regulatory filings available at www.sedar.com or investor information on Atrium's website at www.atriummic.com.

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