

## A Message from the President

Dear Friends, Family and Fellow Shareholders,

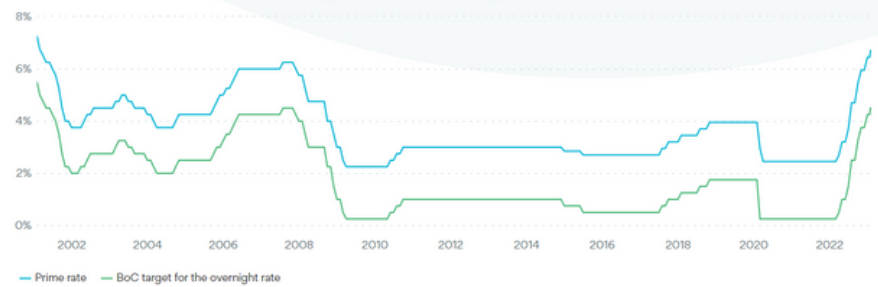
Early 2023 is off to a positive start. Armada's Board have increased the monthly dividend distribution this quarter, taking the yield to 6.0%. Market rates have continued moving higher and new mortgage originations remain on a positive trend. In addition, our underwriters have been able to keep our target ratios in the lower ranges. Renewal rates are higher, slow payers are only marginally higher, and we are seeing traction on make up payments. A single 325K foreclosure with ample equity will be sold this spring.

The Bank of Canada has taken the prime rate to 6.70%, up by another 0.25% as of January 25th. If inflation continues its decrease, the BOC may hold, although labour force participation may change this narrative. The housing market is slowing down in an orderly fashion. The graph below illustrates the prime rate vs. BOC's target for the overnight rate over the last 20 years for those interested in a visual.

To learn more about the progress of the company throughout 2022 and goals for the upcoming year, shareholders are invited to attend the AGM in May. We hope for another great turnout this year!

Sincerely,  
Gordon Hone

Prime rate vs. Bank of Canada target for the overnight rate.



### Goals Set for 2022 at last AGM:

- **Goal:** Preserve Shareholder Capital - LTV <60%
- **Goal:** Grow Armada's shareholder base - equity > 15%
- **Goal:** Utilize the 5 million TD line of Credit at >= 60%
- **Goal:** Maintain the average size of 1st & 2nd Mortgages
- **Goal:** Maintain 2nd mortgages at 30% of portfolio
- **Goal:** Maintain portfolio at 35% outside of BC; hire BDM for ON or AB if needed

### Results in 2022:

- **Update:** Weighted average LTV was 43.58% (47% in 2021)
- **Update:** Shareholder base grew by 13%
- **Update:** Avg. LOC Utilization was 48%
- **Update:** Avg 1st: \$404,719 Avg 2nd: \$122,375
- **Update:** 2nd mortgages make up 29% of portfolio
- **Update:** Portfolio Distribution outside BC is 38%, ON maintained 30%, AB up from 3% to 8%

### Upcoming Annual General Meeting

Our AGM will be held on Zoom again this year to make attendance as easy as possible. Please stay tuned for the finalized date and time. If you are not a current shareholder but would like to attend the meeting, you may contact the office for details. We look forward to seeing you!

### QUICK FACTS:

- Portfolio Weighted Average LTV: 44%
- Average Mortgage: \$242,812
- 2022 Predicted Net Return: 7%
- Monthly Dividend: 6%

## A FEW RECENT FUNDINGS

**WE FUNDED \$4.05 MILLION IN NEW MORTGAGES IN THE LAST QUARTER.**

Principal	Position	Location	LTV
\$100,000	2nd	Langley	20%
\$425,000	1st	Hamilton	52%
\$50,000	2nd	Surrey	34%
\$550,000	1st	Burnaby	17%
\$110,250	2nd	Hamilton	60%
\$60,000	2nd	Ottawa	57%

## PORTFOLIO DISTRIBUTION AS OF DEC. 31, 2022

Region	# of Mortgages	1st Mortgage	2nd Mortgage	Total Mortgage Value	Average LTV
Central Vancouver Island	3	\$ 325,000	\$ 160,000	\$ 485,000	51.53%
Fraser Valley	44	\$ 8,431,289	\$ 2,883,755	\$ 11,315,044	40.58%
Kamloops	4	\$ 589,000	\$ 207,000	\$ 796,000	50.52%
Kelowna	5	\$ 443,810	\$ 341,004	\$ 784,814	41.84%
North Fraser	7	\$ 1,858,493	\$ 441,653	\$ 2,300,146	36.63%
North Shore	5	\$ 1,096,523	\$ 234,529	\$ 1,331,052	41.98%
Richmond/Delta	7	\$ 775,500	\$ 799,767	\$ 1,575,267	46.27%
Surrey/White Rock	27	\$ 5,553,990	\$ 2,060,669	\$ 7,614,659	43.98%
Vancouver	7	\$ 921,000	\$ 357,883	\$ 1,278,883	34.77%
Vernon	1	\$ -	\$ 120,207	\$ 120,207	49.92%
Victoria	4	\$ 1,103,555	\$ 260,128	\$ 1,363,683	44.49%
Alberta	16	3,550,589	289,725	\$ 3,840,314	45.30%
Hamilton	8	\$ 1,272,679	\$ 475,150	\$ 1,747,829	45.17%
Kitchener-Waterloo	3	\$ 549,500	\$ 135,000	\$ 684,500	46.61%
Ontario Other	12	\$ 1,884,847	\$ 1,289,776	\$ 3,174,623	49.84%
Ottawa	12	\$ 1,373,000	\$ 919,369	\$ 2,292,369	56.52%
Toronto CMA	27	\$ 3,458,185	\$ 2,459,425	\$ 5,917,610	42.41%
<b>Total</b>	<b>192</b>	<b>\$ 33,186,960</b>	<b>\$ 13,435,040</b>	<b>\$ 46,622,000</b>	<b>43.58%</b>



*In the long run, it's not just about how much money you make that will determine your future prosperity. It's how much of that money you put to work by saving it and investing it.*

- Peter Lynch



**Contact Us Today**

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