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, 2025	Q2, 2025	Q3, 2025	Q4, 2025
Alberta	0.00%	0.00%	79.13%	69.05%
British Columbia	0.00%	0.00%	68.97%	52.89%
Ontario	63.81%	70.28%	64.34%	59.06%
Nova Scotia	0.00%	0.00%	0.00%	65.00%
Yukon	0.00%	0.00%	0.00%	69.87%
Quebec	80.00%	80.00%	71.45%	42.24%
Total Newly Originated	**64.86%**	**71.83%**	**66.75%**	**60.32%**

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q1, 2025	Q2, 2025	Q3, 2025	Q4, 2025
	%	%	%	%
25 years or fewer	95.67%	92.93%	90.41%	86.41%
25 - 30 years	4.21%	7.02%	9.55%	13.55%
30 - 35 years	0.13%	0.00%	0.04%	0.04%
35 - 40 years	0.00%	0.04%	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, 2025		Q2, 2025		Q3, 2025		Q4, 2025	
	$	%	$	%	$	%	$	%
Insured*	812,993	90.19%	831,925	90.56%	839,706	91.01%	828,372	90.97%
Uninsured	88,388	9.81%	86,714	9.44%	82,934	8.99%	82,252	9.03%
Total	901,381	100.00%	918,639	100.00%	922,640	100.00%	910,624	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, 2025		Q2, 2025		Q3, 2025		Q4, 2025	
		$	%	$	%	$	%	$	%
AB	insured	201,893	22.40%	191,226	20.82%	183,036	19.84%	185,038	20.32%
	uninsured	1,653	0.18%	1,642	0.18%	2,906	0.31%	3,628	0.40%
BC	insured	156,695	17.38%	149,668	16.29%	144,208	15.63%	139,013	15.27%
	uninsured	6,332	0.70%	5,121	0.56%	4,717	0.51%	5,963	0.65%
MB	insured	29,602	3.28%	29,115	3.17%	26,967	2.92%	24,036	2.64%
	uninsured	1,254	0.14%	1,242	0.14%	1,230	0.13%	1,217	0.13%
NB	insured	6,953	0.77%	6,859	0.75%	6,568	0.71%	7,157	0.79%
	uninsured	803	0.09%	795	0.09%	610	0.07%	602	0.07%
NL	insured	17,231	1.91%	16,161	1.76%	14,218	1.54%	12,128	1.33%
	uninsured	79.00	-	78	-	78	0.00	78	0.01%
NS	insured	32,591	3.62%	31,574	3.44%	26,112	2.83%	16,327	1.79%
	uninsured	340	0.04%	337	0.04%	520	0.06%	700	0.08%
ON	insured	246,692	27.38%	290,681	31.62%	326,349	35.38%	337,235	37.04%
	uninsured	46,443	5.15%	46,210	5.02%	42,410	4.60%	39,889	4.38%
PE	insured	981	0.11%	972	0.11%	963	0.10%	1,187	0.13%
	uninsured	-	-	-	-	497.00	0.00	494	0.05%
QC	insured	81,452	9.04%	78,133	8.51%	74,065	8.03%	70,794	7.77%
	uninsured	31,484	3.49%	31,289	3.41%	29,966	3.25%	29,102	3.20%
SK	insured	38,903	4.32%	37,536	4.09%	37,220	4.03%	35,457	3.89%
	uninsured	-	-	-	-	-	-	-	-
YT	insured							-	-
	uninsured							579.00	0.06%
Total	insured	812,993	90.21%	831,925	90.56%	839,706	91.01%	828,372	90.97%
	uninsured	88,388	9.79%	86,714	9.44%	82,934	8.99%	82,252	9.03%

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.