



## **PRESS RELEASE**

### **ATRIUM MORTGAGE INVESTMENT CORPORATION ANNOUNCES SPECIAL DIVIDEND AND ITS ANNUAL RESULTS FOR 2012**

TORONTO: February 21, 2013 – Atrium Mortgage Investment Corporation (TSX: AI) today announced a special dividend and released its financial results for the year ended December 31, 2012.

#### **Highlights for the year**

- **\$0.02 per share special dividend to shareholders of record December 31, 2012**
- **\$0.86 earnings per share for the year**
- **\$0.85 dividends per share for a yield of 7.7%** (February 21, 2013 closing price of \$11.00)
- **assets increased 34% year-over-year to \$213 million at December 31, 2012**
- **high quality mortgage portfolio**
  - **83% of portfolio in first mortgages**
  - **increased exposure to low risk single family and apartment sectors**
- **new offices in Calgary and Vancouver**

“We are very pleased with Atrium’s financial results for the year and believe that we are well positioned with offices in Toronto, Calgary and Vancouver to prudently grow and diversify the mortgage portfolio across central and western Canada in 2013. The mortgage portfolio is performing very well, and we will continue to manage the portfolio defensively in 2013 to ensure preservation of capital and continuity of dividends to shareholders,” noted Rob Goodall, CEO of Atrium.

#### **Results of operations – twelve months ended December 31, 2012**

Mortgages receivable consisted of 77 mortgage loans and aggregated \$202 million at December 31, 2012, an increase of 28.4% from December 31, 2011.

Dividends declared aggregated \$13.4 million for the twelve months ended December 31, 2012, an increase of 41.5% from the same period in the previous year. Total assets at December 31, 2012 aggregated \$212.6 million, compared to \$158.8 million at December 31, 2011.

For the twelve-month period ended December 31, 2012, mortgage interest and other fees aggregated \$17.2 million, compared to \$11.4 million for the same period in the previous year, an increase of 51.0%. The weighted average yield on the mortgage portfolio declined from 9.4% during 2011 to 8.9% for the twelve-month period ended December 31, 2012, as the company focused on the safety of its investment portfolio by targeting house & apartment loans as well as low rise/midrise residential developments, two sectors previously dominated by the major Canadian banks.

Net earnings for the twelve months ended December 31, 2012 aggregated \$13.4 million, an increase of 41.5% from net earnings of \$9.4 million in the same period in the previous year. Basic and diluted earnings per common share were \$0.86 per common share for the twelve months ended December 31, 2012, compared with \$0.88 per common share in the same period the previous year, which is a decrease of 2.3%. The slight reduction in earnings was attributable to a decline in the average mortgage rate and the increased operating costs associated with being a public company.

During the twelve-month period ended December 31, 2012, Atrium funded mortgages aggregating \$129.1 million. Of these new loans, \$100.4 million were first mortgages, representing 77.8% of the new loan originations. All but \$12.1 million of these new loans were made in the major urban centres which we have targeted in Ontario and western Canada. There were \$84.5 million of repayments during the period.

### **Results of operations – three months ended December 31, 2012**

For the three-month period ended December 31, 2012, mortgage interest and other fees aggregated \$4.76 million, compared to \$3.59 million in the same period in the previous year, an increase of 32.7%. Dividends declared aggregated \$3.86 million for the fourth quarter of 2012, an increase of 29.3% from the same quarter in the previous year.

Net earnings for the three months ended December 31, 2012 aggregated \$3.64 million, an increase of 23.3% from net earnings of \$2.96 million in the same period in the previous year. Basic and diluted earnings per common share were \$0.21 per common share for the three months ended December 31, 2012, compared with \$0.23 per common share in the same period the previous year.

During the three-month period ended December 31, 2012, Atrium funded mortgages aggregating \$49.1 million. Of these new loans, \$43.7 million were first mortgages, representing 89% of the total loans funded. Five of these mortgages were on properties in British Columbia, and the remaining 19 were made in the greater Toronto area. There were \$39.6 million of repayments during the period. The mortgage portfolio, in the aggregate, increased from \$192.0 million to \$202.0 million during the period.

## Mortgage portfolio

A breakdown of Atrium's mortgage portfolio as at December 31, 2012, with a comparison to the prior year, is provided below:

<u>Mortgage category</u>	<u>December 31, 2012</u>			<u>December 31, 2011</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 real estate/commercial	15	\$69,334,931	34.4%	10	\$49,563,240	31.6%
Condominium corporation	10	1,629,664	0.8%	9	1,373,602	0.9%
Low rise residential	8	24,302,272	12.0%	6	12,150,000	7.7%
Midrise residential	5	24,381,184	12.1%	4	12,213,154	7.8%
High rise residential	4	23,686,000	11.8%	6	49,500,000	31.6%
House and apartment	31	43,061,190	21.4%	8	18,257,393	11.6%
Construction	<u>4</u>	<u>15,087,981</u>	<u>7.5%</u>	<u>4</u>	<u>13,850,000</u>	<u>8.8%</u>
	<b><u>77</u></b>	<b><u>\$201,483,222</u></b>	<b><u>100.0%</u></b>	<b><u>47</u></b>	<b><u>\$156,907,389</u></b>	<b><u>100.0%</u></b>

High rise residential loans decreased from 31.6% of the mortgage portfolio at December 31, 2011 to 11.8% at December 31, 2012. This has been offset by an increase in low rise, midrise, house and apartment lending over the same period reflecting Atrium's strategy of increasing its exposure to the lowest risk sectors of the market. The average loan to value in the portfolio stayed relatively constant at 66.7%, with only 7.0% of the portfolio above 75% loan to value.

## Further information

For further details please refer to Atrium's financial statements for the year ended December 31, 2012, and its management's discussion and analysis for the same period, available on SEDAR at [www.sedar.com](http://www.sedar.com), and on the company's website at [www.atriummic.com](http://www.atriummic.com).

## About Atrium

As a mortgage investment corporation, Atrium is a non-bank provider of residential and commercial real estate finance. Atrium lends in major urban centres in Canada where the stability and liquidity of real estate are at the highest levels. Canadian Mortgage Capital Corporation ("CMCC") is responsible for originating, underwriting, servicing and syndicating Atrium's mortgage loans. CMCC has been Atrium's exclusive manager since Atrium's formation and has grown Atrium's business to a mortgage portfolio of over \$200 million. CMCC has been in the business of originating and underwriting mortgage loans for over 18 years and servicing mortgage loans for over 13 years.

## Forward-Looking Statements

Certain information included in this news release may be 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, risks associated with the nature of our investments; risks related to mortgage defaults, foreclosure and related costs; reliance on Atrium's manager; environmental matters associated with our business; availability of investments; potential conflicts of interest; borrowing risks; limited sources of borrowing; risks related to the renewal of mortgages; the composition of the mortgage portfolio; subordinated and subsequent debt financing; ability to manage growth; changes in legislation; qualification as a mortgage investment corporation; and such other risks as are described in Atrium's Annual Information Form for the year ended December 31, 2012 (a copy of which can be obtained at [www.sedar.com](http://www.sedar.com)). Reference should be made to this additional information prior to making any investment decision. 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.

**For further information, please contact:**

Atrium Mortgage Investment Corporation  
Robert G. Goodall  
President and Chief Executive Officer

Atrium Mortgage Investment Corporation  
Jeffrey D. Sherman  
Chief Financial Officer

(416) 607-4200  
[ir@atriummic.com](mailto:ir@atriummic.com)  
[www.atriummic.com](http://www.atriummic.com)