

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	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022
British Columbia	0.00%	50.06%	0.00%	0.00%
Ontario	70.94%	64.47%	68.74%	72.07%
Manitoba	0.00%	0.00%	0.00%	0.00%
Quebec	76.58%	75.23%	67.18%	65.37%
Total Newly Originated	71.62%	66.22%	68.49%	71.26%

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)				
AMORTIZATION	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022
	%	%	%	%
25 years or fewer	93.62%	94.29%	94.44%	93.27%
25 - 30 years	6.38%	5.71%	5.56%	6.73%
30 - 35 years	0.00%	0.00%	0.00%	0.00%
35 - 40 years	0.00%	0.00%	0.00%	0.00%
Over 40 years	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

TOTAL RESIDENTIAL MORTGAGE LOANS AND HELOCS - INSURED VS UNINSURED (\$ 000's) (%)								
	Q2, 2021		Q3, 2021		Q4, 2021		Q1, 2022	
	\$	%	\$	%	\$	%	\$	%
Insured*	752,226	84.01%	733,287	84.42%	733,684	85.12%	817,307	86.74%
Uninsured	143,143	15.99%	135,358	15.58%	128,259	14.88%	124,928	13.26%
Total	895,369	100.00%	868,645	100.00%	861,943	100.00%	942,235	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		Q2, 2021		Q3, 2021		Q4, 2021		Q1, 2022	
		\$	%	\$	%	\$	%	\$	%
AB	insured	156,022	17.43%	152,356	17.54%	156,081	18.11%	192,201	20.40%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
BC	insured	200,465	22.39%	193,486	22.27%	189,801	22.02%	193,843	20.57%
	uninsured	25,420	2.84%	21,856	2.52%	20,585	2.39%	18,468	1.96%
MB	insured	36,781	4.11%	36,158	4.16%	35,923	4.17%	35,873	3.81%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NB	insured	8,065	0.90%	7,776	0.90%	7,553	0.88%	7,655	0.81%
	uninsured	577	0.06%	570	0.07%	562	0.07%	531	0.06%
NL	insured	19,378	2.16%	19,211	2.21%	19,043	2.21%	19,875	2.11%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NS	insured	42,639	4.76%	42,268	4.87%	42,149	4.89%	41,782	4.43%
	uninsured	294	0.03%	291	0.03%	288	0.03%	285	0.03%
ON	insured	200,421	22.38%	197,169	22.70%	197,283	22.88%	224,706	23.85%
	uninsured	75,825	8.48%	72,605	8.35%	67,302	7.80%	66,455	7.05%
PE	insured	823	0.09%	817	0.09%	1,110	0.13%	824	0.09%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
QC	insured	59,349	6.63%	56,767	6.54%	56,234	6.52%	64,729	6.87%
	uninsured	40,780	4.55%	39,790	4.58%	39,278	4.56%	38,946	4.13%
SK	insured	28,283	3.16%	27,279	3.14%	28,507	3.31%	35,819	3.80%
	uninsured	247	0.03%	246	0.03%	244	0.03%	243	0.03%
Total	insured	752,226	84.01%	733,287	84.42%	733,684	85.12%	817,307	86.74%
	uninsured	143,143	15.99%	135,358	15.58%	128,259	14.88%	124,928	13.26%

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.