

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, 2022	Q3, 2022	Q4, 2022	Q1, 2023
British Columbia	0.00%	0.00%	0.00%	0.00%
Ontario	65.51%	64.27%	68.50%	68.42%
Quebec	67.97%	52.21%	64.97%	74.12%
Total Newly Originated	65.96%	62.82%	68.18%	69.25%

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q2, 2022	Q3, 2022	Q4, 2022	Q1, 2023
	%	%	%	%
25 years or fewer	93.00%	92.93%	93.18%	97.15%
25 - 30 years	7.00%	6.99%	6.78%	2.85%
30 - 35 years	0.00%	0.08%	0.04%	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, 2022		Q3, 2022		Q4, 2022		Q1, 2023	
	\$	%	\$	%	\$	%	\$	%
Insured*	857,631	87.70%	827,865	87.63%	878,832	88.48%	875,352	88.84%
Uninsured	120,235	12.30%	116,882	12.37%	114,421	11.52%	109,996	11.16%
Total	977,866	100.00%	944,747	100.00%	993,253	100.00%	985,348	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, 2022		Q3, 2022		Q4, 2022		Q1, 2023	
		\$	%	\$	%	\$	%	\$	%
AB	insured	215,765	22.06%	210,941	22.33%	228,012	22.96%	227,143	23.05%
	uninsured	306	0.03%	605	0.06%	1,652	0.17%	1,623	0.16%
BC	insured	196,537	20.10%	188,223	19.92%	203,096	20.45%	203,009	20.60%
	uninsured	16,550	1.69%	15,559	1.65%	14,983	1.51%	13,940	1.41%
MB	insured	35,507	3.63%	33,794	3.58%	36,094	3.63%	35,489	3.60%
	uninsured	248	0.03%	237	0.03%	1,000	0.10%	989	0.10%
NB	insured	7,581	0.78%	7,511	0.80%	7,282	0.73%	7,214	0.73%
	uninsured	414	0.04%	537	0.06%	877	0.09%	869	0.09%
NL	insured	19,923	2.04%	19,309	2.04%	20,470	2.06%	20,288	2.06%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NS	insured	40,760	4.17%	39,001	4.13%	39,141	3.94%	40,805	4.14%
	uninsured	283	0.03%	280	0.03%	277	0.03%	274	0.03%
ON	insured	226,954	23.20%	217,630	23.03%	214,603	21.61%	210,784	21.40%
	uninsured	62,179	6.37%	61,008	6.44%	57,207	5.75%	54,724	5.56%
PE	insured	1,077	0.11%	1,068	0.11%	1,060	0.11%	1,052	0.11%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
QC	insured	74,495	7.62%	72,171	7.64%	85,433	8.60%	86,447	8.77%
	uninsured	40,014	4.09%	38,417	4.07%	38,425	3.87%	37,577	3.81%
SK	insured	39,032	3.99%	38,217	4.05%	43,641	4.39%	43,121	4.38%
	uninsured	241	0.02%	239	0.03%	-	0.00%	-	0.00%
Total	insured	857,631	87.70%	827,865	87.63%	878,832	88.48%	875,352	88.84%
	uninsured	120,235	12.30%	116,882	12.37%	114,421	11.52%	109,996	11.16%

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.