



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
ANNOUNCES THIRD QUARTER RESULTS**

TORONTO: October 29, 2020 – Atrium Mortgage Investment Corporation (TSX: AI, AI.DB.B, AI.DB.C, AI.DB.D, AI.DB.E) today released its financial results for the three and nine month periods ended September 30, 2020.

Q3 2020 Highlights

- **Mortgage portfolio of \$699.8 million**
- **High quality mortgage portfolio**
 - **86.4% of portfolio in first mortgages**
 - **94.0% of portfolio is less than 75% loan to value**
 - **average loan-to-value is 59.5%**
- **Quarterly revenues of \$15.3 million**
- **Quarterly net income of \$9.5 million**
- **\$0.22 basic and diluted earnings per share for the quarter**
- **\$0.69 basic and diluted earnings per share year-to-date**

“Atrium’s mortgage portfolio continues to show strong resilience to the economic downturn caused by COVID-19. Our portfolio has few arrears and the 59.5% average loan to value in the portfolio is close to an historic low for the company. We are pleased with our third quarter and year to date results, with year to date net income up 1.1% over last year. Our year to date earnings per share exceeds our dividends, even after taking another \$800,000 non-specific loan loss provision. Atrium has increased its aggregate loan loss provision to 1.18% of our mortgage portfolio, which will help protect our balance sheet from the impact of COVID-19,” said Rob Goodall, CEO of Atrium. “In Q3, we began to actively seek new lending opportunities after scaling back lending the previous quarter in order to reassess market conditions. These marketing efforts for new lending business will be reflected in Q4 when we expect that our portfolio will grow substantially.”

Results of operations

For the three months ended September 30, 2020, Atrium reported revenues of \$15.3 million and net income of \$9.5 million, down from \$16.7 million and \$9.9 million respectively, from the third quarter of the prior year. This decrease is a result of lower interest income and a higher provision for mortgage losses which were offset by lower financing costs compared to the third quarter of 2019. A lower mortgage portfolio balance, coupled with a lower weighted average interest rate due to the drop in the Prime Rate in March 2020 contributed to the decrease in interest income.

For the nine months ended September 30, 2020, revenues were \$48.6 million, down from \$49.1 million for the first nine months of the prior year. Net income for the nine months ended September 30, 2020 was \$29.2 million, up from net income of \$28.8 million from the prior year period.

Basic and diluted earnings per common share were \$0.22, for the three months ended September 30, 2020, compared with \$0.25 basic and diluted earnings per common share for the comparable quarter in the prior year. Basic and diluted earnings per common share were \$0.69 for the nine months ended September 30, 2020, compared with \$0.74 basic and \$0.73 diluted earnings per common share for the nine months ended September 30, 2019.

Atrium ended its third quarter of 2020 with assets of \$710.8 million. Mortgages receivable as at September 30, 2020 were \$694.5 million, an increase of 2.8% from June 30, 2020 and down 4.5% from December 31, 2019. During the nine month period ended September 30, 2020, \$145.5 million of mortgage principal was advanced and \$173.5 million was repaid.

The weighted average interest rate on the mortgage portfolio at September 30, 2020 was 8.53%, compared to 8.55% at June 30, 2020 and 8.81% at December 31, 2019.

As at October 29, 2020, the company had collected 96% of the mortgage interest due in October, which is in line with historical collection rates.

