

PRESS RELEASE

ATRIUM MORTGAGE INVESTMENT CORPORATION REPORTS 10% INCREASE IN SECOND QUARTER EARNINGS PER SHARE

TORONTO: July 25, 2013 – Atrium Mortgage Investment Corporation (TSX: AI) is pleased to announce its results for the second quarter of 2013.

Highlights

- \$0.22 earnings per share for the quarter, basic and diluted, compared with \$0.20 in the previous quarter
- Maintained a high quality mortgage portfolio
 - o 87% of investment portfolio in first mortgages
 - Over 95% of the mortgage portfolio was under 75% loan-to-value
- Assets increased by 20% from the previous quarter and 27% from December 31, 2012
- Successfully completed public offering of \$32.5 million, seven year, 5.25% subordinated convertible debentures
- Mortgages in Alberta and British Columbia grew to 7.2% and 4.5% of our portfolio
- Mr. Mark Silver was appointed as new chair of the board, and Ms. Nancy Lockhart was appointed as a director

"We are very pleased with Atrium's results for the second quarter of 2013, which represent a substantial improvement over the previous quarter. We earned 110% of our dividend payout this quarter, and we expect to be able to continue to operate at this elevated level of earnings for the balance of the year. More substantial usage of the line of credit was a contributing factor to the earnings results, and we believe that the recently closed \$32.5 million convertible debenture will provide further positive leverage going forward," noted Robert Goodall, CEO of Atrium.

He went on to say, "We have continued to actively manage our risk profile by targeting first mortgages in the particular real estate sectors that we feel are safest at this stage in the real estate cycle. The relatively short-term nature of our mortgages allows us to dynamically alter our investment mix to minimize risk. The pipeline of business in our three offices is excellent, with over \$20 million of approved loans ready to be funded."

Results of operations

During the three months ended June 30, 2013, Atrium had revenues of \$5.8 million (an increase of 41% compared to \$4.1 million in the same period in the prior year), and expenses of \$1.3 million (compared to \$0.8 million in the same period in the prior year). Earnings were \$4.6 million for the quarter, an increase of 36% from the previous year. Basic and diluted earnings were \$0.22 per common share, which represents a 10% increase from the first quarter.

For further details on the financial results, please refer to the unaudited condensed interim financial statements and management's discussion and analysis for the three-month and six-month periods ended June 31, 2013 and 2012, which are available at www.sedar.com or at www.sedar.com.

Dividends declared aggregated \$8.4 million for the six months ended June 30, 2013, an increase of 30.3% from the same period in the previous year. Total assets as at June 30, 2013 were \$270.1 million, compared to \$166.8 million at June 30, 2012.

Mortgage portfolio

A breakdown of Atrium's mortgage portfolio as at June 30, 2013, with a comparison to December 31, 2012 is provided below:

	June 30, 2013			December 31, 2012		
Mortgage category	Number	Outstanding amount	% of Portfolio	Number	Outstanding amount	% of Portfolio
Mixed use real						
estate/commercial	23	94,569,057	34.9%	15	\$ 69,334,931	34.4%
Low rise residential	17	59,297,326	21.9%	8	24,302,272	12.1%
House and apartment	45	55,473,388	20.5%	31	43,061,190	21.3%
High rise residential	4	25,036,000	9.2%	4	23,686,000	11.8%
Construction*	7	20,452,139	7.6%	4	15,087,981	7.5%
Midrise residential	5	13,262,632	4.9%	5	24,381,184	12.1%
Condominium corporation	11	2,760,170	1.0%	10	1,629,664	0.8%
Mortgage portfolio	<u>112</u>	270,850,712	<u>100.0%</u>	77	201,483,222	<u>100.0%</u>
Accrued interest receivable		1,438,774			2,589,639	
Mortgage discount*		(444,406)			(385,508)	
Mortgage origination fees*		(798,788)			(644,735)	
Provision for mortgage losses		(1,150,667)			(1,087,667)	
Mortgages receivable		\$ 269,895,625			\$201,954,951	

^{*} Net of accumulated amortization

The table above illustrates Atrium's continuing strategy of managing its risk profile by focussing lending activities on the lowest risk sectors of the market, namely (i) residential low rise developments (ii) house and apartment loans, and (iii) mixed use/commercial real estate. Together, these three sectors represent 77.3% of the total mortgage portfolio.

The average loan-to-value in the portfolio stayed relatively constant at 65.5%, with 95.4% of the portfolio below 75% loan-to-value. In addition, Atrium has maintained 86.8% first mortgages in the portfolio – a very high level.

Conference call

Atrium will host a conference call for investors and shareholders to discuss its results on **Monday July 29, 2013 at 4:00 p.m. EDT**. To participate or listen to the conference call live, please call 1 (866) 212-4491 or (416) 800-1066. Password is "CMC".

For a replay of the conference call (available until August 15, 2013) please call 1 (866) 583-1035, access PIN 9257611.

About Atrium

As a mortgage investment corporation, Atrium is a non-bank provider of residential and commercial real estate 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.

Forward-Looking Statements

Certain information included in this news release is forward-looking, within the meaning of applicable securities laws. Much of this information can be identified by words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar expressions suggesting future outcomes or events. Atrium believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking statements are based on current information and expectations that involve a number of risks and uncertainties, which could cause actual results or events to differ materially from those anticipated. These risks include, but are not limited to, the uncertainty associated with accessing capital markets and the risks related to Atrium's business, including those identified in Atrium's annual information form dated December 31, 2012 and short form prospectus dated June 11, 2013 under the heading "Risk Factors" (copies of which may be obtained at www.sedar.com). Forward looking statements contained in this news release are made as of the date hereof and are subject to change. All forward-looking statements in this news release are qualified by these cautionary statements. Except as required by applicable law, Atrium undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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