



PRESS RELEASE

ATRIUM MORTGAGE INVESTMENT CORPORATION ANNOUNCES STRONG 2013 RESULTS AND CONFIRMS \$0.05 SPECIAL DIVIDEND

TORONTO: February 11, 2014 – Atrium Mortgage Investment Corporation (TSX: AI) today released its financial results for the year ended December 31, 2013 and confirmed its previously-announced special dividend.

Highlights

- **\$0.05 per share special dividend to shareholders of record December 31, 2013**
- **\$0.85 earnings per share in 2013**
- **\$0.85 dividends per share in 2013 for a yield of 8.5% on book value, approximately 7.9% on market price**
- **Regular monthly dividend increased to \$0.82 annual rate**
- **Mortgage portfolio increased 40% year-over-year to \$282 million at December 31, 2013**
- **High quality mortgage portfolio**
 - **90.9% of portfolio in first mortgages**
 - **98.3% of loan portfolio is less than 75% loan to value**
 - **Increased emphasis on single family sector**

“Atrium has demonstrated a consistent level of earnings of \$0.22 per share over the past three quarters,” noted Robert Goodall, CEO of Atrium. He continued, “We are very pleased with these financial results. Atrium is well positioned to increase our earnings per share as we grow our mortgage portfolio and use a conservative amount of incremental debt to fund that growth.”

Interested parties are invited to participate in a conference call with management on Wednesday, February 12 at 4:00 p.m. EDT. Please refer to call-in information at the end of the news release.

Results of operations – twelve months ended December 31, 2013

For the twelve months ended December 31, 2013, mortgage interest and fees were \$23.8 million, compared to \$17.2 million in the same period in the previous year, an increase of 37.9%. The weighted average yield on the mortgage portfolio declined from 8.9% at the end of 2012 to 8.7% at the end of 2013 as Atrium continues to focus on high quality investments and targets house and apartment loans. The weighted average yield has been very consistent at 8.70% - 8.74% over the past three quarters.

Earnings and dividends declared were each \$18.0 million for the twelve months ended December 31, 2013, an increase of 34% from the same period in the previous year. Total assets at December 31, 2013 were \$282.0 million, compared to \$212.6 million at December 31, 2012. Mortgages receivable consisted of 131 mortgage loans and aggregated \$282 million at December 31, 2013, an increase of 40% from December 31, 2012. The average loan size has decreased from \$2.6 million at December 31, 2012 to \$2.2 million at December 31, 2013.

Net earnings for the year ended December 31, 2013 were \$18.0 million, an increase of 34.7% from net earnings of \$13.4 million in the prior year. Basic and diluted earnings per common share were \$0.85 for the year ended December 31, 2013, compared with basic and diluted earnings of \$0.86 per share in the previous year.

During the year ended December 31, 2013, Atrium funded mortgages totalling \$186.7 million. Of these advances, \$171.8 million were first mortgages, representing 92.0% of the total loans funded. Eleven of these advances were on properties in British Columbia, nine were on properties in Alberta, two were non-GTA Ontario, and the remaining 88 were made in the Greater Toronto Area. There were \$107.4 million of repayments during the period.

Results of operations – three months ended December 31, 2013

For the three-month period ended December 31, 2013, mortgage interest and fees were \$6.5 million, compared to \$4.8 million in the same period in the previous year, an increase of 37.5%. The weighted average yield on the mortgage portfolio declined from 8.9% at the end of 2012 to 8.7% in the fourth quarter of 2013, as we continue our focus on the highest quality assets.

Net earnings for the three months ended December 31, 2013 were \$4.6 million, an increase of 27.5% from net earnings of \$3.6 million in the same period in the previous year. Basic and diluted earnings per share were \$0.22 per common share for the three months ended December 31, 2013, compared with basic and diluted earnings of \$0.21 per share for the same period the previous year.

During the three-month period ended December 31, 2013, Atrium funded mortgages aggregating \$47.6 million. Of these advances, \$41.6 million were first mortgages, representing 87.4% of the total loans funded. Nine of these advances were on properties in British Columbia, six were on properties in Alberta, and the remaining 42 were made in the Greater Toronto Area. There were \$42.5 million of repayments during the period. The total mortgage portfolio increased from \$277.2 million to \$282.4 million during the period.

Mortgage portfolio

Atrium's mortgages consist of 131 mortgage loans and aggregated \$282.4 million at December 31, 2013, an increase of 40.1% from December 31, 2012.

<u>Mortgage category</u>	<u>December 31, 2013</u>			<u>December 31, 2012</u>		
	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>
Mixed use /commercial	27	\$ 89,475,297	31.7%	15	\$ 69,334,931	34.4%
House and apartment	59	69,484,828	24.6%	31	43,061,190	21.4%
Low rise residential	17	58,465,947	20.7%	8	24,302,272	12.0%
High rise residential	5	32,966,568	11.7%	4	23,686,000	11.8%
Construction	9	22,093,399	7.8%	4	15,087,981	7.5%
Midrise residential	3	7,440,000	2.6%	5	24,381,184	12.1%
Condominium corporation	11	2,433,526	0.9%	10	1,629,664	0.8%
Mortgage portfolio	131	282,359,565	100%	77	201,483,222	100.0%
Accrued interest receivable		1,562,173			2,589,639	
Mortgage discount		(338,480)			(385,508)	
Mortgage origination fees		(724,452)			(644,735)	
Provision for mortgage losses		(1,150,667)			(1,087,667)	
Mortgage receivable		281,708,139			201,954,951	

Atrium actively manages its exposure, and has continued to shift its portfolio towards commercial/mixed use, low rise residential properties and single family homes and apartments, which represents 77.0% of the mortgage portfolio at December 31, 2013, an increase of 9.2% since December 31, 2012.

An analysis of mortgages by size is presented below.

<u>Mortgage amount</u>	<u>December 31, 2013</u>			<u>December 31, 2012</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	95	\$ 98,811,649	35.0%	50	\$ 48,628,362	24.2%
\$2,500,001 - \$5,000,000	24	81,089,475	28.7%	16	55,814,860	27.7%
\$5,000,001 - \$7,500,000	7	46,820,000	16.6%	5	30,670,000	15.2%
\$7,500,001 +	5	55,638,441	19.7%	6	66,370,000	32.9%
	131	282,359,565	100%	77	201,483,222	100%

As of December 31, 2013, the average outstanding balance was \$2.2 million and the median outstanding balance was \$1.4 million.

Further information

For further details please refer to Atrium's financial statements for the year ended December 31, 2013, 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 Wednesday, February 12 at 4:00 p.m. EDT. To participate or listen to the conference call live, please call 1 (866) 544-4631 or (416) 849-5571. For a replay of the conference call (available until February 22, 2014) please call 1 (866) 245-6755, Passcode 506575.

About Atrium

As a mortgage investment corporation, 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.

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