Financial summary

Interim Consolidated Statements of Income and Comprehensive Income

(Unaudited, 000s, except per share amounts)

	Three months ended		Nine months ended	
	September 30		September 30	
	2020	2019	2020	2019
Revenue	\$ 15,254	\$ 16,712	\$ 48,552	\$ 49,055
Mortgage servicing and management fees	(1,655)	(1,743)	(5,132)	(5,180)
Other expenses	(341)	(285)	(1,025)	(819)
Provision for mortgage losses	(850)	(390)	(2,850)	(1,190)
Income before financing costs	12,408	14,294	39,545	41,866
Financing costs	(2,932)	(4,359)	(10,384)	(13,029)
Net income and comprehensive income	<u>\$ 9,476</u>	<u>\$ 9,935</u>	<u>\$ 29,161</u>	<u>\$ 28,837</u>
Basic earnings per share	\$ 0.22	\$ 0.25	\$ 0.69	\$ 0.74
Diluted earnings per share	\$ 0.22	\$ 0.25	\$ 0.69	\$ 0.73
Dividends declared	\$ 9,539	\$ 8,890	\$ 28,579	\$ 26,409
Mortgages receivable, end of period	\$ 694,511	\$ 737,192	\$ 694,511	\$ 737,192
Total assets, end of period	\$ 710,826	\$ 754,301	\$ 710,826	\$ 754,301
Shareholders' equity, end of period	\$ 463,133	\$ 427,558	\$ 463,133	\$ 427,558

Analysis of mortgage portfolio

<u>Property Type</u>	September 30, 2020			December 31, 2019		
	Number	Outstanding amount	% of Portfolio	Number	Outstanding amount	% of Portfolio
(outstanding amounts in 000s)						
Low-rise residential	25	\$ 195,189	27.9%	32	\$ 216,144	29.6%
High-rise residential	19	176,652	25.2%	15	174,544	23.9%
Mid-rise residential	20	153,217	21.9%	21	160,456	22.0%
House and apartment	67	46,302	6.6%	91	66,083	9.1%
Condominium corporation	13	2,264	0.4%	14	2,659	0.4%
Residential portfolio	144	573,624	82.0%	173	619,886	85.0%
Commercial	20	126,149	18.0%	19	109,859	15.0%
Mortgage portfolio	<u>164</u>	<u>699,773</u>	<u>100.0%</u>	<u>192</u>	<u>729,745</u>	<u>100.0%</u>

September 30, 2020

<u>Location of underlying property</u>	<u>Number of mortgages</u>	<u>Outstanding amount</u>	<u>Percentage outstanding</u>	<u>Weighted average loan to value</u>	<u>Weighted average interest rate</u>
Greater Toronto Area	123	\$ 480,806	68.7%	61.7%	8.53%
Non-GTA Ontario	22	23,372	3.3%	64.2%	8.30%
Alberta	3	15,760	2.3%	85.1%	8.81%
British Columbia	16	179,835	25.7%	50.7%	8.56%
	<u>164</u>	<u>\$ 699,773</u>	<u>100.0%</u>	<u>59.5%</u>	<u>8.53%</u>

December 31, 2019

<u>Location of underlying property</u>	<u>Number of mortgages</u>	<u>Outstanding amount</u>	<u>Percentage outstanding</u>	<u>Weighted average loan to value</u>	<u>Weighted average interest rate</u>
Greater Toronto Area	153	\$ 509,299	69.8%	64.1%	8.85%
Non-GTA Ontario	20	20,625	2.8%	57.6%	8.33%
Alberta	4	15,141	2.1%	64.0%	8.80%
British Columbia	15	184,680	25.3%	46.9%	8.77%
	<u>192</u>	<u>\$ 729,745</u>	<u>100.0%</u>	<u>59.5%</u>	<u>8.81%</u>

For further information on the financial results, and further analysis of the company's mortgage portfolio, please refer to Atrium's interim consolidated financial statements and its management's discussion and analysis for the three and nine months ended September 30, 2020, 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 Friday, October 30, 2020 at 4:00 p.m. ET to discuss the results. To participate or listen to the conference call live, please call 1 (888) 241-0551 or (647) 427-3415, conference ID 3779979. For a replay of the conference call (available until November 12, 2020) please call 1 (855) 859-2056, conference ID 3779979.

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 Canada *Income Tax Act*, so 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 about Atrium, please refer to regulatory filings available at www.sedar.com or investor information on Atrium's website at www.atriummic.com.

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