

# Alterna Bank - Quarterly Reporting

## Residential Mortgage and Home Equity Lines of Credit (HELOC) Portfolio

### AVERAGE LOAN TO VALUE ON NEWLY ORIGINATED UNINSURED RESIDENTIAL MORTGAGES AND HELOCS BY GEOGRAPHIC LOCATION:

PROVINCE	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023
British Columbia	-	-	-	22.59%
Ontario	68.42%	67.58%	69.65%	69.20%
Quebec	74.12%	67.61%	48.99%	79.13%
Total Newly Originated	<b>69.25%</b>	<b>67.59%</b>	<b>68.67%</b>	<b>64.49%</b>

### AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023
	%	%	%	%
25 years or fewer	97.15%	94.85%	97.43%	97.48%
25 - 30 years	2.85%	5.15%	2.48%	2.43%
30 - 35 years	-	-	0.10%	0.10%
35 - 40 years	-	-	-	-
Over 40 years	-	-	-	-
Total	100.00%	100.00%	100.00%	100.00%

### TOTAL RESIDENTIAL MORTGAGE LOANS AND HELOCS - INSURED VS UNINSURED (\$ 000's) (%)

	Q1, 2023		Q2, 2023		Q3, 2023		Q4, 2023	
	\$	%	\$	%	\$	%	\$	%
Insured*	875,352	88.84%	885,745	89.09%	893,494	89.61%	874,683	89.39%
Uninsured	109,996	11.16%	108,459	10.91%	103,624	10.39%	103,769	10.61%
Total	985,348	100.00%	994,204	100.00%	997,118	100.00%	978,452	100.00%

\*Insured refers to mortgages insured against loss caused by default on the part of the borrower under a loan secured by real property.

### TOTAL RESIDENTIAL MORTGAGE LOANS AND HELOCS - INSURED VS UNINSURED BY GEOGRAPHIC LOCATION (\$ 000's)

PROVINCE		Q1, 2023		Q2, 2023		Q3, 2023		Q4, 2023	
		\$	%	\$	%	\$	%	\$	%
AB	insured	227,143	23.05%	240,930	24.23%	244,283	24.50%	238,476	24.37%
	uninsured	1,623	0.16%	1,808	0.18%	1,794	0.18%	1,749	0.18%
BC	insured	203,009	20.60%	202,052	20.32%	203,869	20.45%	197,019	20.14%
	uninsured	13,940	1.41%	13,670	1.37%	9,951	1.00%	12,239	1.25%
MB	insured	35,489	3.60%	36,039	3.62%	36,551	3.67%	35,754	3.65%
	uninsured	989	0.10%	979	0.10%	970	0.10%	960	0.10%
NB	insured	7,214	0.73%	7,148	0.72%	7,154	0.72%	7,271	0.74%
	uninsured	869	0.09%	861	0.09%	853	0.09%	845	0.09%
NL	insured	20,288	2.06%	20,434	2.06%	19,534	1.96%	18,724	1.91%
	uninsured	-	-	-	-	-	-	-	-
NS	insured	40,805	4.14%	38,024	3.82%	36,855	3.70%	36,551	3.74%
	uninsured	274	0.03%	272	0.03%	269	0.03%	266	0.03%
ON	insured	210,784	21.40%	201,893	20.32%	199,861	20.03%	198,074	20.25%
	uninsured	54,724	5.56%	52,860	5.32%	52,585	5.26%	51,302	5.24%
PE	insured	1,052	0.11%	1,043	0.10%	1,035	0.10%	1,026	0.10%
	uninsured	-	-	-	-	-	-	-	-
QC	insured	86,447	8.77%	92,667	9.32%	98,620	9.89%	97,148	9.93%
	uninsured	37,577	3.81%	38,009	3.82%	37,202	3.73%	36,408	3.72%
SK	insured	43,121	4.38%	45,515	4.58%	45,732	4.59%	44,640	4.56%
	uninsured	-	-	-	-	-	-	-	-
Total	insured	875,352	88.84%	885,745	89.09%	893,494	89.61%	874,683	89.39%
	uninsured	109,996	11.16%	108,459	10.91%	103,624	10.39%	103,769	10.61%

### Commentary

Management conducted a credit risk stress test in which properties in our geographical markets would be significantly devalued. The test indicated that this could result in a moderate increase in mortgage defaults which would lead to a moderate increase in the provision for loan losses and collection costs as well as a small reduction in net interest income. Management believes the Bank is well capitalized to absorb such losses.