

# 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	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023
British Columbia	0.00%	0.00%	0.00%	0.00%
Ontario	68.50%	68.42%	67.58%	69.65%
Quebec	64.97%	74.12%	67.61%	48.99%
Total Newly Originated	<b>68.18%</b>	<b>69.25%</b>	<b>67.59%</b>	<b>68.67%</b>

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

AMORTIZATION	Q4, 2022	Q1, 2023	Q2, 2023	Q3, 2023
	%	%	%	%
25 years or fewer	93.18%	97.15%	94.85%	97.43%
25 - 30 years	6.78%	2.85%	5.15%	2.48%
30 - 35 years	0.04%	0.00%	0.00%	0.10%
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) (%)

	Q4, 2022		Q1, 2022		Q2, 2023		Q3, 2023	
	\$	%	\$	%	\$	%	\$	%
Insured*	878,832	88.48%	875,352	88.84%	885,745	89.09%	893,494	89.61%
Uninsured	114,421	11.52%	109,996	11.16%	108,459	10.91%	103,624	10.39%
Total	993,253	100.00%	985,348	100.00%	994,204	100.00%	997,118	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		Q4, 2022		Q1, 2022		Q2, 2023		Q3, 2023	
		\$	%	\$	%	\$	%	\$	%
AB	insured	228,012	22.96%	227,143	23.05%	240,930	24.23%	244,283	24.50%
	uninsured	1,652	0.17%	1,623	0.16%	1,808	0.18%	1,794	0.18%
BC	insured	203,096	20.45%	203,009	20.60%	202,052	20.32%	203,869	20.45%
	uninsured	14,983	1.51%	13,940	1.41%	13,670	1.37%	9,951	1.00%
MB	insured	36,094	3.63%	35,489	3.60%	36,039	3.62%	36,551	3.67%
	uninsured	1,000	0.10%	989	0.10%	979	0.10%	970	0.10%
NB	insured	7,282	0.73%	7,214	0.73%	7,148	0.72%	7,154	0.72%
	uninsured	877	0.09%	869	0.09%	861	0.09%	853	0.09%
NL	insured	20,470	2.06%	20,288	2.06%	20,434	2.06%	19,534	1.96%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NS	insured	39,141	3.94%	40,805	4.14%	38,024	3.82%	36,855	3.70%
	uninsured	277	0.03%	274	0.03%	272	0.03%	269	0.03%
ON	insured	214,603	21.61%	210,784	21.40%	201,893	20.32%	199,861	20.03%
	uninsured	57,207	5.75%	54,724	5.56%	52,860	5.32%	52,585	5.26%
PE	insured	1,060	0.11%	1,052	0.11%	1,043	0.10%	1,035	0.10%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
QC	insured	85,433	8.60%	86,447	8.77%	92,667	9.32%	98,620	9.89%
	uninsured	38,425	3.87%	37,577	3.81%	38,009	3.82%	37,202	3.73%
SK	insured	43,641	4.39%	43,121	4.38%	45,515	4.58%	45,732	4.59%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	insured	878,832	88.48%	875,352	88.84%	885,745	89.09%	893,494	89.61%
	uninsured	114,421	11.52%	109,996	11.16%	108,459	10.91%	103,624	10.39%

### 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.