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	**Q3, 2025**	**Q4, 2025**	**Q1, 2026**	**Q2, 2026**
Alberta	79.13%	69.05%	59.13%	0.00%
British Columbia	68.97%	52.89%	77.81%	0.00%
Ontario	64.34%	59.06%	65.18%	68.66%
Nova Scotia	0.00%	65.00%	0.00%	0.00%
Yukon	0.00%	69.87%	0.00%	0.00%
Quebec	71.45%	42.24%	80.00%	38.50%
Total Newly Originated	**66.75%**	**60.32%**	**65.75%**	**67.77%**

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	**Q3, 2025**	**Q4, 2025**	**Q1, 2026**	**Q2, 2026**
	%	%	%	%
25 years or fewer	90.41%	86.41%	84.02%	80.85%
25 - 30 years	9.55%	13.55%	15.94%	19.11%
30 - 35 years	0.04%	0.04%	0.00%	0.00%
35 - 40 years	0.00%	0.00%	0.04%	0.04%
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) (%)

	Q3, 2025		**Q4, 2025**		**Q1, 2026**		**Q2, 2026**	
	$	%	$	%	$	%	$	%
Insured*	839,706	91.01%	828,372	90.97%	841,776	91.61%	889,624	92.40%
Uninsured	82,934	8.99%	82,252	9.03%	77,110	8.39%	73,190	7.60%
Total	922,640	100.00%	910,624	100.00%	918,886	100.00%	962,814	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		**Q3, 2025**		**Q4, 2025**		**Q1, 2026**		**Q2, 2026**	
		$	%	$	%	$	%	$	%
AB	insured	183,036	19.84%	185,038	20.32%	191,014	20.79%	201,271	20.90%
	uninsured	2,906	0.31%	3,628	0.40%	2,665	0.29%	892	0.09%
BC	insured	144,208	15.63%	139,013	15.27%	138,198	15.04%	139,188	14.46%
	uninsured	4,717	0.51%	5,963	0.65%	3,606	0.39%	3,357	0.35%
MB	insured	26,967	2.92%	24,036	2.64%	20,773	2.26%	20,186	2.10%
	uninsured	1,230	0.13%	1,217	0.13%	1,204	0.13%	479	0.05%
NB	insured	6,568	0.71%	7,157	0.79%	8,583	0.93%	11,477	1.19%
	uninsured	610	0.07%	602	0.07%	596	0.06%	589	0.06%
NL	insured	14,218	1.54%	12,128	1.33%	11,473	1.25%	13,423	1.39%
	uninsured	78.00	0.00	78	0.00	77	0.00	77	0.01%
NS	insured	26,112	2.83%	16,327	1.79%	16,822	1.83%	20,990	2.18%
	uninsured	520	0.06%	700	0.08%	497	0.05%	493	0.05%
ON	insured	326,349	35.38%	337,235	37.04%	348,000	37.88%	367,591	38.19%
	uninsured	42,410	4.60%	39,889	4.38%	39,565	4.31%	38,604	4.01%
PE	insured	963	0.10%	1,187	0.13%	1,194	0.13%	1,185	0.12%
	uninsured	497.00	0.00	494.00	0.00	491.00	0.00	488	0.05%
QC	insured	74,065	8.03%	70,794	7.77%	67,777	7.38%	64,554	6.70%
	uninsured	29,966	3.25%	29,102	3.20%	28,409	3.09%	27,957	2.90%
SK	insured	37,220	4.03%	35,457	3.89%	37,366	4.07%	48,146	5.00%
	uninsured	-	-	-	-	-	-	-	0.00%
YT	insured			-	-	576.00	0.06%	1,327	0.14%
	uninsured			579.00	0.06%	-	-	254	0.03%
NT	insured			-	-	-	0.00%	286	0.03%
	uninsured			-	0.00	-	-	-	0.00%
Total	insured	839,706	91.01%	828,372	90.97%	841,776	91.62%	889,624	92.40%
	uninsured	82,934	8.99%	82,252	9.03%	77,110	8.38%	73,190	7.60%

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.