

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, 2021	Q1, 2022	Q2, 2022	Q3, 2022
British Columbia	0.00%	0.00%	0.00%	0.00%
Ontario	68.74%	72.07%	65.51%	64.27%
Quebec	67.18%	65.37%	67.97%	52.21%
Total Newly Originated	68.49%	71.26%	65.96%	62.82%

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022
	%	%	%	%
25 years or fewer	94.44%	93.27%	93.00%	92.93%
25 - 30 years	5.56%	6.73%	7.00%	6.99%
30 - 35 years	0.00%	0.00%	0.00%	0.08%
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, 2021		Q1, 2022		Q2, 2022		Q3, 2022	
	\$	%	\$	%	\$	%	\$	%
Insured*	733,684	85.12%	817,307	86.74%	857,631	87.70%	827,865	87.63%
Uninsured	128,259	14.88%	124,928	13.26%	120,235	12.30%	116,882	12.37%
Total	861,943	100.00%	942,235	100.00%	977,866	100.00%	944,747	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, 2021		Q1, 2022		Q2, 2022		Q3, 2022	
		\$	%	\$	%	\$	%	\$	%
AB	insured	156,081	18.11%	192,201	20.40%	215,765	22.06%	210,941	22.33%
	uninsured	-	0.00%	-	0.00%	306	0.03%	605	0.06%
BC	insured	189,801	22.02%	193,843	20.57%	196,537	20.10%	188,223	19.92%
	uninsured	20,585	2.39%	18,468	1.96%	16,550	1.69%	15,559	1.65%
MB	insured	35,923	4.17%	35,873	3.81%	35,507	3.63%	33,794	3.58%
	uninsured	-	0.00%	-	0.00%	248	0.03%	237	0.03%
NB	insured	7,553	0.88%	7,655	0.81%	7,581	0.78%	7,511	0.80%
	uninsured	562	0.07%	531	0.06%	414	0.04%	537	0.06%
NL	insured	19,043	2.21%	19,875	2.11%	19,923	2.04%	19,309	2.04%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
NS	insured	42,149	4.89%	41,782	4.43%	40,760	4.17%	39,001	4.13%
	uninsured	288	0.03%	285	0.03%	283	0.03%	280	0.03%
ON	insured	197,283	22.88%	224,706	23.85%	226,954	23.20%	217,630	23.03%
	uninsured	67,302	7.80%	66,455	7.05%	62,179	6.37%	61,008	6.44%
PE	insured	1,110	0.13%	824	0.09%	1,077	0.11%	1,068	0.11%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
QC	insured	56,234	6.52%	64,729	6.87%	74,495	7.62%	72,171	7.64%
	uninsured	39,278	4.56%	38,946	4.13%	40,014	4.09%	38,417	4.07%
SK	insured	28,507	3.31%	35,819	3.80%	39,032	3.99%	38,217	4.05%
	uninsured	244	0.03%	243	0.03%	241	0.02%	239	0.03%
Total	insured	733,684	85.12%	817,307	86.74%	857,631	87.70%	827,865	87.63%
	uninsured	128,259	14.88%	124,928	13.26%	120,235	12.30%	116,882	12.37%

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.