

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, 2022	Q2, 2022	Q3, 2022	Q4, 2022
British Columbia	0.00%	0.00%	0.00%	0.00%
Ontario	72.07%	65.51%	64.27%	68.50%
Quebec	65.37%	67.97%	52.21%	64.97%
Total Newly Originated	71.26%	65.96%	62.82%	68.18%

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)				
AMORTIZATION	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
	%	%	%	%
25 years or fewer	93.27%	93.00%	92.93%	93.18%
25 - 30 years	6.73%	7.00%	6.99%	6.78%
30 - 35 years	0.00%	0.00%	0.08%	0.04%
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) (%)								
	Q1, 2022		Q2, 2022		Q3, 2022		Q4, 2022	
	\$	%	\$	%	\$	%	\$	%
Insured*	817,307	86.74%	857,631	87.70%	827,865	87.63%	878,832	88.48%
Uninsured	124,928	13.26%	120,235	12.30%	116,882	12.37%	114,421	11.52%
Total	942,235	100.00%	977,866	100.00%	944,747	100.00%	993,253	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, 2022		Q2, 2022		Q3, 2022		Q4, 2022	
		\$	%	\$	%	\$	%	\$	%
AB	insured	192,201	20.40%	215,765	22.06%	210,941	22.33%	228,012	22.96%
	uninsured	-	0.00%	306	0.03%	605	0.06%	1,652	0.17%
BC	insured	193,843	20.57%	196,537	20.10%	188,223	19.92%	203,096	20.45%
	uninsured	18,468	1.96%	16,550	1.69%	15,559	1.65%	14,983	1.51%
MB	insured	35,873	3.81%	35,507	3.63%	33,794	3.58%	36,094	3.63%
	uninsured	-	0.00%	248	0.03%	237	0.03%	1,000	0.10%
NB	insured	7,655	0.81%	7,581	0.78%	7,511	0.80%	7,282	0.73%
	uninsured	531	0.06%	414	0.04%	537	0.06%	877	0.09%
NL	insured	19,875	2.11%	19,923	2.04%	19,309	2.04%	20,470	2.06%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NS	insured	41,782	4.43%	40,760	4.17%	39,001	4.13%	39,141	3.94%
	uninsured	285	0.03%	283	0.03%	280	0.03%	277	0.03%
ON	insured	224,706	23.85%	226,954	23.20%	217,630	23.03%	214,603	21.61%
	uninsured	66,455	7.05%	62,179	6.37%	61,008	6.44%	57,207	5.75%
PE	insured	824	0.09%	1,077	0.11%	1,068	0.11%	1,060	0.11%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
QC	insured	64,729	6.87%	74,495	7.62%	72,171	7.64%	85,433	8.60%
	uninsured	38,946	4.13%	40,014	4.09%	38,417	4.07%	38,425	3.87%
SK	insured	35,819	3.80%	39,032	3.99%	38,217	4.05%	43,641	4.39%
	uninsured	243	0.03%	241	0.02%	239	0.03%	-	0.00%
Total	insured	817,307	86.74%	857,631	87.70%	827,865	87.63%	878,832	88.48%
	uninsured	124,928	13.26%	120,235	12.30%	116,882	12.37%	114,421	11.52%

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.