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 is:

PROVINCE	Q1,2015	Q2,2015	Q3,2015	Q4,2015
Ontario	79.08%	74.05%	76.49%	57.67%
Quebec	74.57%	72.92%	67.70%	66.78%
Total Newly Originated	**71.19%**	**70.38%**	**71.75%**	**69.04%**

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q1,2015	Q2,2015	Q3,2015	Q4,2015
	%	%	%	%
25 years or fewer	91.17%	92.47%	77.97%	94.86%
25 - 30 years	8.75%	7.45%	19.59%	5.06%
30 - 35 years	0.08%	0.08%	2.44%	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) (%)

	Q1,2015		Q2,2015		Q3,2015		Q4,2015	
	$	%	$	%	$	%	$	%
Insured*	49,971	35.59%	53,787	37.73%	63,078	45.14%	66,397	47.34%
Uninsured	90,438	64.41%	88,775	62.27%	76,651	54.86%	73,869	52.66%
Total	140,409	100.00%	142,562	100.00%	139,729	100.00%	140,266	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		Q1,2015		Q2,2015		Q3,2015		Q4,2015	
		$	%	$	%	$	%	$	%
BC	insured	394	0.28%	392	0.27%	389	0.28%	386	0.28%
	uninsured	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ontario	insured	10,458	7.45%	11,575	8.12%	17,586	12.59%	18,031	12.85%
	uninsured	21,214	15.11%	20,151	14.13%	14,140	10.12%	12,750	9.09%
Quebec	insured	39,119	27.87%	41,820	29.34%	45,103	32.27%	47,980	34.21%
	uninsured	69,224	49.29%	68,624	48.14%	62,511	44.74%	61,119	43.57%
Total	insured	49,971	35.60%	53,787	37.73%	63,078	45.14%	66,397	47.34%
	uninsured	90,438	64.40%	88,775	62.27%	76,651	54.86%	73,869	52.66%

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.