



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
GENERATES 8.9% INCREASE IN EARNINGS OVER PREVIOUS QUARTER,
RECORD EARNINGS OF \$5.3 MILLION**

TORONTO: July 24, 2014 – Atrium Mortgage Investment Corporation (TSX: AI, AI.DB, AI.DB.A) today released its financial results for the three and six month periods ended June 30, 2014.

Highlights

- **Earnings up 8.9% over previous quarter to \$5.3 million**
- **\$0.23 earnings per share for the quarter – 4.5% increase over previous year**
- **\$0.46 earnings per share year-to-date – 9.5% increase over previous year**
- **Mortgages increased to \$382 million, 36% increase over two quarters**
- **High quality mortgage portfolio**
 - **86.7% first mortgages**
 - **96.1% of loan portfolio is less than 75% loan to value**
 - **Continued focus on lower risk real estate sectors**

“We are delighted to report continued strong growth of our mortgage portfolio and earnings” noted Robert Goodall, CEO of Atrium. He continued, “Our strategy of focusing on quality loans with long-term customers has resulted in us achieving record earnings and a high quality portfolio consisting of 87% first mortgages.”

Interested parties are invited to participate in a conference call with management on Friday, July 25, 2014 at 9:00 a.m. EDT. Please refer to the call-in information at the end of this news release.

Results of operations

For the three months ended June 30, 2014, mortgage interest and fees aggregated \$8.3 million, compared to \$5.8 million in the comparative period, an increase of 41.9%. The weighted average interest rate on our mortgage portfolio stayed constant at 8.7% at June 30, 2014, the same as it was at December 31, 2013. Operating expenses, excluding the provision for mortgage losses, for the three months ended June 30, 2014 were \$1.0 million, or 12.5% of revenues, compared to \$0.8 million or 13.4% of revenues in the comparative period. Net earnings for the three months ended June 30, 2014 aggregated \$5.3 million, an increase of 15.3% from net earnings of \$4.6 million in the comparative quarter. Basic and diluted earnings per common share were \$0.23, for the period ended June 30, 2014, compared with basic and diluted earnings of \$0.22 per common share for the comparative period in June 30, 2013.

For the six months ended June 30, 2014, mortgage interest and fees aggregated \$15.9 million, compared to \$10.9 million in the comparative period, an increase of 45.8%. Operating expenses, excluding the provision for mortgage losses, for the six months ended June 30, 2014 were \$2.0 million, or 12.6% of revenues, compared to \$1.6 million or 14.2% of revenues in the comparative period. Net earnings for the six months ended June 30, 2014 aggregated \$10.1 million, an increase of 15.4% from net earnings of \$8.8 million in the comparative quarter. Basic and diluted earnings per common share were \$0.46, for the six months ended June 30, 2014, compared with basic and diluted earnings of \$0.42 and \$0.41, respectively, per common share for the comparable period in the previous year.

Mortgage portfolio

Atrium's mortgage portfolio consist of 160 mortgage loans and aggregated \$382 million at June 30, 2014, an increase of 35% from December 31, 2013.

<u>Mortgage category</u>	<u>June 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	34	\$142,408,500	37.3%	27	\$ 89,475,297	31.7%
House and apartment	73	83,476,846	21.8%	59	69,484,828	24.6%
Low-rise residential	17	70,860,143	18.5%	17	58,465,947	20.7%
Construction	14	37,988,213	9.9%	9	22,093,399	7.8%
High-rise residential	5	33,565,786	8.9%	5	32,966,568	11.7%
Mid-rise residential	6	11,602,698	3.0%	3	7,440,000	2.6%
Condominium corporation	<u>11</u>	<u>2,336,114</u>	<u>0.6%</u>	<u>11</u>	<u>2,433,526</u>	<u>0.9%</u>
Mortgage portfolio	<u>160</u>	<u>382,238,300</u>	<u>100%</u>	<u>131</u>	<u>282,359,565</u>	<u>100%</u>
Accrued interest receivable		1,965,091			1,562,173	
Mortgage discount		(252,802)			(338,480)	
Mortgage origination fees		(925,097)			(724,452)	
Provision for mortgage losses		<u>(1,146,715)</u>			<u>(1,150,667)</u>	
Mortgage receivable		<u>\$381,878,777</u>			<u>\$281,708,139</u>	

We actively manage the exposure of our mortgage portfolio, and continued to shift our mortgage portfolio towards lower risk sectors in 2014: commercial/mixed use, single family homes and apartments, and low rise residential, which together comprised 77.6% of our mortgage portfolio at June 30, 2014, an increase of 0.6 percentage points since December 31, 2013.

A summary of mortgages by size is presented below.

<u>Mortgage amount</u>	<u>June 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	116	\$ 111,325,283	29.1%	95	\$ 98,811,649	35.0%
\$2,500,001 - \$5,000,000	25	88,846,996	23.3%	24	81,089,475	28.7%
\$5,000,001 - \$7,500,000	6	40,253,160	10.5%	7	46,820,000	16.6%
\$7,500,001 +	<u>13</u>	<u>141,812,861</u>	<u>37.1%</u>	<u>5</u>	<u>55,638,441</u>	<u>19.7%</u>
	<u>160</u>	<u>\$382,238,300</u>	<u>100.0%</u>	<u>131</u>	<u>\$282,359,565</u>	<u>100.0%</u>

As of June 30, 2014 the average outstanding mortgage balance was \$2.4 million (December 31, 2013 – \$2.2 million), and the median outstanding mortgage balance was \$1.4 million (December 31, 2013 – \$1.4 million).

Further information

For further details please refer to Atrium's financial statements for the three and six month periods ended June 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.

Conference call

Interested parties are invited to participate in a conference call with management on Friday, July 25, 2014 at 9:00 a.m. EDT. To participate or listen to the conference call live, please call 1 (866) 222-0265 or (416) 640-5942. For a replay of the conference call (available until August 10, 2014) please call 1 (866) 245-6755, Passcode 706248.

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.

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