



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
GENERATES RECORD EARNINGS OF \$5.5 MILLION,
5.2% INCREASE OVER PREVIOUS QUARTER
AND ANNOUNCES DIRECTOR CHANGES**

TORONTO: October 23, 2014 – Atrium Mortgage Investment Corporation (TSX: AI, AI.DB, AI.DB.A) today released its financial results for the three and nine month periods ended September 30, 2014.

Highlights

- **Earnings increase 5.2% over previous quarter to \$5.5 million**
- **\$0.23 earnings per share for the quarter – 4.5% increase over previous year**
- **\$0.69 earnings per share year-to-date – 9.5% increase over previous year**
- **Mortgages portfolio increased to \$413 million**
- **High quality mortgage portfolio**
 - **84.9% first mortgages**
 - **95.3% of loan portfolio is less than 75% loan to value**
 - **Continued focus on lower risk real estate sectors**
- **5.5% 7-year convertible debenture fully subscribed, raised \$40.25 million**

“In a challenging market, we are very pleased to report continued strong earnings,” noted Robert Goodall, CEO of Atrium. He continued, “We were pleased that our convertible debenture was oversubscribed during the quarter, raising over \$40 million, while our debt remains at a conservative level of 38.8% of our mortgage portfolio. We continue to be focused on relationships with our clients, which give us a very high quality mortgage portfolio as well as continued growth. The quality of our portfolio is outstanding: over 95% of our portfolio is less than 75% loan-to-value, and 85% of our mortgages are first mortgages.”

Interested parties are invited to participate in a conference call with management on Monday, October 27, 2014 at 4:00 p.m. EDT. Please refer to the call-in information at the end of this news release.

Results of operations

For the three months ended September 30, 2014, mortgage interest and fees aggregated \$9.1 million, compared to \$6.3 million in the comparative period, an increase of 45%. For the nine months ended September 30, 2014, mortgage interest and fees aggregated \$25.0 million compared to \$17.2 million in the comparative period, an increase of 45%. The weighted average interest rate on the company’s mortgage portfolio increased slightly to 8.77% during the quarter, compared to 8.72% at December 31, 2013.

Condensed interim statements of earnings and comprehensive income
(unaudited)

(in thousands of Canadian dollars, except for per share amounts)

	Three months ended		Nine months ended	
	September 30		September 30	
	2014	2013	2014	2013
Revenues				
Mortgage interest and fees	\$ 9,096	\$ 6,281	\$ 25,037	\$ 17,215
Operating expenses				
Mortgage servicing and management fees	916	662	2,459	1,790
Transfer agent, regulatory fees and investor relations	50	36	194	164
Share-based payments	60	42	170	114
Professional fees	28	31	96	159
Directors' fees	44	46	132	101
Administration and general	31	33	87	76
Provision for mortgage losses	504	—	1,080	63
	<u>1,633</u>	<u>850</u>	<u>4,218</u>	<u>2,467</u>
Income before financing costs	<u>7,463</u>	<u>5,431</u>	<u>20,819</u>	<u>14,748</u>
Financing costs				
Interest on convertible debentures	1,123	493	2,906	553
Interest and other bank charges	797	344	2,265	842
	<u>1,920</u>	<u>837</u>	<u>5,171</u>	<u>1,395</u>
Earnings and comprehensive income for the period	<u>\$ 5,543</u>	<u>\$ 4,594</u>	<u>\$ 15,648</u>	<u>\$ 13,353</u>
Earnings per common share				
Basic	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.69</u>	<u>\$ 0.63</u>
Diluted	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.69</u>	<u>\$ 0.63</u>

For further information on the financial results, please refer to Atrium's financial statements for the three and six month periods ended September 30, 2014, 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

(thousands of Canadian dollars)

<u>Mortgage category</u>	<u>September 30, 2014</u>			<u>December 31, 2013</u>		
	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>
Commercial/mixed use	31	\$130,7848	31.7%	27	\$ 89,475	31.7%
Low-rise residential	20	79,746	19.3%	17	58,466	20.7%
House and apartment	78	77,990	18.9%	59	69,485	24.6%
High-rise residential	10	57,629	14.0%	5	32,967	11.7%
Construction	17	52,880	12.8%	9	22,093	7.8%
Mid-rise residential	8	10,509	2.5%	3	7,440	2.6%
Condominium corporation	<u>13</u>	<u>3,318</u>	<u>0.8%</u>	<u>11</u>	<u>2,434</u>	<u>0.9%</u>
Mortgage portfolio	<u>177</u>	<u>412,820</u>	<u>100%</u>	<u>131</u>	<u>282,360</u>	<u>100%</u>
Accrued interest receivable		2,162			1,562	
Mortgage discount		(360)			(339)	
Mortgage origination fees		(928)			(724)	
Provision for mortgage losses		<u>(1,651)</u>			<u>(1,151)</u>	
Mortgage receivable		<u>\$412,043</u>			<u>\$281,708</u>	

A summary of mortgages by size is presented below.

(thousands of Canadian dollars)

<u>Mortgage amount</u>	<u>September 30, 2014</u>			<u>December 31, 2013</u>		
	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>
\$0 - \$2,500,000	131	\$ 118,502	28.7%	95	\$ 98,811,649	35.0%
\$2,500,001 - \$5,000,000	23	81,123	19.6%	24	81,089,475	28.7%
\$5,000,001 - \$7,500,000	7	43,204	10.5%	7	46,820,000	16.6%
\$7,500,001 +	<u>16</u>	<u>169,991</u>	<u>41.2%</u>	<u>5</u>	<u>55,638,441</u>	<u>19.7%</u>
	<u>177</u>	<u>\$412,820</u>	<u>100.0%</u>	<u>131</u>	<u>\$282,359,565</u>	<u>100.0%</u>

As of September 30, 2014 the average outstanding mortgage balance was \$2.3 million (December 31, 2013 – \$2.2 million), and the median outstanding mortgage balance was \$1.1 million (December 31, 2013 – \$1.4 million).

Appointment of Mr. Andrew Grant as a director and stepping down of Mr. Michael Cooper

Michael Cooper will be stepping down from the board of directors of Atrium, effective immediately. The board of directors wishes to thank Mr. Cooper for his invaluable contributions over the last ten years when Atrium was initially a private, and then a public, non-bank lender.

The board has appointed Andrew Grant, President of PCI Group, a major developer in British Columbia, to the board. This appointment continues Atrium's practice of seeking directors with substantial expertise in real estate. PCI has completed many high profile developments in greater Vancouver and, through its partner, Warrington PCI Management, provides property management services on over 5 million square feet of commercial and residential real estate throughout British Columbia.

Rob Goodall, CEO of Atrium MIC commented: "Michael Cooper has always provided us with valuable guidance, particularly in the public markets where his knowledge and experience is unmatched. We

continue to be close business associates and friends, so we will be able to continue to seek his advice in the future.

“We are really excited about the addition of Andrew Grant to the board. Mr. Grant gives us outstanding real estate expertise and a detailed knowledge of the development community in British Columbia. We now have one-third – two out of six – of our independent board members from western Canada, which reflects our commitment to further developing our western Canadian mortgage portfolio.”

Conference call

Interested parties are invited to participate in a conference call with management on Monday, October 27, 2014 at 4:00 p.m. EDT. 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 10, 2014) please call 1 (855) 859-2056, Conference ID 10406714.

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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