Alterna Bank

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:

Ontario	77.00%
Quebec	59.50%
Total Newly Originated	**62.00%**

AMORTIZATION PERIOD OF TOTAL RESIDENTIAL MORTGAGES AND HELOCS (%)

AMORTIZATION	Q1, 2013	Q2, 2013	Q3, 2013	Q4, 2013
	%	%	%	%
25 years or fewer	66.76%	68.06%		
25 - 30 years	19.18%	18.83%		
30 - 35 years	12.87%	12.39%		
35 - 40 years	1.19%	0.72%		
Over 40 years	0.00%	0.00%		
Total	100%	100%		

TOTAL RESIDENTIAL MORTGAGE LOANS AND HELOCS - INSURED VS UNINSURED ($ 000's) (%)

	Q1, 2013		Q2, 2013		Q3, 2013		Q4, 2013	
	$	%	$	%	$	%	$	%
Insured*	53,541	46.36%	53,087	45.97%				
Uninsured	61,955	53.64%	62,407	54.03%				
Total	115,496	100.00%	115,494	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, 2013 $	Q1, 2013 %	Q2, 2013 $	Q2, 2013 %	Q3, 2013 $	Q3, 2013 %	Q4, 2013 $	Q4, 2013 %
Alberta	insured	623	0.54%	620	0.54%				
	uninsured								
BC	insured								
	uninsured	1,127	0.98%	789	0.68%				
Manitoba	insured	119	0.10%	117	0.10%				
	uninsured		0.00%		0.00%				
New Brunswick	insured								
	uninsured								
Newfoundland	insured								
	uninsured								
Nova Scotia	insured								
	uninsured								
Ontario	insured	14,203	12%	12,777	11%				
	uninsured	21,142	18.31%	20,631	17.86%				
PEI	insured								
	uninsured								
Quebec	insured	38,596	33.42%	39,573	34.26%				
	uninsured	39,686	34.36%	40,987	35.49%				
Saskatchewan	insured								
	uninsured								
Other Jjurisdictions	insured								
	uninsured	-	0.00%	-	0.00%				
Total	insured	53,541	46.36%	53,087	45.97%				
	uninsured	61,955	53.64%	62,407	54.03%				

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.